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The group of signers – including former UN Secretary-General Ban Ki-moon, former Presidents Carlos Alvarado (Costa Rica), Mary Robinson (Ireland), Vicente Fox (Mexico) and Joaquim Chissano (Mozambique), and former Prime Minister Mari Kiviniemi (Finland) – warn that the climate crisis demands bold and equitable solutions. Last year, fossil fuel companies invested more than \$1.1 trillion in fossil fuels last year while spending just 2.5% of capital on clean energy. In the letter, the leaders point to recent Oxfam analysis (https://www.oxfam.org/en/blogs/rich-polluter-profits-tax-could-raise-400-billion-and-help-phase-out-fossil-fuels?__hstc=121853780.3bd24ec25efcce9241f414b7a1aa7671.1755678669924.1758785780950.1758797596916.4&__hssc=121853780.1.1755678669924.1758785780950.1758797596916.4) that found that polluter profits could raise up to \$400 billion in its first year – resources that could be redirected toward renewable energy, adaptation, and protecting communities most at risk.

“For too long, some of the greatest profits in the global economy have come from high emissions and environmental harm, with costs borne by the many, not the few. It is time to put in place permanent taxes on polluter profits so that industries whose emissions threaten all of us pay their fair share to fund the transition, protecting all people and particularly those already facing the most poverty and exclusion, and restoring trust in our shared future.”

“Climate justice demands courage: Taxing fossil fuel profits is an essential step to finance the transition fairly and effectively. A permanent polluter profit tax will not only reduce emissions, but is also critical to promote equality and protect those facing climate and social harms. Progress should happen at the national level—with countries setting examples for others—and at

international settings such as COP30 and the UN Tax Convention.”

Mari Kiviniemi, Prime Minister of Finland (2010-2011) and Club de Madrid Member, said:

“When those who profit from pollution contribute their fair share through efficient and clear taxation, we will unlock the resources for innovation, for sustainable growth, and for rebuilding public trust. Wealthier countries must lead on fair taxation, building trust with the Global South and accelerating a just global transition. International discussions, such as at COP 30 in Belém, should support efforts to build coalitions of willing countries making progress on fossil fuel levies.”

These world leaders point to existing innovations, from windfall taxes imposed during the 2022 oil price crisis to new legislation in Vermont and New York, as proof that fair taxation is both possible and popular. A recent survey commissioned by Oxfam and Greenpeace (<https://www.oxfamamerica.org/press/global-survey-finds-8-out-of-10-people-support-taxing-oil-and-gas-companies-to-pay-for-climate-damages/>) in 13 countries that covered over half the world’s population found eight in 10 people support taxing fossil fuel companies to pay for climate damages.

The letter also calls for polluter profit taxes to be placed on the agenda at the G20 in South Africa, at COP30 in Belém, and in ongoing negotiations for a new UN Framework Convention on International Tax Cooperation. The time has come for wealthier countries to lead by example – ensuring that those with the greatest responsibility and capacity to act contribute to a faster and fairer global energy transition.

The letter was organized by Club de Madrid, the world’s largest forum of democratic former presidents and prime ministers, with the support of Oxfam, a global organization fighting inequality to end poverty and injustice.

/ENDS

Club de Madrid is the world’s largest forum of democratic former Presidents and Prime Ministers, who leverage their individual and collective leadership experience and global reach to strengthen inclusive democratic practice and improve the well-being of people around the world.

Oxfam is a global organization that fights inequality to end poverty and injustice. We offer lifesaving support in times of crisis and advocate for economic justice, gender equality, and climate action. We demand equal rights and equal treatment so that everyone can thrive, not just survive. The future is equal. Join us at oxfamamerica.org.

NOTES TO EDITORS:

The full open letter and list of signatories, which includes 38 former heads of state and government, can be read below or downloaded here (<https://clubmadrid.org/taxing-polluter-profits-a-call-for-fair-climate-finance/>).

24 September 2025

Dear World Leaders,

The climate crisis is a defining challenge of our time. Around the world, communities are experiencing the devastating impacts of extreme weather, biodiversity loss, and shifting economic realities. Millions of people, particularly those already facing poverty and exclusion most, are losing their homes, their livelihoods, and their lives. Outdoor air pollution ([https://www.who.int/news-room/fact-sheets/detail/ambient-\(outdoor\)-air-quality-and-health](https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health)) caused by burning fossil fuels is estimated to cause 4.2 million premature deaths worldwide per year. The UN’s Intergovernmental Panel on Climate Change (https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf) has repeatedly warned that there is a rapidly closing window of opportunity to secure a liveable and sustainable future for all, requiring rapid and far-reaching transitions across all sectors to achieve deep emissions reductions. The International Court of Justice (<https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-sum-01-00-en.pdf>) confirmed that States must use all means at their disposal to prevent activities carried out within their jurisdiction or control from causing significant harm to the climate system.

Addressing this crisis requires solutions that are ambitious, equitable, and grounded in international cooperation. Governments, the private sector, and civil society all have essential roles to play. We have a crucial responsibility to align financial flows with climate goals, accelerate investment in renewable energy, and ensure that resources are mobilised fairly and effectively to meet the needs of all communities.

It is time to consider innovative solutions that can simultaneously establish a clear incentive for companies to shift investment to renewable energy as quickly as possible, while mobilising significant funds to address climate damages and advance both equality and equity. Today, we call on you to consider permanent polluter profit taxes applied to high-emitting industries, designed to ensure contributions come from those with the greatest capacity to pay rather than from ordinary consumers of fossil fuels. With wealthier countries leading by example, these taxes should place the primary responsibility on those with the greatest capacity, not on middle- and low-income communities.

The world invested more than \$1.1 trillion (<https://www.iea.org/reports/world-energy-investment-2025/executive-summary>) in fossil fuels last year, much more than what is needed to meet climate goals. Meanwhile, the oil and gas sector spent only about 2.5% of capital on clean energy technologies, a 25% reduction (<https://www.iea.org/reports/world-energy-investment-2025>) from 2023 figures.

To reduce and repair harm from climate change, and to ensure a fast and just transition, governments will need to regulate effectively and to mobilise extensive resources, estimated (https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/11/Raising-ambition-and-accelerating-delivery-of-climate-finance_Executive-summary.pdf) at US\$6.5-6.7 trillion per year by 2030. Yet governments everywhere are facing fiscal pressures, and communities are experiencing a cost-of-living crisis, which makes raising general taxation politically and socially difficult. At the same time, the cost of inaction is far greater than the cost of transition.

During the oil and gas price crisis in 2022, many governments implemented windfall taxes. We must consider making such approaches permanent. A polluter profits tax modestly applied to normal returns and significantly higher on windfall gains could, if applied just to oil, coal and gas companies, generate up to \$400 billion in its first year (https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/2025-06/Oxfam%20Polluter%20profit%20tax%20methodology%20note_2.pdf). Such measures would establish a clear incentive for companies to shift investment to renewable resources, while raising significant funds to address climate damages. Governments should also phase out fossil fuel subsidies provided to corporations, and re-direct consumer fossil fuel subsidies towards alternative supports and public services that do not incentivise fossil fuel use. These measures should also be complemented by fair taxation on the wealthiest individuals.

Taxing fossil fuel company profits would effectively respond to international commitments, such as those made at COP 28 (https://unfccc.int/sites/default/files/resource/cma5_auv_4_gst.pdf), which include a pledge to transition “away from fossil fuels” and to accelerate the creation of “new and innovative sources of finance, including taxation, for implementing climate action and thus enabling the scaling down of harmful incentives”. Public support for such steps is strong: a global survey of 13 countries comprising more than half of the world’s population found that eight in ten people (https://docs.google.com/presentation/d/1hfcJBKA906tuE_z-mz4JyMIPJkyadd8XxyWX3fAFPI/edit?slide=id.g344009571e0_1_0&__hstc=121853780.3bd24ec25efcce9241f414b7a1aa7671.1755678669924.1758785780950.1758797596) back taxing oil, gas and coal companies to fund climate damages.

On the international stage, Barbados, France, and Kenya, joined by fourteen other countries, are working to build coalitions of the willing (<https://solidaritylevies.org/about/#inquiry>) to apply levies—including on luxury aviation (<https://www.elysee.fr/en/emmanuel-macron/2025/06/30/launch-of-a-coalition-for-premium-flyers-contribution-to-fair-transitions-and-resilience>) and fossil fuels—to mobilise new climate and development finance.

Local innovation is also already underway. In the U.S., the states of Vermont and New York have enacted legislation requiring fossil fuel companies to financially contribute to the costs of adaptation. New York state requires companies to contribute \$75 billion over 25 years, of which 35% must benefit disadvantaged communities. Many other US states are considering such legislation.

We urge you to place the question of fair taxation of fossil fuel company profits firmly on national and international agendas, in upcoming G20 discussions in South Africa, at COP30 in Belém, and in negotiations toward a new UN Framework Convention on International Tax Cooperation (<https://financing.desa.un.org/unfcitc>), including supporting efforts to build coalitions of willing countries making progress on fossil fuel levies. With wealthier countries leading by example, such measures could be transformative, enabling a faster and fairer global transition and strengthening public trust that climate action can deliver tangible benefits for all.

The world has the tools, the knowledge, and the resources to act. What is needed now is the political courage to ensure that those with the greatest capacity contribute their fair share. This will not only advance climate justice but also strengthen the foundations of a more stable, resilient, and prosperous global economy.

Sincerely,

Club de Madrid Members.

1. Carlos Alvarado, President of Costa Rica (2018-2022)
2. Ban Ki-moon, Eighth Secretary General of the United Nations
3. Valdis Birkavs, Prime Minister of Latvia (1993-1994)
4. Kjell Magne Bondevik, Prime Minister of Norway (1997-2000; 2001-2005)
5. Felipe Calderón, President of Mexico (2006-2012)
6. Kim Campbell, Prime Minister of Canada (1993)
7. Laura Chinchilla, President of Costa Rica (2010-2014)
8. Joaquim Chissano, President of Mozambique (1986-2005)
9. Cellou Dalein Diallo, Prime Minister of Guinea (2004-2006)
10. Vicente Fox, President of Mexico (2000-2006)
11. Dalia Grybauskaitė, President of Lithuania (2009-2019)
12. Ángel Gurría, Secretary General of the OECD (2006-2021)
13. Alfred Gusenbauer, Chancellor of Austria (2007-2008)
14. Han Seung-soo, Prime Minister of the Republic of Korea (2008-2009) and Vice President of Club de Madrid
15. Mehdi Jomaa, Prime Minister of Tunisia (2014-2015)
16. Ivo Josipović, President of Croatia (2010-2015)
17. Mari Kiviniemi, Prime Minister of Finland (2010-2011)
18. Milan Kučan, President of Slovenia (1991-2002)
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22. Yves Leterme, Prime Minister of Belgium (2008, 2009-2011)
23. Stefan Löfven, Prime Minister of Sweden (2014-2021)
24. Rexhep Meidani, President of Albania (1997-2002)
25. James Michel, President of Seychelles (2004-2016)
26. George Papandreou, Prime Minister of Greece (2009 – 2011)
27. Andrés Pastrana, President of Colombia (1998-2002)
28. Mary Robinson, President of Ireland (1990-1997)
29. José Luis Rodríguez Zapatero, President of the Government of Spain (2004-2011)
30. Francisco Sagasti, President of Peru (2020-2021)
31. Juan Somavía, Ninth Director of the International Labour Organization (1999-2012)
32. Hannah Suchocka, Prime Minister of Poland (1992-1993)
33. Petre Roman, Prime Minister of Romania (1989-1991)
34. Jigmi Thinley, Prime Minister of Bhutan (2008-2013)
35. Martín Torrijos, President of Panama (2004-2009)
36. Cassam Uteem, President of Mauritius (1992-2002)
37. Leo Varadkar, Prime Minister of Ireland (2017-2020; 2022-2024)
38. Valdis Zatlers, President of Latvia (2007-2011)

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