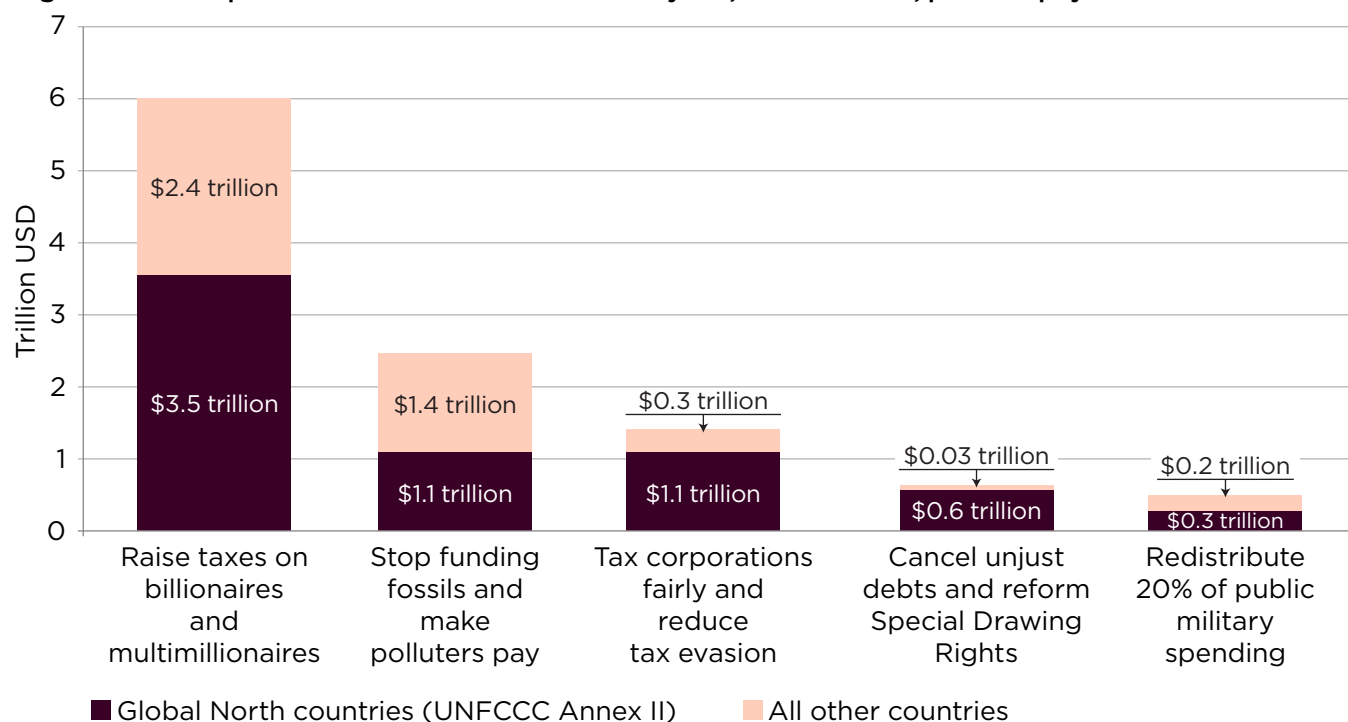


# WE CAN PAY FOR IT:

How rich countries can unlock  
public funds for climate justice  
at home and abroad

**Figure 1: Annual public finance that can be raised by fair, redistributive, polluter-pays measures.**



Source: Oil Change International analysis of various sources (see Table 1).

A rapid and globally just energy transition to 100% renewable energy is affordable, achievable, and necessary. The fossil fuel companies and financial institutions who have profited from the climate crisis are not delivering an energy transition.<sup>1</sup> We need public planning and funding to lead the way.

The Global North countries that have caused the vast majority of climate damage have a legal and moral responsibility to pay their fair share of these costs globally. Equity and needs-based assessments consistently estimate their bill as trillions of grant-based finance per year.<sup>2</sup>

**Figure 1** and **Table 1** detail policies Global North countries can use to unlock **USD 6.6 trillion per year** for climate finance and other urgent public goods like housing, healthcare, international development, and education.<sup>3</sup> This agenda would have a double impact towards a more equitable, climate-safe, and prosperous world: securing funding to address climate, social, and economic crises while also shifting wealth and power away from the harmful actors like fossil fuel companies that are driving them.

**Figure 1** and **Table 1** also show that if *all* countries adopted these fair, redistributive, and polluter-pays measures it would raise a total of **\$11 trillion per year**. However, the rules governing financial flows (our “global financial architecture”) are an obstacle to many Global South countries pursuing them. For example, trade agreements and more binding

and punitive conditions from creditors or the International Monetary Fund have prevented many countries from increasing corporate, wealth, and resource extraction taxes.<sup>4</sup> Global North countries have outsized control of the global financial architecture and continuously block reforms that their peers are proposing that would allow more of these levers to be used by all. Just eight Global North countries have been blocking the shift of tax rules from the OECD system they govern to a more democratic UN convention that would give countries more tax sovereignty and tools to crack down on tax evasion.<sup>5</sup> **To unlock the full \$11 trillion amount, Global North countries will need to stop blocking fair global financial architecture reforms.**

These totals are also far from exhaustive: most Global North countries have further monetary and fiscal policy levers like quantitative easing not included below. We saw these in action with the \$16 trillion mobilized as public COVID stimulus in 2020-2021.<sup>6</sup> As with many of the measures included in **Table 1**, these levers are also constrained in the rest of the world by the current global financial architecture.<sup>7</sup> Much worse lending terms and conditions from creditors meant most Global South countries were not able to fund similar recovery packages in response to the pandemic. In contrast, wealthy governments were able to borrow quite cheaply and in their own currencies.<sup>8</sup>

**Table 1: Measures for countries to raise public funds for climate finance obligations as well as other domestic and international public interest priorities (USD).**

Category	Measure	Annual Amount (Global North / Annex II Countries)	Annual Amount (Global)
<b>Tax the Rich</b>	<b>Progressive wealth tax<sup>9</sup></b> on multi-millionaires and billionaires.	\$3.53 trillion	\$5.97 trillion
<b>Make Polluters Pay</b>	<b>Stop funding fossils.<sup>10</sup></b> Equitably end subsidies for fossil fuels.	\$331 billion	\$1.03 trillion
	<b>Climate Damages Tax on fossil fuel extraction.<sup>11</sup></b>	\$343 billion	\$802 billion
	<b>Savings from avoidable highway and road expansion.<sup>12</sup></b>	\$243 billion	\$367 billion
	<b>Frequent flyer levy on aviation.<sup>13</sup></b>	\$81 billion	\$121 billion
	<b>Levy on international maritime shipping.<sup>14</sup></b>	\$89 billion	\$127 billion
<b>Fair Corporate Taxes</b>	<b>Minimum corporate tax rate of 25%<sup>15</sup></b>	\$412 billion	\$479 billion
	<b>Crackdown on tax evasion.<sup>16</sup></b>	\$343 billion	\$492 billion
	<b>Financial transaction tax.</b> 0.5% on sales of investments like stocks, bonds and derivative contracts. <sup>17</sup>	\$312 billion	\$426 billion
<b>Defund War</b>	<b>Redistributing 20% of public military spending<sup>18</sup></b>	\$280 billion	\$493 billion
<b>Debt Justice</b>	<b>Issue and redistribute additional Special Drawing Rights,</b> or a new multilateral non-dollar currency <sup>19</sup>	\$500 billion	\$500 billion
	<b>Cancel debt payments owed by low and lower middle income governments.</b> For external public and publicly guaranteed debt. <sup>20</sup>	\$108 billion	\$142 billion
<b>TOTAL</b>		<b>\$6.57 trillion</b>	<b>\$10.94 trillion</b>

This \$6.6 trillion per year policy package is modest relative to the dramatic redistribution of wealth towards fossil fuel companies, billionaires, corporations, and militaries in the last decade. The richest 1% of people accrued at least \$42 trillion in new wealth 2015-2025 while fossil fuel companies posted record returns.<sup>21</sup> It would take more than six years of Global North countries implementing these redistributive measures to return to something near pre-pandemic levels of wealth distribution.

Without action, escalating inequality is set to continue. In one year alone, our estimate of the funds that would be raised by Global North countries implementing the ‘We Can Pay For It’ policy package has grown by nearly a quarter (24%) from \$5.3 to \$6.6 trillion. This has been driven by improvements in data and literature availability as well as increases in the wealth held by the super rich and increased handouts to fossil fuel companies and militaries.<sup>22</sup>

The global financial architecture has been in the spotlight in most major international political fora in the past few years in recognition that it is a major driver of growing economic inequality, unfair sovereign debt crises, and climate disasters. Similar debates about domestic finance policies are underway in many countries.

**As a result, there is significant momentum towards many of these proposals:**

- The United Kingdom, Ghana, Algeria, Uganda and 15 European Union countries have implemented increased taxes on oil and gas company profits ranging from 35% to 80% once above a certain threshold.<sup>23</sup> In many cases there is ongoing work to strengthen these or to make them permanent as many were introduced as temporary measures following high oil and gas prices in 2021.
- In 2024 countries voted to form a UN Convention on Tax to replace our current patchwork system with global, equitable tax

- rules. This includes coordination to prevent tax evasion and establish effective wealth and corporate taxes.<sup>24</sup>
- The Africa Group and Alliance of Small Island States are leading similar efforts to establish a UN Framework Convention on Sovereign Debt as a democratic and comprehensive alternative to the patchwork and creditor-run rules currently governing global debt.<sup>25</sup> Eleven countries also formed a ‘Borrowers’ Club’ in July 2025 to coordinate on debt renegotiations with creditors.<sup>26</sup>
  - In 2021, 40 countries and public finance institutions signed onto the Clean Energy Transition Partnership (CETP) to end public finance for international fossil fuel projects and fully prioritize their public finance for the just energy transition.<sup>27</sup> This initiative is showing promise, with signatories’ international fossil fuel finance falling by at least two-thirds compared with the 2019-2021 average prior to the agreement. However, this has not yet translated to an equivalent increase in international public finance for clean energy.<sup>28</sup>
  - In April 2025, the International Maritime Organization (IMO) approved a levy on carbon emissions from international shipping expected to raise around \$10 billion per year starting in 2028.<sup>29</sup> While this is a historic agreement to regulate an industry previously excluded from domestic and international climate policies, it fell short of more ambitious proposals that would have set a higher levy and earmarked raised funds to combat the climate crisis.<sup>30</sup>
- Governments need to increase the pace and ambition of policy reform considerably to unlock the scale of public funds laid out above. In particular, Global North countries need to pursue these measures at home while supporting efforts to agree global financial architecture reforms in multilateral settings. Further public pressure, deeper multilateral cooperation among governments championing these proposals, and linking the fair finance and climate action agendas at the global level can help unlock further ambition. This will benefit *all of us*, unlocking the public funding required to build an equitable future where everyone can meet their basic needs.

## ENDNOTES

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