

SEPT 16 Action| #Tax Justice for #ClimateJustice

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When: Monday 16 September

Where: Worldwide

Main call: Tax justice will deliver climate finance, address polluters' emissions, and catalyse the just transition!

Organisers: GATJ, TJNA, RJFALC, Latindadd, Eurodad, APMDD, TAFJA, TJN, CESR, CAN International, RR

Tax justice and climate justice are deeply interconnected. The same polluters who are causing the climate crisis are committing tax abuse - reducing the capabilities of countries to address this crisis. The introduction of progressive taxation and tackling illicit financial flows will strengthen the ability of all Global South countries to mobilise financial resources. Global North will gain more resources which must be used to deliver on their international climate finance obligations to the Global South. At same time, it can enable a coordinated approach towards surcharging the profits of fossil fuel industries, thus catalysing a just and equitable energy transition.

Decades of Global North dominance in setting international tax rules have led to a system that deepens inequalities, between and within countries, and that fails to secure the financing so urgently needed to deliver on climate justice, human rights, equality, environmental protection, development, and more. Trillions are hidden in tax havens with hundreds of billions USD lost every year from tax abuse. And the Global South is losing out in this unjust global tax system. At a moment when the Global North owes urgent and significant climate finance to the Global South, recovering lost revenues is a question of tax and climate justice: this is the real money that could and must contribute to climate finance in the Global South.

The current international corporate tax rules are particularly problematic for Global South countries when it comes to taxation of extractive industries. This system creates avenues for extractive industries to shift their profits to offshore jurisdictions depriving countries from crucial domestic revenues. Given that the current international system - known as the transfer pricing system - relies on pricing of transfers between affiliated entities of corporations, extractive industries can shift profits by underquoting the value of natural resources when they are exported from the countries of extraction. In a [working paper](#) published by the IMF, researchers have estimated the annual global tax loss in the extractive sector at US\$44 billion per year. Furthermore, they highlight that "[l]arge revenue losses are more frequent in low income and developing countries" and that "revenue losses are largest in emerging markets". The host countries in the Global South, in contrast, remain with little tax revenues and a devastated environment. And still, the little revenues are often an important income for affected countries, deepening their dependency on natural resource and fossil fuels extraction, cementing their 'resource curse'.

The fossil fuel industry bears particular responsibility for the worsening climate and ecological crises. The industry is bringing in historically unseen high net incomes: in 2022 alone, the [revenues of the oil and gas industry soared to at least \\$4 trillion](#) from an average of \$1.5 trillion in recent years. In terms of profits, [Shell,](#)

[Chevron, ExxonMobil and TotalEnergies](#) alone announced a total profit of over US\$ 150 billion in 2022. While 2022 was an unusual year, the profits of these four corporations remained over US\$ 100 billion in 2023. And as the EU has introduced a temporary [excess profit tax](#) - or “solidarity contribution” - on the profits of fossil fuel industries, there is currently no global initiative to introduce a permanent polluter pays tax on fossil fuel profits.

This fossil fuel industry rent comes at the expense of a safe climate, with everyone bearing the costs, and vulnerable communities in the Global South hit the hardest. Current environmental taxation policy largely targets consumers. There is an urgent need for more aggressive climate action which targets the core of the industries’ business models: a permanent pollution surcharge that channels back parts of the industries profits to society and steer its business towards sustainable activities. The polluters must pay.

[The richest 1% have burned through more than twice as much carbon](#) as the bottom half of humanity since the 1990s. In 2019, the super-rich - top 1% - were responsible for 16% of global carbon emissions, which is the same as the emissions of the poorest 66% - 5 billion people. It is a crucial question of climate equity that the super-rich pay a fair amount of taxes on their wealth and income. This will cut carbon emissions, address inequality, and provide public resources to fund renewable energy and the just transition.

Opportunity for the world’s first truly global, fair, green, effective, and inclusive agreement on international tax cooperation. Today, there is a historic opportunity to rebuild the architecture of the global tax system. In August 2024, the UN finalised the [Terms of Reference](#) for a new UN tax convention (‘UN Framework Convention on International Tax Cooperation’) to be finalised by the end of 2027. The aim is to establish a “international tax system for sustainable development”, and the agreement opens up an avenue towards binding global rules that can ensure equitable taxation of multinational corporations, effective taxation of the super-rich (high-net worth individuals) and international tax initiatives to promote sustainable development, including environmental protection.

Time has come to end the exploitation of the public purse by multinational corporations, the ultra-rich and the polluters. This is why we are holding a global day of action calling for **tax justice for climate justice. Join us for social media actions and a webinar as we raise our demands.**

OUR COMMON DEMANDS

Organisations are invited to build on these demands by joining in with their own expertise. Together, let’s advance the fight for climate and tax justice!

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| 1. | Tax the elites and corporations, deliver your climate finance obligations!
Multinational corporations and wealthy elites must pay their fair share of taxes. The Global North must use this to deliver on their climate finance obligations to the Global South. |
| 2. | Tax polluters and profiteers, finance a just transition to a fossil fuel free future!
Polluters must pay for the damage they are causing - particularly to the Global South - and deliver urgently needed finance for the just transition! |

3.	End fossil fuel subsidies and harmful tax incentives Harmful tax incentives are worsening the climate crisis and must be ended in an equitable and socially just manner.
4.	UN Tax Convention Now! Countries must adopt a UN Tax Convention to rectify the flaws in the international tax system that enable tax abuse and illicit financial flows, particularly in the extractives sector. A UN Tax Convention is needed so that multinational companies pay their fair share and that all countries have a fair allocation of taxing rights while providing for full transparency around corporate taxation and private wealth.
5.	Carbon and Environmental Tax Justice at the core Carbon and Environmental Tax Justice has to be guaranteed, addressing equity aspects of who has historically caused and is causing environmental damage, and who is suffering the most from degradation of our planet. This includes the principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR – RC) and the polluter pays principle. Under both CBDR-RC and the polluter pays principles, the Global North must urgently deliver on their climate finance obligations to the Global South
6.	Reflect Tax Justice in the New Climate Finance Goal Negotiations on a New Collective Quantified Goal on Climate Finance (NCQG) should advance tax justice and the polluter pays principle within the frame of common but differentiated responsibilities and respective capacities (CBDR-RC).

HOW TO GET INVOLVED

1. JOIN OUR WEBINAR

The Interconnectedness of Climate & Tax Justice

Regional and global perspectives on what's to gain and what needs to happen to deliver on climate & tax justice

When: 16th September from 12:00-13:00 UTC

Where: Online

Registration link: <https://bit.ly/taxjusticeday>

Blurb: Speakers from across the world will come together to discuss the deep interconnections between climate and tax justice. At a moment when climate finance is urgent, why are we losing billions a year in tax revenues? How will taxing the elites and polluters allow countries to raise the public funds necessary for climate justice - particularly for Global North countries who must deliver on their climate finance obligations? What is the role of polluting industries in tax justice - are polluters paying?

Speakers: Lidy Nacpil (AMPDD), Carola Mejía (Latindadd), Solomon Mwampikita (CTPD Zambia), Markus Trilling (Eurodad); Moderation: Alexandra Wenzel (GATJ)

The webinar will have translation in Spanish, French, and English.

Sample Social Media Post for the Webinar

 Webinar: The Interconnectedness of Climate & Tax Justice

At a moment when climate finance is urgent, why are we losing billions a year in tax revenues? How will taxing the elites and polluters allow countries to raise the public funds necessary for climate justice - particularly for Global North countries who must deliver on their climate finance obligations? What is the role of polluting industries in tax justice - are polluters paying?

Speakers from across the world will come together to share perspectives on how the tax and climate justice movements can work together.

 When: 12:00-13:00 UTC on Monday, September 16th

 Register here: <https://bit.ly/taxjusticeday>

2. JOIN OUR SOCIAL MEDIA ACTION

All day on the 16th, we invite you to share messages on social media on the link between climate + tax justice. Below are sample posts but we also encourage you to develop your own messages. When posting, use the [graphics](#) along with the hashtags:

#TaxJustice for #ClimateJustice ! #UNTaxConvention #EndFossilFuels #PayUp

Sample Tax Justice Day Posts

 Tax the rich!

Taxing multinational corporations & the ultra-wealthy will unlock billions of dollars in tax revenues which can provide sustainable climate finance

#PayUp for #ClimateJustice



We need the fair & effective taxation of the fossil fuel industry to:

- provide crucial tax revenues for climate justice, including financing for Global South countries
- #PayUp the polluter pays principle says that those who have caused climate crisis should pay for the costs



Tax polluters and profiteers, finance a just transition to a fossil fuel free future!

The extractives industry makes historic profits at the expense of our people & our planet. It's time to #PayUp and tax the extractives industry for #ClimateJustice



STOP subsidising fossil fuels!

Fossil fuel subsidies & harmful tax incentives worsen the climate crisis while making the polluters rich.

It's time to deliver on #ClimateJustice + #TaxJustice

 Tax havens hide BILLIONS of dollars that should be used to fund climate action

There is no lack of money - only a lack of #TaxJustice & #ClimateJustice

Why is a  #UNTaxConvention needed for #ClimateJustice ?

- to end the tax abuse & IFFs by corporations & elites which drains the resources need for climate action - and support the delivery of the Global North's climate finance obligations
 - the climate crisis deepens inequalities within + between countries - progressive tax systems are a tool to fix this
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 There is sustainable finance for #ClimateJustice

The #UNTaxConvention will finally give countries the ability to tax the profits of multinationals + raise the revenues required to deliver on #ClimateJustice



 Countries lose over \$1 BILLION USD a day to global tax abuse

 That means OUR countries are losing critical finance for #ClimateJustice, development, + infrastructure.

  We need a #UNTaxConvention to fix this and deliver on #ClimateJustice!

 What is Environmental #TaxJustice ?

- Common but differentiated responsibilities + respective capabilities (CBDR+RC)
 - Polluter pays principle: those who are causing the climate crisis must bear the cost!
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Climate Finance through #TaxJustice

The New Collective Quantified Goal on Climate Finance (NCQG) should support a #UNTaxConvention which can & will mobilise additional climate finance



Global South countries face the worst impacts of the climate crisis yet have done the least to cause it.

Our countries urgently need climate finance but lose the greatest share of revenue to tax abuse
🏠 We need #TaxJustice for #ClimateJustice

CAMPAIGN COLLATERALS

DETAILS	DESCRIPTION
Graphics	Find graphics here - editable graphics here
Resources	• Make Polluters Pay - how to tax excessive ecological footprints, Eurodad • Tributaci3n ambiental, financiamiento clim3tico y flujos il3citos en Am3rica Latina, Latindadd • Financing Africa's Climate Action: A Tax Justice Perspective, TJNA & TJN • The Principles of Tax Justice for Climate Action in Africa, TJNA • Delivering climate justice using the principles of tax justice, TJN