A NON-EXHAUSTIVE LIST OF INNOVATIVE SOURCES THAT DEVELOPED COUNTRIES CAN MOBILISE TO MEET THEIR OBLIGATIONS TO FILL THE FUND FOR RESPONDING TO LOSS AND DAMAGE

At the seventh meeting of the Board (B7) of the Fund for Responding to Loss and Damage (FRLD / Fund), the Board must agree a long term resource mobilisation strategy for the Fund. The primary source of Loss and Damage finance for the FRLD must be public grant based funds from developed countries. This is inline with the obligations under Article 9.1 of the Paris Agreement, to provide financial resources to assist developing country Parties, the principles of equity and common but differentiated responsibilities and capabilities (CBDR-RC), as well as the obligations underscored by the Advisory Opinions on climate change from the International Court of Justice (ICJ) and Inter American Court of Human RIghts (IACHR) relating to international cooperation and reparations.

To raise public finance, developed countries, in line with Article 9.3 of the Paris Agreement, must take the lead in mobilizing climate finance from a wide variety of innovative sources. Mobilised innovative sources must be new, fair and redistributive, predictable, publicly-controlled and follow the polluter-pays and pro poor principles. When mobilising innovative sources, developed countries must also take into account the impacts that levies and other taxes may have on developing countries and respect their right to development. The FRLD must also receive grants directly from a wide variety of innovative sources, taking into account the aforementioned principles and considerations on impacts to developing countries. However, where there is a shortfall of funds raised directly from innovative sources, developed countries make up the gap.

The table below provides a non-exhaustive list of innovative sources for Loss and Damage finance, the total revenue that each source could generate for climate action and the allocation for Loss and Damage. It shows that an estimated total of at least **4.8 trillion USD** can be mobilised for Loss and Damage finance each year. This table builds on the important work done by Oil Change International on identifying sources of climate finance.

Table 1: Innovative Sources of Loss and Damage Finance

INNOVATIVE SOURCE	TOTAL REVERNEW FOR CLIMATE ACTION (average per year with high and low range)	POTENTIAL ALLOCATION TO LOSS AND DAMAGE FINANCE (at one third of mean global revenue per year) (billion USD)

Climate Damages Tax / Fossil fuel extraction levy	384 billion USD [150 billion USD to 618 billion USD] [1,2]	128
Cap and share system	over 5 trillion USD [3]	1666.6
Wealth tax	2920 billion USD [200 billion to 5.64 trillion USD] [4,5,6,7,8]	973.3
Minimum corporate tax	475 billion USD (global) [395 billion USD (annex II)]	158.3
Tax on maritime shipping	1030 billion USD [60 billion USD to 2 trillion USD] [9,10,11,12,13,14,15,16,17]	343.3
Windfall tax on fossil fuel profits	A A 90 percent tax windfall profits could raise close to 382 billion USD (in 2023)[18]	127.3
Air passenger levy	84 billion USD [4 billion USD to 164 billion USD] [19,20,21]	28
Financial Transactions Tax	211.9 billion USD [5 billion USD to 418.8 billion USD] [22,23,24,25,26,27,28]	70.6
Fossil fuel subsidy phase out	245 billion USD [29,30,31]	81.6
Redirect / reissue Special Drawing Rights (SDRs)	255.8 billion USD [11.6 billion USD to 500 billion USD]	85.2
Tax on Stock Buyback	A 1% tax is expected to raise about 74 billion USD for the next 10 years [32]	24.6
Taxing private jet operation	1.63 billion USD (in the UK alone) [33]	0.54
Air Passenger Duty for private jets / Superyacht Ownership Tax	1.12 billion USD (in the UK alone) [34]	0.37
A levy on private jet fuel	5.045 billion USD [4.26 billion USD to 5.83 billion USD] [35]	1.68
Stop Funding Fossils	846 billion USD [36,37]	282
Savings from avoidable highway and road expansion	395 billion USD [39]	131.6
Corporate Rate Tax	475 billion USD [39, 40]	158.3
Cracking down on tax evasion.	483 billion USD [41, 42]	161
Tax on sales of of big technology, arms, and luxury fashion companies	112 billion USD [43]	37.3
Redistributing public military spending	454 billion USD [44]	151.3

Cancel debt	142 billion USD [45]	47.3
Levy on plastics	425 billion USD [350 billion USD to 500 billion USD] [46]	141.6
TOTAL		**4799.79**

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