

‘Polluters must pay’: UN chief calls for windfall tax on fossil fuel companies

António Guterres said money raised should be diverted to vulnerable nations suffering losses caused by climate crisis



António Guterres’s appeal to the UN general assembly came in his most urgent speech to date on the state of the planet. Photograph: Brendan McDermid/Reuters

Oliver Milman and Julian Borger in New York

Tue 20 Sep 2022 20.08 BST

Countries should impose windfall taxes on fossil fuel companies and divert the money to vulnerable nations suffering worsening losses from the climate crisis, the **United Nations** secretary general has urged.

António Guterres said that “polluters must pay” for the escalating damage caused by heatwaves, floods, drought and other climate impacts, and demanded that it was “high time to put fossil fuel producers, investors and enablers on notice”.

“Today, I am calling on all developed economies to tax the windfall profits of fossil fuel companies,” Guterres said in a speech to the UN general assembly on Tuesday. “Those funds should be redirected in two ways – to countries suffering loss and damage caused by the climate crisis and to people struggling with rising food and energy prices.”

Guterres’s appeal came in his most urgent, and bleakest, speech to date on the state of the planet, and the will of governments to change course.

His first words were: “Our world is in big trouble.”

“Let’s have no illusions. We are in rough seas. A winter of global discontent is on the horizon, a cost-of-living crisis is raging, trust is crumbling, inequalities are exploding and our planet is burning,” he told the assembly. “We have a duty to act and yet we are gridlocked in colossal global dysfunction. The international community is not ready or willing to tackle the big dramatic challenges of our age.”

The lacerating speech, delivered at the UN headquarters in New York, echoes calls from activists, **and the European Union**, to tax major oil and gas firms currently enjoying record profits in the wake of Russia’s invasion of Ukraine. In July, Exxon announced it had made a record quarterly profit of \$17.8bn, while Chevron unveiled its own three-month record profit, of \$11.6bn. BP, meanwhile, made a \$8.5bn profit in the same period.

Under Guterres’s proposal, revenue from the taxes would flow to predominantly developing countries suffering “loss and damage” from global heating, to be invested in early warning systems, mopping up from disasters and other initiatives to build resilience. Vulnerable countries are poised to leverage the UN general assembly week **to ask rich nations for a “climate-related and justice-based” global tax** to pay for loss and damage.

Guterres has previously accused governments of having an “addiction” to fossil fuels and has called new investments in oil, coal and gas “moral and economic madness”.

But his speech on Tuesday was particularly pointed, delivered on the grand dais of the general assembly and following the secretary general’s recent visit to

Pakistan, where floods from what he called “a monsoon on steroids” have **submerged a third of the country and displaced millions of people.**

“Our planet is burning,” Guterres said, calling on world leaders to to end their “suicidal war against nature”.

“The climate crisis is the defining issue of our time,” he added. “It must be the first priority of every government and multilateral organization. And yet climate action is being put on the back burner – despite overwhelming public support around the world.”

“We have a rendezvous with climate disaster ... The hottest summers of today may be the coolest summers of tomorrow. Once-in-a-lifetime climate shocks may soon become once-a-year events. And with every climate disaster, we know that women and girls are the most affected. The climate crisis is a case study in moral and economic injustice.”

Governments must stage an “intervention” to break their addiction to fossil fuels, Guterres said, by targeting not only the extractive companies themselves but the entire infrastructure of businesses that support them.

“That includes the banks, private equity, asset managers and other financial institutions that continue to invest and underwrite carbon pollution,” said the secretary general.

“And it includes the massive public relations machine raking in billions to shield the fossil fuel industry from scrutiny. Just as they did for the tobacco industry decades before, lobbyists and spin doctors have spewed harmful misinformation. Fossil fuel interests need to spend less time averting a PR disaster – and more time averting a planetary one.”

Guterres said it was “high time to move beyond endless discussions” and deliver finance for vulnerable countries and for wealthy nations to double adaption funding by 2025, as they promised to do at UN climate talks in Scotland last year. A further round of talks, known as Cop27, will take place in Egypt in November, in which loss and damage is set to be a central issue.

Although governments have agreed to restrain global heating to 1.5C above pre-industrial times, almost all countries are lagging in their efforts to cut

greenhouse gas emissions quickly enough to avoid this level of heating and therefore avert catastrophic climate impacts.

Emissions have already rebounded to pre-pandemic levels and **an analysis this week showed** there are plenty of known fossil fuel reserves in the world still left to burn – enough to unleash 3.5tn tons of greenhouse gases, which would smash the carbon budget before we get to 1.5C seven times over.

UN chief: 'Tax fossil fuel profits for climate damage'

By Matt McGrath

Environment correspondent

• Published

7 hours ago



• Floods in Pakistan have caused misery for millions

Windfall profits made by fossil fuel companies should be taxed to pay for climate damage, according to the UN Secretary General.

Antonio Guterres told the General Assembly that polluters should pay for the impact of climate-related events.

This question of who funds these losses has long dogged international negotiations.

Poor countries say the rich should pay because of their historic carbon emissions.

But richer nations reject any calls for compensation.

Arguments over this question are likely to dominate discussions at the forthcoming COP27 summit in Egypt.

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As world leaders gather for the UN General Assembly in New York this week, there's no shortage of critical issues on their agenda.



Mr Guterres recently visited Pakistan, a country he said was "submerged by a monsoon on steroids"

From the war in Ukraine, to food and energy shortages and cost-of-living crises, "a global winter of discontent" is on the horizon, according to Mr Guterres.

Central to that is the question of climate change, which the Secretary General believes to be the defining issue of our time. It is a case study in moral and economic justice, he says.

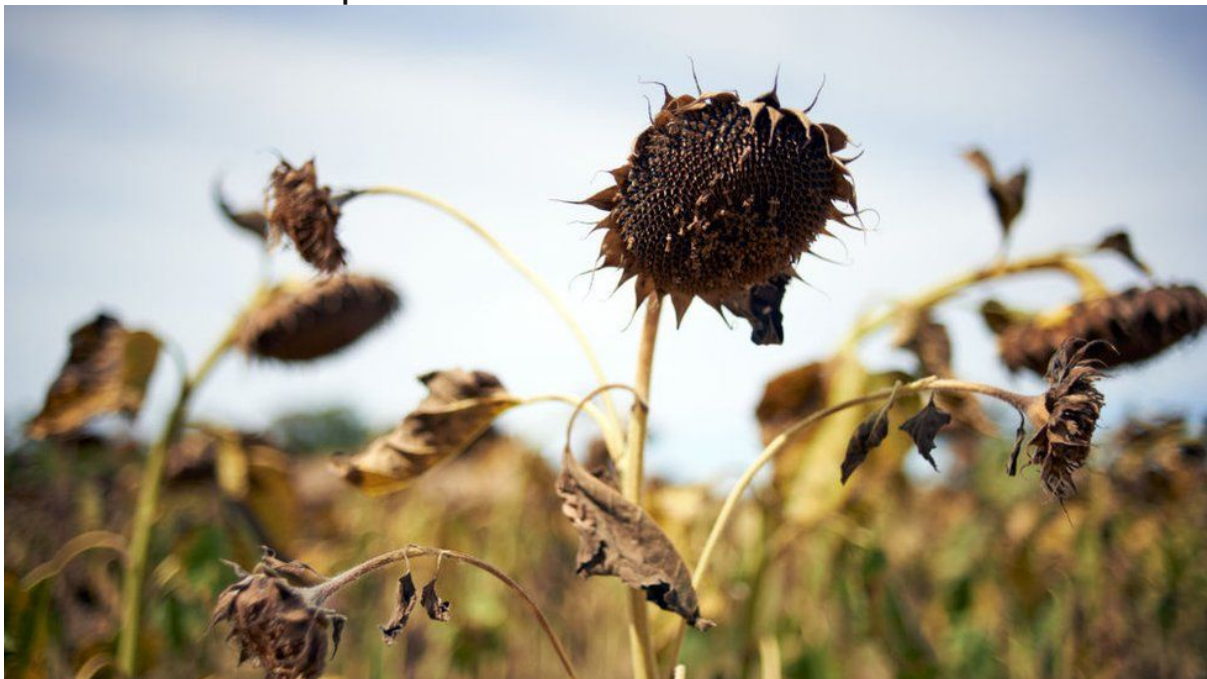
Having recently seen the devastating **flooding in Pakistan** for himself, Mr Guterres is now doubling down on the need for the rich world to urgently address the demands of the poor.

And there's little doubt whom he believes is responsible for the world's climate emergency.

"The fossil fuel industry is feasting on hundreds of billions of dollars in subsidies and windfall profits while household budgets shrink and our planet burns," he told the Assembly.

"Today, I am calling on all developed economies to tax the windfall profits of fossil fuel companies. Those funds should be re-directed in two ways: to countries suffering loss and damage caused by the climate crisis; and to people struggling with rising food and energy prices."

The question of who pays for the impact of climate change that poorer countries cannot adapt to has been a bone of contention between rich and poor for more than a decade.



Climate impacts in rich countries are hitting food production, such as sunflower production in France

Richer nations baulk at the idea of paying "compensation" for their historic emissions of carbon dioxide which have driven up temperatures.

Mr Guterres' team are quick to point out that the Secretary General is not talking about reparations or a funding facility. They believe the money could be used for practical steps - such as early warning systems - that would benefit struggling nations.

But warning systems alone won't cut much ice with small island and developing states, which believe this issue of loss and damage funding is fundamental to their survival.

According to **newspaper reports**, some of the world's poorest countries have prepared a discussion document for this week's gathering in New York that looks to a "climate-related and justice-based" global tax as a means of raising finance.

Among the options are a carbon tax, a tax on airline travel and a levy on the heavy oils used in shipping.

It is unlikely that these proposals will be adopted - and the long-running battle over loss and damage will continue at COP27 in Sharm el Sheikh in November.

Developing countries will continue to push strongly for faster progress on finance for loss and damage, and they will at least have moral support from the UN Secretary General.

At COP26 in Glasgow, all countries agreed that there should be a new framework on this issue, but there was no agreement on how it should be funded.