

**THE TIME IS
NOW
FOR CLIMATE
JUSTICE**



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faith
for the
climate

Climate Justice:

how does finance play a role?



Guinea - rural women's cooperative generates income and improves community life, photo: UN Women/Joe Saade

We are facing climate breakdown. At COP21 in Paris in December 2015, the parties to the [United Nations Framework Convention on Climate Change](#) (UNFCCC) reached a [landmark agreement](#) (the Paris Agreement) to limit global temperature rises to under 2°C and to pursue efforts to stay within 1.5°C. Yet five years later, global temperature rises are on track to reach a catastrophic 3°C.

[The UK has a huge historical 'carbon debt'](#) – it is responsible for more of the greenhouse gases in the atmosphere than most other countries, and its wealth has been built on fossil fuel energy. Excessive extraction of natural resources, mostly benefiting rich countries, has caused immense

damage to people and nature. Those who are least responsible for the climate crisis are suffering first and most. This is an immense moral wrong.

Money is not the whole solution to this crisis – but unless we start directing money away from fossil fuels and into clean energy and addressing climate impacts, all our governments' pledges will be hollow.

Faith groups have a powerful responsibility to take action on climate, both because of our engagement with the poorest communities around the world who are already suffering most, and because the climate crisis is an existential threat. It affects humanity at the deepest level, raising profound questions about our relationship with the living world. We must all try to find the moral courage to confront these questions, and to transform ourselves and our society.

In this briefing we set out two finance issues that we need your help to act on. We outline what the problem is, why we must act, what we are calling for and what we can do.

1. Paying for the damage done by climate chaos

Climate change isn't just a future threat. It's already destroying homes, lands and livelihoods around the world. We need to rapidly cut emissions to zero and put money into adapting to global climate impacts – but there are some impacts no one can adapt to.

These impacts are known as 'loss and damage'. They include long-term impacts like sea-level rises as well as severe extreme weather events like Cyclone Idai, which killed more than 1,000 people, left 400,000 homeless and destroyed 700,000 hectares of crops when it [struck Mozambique in 2019](#). International fundraising appeals raised less than 50% of their target, forcing Mozambique to [borrow from international institutions](#). Many other countries are trapped in a similar spiral of worsening climate impacts which they cannot address because of the burden of debt.

Loss and damage also includes 'non-economic losses': that means things

you can't put a price on, like biodiversity, sacred lands, cultural monuments or local traditions.

The Paris Agreement recognises the need for action to address climate loss and damage, but there has been no progress on agreeing how this should be funded. It's a big problem in the UN climate negotiations, because the rich countries whose polluting activities have caused the crisis don't want to pay.

Lots of people of all faiths and none give to charity appeals when disasters happen. Most of us want to help people in distress. But it's important to recognise that loss and damage finance isn't a matter of charity – it's a matter of justice. Rich countries like the UK, which have built their wealth on fossil fuel energy and resources from other countries, owe a huge moral debt to those countries who are now bearing the brunt of climate impacts. Fossil fuel companies have known their activities were causing climate change since the 1970s, and they have [spent millions on hiding this from the public](#).

What action is needed?

We need a global climate loss and damage fund of at least \$75bn a year – and this need is likely to rise as climate impacts get worse. That money doesn't have to come from national budgets – experts on loss and damage finance have suggested a range of possible new sources of finance, including a global tax on fossil fuel extraction or a tax on flying. Cancelling the debt of poorer countries experiencing climate-related disasters would also help free up funding where it is needed. It's important that the money comes from those who have caused the problem – this is called [the 'polluter pays' principle](#).

The UK can't solve the problem of loss and damage finance on its own, but as a powerful country and host of COP26, it can play a big role. At the moment, the UK government doesn't want to talk about loss and damage finance, but if enough people speak out, we can force the issue into the open.

We are calling on the UK government to:

- commit to supporting the creation of an international loss and damage fund (or 'climate damages fund')
- support exploration of new sources of finance which are in line with the 'polluter pays' principle
- ensure that progress is made on delivering support to address loss and damage at COP26.

Where can I find out more?

The International Institute for Environment and Development has produced a [podcast](#) on loss and damage, as well as [a series of short animations](#).

The [Climate Damages Tax report](#) from Stamp Out Poverty introduces one possible source of funding.

For a more detailed look at the issues, try this 90-minute [webinar](#) hosted by Robin Hood Tax.

2. Ending public funding for fossil fuels

Burning fossil fuels currently accounts for two thirds of global greenhouse gas emissions. To stay within 1.5°C of warming, a rapid transition away from fossil fuels will be critical.

The UK government has made a number of legal commitments to address climate breakdown. However, it is still heavily invested in fossil fuels. Since the Paris Agreement was signed, [£3.875bn of UK public funding has supported fossil fuel projects overseas](#). This funding has taken the form of fossil fuel subsidies. Fossil fuel subsidies are ['any government action that lowers the cost of fossil fuel energy production, raises the price received by energy producers, or lowers the price paid by energy consumers.'](#)

As people of faith, we have an important role to play in calling for an end to fossil fuel subsidies, drawing on our shared traditions of love, truth and integrity.

Love asks of us that we look after one another. Fossil fuel subsidies are public money, used to prop up a failing and deeply damaging industry: burning fossil fuels leads to negative public health impacts and [billions of pounds of costs dealing with climate disasters](#). What if we invested in health, access to affordable clean

energy, and supporting fossil fuel workers into other jobs instead?

Truth and integrity ask of us that we do what is right and that we hold institutions accountable. Subsidies make it cheap to pollute – and the poorest people around the world face the worst impacts of that pollution. We have a responsibility to prevent this from happening. We also need to ensure that the wealthy nations and institutions who caused the problem pay for the harm they have caused.

What action is needed?

In December 2020, the UK government finally [announced it would end direct government support for the fossil fuel energy sector overseas](#). This announcement followed years of work by climate campaigners. It's a significant first step, but there are many more to take!

We are calling on the UK government to:

- undergo peer review of its financial support for fossil fuels, as recommended in the ['G20 scorecard'](#)
- end [tax relief for oil and gas extraction](#).

When any UK public funding for fossil fuels comes to an end, some people's livelihoods will be at risk. The

government must recognise this and adopt an approach rooted in justice.

At a global level, this means recognising the UK's responsibility for climate breakdown, and meeting the costs of the energy transition ourselves, not passing them on to poorer countries. At a national level, we must ensure that public funding supports a [just transition](#), with the full involvement of affected workers and communities.

Where can I find out more?

You can read more about how fossil fuel subsidies work on Oil Change International's [website](#), or by watching this [short video from the United Nations Environment Programme](#).

For a more detailed look at the numbers, we recommend looking at Global Justice Now's briefing on how we can [decarbonise aid](#), Christian Aid's Parliamentary briefing on [UK financing of fossil fuels overseas, including developing countries](#); and CAFOD and ODI's report on [UK support for energy overseas 2010-18](#).



The Time Is Now lobby of UK Parliament 2019, photo: Phil Wood for Britain Yearly Meeting

Flooded Indonesian marketplace in 2007, photo: Charles Wiriawan



Six things you can do

1. Talk about loss and damage when you have conversations about climate change. The climate crisis is about people – their safety and health, their homes, jobs, land and culture, all of which are being damaged by climate impacts. Our money is powerful and it should be funding climate justice.
2. [Watch and share the 'Make Polluters Pay' campaign video](#) from Robin Hood Tax.
3. Watch/read/listen to the resources linked to in this briefing and set up a discussion group with your local faith community so you can learn together.
4. Use social media to raise awareness of the issues. E.g.

Ending overseas fossil fuel funding = great first step by UK govt in preparation for [#COP26](#). But UK needs to stop backing fossil fuel projects at home as well. @hmtreasury @10DowningStreet will you end tax breaks for oil & gas and fund a #JustRecovery instead?

Climate #LossAndDamage already costs billions every year. People are losing their homes, jobs and lands. Those who caused this crisis need to pay for the damage – yes fossil fuel companies, we're looking at you. #MakePollutersPay

5. Join our [postcard campaign](#) – send a postcard from your home town to the Prime Minister, asking him to use the G7 summit to make progress on ending fossil fuel subsidies and finding funding for loss and damage. Share a picture of you and your postcard on social media using the hashtags #WishWeWereThere and #G7.
6. Write to your MP. In a year when the UK is hosting both the G7 summit and the COP26 climate talks, our politicians have a global role. MPs can help make sure financing climate justice is top of the agenda – and we can help them see the global picture. Some tips:
 - Get together with as many people as you can in your community to request a meeting with your MP
 - Does your faith community have links with countries affected by loss and damage? Could you talk to your contacts in those countries about their experiences and take their messages to your MP?
 - Look up your MP's concerns and interests – how can you relate your asks to these?
 - Take a look at [Quakers in Britain's guide to contacting MPs](#) for more tips and ideas.
 - For more in-depth support with MP engagement, contact Hope for the Future: <https://www.hftf.org.uk/contact>

About the Make COP Count group

Make COP Count is an informal group of representatives from different faith communities focusing on advocacy, hospitality and consciousness-raising activities related to COP26. We believe the global response to the climate crisis must be rooted in justice and human rights – and we see action on loss and damage and ending financial support for fossil fuels as essential to this.

Contact us at cop26liaison@faithfortheclimate.org.uk

