

Climate Action Network UK Briefing: Election 2024

Rebuilding trust with low- and middle-income countries for people, nature, and climate



United Nations Secretary-General António Guterres has called climate change “*the defining issue of our time*”; Sir David Attenborough has hailed it, “*the biggest threat to security that modern humans have ever faced*”; and the Pope has reminded us that “*the time for seeking global solutions is running out. We can find suitable solutions only if we act together and in agreement.*” For countries and communities on the frontline of the climate crisis, it is a matter of survival. Prime Minister of Barbados, Mia Mottley, is clear: “*All of us need to act today in order to save the planet tomorrow. Action needs to be taken today, today, today.*”

It is undeniable that climate change is one of the greatest foreign policy priorities of the 21st century, and must be at the core of any modern and effective government. In an increasingly polarised and fractured world, diplomatic efforts are vital to rebuild trust and deliver the effective international cooperation and solidarity needed to bring the world together to secure all our futures in the face of climate change.

Three in four people (77%) in the UK think climate change is a serious global threat, but only one in four (26%) think the government is doing enough, according to [polling by Ipsos](#). Bold action is required by the elected government to address the scale of the challenge and deliver for people at home and overseas.

The UK has a proud history when it comes to global climate change and nature diplomacy. This has ranged from playing a central role in securing the Kyoto Protocol in 1997; to pushing for more ambitious emission reduction targets within the EU; leading on introducing domestic legislation for net zero; making contributions to the Green Climate Fund; and playing a crucial role in securing the Global Biodiversity Framework. The UK also secured outcomes as host of COP26 to help keep 1.5°C alive and to double much needed international adaptation finance.

However, failures by high-income countries (HICs) – including the UK – to deliver on climate promises over many years has eroded trust and dragged back progress. The continued expansion of oil and gas in HICs, particularly the United States, Canada, Australia, Norway, and the UK, which are [collectively responsible for the majority of planned expansion of new oil and gas fields through to 2050](#), is hugely hypocritical and has contributed to frustration and distrust. As has the collective failure to deliver \$100bn every year in climate finance from 2020 to 2025, and the fact that most public funds committed are not meaningfully new and additional to finance that low- and middle-income countries (LMICs) would have received anyway as Official Development Assistance (ODA). These failures have caused the greatest harm in communities in LMICs who have contributed least to climate change, and further entrench inequalities for marginalised groups including women, girls, Indigenous Peoples, and people with disabilities.

As both the birthplace of the industrial revolution and the [fifth largest historic emitter](#) in the world, the UK has both a unique opportunity to set a powerful example of what a successful just transition that delivers for UK households and workers looks like, and a responsibility to go further and faster in addressing the global climate crisis fairly.

The elected government must have international cooperation and domestic action on climate change at its core, and be ready to announce bold action at home and in its provision of international support at key global moments in the coming months and years. A renewed and sustained approach to UK climate diplomacy, backed up by ambitious action at home, would help to strengthen the UK's geopolitical influence on the world stage, and rebuild trust and momentum within climate multilateralism at a point in time in which it is needed more than ever.

We call on the elected government to deliver bold action on the global climate crisis and rebuild trust with LMICs in the following ways:

1. **Walk the talk on fossil fuel phaseout in the UK**, putting an end to all new oil and gas production immediately, including reversing decisions on [Rosebank](#) and the Offshore Petroleum Licensing Bill. The UK should also commit to join the [Beyond Oil and Gas Alliance](#), sending a powerful signal to the world as an advanced economy with a significant existing oil and gas industry, and as the home of two of the world's biggest oil and gas companies.
2. **Demonstrate the UK's commitment to multilateralism** and facilitate engagement in high-level international climate change diplomacy, including by appointing a new Special Representative for Climate Change and supporting the creation of a fairer and more equal global financial architecture.
3. **Restore the UK's reputation as a high quality and trusted partner** with LMICs:
 - a. Immediately restore and maintain UK ODA spending to the legal obligation of 0.7% of gross national income (GNI), and commit to provide further UK climate finance for mitigation, adaptation, and loss and damage from 2025 that is new and additional, in line with this commitment under the UNFCCC.
 - b. Champion an ambitious needs-based new collective quantified goal (NCGQ) at this year's "finance COP", with a significant and transparent public finance component provided by HICs in line with their historic responsibility and capacity, and clear sub-goals for mitigation, adaptation, and loss and damage.
 - c. Reverse last year's changes to UK International Climate Finance (ICF) that in effect [cut £1.6bn from the commitment to provide £11.6bn](#) over five years; maintain the UK commitment to a 50/50 balance of finance for mitigation and adaptation; and provide a further contribution to the new Loss and Damage Fund that is genuinely new and additional to existing commitments.
4. **Remove barriers to addressing climate change faced by LMICs**:
 - a. Address the debt crisis by legislating in the UK to incentivise private creditors to take part in debt relief, and help to prevent recurring debt crises by supporting the long-standing calls from low-income countries for a UN sovereign debt workout mechanism.

- b. Reform multilateral development banks (MDBs) and international finance institutions (IFIs) to prevent the build-up of unsustainable and unjust debt and abolish economic conditionalities; reform decision making structures to ensure fair access and power to LMICs; end all investments in all fossil fuels; and rapidly scale-up investment in renewables and a just transition.
5. **Make polluters pay, to generate new public finance for fair climate action at home and overseas** to fulfil the UK's obligation to deliver climate finance for mitigation, adaptation, and loss and damage at scale, based on historical responsibility. This can be done by introducing systematic taxes on the fossil fuel industry, and other tailored taxes and levies targeting the biggest and richest polluters, that can generate billions without unfairly costing UK households.

More context on each of the recommendations:

Walk the talk on fossil fuel phaseout in the UK

The UK called for a phaseout of fossil fuels at COP28, yet domestic policies and investments are not consistent with that call. Instead, the UK is one of just five HICs responsible for [the majority of planned expansion of new oil and gas fields through to 2050](#). It is unreasonable and unfair to expect LMICs to phaseout fossil fuels, without HICs stopping their expansion of fossil fuels and phasing out first and fastest. Adequate alternative finance also needs to be put on the table, to enable LMICs to transition away from fossil fuels, and forgo any lost revenue opportunities.

Demonstrate the UK's commitment to multilateralism

The UK needs to do much more to be credible internationally on climate action building on the success of the past, both in implementation and engagement in multilateral spaces, through dedicated high-level diplomatic capacity and prioritisation. Reinstating the role of Special Representative for Climate Change; elevating the position of Minister for Climate Change to the Cabinet; and prioritisation by Number 10, of the international climate change and nature agenda, are vital for getting the outcomes the UK seeks through global cooperation.

Restore the UK's reputation as a high quality and trusted partner

While fossil fuel companies in the UK enjoy record-breaking profits, it is impossible for most people to comprehend that the UK - the sixth largest economy on earth - will only contribute 0.5% of GNI towards all global efforts to eradicate poverty, halt and reverse biodiversity loss, and address climate change - the greatest global challenges of our time.

Cuts to ODA, and accounting changes that amount to a cut to ICF, have tarnished the UK's reputation on supporting the most marginalised and leaving no one behind. Without a step-change on international finance for mitigation, adaptation, and loss and damage, LMICs will suffer the compounded consequences of both climate change, and a transition that excludes them. The UK has a historical responsibility to address the harm caused from our use of fossil fuels, by providing significant levels of funding to contribute to the global just and equitable transition away from fossil fuels, and for adaptation and loss and damage.

The UK was active in the creation of the loss and damage fund, and made an initial contribution at COP28 alongside other G7 nations, recognising the principle responsibility of HICs to contribute to addressing the loss and damage experienced by LMICs. However, pledges to date fall far short of needs, and the UK COP28 pledge comes from the existing ODA and ICF commitments, rather than by providing any new finance.

COP29 in November, is the finance COP, and could well be the first international test of the elected government. Clear commitments that restore trust, lead by example, and contribute to financing climate action globally, will be the benchmark against which the newly elected government will be judged. Immediate first steps should be to restore ODA to 0.7% GNI as enshrined in UK law; commit to provide UK ICF in addition to that from 2025; and champion an ambitious new global climate finance goal that delivers the scale of finance and transparency needed for mitigation, adaptation, and loss and damage.

Remove barriers to addressing climate change faced by LMICs

Structurally, global financial systems are fundamentally distorted against LMICs and the needs of people living in poverty, often in favour of select private interests and with an over-emphasis on the private sector over the public sector in solving climate change and development challenges. Inequitable dynamics exist in economic relations, in governance of international financial decision-making, in tax systems, and in debt systems. LMICs have a cost of capital multiple times greater than HICs, while climate change is making the cost of capital worse and inequitably constraining fiscal space.

To begin to address these considerable barriers, LMICs must have a more equal role in the governance of IFIs and MDBs, where participation and transparency must reflect today's world and not the colonial past. Public funding must be oriented towards the institutions with governance structures that include equal representation of LMICs, as well as representation of affected communities, Indigenous Peoples, marginalised groups, and civil society.

HICs must support and implement policies that ensure the fiscal and policy space is created for LMICs to undertake sustainable development that delivers for people, nature, and climate, and end the undemocratic so-called gentlemen's agreement at the World Bank and IMF that has seen the US and Europe handpick the heads of each institution since they were founded. The 'green conditionality' currently being promoted by the World Bank and IMF must also be reviewed, to assess its suitability for meeting LMICs' climate goals in a fair and just manner. At the IMF, punitive surcharges must end; IMF quota shares must be realigned to reflect current global economic realities; and future allocations of Special Drawing Rights (SDRs) must be better targeted to support LMICs' just transition financing and liquidity needs.

There is also a need to address the [vicious cycle between the debt and climate crises](#). It is profoundly contradictory that more than two-thirds of climate finance arrives in the form of loans that exacerbate this debt crisis, forcing LMICs into actions that entrench the climate crisis, with [debt actually keeping countries trapped in fossil fuel production](#) and preventing the transition needed. HICs must work with LMICs on debt relief and support the longstanding calls for the creation of an independent debt workout mechanism at the UN.

The UK has taken an important but small first step by committing to include climate resilient debt clauses in new bilateral lending agreements, to suspend debt repayments when an extreme event occurs, to temporarily free up resources for emergency response. However, this does nothing to address the substantial existing debt. In addition, debt relief is required across all creditors - including private creditors that account for 46% of external debt payments by LICs - to really free up resources for climate action and other national needs, and to prevent trapping countries in fossil fuel and other extractive sectors. The UK is uniquely placed to act, with around half of international private debt contracts and 90% of bonds of countries eligible for the Common Framework, governed by English law. The next government must legislate to incentivise private creditors to take part in debt relief.

Make polluters pay, to generate new finance for fair climate action at home and overseas

The problem is not that finance is lacking, but that it is flowing to that which is causing the problem in the first place, rather than to the solutions. The excess profits of the five largest oil and gas companies amounted to [an estimated \\$134bn in 2022](#). Yet, based on publicly available data, in 2022 the Treasury provided [around £3.35bn](#) in public money in the form of producer subsidies and the lucrative Energy Profits Levy investment allowance, including relief in connection to exploration, new fields, and decommissioning. UK government support for the development of the new Rosebank oil field by oil giant Equinor - with [2023 profits of \\$10.371bn](#) - is estimated to [gain Equinor around £3bn in tax breaks](#), while doing nothing to lower household bills or to secure energy independence.

[Oxfam estimates](#) that the UK missed out on generating around £23.1bn in 2022 for climate action, by not making polluters and the wealthiest in our society pay, through reasonable measures such as a permanent excess profits tax on fossil fuel producers; redirecting fossil fuel producer subsidies; a Frequent Flyer Levy; taxing high-emitting luxury travel; and fair taxes on extreme wealth. These are all measures that would not unfairly cost UK households and would generate substantial finance for a just transition at home and overseas. The UK and other HICs must deliver domestic tax reform, by closing tax loopholes and designing a system of fairer and more efficient taxes, focused on those with the broadest shoulders and the largest environmental footprints, and work together and with LMICs to create a fairer global tax system through the development of a UN framework convention on international tax cooperation.

Climate Action Network UK (CAN-UK) is the UK node of CAN, a global network of more than 1,900 civil society organisations in over 130 countries driving collective and sustainable action to fight the climate crisis and to achieve social and racial justice.

CAN-UK brings together 40 international development and environment organisations in the UK working on the poverty-nature-climate agenda to advocate for climate justice and sustainable development for all.