Green Party | Action for COP26
Community • Justice • Economy

CLIMATE REPAIRS

Making Reparation for a History of Colonialism and Enslavement

October 2021

‘The fact is that we live in a world that has been profoundly shaped by empire and its disparities. Differentials of power between and within nations are probably greater today than they have ever been. These differentials are, in turn, closely related to carbon emissions.’

Amitav Ghosh

FOREWORD

The major focus of the COP26 negotiations in Glasgow is Climate Finance, a term that is weakly defined and can mean a number of different things to different observers. We do not challenge the fact that finance is needed to invest in the green transition, but we are deeply aware that the way that finance is created and who controls it will determine whether we achieve climate justice or are condemned to a future of climate injustice.

The past couple of years have seen an outpouring of energy across the world focused on two dynamic campaign movements: the movement for climate action and Black Lives Matter. This paper links those two cries for justice by locating the source of climate injustice in the history of global colonialism and enslavement. We propose a practical implementation of climate justice in the form of global solidarity based on the idea of climate reparations.

For most countries of the world, the most important agenda for the upcoming COP26 negotiations in Glasgow is the issue of 'loss and damage' and the need for countries most responsible for causing the climate crisis to pay for the damage they have done. This issue barely makes it into the official agenda for the conference, where the talk is all about climate finance as an opportunity for rich individuals and countries to use concern about climate breakdown as a profit–making opportunity. We are clear that the wealthy countries that are responsible for the majority of historic emissions have a duty to finance the sustainability transition for the countries of the Global South.

Western countries that have benefited from exploitation and extraction of natural resources, people and land from Global South countries should acknowledge the harm caused and compensate them. These countries that are currently experiencing the worst effects of the climate crisis deserve climate justice. The UK has a special responsibility to the world for historic emissions that are causing loss and damage across the Global South and a duty to make reparation for our shameful past of colonialism and enslavement.

It is also alarming that the prime minister's apparent conversion to global climate action is being presented as another opportunity for the UK finance sector. It is essential that climate finance is paid in the form of grants rather than becoming another opportunity to exploit the countries of the Global South.

If climate finance is permitted to proceed on the basis of the enclosure of land in the Global South in return for 'carbon credits', allowing wealthy countries to offload their responsibility to reduce emissions onto other countries, we will have the opposite of a fair settlement. In fact, we will be moving towards a financialised version of colonialism, what we refer to as Empire 2.0.

If Climate Finance is to be part of a just sustainability transition it must be based on fair principles, leaving those who have better protected their environments in control, avoiding the displacement of people who live from the land, and preventing the extraction of value from the low–income countries by the financially powerful countries. This report explores how that can be achieved.

Azzees Minott
Molly Scott Cato
October 2021

The Need for Global Climate Reparations

The past year has seen an outpouring of energy across the world focused on two dynamic campaign movements: the movement for climate action and Black Lives Matter. This paper links those two cries for justice by locating the source of climate injustice in the history of global colonialism and enslavement and proposes a practical implementation of climate justice in the form of global solidarity based on the idea of climate reparations, a phrase coined by Professor Maxine Burkett of the University of Hawaii in 2009.

For most countries of the world, the most important agenda for the upcoming COP26 negotiations in Glasgow is the issue of 'loss and damage' and the need for countries most responsible for causing the climate crisis to pay for the damage they have done. This issue barely makes it into the official agenda for the conference, where the talk is all about climate finance as an opportunity for rich individuals and countries to use concern about climate breakdown as a profit–making opportunity.

If they succeed in this, there is a risk that 'solving' the climate crisis could lead to another round of exploitation of the people's and environments of the Global South, in effect a new round of colonialism but in financial guise.

It is crucial that we acknowledge that the development of the global capitalist economy was rooted in the extraction of resources from the Global South and the exploitation and enslavement of their people. Only by recognising this can we begin to build solutions that can truly be labelled as 'climate justice'.

To fund the planet repairs that we need to see in a just and equitable way needs us to use the credit–creation powers of the world's bank the IMF. An issue of SDRs allocated on the basis of need rather than wealth accumulated through past exploitation would enable the COP negotiators to resolve the loss–and–damage issue.

Historic Emissions and Current CO2 Emissions Mirror Colonial Oppression

Can We Go Green Without Plundering the Global South? This vital question was the title of a recent article by Harpreet Kaur Paul and it provides the framing for the Green Party's approach to what the IPCC calls the 'loss and damage' agenda for COP26. Harpreet focused largely on the need for rare metals that are often found in countries ravaged by centuries of colonialism. But a similar neo–colonial, extractivist mentality dominates the use of land – backed by Western finance – to absorb CO2.

The Civil Society Review of Loss and Damage is clear that:

> Colonialism and the fossil fuel era reconfigured the world economy. The Indian subcontinent's share of the global economy shrank from 27 to 3 per cent between 1700 and 1950 and it is estimated that the UK extracted approximately USD$45 trillion from its colonial rule of the Indian subcontinent alone. China's share shrank from 35 to 7 per cent. At the same time, Europe's share of the global economy exploded from 20 to 60 per cent.

Countries that are bearing the brunt of the increasing power of hurricanes were themselves made vulnerable by economies that were formed in the interests of enslavers. Haiti is a prime example: 'the poorest country in the Western hemisphere . . . it was forced to pay reparations to France for having the temerity to throw off its colonial master and establish itself as the first Black republic of the "new world". Other Caribbean societies continued to be manipulated by colonial powers and 'forced to compete on a deeply uneven playing field when they gained their "independence"'.

The exploitation of the natural world and our current climate emergency is directly connected to the development of an extractivist capitalist economy.

This economy was forged through the systemic enslavement of African peoples and the parallel system of colonial occupation, warfare, land–grabbing, oppression and resource extraction. This was a system that not only separated people from their ancestral rights to land and its stewardship, but also viewed that land and its people as a resource to be exploited for the accumulation of wealth that profited the monarchies and nations of the Global North.

As Sir Hilary Beckles writes in his book, *Britain's Black Debt* (2013), fortunes were built on the proceeds of enslavement. Britain came to dominate its European rivals during the eighteenth century by becoming ever more effective 'in the enrichment process'. From the early seventeenth century, 'scholars, entrepreneurs and statesmen were unified in recognizing slavery as the primary stimulus to the national economy' (p. 165). The system of enslavement stimulated wealth accumulation across the multiple sectors, including the 'royal family and its ennobled elites, the established church, universities, banks and other primary institutions', and the same is true for other European nations and the USA. Indeed, Britain accrued a wealth vast enough to fund its own industrial revolution, with the West Indies forming the base from which 'the British exported the financially successful model of African enslavement to the rest of its colonized world', making 'global the ideas and methods that were critical to colonial modes of capital accumulation'. As Williams famously writes, 'The commercial capitalism of the eighteenth century developed the wealth of Europe by means of slavery and monopoly. But in so doing it helped to create the industrial capitalism of the nineteenth century'.

A snapshot of what this looked like in monetary terms is provided by the 1837 'Slave Compensation Act' that led to the enslavers receiving £20 million (approximately 2.4 billion pounds in today's terms) as compensation for the loss of their 'property'. Akin to around 40% of the Treasury's annual income at the time, this represents a debt that British taxpayers only fully repaid to the creditors in 2015. The digitalization and analysis of the records of this 'Slave Compensation Commission', produced by University College London's Legacies of Slave–ownership, points also to the pervasiveness of the investment in the enslavement of Africans as a means to accrue wealth within British society. Along with Beckles, it also points to the transgenerational accumulation of wealth that can be directly traced to what is internationally recognized as a crime against humanity that has yet to be called to account through the need for reparatory justice.

At this point, it is important to note that calls for reparatory justice go far beyond calls for financial restitution. Indeed, the legalistic concept of reparation, rooted in the OHCHR's definition of the 'Right to a Remedy', tends to be wilfully misunderstood as monetary compensation to individual claimants; a definition that works politically to delegitimize the call for reparatory justice. As the GPEW has recognized, reparations requires a holistic and intersectional approach — meaning one that understands how the interconnections between race, class, gender etc. create overlapping and interdependent forms of discrimination which need repair — which arises directly from the multidimensional nature and longevity of the harm. A multifaceted approach is therefore required that cannot be simply reduced to economic compensation or a 'paycheque'.

One such approach is to understand the responsibility of those nations and their related institutions to engage in a process of reparatory justice that is as much to do with the past as it is to do with the continuation of harms in the present, expressed in terms of discrimination and exclusion from the full opportunities of Western societies.

But within this wider agenda the ability of the countries that grew rich through the centuries of enslavement and colonialism can use their financial power to resolve the ongoing tension about who should pay for the climate crisis. And they can use the power of the financial institutions they set up at

Bretton Woods to use that financial power to fund the damage their industrialised economies have caused, as we explain later.

Loss and Damage Central to the Success or Failure of the COP

Much of the most active debate at COP negotiations focuses around 'loss and damage' a phrase that, like climate finance itself, has come to encapsulate the sense of injustice felt by the countries bearing the brunt of the climate crisis and demanding that the countries that caused it pay for the necessary repairs.

As pointed out by the Grantham Institute: 'The Loss and Damage debate has been contentious within the international climate negotiations because of questions of fairness and equity, and proving historical responsibility for climate change, in paying for the losses and damages associated with climate change. Developing countries have called for compensation from developed countries, while developed countries have sought instead to treat losses and damage as a sub–component of adaptation within the UNFCCC negotiations.'

Global climate negotiations are often stalled or broken by the struggle between the countries that have mainly caused climate change – by early industrialization powered by fossil fuels – and those countries that are suffering the first consequences. The loss and damage agenda acknowledges this and it was a breakthrough when, at COP19 in Warsaw in 2013, the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts was established. This was followed by the establishing of the Santiago Network on Loss and Damage (SNLD) at COP25.

The weighty responsibility the early industrialisers carry for devastating the global climate is a daunting one and place on them a huge burden to play a disproportionately large role in emissions reductions. Using the UK as an example, Harpreet Kaur Paul has calculated that the UK's historic emissions should require it to reduce its current emissions by 200% below 1990 levels by 2030. Since this is impossible, the UK should make recompense by funding the countries of the South to undergo a rapid sustainability transition.

Saleemul Huq, director of the International Centre for Climate Change and Development (ICCCAD) in Bangladesh and lead author of the chapter on Adaptation and Sustainable Development in the third assessment report of the Intergovernmental Panel on Climate Change, has stressed the centrality of the loss–and–damage agenda in deciding the success or otherwise of global climate negotiations. He has written that 'Dealing with loss and damage from human induced climate change in the upcoming COP26 in Glasgow, Scotland in November 2021, will be a make–or–break issue for the most vulnerable developing countries.'

The key player here is the USA, which since the election of President Biden and the designation as global diplomat John Kerry as Climate Envoy is now playing a leadership role in the global climate negotiations. Under President Trump the US was absent if not hostile to climate action, and historically it has always acted as a block on serious action on funding for loss and damage.

As far back as Copenhagen (COP15, 2009), the issue of compensation for those suffering climate impacts was put on the agenda of the UNFFC, causing US negotiator Todd Stern to reject the idea: 'We absolutely recognize our historic role in putting emissions in the atmosphere up there that are there now … but the sense of guilt or culpability or reparations, I just categorically reject that.' In fact, the US operated a reverse policy of withdrawing aid from countries that were 'difficult' over climate negotiations.

A successful resolution of the loss–and–damage agenda looks likely to be a make–or–break issue at COP26 and beyond. At the time of writing, how to fund repairs is not even on the negotiating agenda,

something that will be challenged by Bangladeshi Prime Minister Sheikh Hasina, as chair of the Climate Vulnerable Forum.

Why 'Climate Finance' might mean Empire 2.0

As an alternative to direct country–to–country cash compensation payments, the powerful countries at the COP negotiations have attempted to shift responsibility for paying for the consequences of their past actions onto the private financial sector, in effect turning the funding of planet repairs into a business opportunity. 'Climate finance' has shifted from being in the 'aid and reparations' file to the 'financial instruments' file.

UNFCCC notes that the two international climate treaties that have been agreed – the Kyoto Protocol (1997) and the Paris Agreement (2016) have both called for those countries with greater financial power to provide financial resources for those countries with fewer resources. Article 9 of the Paris Agreement stipulates that developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.

The UNFCCC process established a number of different financial mechanisms to provide the necessary climate finance. The first was the Global Environment Facility (GEF) established in 1994. At COP 16 (Paris, 2010) the Green Climate Fund (GCF) was set up, and made the main funding body of the UNFCCC. There are also two special funds: the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), both managed by the GEF—and the Adaptation Fund (AF) established under the Kyoto Protocol in 2001.

As far back as the 2009 Copenhagen COP, the world's more economically powerful countries pledge $100bn in climate finance to the countries of the Global South. An academic analysis of this promise published in Nature finds that it was so ill–defined as to be impossible to hold countries to. A promise made in haste to prevent the walkout of the countries more vulnerable to climate change has proved a poor basis to ensure they are compensated for their immense losses. They identify three main flaws in the definition of climate finance:

- Without a clear UN means of accounting, countries are free to decide what they consider to be climate finance;
- The funds operate so as to disempower the very communities they were intended to support – funding channels are diverse and include developed countries' aid and export promotion agencies, private banks, equity funds and corporations, and lending and granting arms of multilateral institutions like the World Bank, none of which have oversight by the countries who need to be recompensed for loss and damage;
- Mitigation is prioritized over adaption – of the climate finance flows that can be measured only about 20% has targeted adaptation, so rather than preparing countries for a climate–proofed future the money is mostly paying for repairing past damage.

Oxfam provided an analysis climate finance transfers in 2020 and found that public climate finance, i.e. grants from governments rather than loans, increased from $44.5bn per year in 2015–16 to an estimated $59.5bn per year in 2017–18. However, deceptive reporting means that this figure is an over–estimate once repayments, interest and other factors are taken into account. Taking account of these factors, Oxfam estimate that specific net assistance is much lower than reported figures, increasing slightly from $15–19.5bn per year in 2015–16, to $19–22.5bn per year in 2017–18.5 and an estimated 40% of public climate finance overall is non–concessional meaning the terms are not generous enough to qualify as Official Development Assistance (ODA).

In other words, most of the money being designated as 'climate finance' is in the form of loans, bearing interest, so that economic value is being transferred *from* the countries that are suffering the impacts of the climate crisis to the wealthy investors who are more likely to be based in the very countries that caused the crisis.

At the latest G7 meeting held in Cornwall in June 2021, leaders of the world's seven richest economies recommitted to their previous – and unmet – $100bn annual pledge for finance to the world's poorer countries to help them counter the climate crisis, but this is to be a mix of public and private finance with no clear commitment to the direct financial support without debt that is necessary. Their communique again portrays climate action as an economic opportunity for the wealthy nations, with the responsibility they have towards the nations bearing the brunt relegated to an afterthought:

We call upon the MDBs [multilateral development banks] and our DFIs [development finance institutions] to prioritise capital mobilization strategies, initiatives and incentives within their operations. The G7 commits to leverage different types of blended finance vehicles including through our greater strategic approach to development finance, greater collaboration between our DFIs and billions worth of planned commitments towards CIF and Green Climate Fund, all of which will mobilise billions more in private finance.

This sounds like countries washing their hands of their direct responsibilities and pointing in the direction of under–capitalised institutions that have their focus on Covid recovery and private markets who will only engage if they can achieve a profit. Understanding the link between past exploitation and current climate damage helps us to frame the needs for climate finance in terms of 'reparations' and the repayment of the 'immense debt' the countries of the West owe to the Global South.

Much of the climate finance that is transferred comes with a label of 'mitigation', meaning that it helps the global effort on average to reduce emissions rather than helping the countries damage by the climate crisis make themselves more resilient to future impacts. If this came in the form, say, of dedicating land to the planting of trees to absorb emissions from the financially powerful countries of the West, it would effectively be the exploitation of the land of the Global South to enable the wealth of the West, a 21st–century equivalent of the colonial exploitation of exactly these same lands by exactly these same countries.

The injustice between countries that were exploited during colonialism and whose economies are still marred by slavery and those that still benefit from the proceeds of slavery explains why many agree that, in the words of Black Lives Matter, 'the Climate Crisis is a Racist Crisis'. In the words of academic Keston Perry:

> The environmental and socio–ecological manifestations of anti–Black racism . . . require a program of climate reparations that go beyond economic reparations. We must be careful to outline the distinctive contours and connections of global anti–Black harm, rooted in the imperial exploitation of Black bodies. Left in its wake are increased devastation and relentless environmental disruption that subverts self–determination and even harmonious existence in Black majority places. Haitians, West Indians, and Black peoples share these solidarities with Black Americans in Flint, Minnesota and New Orleans, and are likewise deprived of improved lives due to conditions that the U.S. and European imperial powers shaped through extractive misadventures for over 500 years. Climate catastrophe is an emergency for Black people globally, exacerbated by the historic legacies of colonialism and slavery.'

Planet Repairs as a Basis for Climate Justice

Our motivation in making these proposals is to stress that climate justice must be placed within a historical context of centuries of exploitation of one group of countries by the countries of majority world. This exploitation is linked to their greater responsibility for historic emissions that are causing loss and damage across the Global South. They must take responsibility for this and provide recompense. We find the framing of this responsibility in terms of reparations and in the language of 'planet repairs' to be the most constructive way forward to achieving an agreement in Glasgow.

Esther Stanford–Xosei and Nicki Frith are co–founders of the International Network of Scholars and Activists for Afrikan Reparations (INOSAAR). They have developed the concept of 'planet repairs' to deepen and extend the discussion of reparations in an environmental context. Their definition resulted from a dialogue between them that is firmly grounded in the thinking of the Pan–Afrikan Reparations Coalition in Europe of which Esther is a founding and leading member. The following definition they offer is firmly grounded in that organisation's thinking:

> Planet Repairs refers to the need to proceed from a standpoint of pluriversality that highlights the nexus of reparatory, environmental and cognitive justice in articulating the need to repair holistically our relationship with, and inseparability from, the earth, environment and the pluriverse. It means giving due recognition to Indigenous knowledges in contrast with western–centric Enlightenment ideals that separated humanity from nature and devalorized Indigenous systems of knowledge in order to justify exploitation for capital accumulation.

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Their discussion included the following points:

- That Planet Repairs is part of a holistic approach to reparation, which includes our relationship with, and inseparability from, the earth and environment.
- That this relationship — the separation of humanity from nature — is also in urgent need of repair and reconnection
- That the systems of African enslavement and colonialism occurred in parallel with Enlightenment thinking, which created a western–centric system of labour exploitation and capital accumulation that separated the human from nature.
- That Planet Repairs points to the disastrous effects of that separation that affect the Global South to a far greater extent than the Global North, requiring first and foremost a stop to the harm and then a process of holistic repair.
- That repairing this relationship means ensuring that human beings do not think they are at liberty to do anything that pleases them within and beyond the planet.
- That there are principles in Afrikan and other Indigenous cultures that everything in nature has legal personality reverence, so repair involves restoring this equilibrium and building upon it into eternity, which is the basis of MA'AT.

They favour this definition 'both because it is holistic, pointing to the many different forms of environmental exploitation, but also because it underlines that reparation is not solely or even primarily a financial process.'

Although we embrace the wider concept of planet repairs, in the context of the COP26 negotiations our aim is to find a resolution to the long–running failure to address the loss–and–damage agenda, and here a financial solution must be found. In this context, Keston Perry proposes a Global Climate Stabilisation Fund 'aimed at providing macro–economic and rapid–response financial support to marginalised communities and developing–country populations who suffer from the compounded effects and ravages of colonialism, financial disaster and climate change'. To fund it he proposes 'new fiscal arrangements to regulate global financial markets and corporate elites, especially those that have made vulnerable islands and developing countries into tax havens or exploited natural resources to contribute to socio–environmental breakdown'.

Aside from this specific proposal, what would it mean to view the loss–and–damage agenda in the framework of planet repairs and climate reparations?

We would suggest the following as a basic minimum:

- Countries guilty of exploitation through colonialism and enslavement acknowledge their responsibility for climate damage;
- Establishment of a financing facility to deliver public climate financing and new and innovative sources of financing to address loss and damage;
- Immediate debt relief – for indebted countries that are facing the current climate emergency;
- Loss and Damage must be listed as a permanent COP agenda item so that we can shift the emphasis of finance to repair climate damage away from private finance markets and towards joint financing that matches the damage caused by nations to their contributions to repair that damage;
- Commitment to a Loss and Damage Gap Report.

Any successful resolution of the loss–and–damage issue requires a much tighter and more politically secure definition of climate finance.

We would suggest that it needs to be governed by the following principles:

- Finance invested in any country should not result in resources or economic value being extracted from that country;
- Climate finance invested in any country should be controlled by community actors in those areas where the investments are made and who have suffered from climate–related loss–and–damage;
- These community actors should truly represent the local population, especially in terms of gender;
- Climate finance investments should not cause negative spillover effects onto local environments;
- We should not primarily consider climate finance in terms of financial return: a focus on financial ROI can work against climate justice so we should consider the impacts of climate investments more widely;
- Climate finance should not exacerbate poverty and inequalities either within or between countries;

- Climate finance should be coordinated across sectors at a national level to ensure investments to attempt mitigation do not undermine the effectiveness of adaptation investment.

While much of the focus on discussion about reparations for climate damages focuses on cash payments and investments, there is also the possibility of technology transfer, more like a compensation in kind. Given that the globally powerful economies developed their technological advantages through the burning of fossil fuels, it seems not only pragmatic but also reasonable that they should share the knowledge gained in this way with the countries that are bearing the brunt of the climate crisis they caused, subject to those countries seeking this form of reparation.

Global Credit Creation as the Solution to Loss and Damage

To address the centuries of exploitation and the injustice that runs through all COP negotiations we need a much more radical and fundamental proposal. This is for the financially powerful countries to use that power to recompense the countries whose resources and people they have exploited and whose countries they have damaged with their historic and ongoing CO2 emissions.

Our international financial institutions date back to the post–war settlement and have their origins in the 1944 Bretton Woods conference. Their role has always been primarily to ensure the stability of the international financial system, but they have also been involved in the 'development' of countries of the Global South. In many cases their 'structural adjustment programmes' came at the cost of conditions that damaged domestic economies and public health. But the IMF is still the world's bank and the only body that has the power to issue liquidity in the form of SDRs (Special Drawing Rights) so, given that the world is facing an existential crisis that threatens all global citizens, is why isn't the IMF using that power to create money to solve the climate crisis? And generally, why are the global financial institutions showing so little leadership on the climate and ecological crises?

Shortly after taking over as managing director of the IMF in October 2020, Kristalina Georgieva made some ambitious pledges in an interview with *Time* magazine, with warm words about a green recovery from Covid. However, like so many top bankers she seemed to focus on using regulatory powers around risks to financial stability and carbon stress testing than the monetary powers of her organisation. Speaking at conference in Vienna in July 2021 she began by mentioning the IMF's Climate Change Indicators Dashboard before hinting that the bank might begin to use its currency–issuing powers, 'the next step is to consider whether and how IMF financing can help implement policy advice–including climate mitigation, adaptation, and transition policies. In the context of the forthcoming allocation of $650 billion of Special Drawing Rights, we are exploring the creation of a Resilience and Sustainability Trust.'

SDRs could be the answer to providing the liquidity to fund climate reparations. They are not currency themselves but rather a potential claim on the currencies of IMF members, so they can be exchanged freely for US dollars, for example. Their value is based on the value of a basket of five global currencies: the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling. The IMF can issue these to stabilise the global financial system if liquidity dries up, as it did after the 2008 financial crisis. In August 2021, the largest ever allocation of these SDRs was made available to help cope with recovery from the Covid–19 pandemic. The catch is that SDRs are not allocated on a per capita basis to the world's citizens but according to the shares that countries hold in the IMF. This means that 16.5% the extraordinary largesse went to the USA, 6% to China and 4% to the UK, but only 0.5% to Nigeria, 0.38% to Chile and 0.09% to Afghanistan.

The issue of SDRs as the basis of an allocation directed towards the countries suffering loss and

damage was proposed by George Soros in 2009 and supported by then IMF Managing Director Dominique Strass–Kahn before 'disappearing from the discourse'. However, the proposal has recently been revived by development charity CAFOD and by a group of European charities under the auspices of the Robin Hood Tax campaign. SDRs represent a way of creating global liquidity, resolving the problem identified above – that countries without reserve currencies cannot gain the benefit of QE to fund their climate policies. CAFOD drew attention to the IMF's creation a record amount of these reserve assets in August 2021 and suggested the UK should use its share to fund transfers related to loss–and–damage.

The International Institute for Environment and Development (IIED) went further and, at a conference held in July 2021, suggested that the new issue of SDRs should be used to fund climate action. The potential scale of the spending power that could be unleashed is striking: the $650 billion SDRs that were issued for green recovery are equivalent to 65 times the size of the current Green Climate Fund (GCF). If these were directed towards the countries suffering the worst of climate impacts they could provide the funding for loss–and–damage. In a blog with the former Finance Minister for Pakistan, Shamshad Akhtar, Paul Steele explains how this might be possible:

> Some in the IMF would be willing to support such re–allocated "SDRs for green recovery" – for example the more climate–vulnerable a country the larger their reallocation – or by linking SDR reallocations to spending on pro–poor and growth–enhancing climate resilience or biodiversity investments and policies. These $650 billion SDRs for green recovery would represent 65 times the size of the current Green Climate Fund (GCF) and if judiciously distributed could finance the much–needed climate adaptation and mitigations needs of low–income countries.

It is offensive and unjust that, every time the world's bank issues new currency, it is allocated according to the shareholdings in the bank, meaning that the richest countries receive the largest allocations. However, the countries that receive the largest allocations are quite at liberty to reallocate them to the countries suffering most from climate impacts. The key to funding loss–and–damage is persuading these countries that they should forego that free lunch and distribute it to the countries suffering loss–and–damage in recompense for the damage caused by their historic emissions and, in many cases, their appalling history of colonial exploitation and enslavement. This is an important step but only a first step in adopting the need for wider planet repairs.

This proposal does feel too good to be true, but with a climate–concerned President in the White House, it could be a way for countries to finance loss–and–damage without having to negotiate with their national finance ministers about what needs to be cut to make this possible.

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