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Why fossil fuel exporters must accept their emissions liability

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- A focus on fossil fuel exports is crucial if the world is to meet meaningful emissions reductions targets.
- Currently high-income exporters such as Australia, Canada, Norway and the United States do not accept any liability for the harms that their fossil fuel exports cause.
- The cumulative emissions associated with fossil fuel exports from just these four countries over the next 7 years (to 2030) is equivalent to around 11% of the remaining global carbon budget.
- The emissions generated by fossil fuel exports of Australia, Norway and Canada are much greater than those generated domestically. For every unit of CO_2 emitted in country Australia exports over three units and Norway exports almost 13 units.
- These states need to lead the way through a rapid phase out of fossil fuel exports. This phase out must also become a key focus of global climate negotiations at COP.

Accountability for Scope 3 emissions

While countries currently do not have any obligations regarding the emissions associated with use of their exports, a Dutch court recently questioned this limit to responsibility as it related to global energy giant Shell. (Milieudefensie, 2023). The court ruled against Shell, stating that the company must reduce its emissions by 45% by 2030, compared to 2019 figures, including Scope 3 emissions, being the emissions from use of its products.

This case highlights and sets precedent for recognition of harms associated with use of the products supplied (Scope 3) by companies (and countries), not just their emissions from the production process (Scope 1 and 2).

In a similar development California is now suing oil companies for exacerbating climate change. (reported by PBS Newshour 20/9/2023 https://www.pbs.org/newshour/show/california-sues-oil-companies-for-exacerbating-climate-change)

Increase in export emissions

Despite commitments to reduce their domestic emission levels Australia, Canada, Norway and the USA have increased their level of fossil fuel exports, and therefore the CO2 emissions related to the eventual combustion of those fossil fuels. These export-related emissions of these countries from 1980 to 2020 rose from 0.5 GtCO2 in 1980 to 3.4 GtCO2 in 2020 (Figure 1a). This equates to a 4.4% average annual growth in export emissions from these countries, compared to 0% growth in reported domestic territorial emissions over the same period.

The value of Australia's fossil fuel exports in 2022–2023 alone was around AUD [$233 billion dollars] – 65 times the federal annual expenditure on meeting Australia's net zero targets.

The export emissions of these countries equate to over 11% of global emissions in 2020 from fossil fuel combustion, and almost 40% of emissions from non-OECD countries (excluding China).

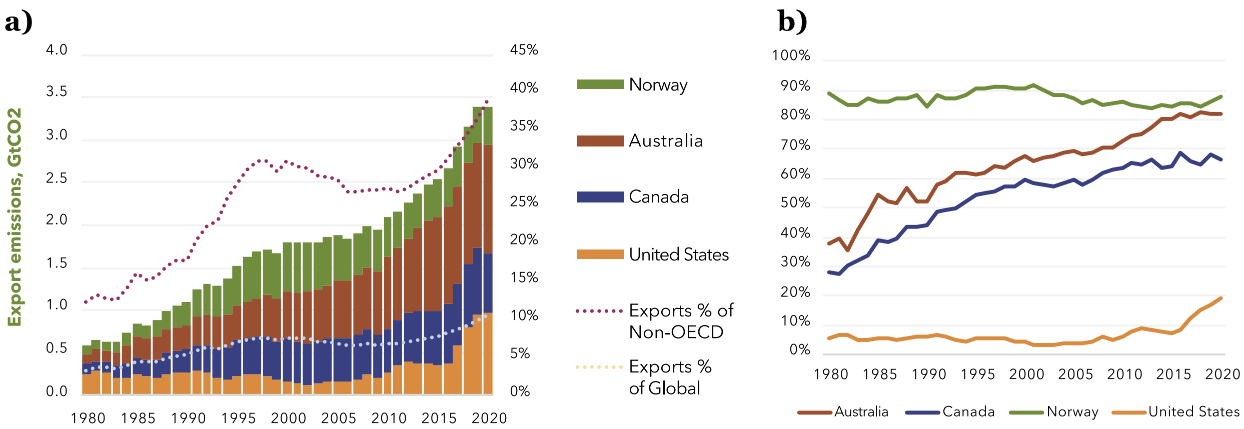

Figure 1. a) CO2 emissions associated with fossil fuel exports by country (bars), compared to global and non-OECD total emissions from fossil fuel combustion (line), and b) % of fossil fuel production exported in emission terms. 1980-2020.

Key Recommendations

- States must accept that action on climate change must include reducing their direct domestic emissions *as well as* the emissions associated with their fossil fuel exports.
- Lack of consideration of the impact of export emissions is a significant roadblock to climate action.
- National (and ambitious) emissions targets should include targets to reduce export emissions and domestic emissions.
- The COP process needs to fully acknowledge the need for a plan to phase out all fossil fuels, including reductions in exports.
- States at COP should adopt an 'export net zero' target in addition to a domestic emissions reduction target.

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