**Proposal of a Fossil-Free Union**

Adrien Fabre, 2025

**There is strong demand for a *global* climate policy.**

* The African Union recently adopted the [Nairobi declaration](https://media.africaclimatesummit.org/NAIROBI+Declaration+FURTHER+edited+060923+EN+920AM.pdf) calling for a global carbon taxation regime, a proposal immediately [supported](https://x.com/vonderleyen/status/1700416700238225659) by EU Commission President Ursula von der Leyen.
* Surveys in the G20 countries show that the global level is the most popular for implementing climate policy. They also reveal massive support (over 80%) for capping CO2 emissions, and a consensus to distribute the rights to pollute equally to every human.
* Carbon trading would bring cost-effectiveness and guarantee that all countries meet their target.

The main principles of the Fossil-Free Union are:

1. **Cap emissions in accordance with the Paris Agreement, using an Emissions Trading Scheme (ETS)**

* The plan would define a carbon budget to be broken down into yearly quotas.
* CO2 emission permits would be auctioned to emitting companies, as in the EU ETS.
* The allocation of quotas ensure that the price is always positive and steadily increasing.
* The higher prices would ultimately be paid by individuals in proportion to their carbon footprint.

1. **Split the revenues among countries based on their carbon budget, adjusted from equal per capita**

* Each country is granted a trajectory of carbon allowances, converging to zero in 2080.
* The benchmark carbon budget for a given country is given by equal rights per capita.
* The benchmark is set as the global carbon budget divided by the initial year (2030) population.
* Given its carbon budget, a country’s allowance *trajectory* is tailored to its emission needs.
* China and the EU are granted allowances corresponding to their own decarbonization pathway.
* Further departures from the benchmark allocation can be agreed by a qualified majority.

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|  | **Africa** | **China** | **Latin America** | **India** | **Europe** | **Other Asia** | ***Union*** | ***World*** |
| **Equal p.c.** | 147 | 147 | 64 | 138 | 50 | 116 | *667* | *770* |
| **Proposal** | 147 | **152** | 64 | 138 | **24** | 116 | *655* | *770* |

Carbon budget over 2030-2080 (in GtCO2): budgets in the proposal and how they compare to equal p.c.

1. **A Fossil-Free Union led by the Global South**

* It could be launched by Brazil, China, EU, and Global South countries.
* It could be launched by a subset of these countries, and would be open to any country.
* A carbon tariff would price imports to the union in proportion to their carbon content.

1. **Complement this Plan with other policies for climate and social justice**

* A global wealth tax funding lower-income countries to address historical responsibilities.
* A fair international financial system: debt relief, rechanneling of SDRs, capitalization of MDBs…
* Additional national climate measures are necessary to facilitate decarbonization.

**Each country would find an interest in joining the union**

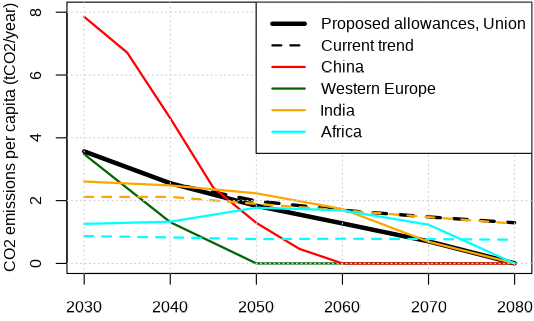
* China and the EU risk missing their targets (especially the EU). The union would guarantee that they meet their target by purchasing allowances at a reasonable cost to the rest of the world.
* China would find a market for its low carbon products.
* LICs (in particular in Africa) would obtain sizable transfers by selling allowances.
* Middle-income countries (China, Brazil, Indonesia) would get allowances in line with their needs, encouraging them to decarbonize with the guarantee that the rest of the world also decarbonizes.

**A Plan widely supported by the public in the G20 countries**

* Representative surveys explained a similar plan to respondents (emphasizing its costs) then measured support. 76% in Europe and 54% in the United States support the Plan.
* Different survey experiments confirm that support for global policies is sincere.
* 60% of people prefer a political program that includes a global climate plan to one without.

Projected carbon price trajectory in the Union.

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|  | 2030 | 2035 | 2040 | 2045 | 2050 | 2060 | 2070 | 2080 |
| Carbon price (in $/tCO2) | 2 | 34 | 80 | 122 | 162 | 243 | 340 | 481 |



CO2 emissions allowances for selected regions, compared to NDCs (in tCO2 p.c.).   
Source: van de Ven et al. (2023) and author’s computation.

**Bibliography**

* The detailed proposal: *From Global Policies to Phase Out Fossil Fuels To a Sustainable Union*, Adrien Fabre, 2025. [bit.ly/FFU-SU](https://bit.ly/FFU-SU)
* The representative survey: *International Attitudes Toward Global Policies*, Adrien Fabre, Thomas Douenne & Linus Mattauch, 2023. [bit.ly/Fabre2023](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4448523)