

Opportunity Green: Submission to the Office of the High Commissioner for Human Rights' call for inputs on "Climate financing and human rights"**Opportunity Green, 15 January 2026**

Opportunity Green is an NGO working to unlock the opportunities from tackling climate change using law, economics, and policy. We do this by amplifying diverse voices, forging ambitious collaborations and using legal innovation to motivate decision makers and achieve climate justice with particular emphasis on the shipping and aviation industries.

Opportunity Green welcomes the chance to respond to this call for inputs. We remain available for assistance and any further information; please contact Dominika Leitane (dominika@opportunitygreen.org) or Sapphire Metcalf (sapphire@opportunitygreen.org).

This submission focuses on the opportunities and actionable pathways, as well as current barriers, to mobilize sufficient climate financing in the shipping and aviation sectors, in response to questions 1, 2, 4 and 6.

Introduction

International aviation and shipping make a substantial and growing contribution to climate change, warranting particular attention in the context of climate financing. Aviation represents around 4% of global anthropogenic warming to date, when also accounting for non-CO₂ impacts,¹ which could be twice as damaging as carbon dioxide (CO₂) on short timescales. Similarly, shipping constitutes around 3% of global annual greenhouse gas (GHG) emissions.²

Recent developments in international law have crystallized the binding obligations of States in addressing GHG emissions from all sectors, including international aviation and shipping. The recent Advisory Opinion of the International Court of Justice clarified that States must use all means at their disposal to prevent significant harm to the climate system.³ This includes an obligation of sustained and continuous cooperation in good faith at the international level to achieve deep, rapid and sustained GHG emissions reductions consistent with the 1.5°C temperature goal.⁴ This obligation encompasses financial assistance, technology transfer and capacity-building, making sustainable finance a central mechanism through which States can give effect to their legal obligations.

Key barriers to mobilizing and effectively deploying climate finance for human rights-based climate action in the shipping and aviation sectors*Undertaxed and privileged industries*

Aviation is the most carbon intensive form of transport.⁵ At the same time, flying is predominantly enjoyed by the wealthiest 2 to 4% of the world's population,⁶ with 1% of the population being responsible for over 50% of the sector's CO₂ emissions. Despite this, fuel for international flights is generally exempt from tax. Considering aviation's rising share of global pollution and climate damage, the tax exemption enjoyed by the industry is increasingly being perceived as untenable.⁷

Arguments relating to the negative impact on tourism-dependent economies have been used against the introduction of a global aviation market-based measure (e.g., a global aviation fuel levy, or GHG emissions pricing mechanism), in large part purported by the aviation industry. Opportunity Green's analysis demonstrates that this concern is greatly overstated, finding on average the tourism revenue impacts equate to less than 0.05% of total revenue, and can be mitigated by an effective mechanism centred on equitable revenue distribution.⁸ When coupled with the fact that an aviation fuel tax in the EU alone could generate \$12.8bn in revenue by 2027,⁹ it is plainly necessary that a market-based measure should be applied to international aviation so that the sector begins to pay for its contribution to the climate crisis.

Separate legal analysis by Opportunity Green confirms that States are generally capable of introducing an aviation fuel tax under current international legal frameworks, namely the Chicago Convention and many bilateral and multilateral air service agreements, concluding that the current inaction is an issue of political will rather than one of legal constraints to implement an aviation fuel tax.¹⁰

Similarly, international shipping continues to benefit from exceptionally favourable tax treatment that is misaligned with its climate impact and economic performance. Between 2019 and 2023, the sector earned over \$330bn in profits while paying an effective tax rate of roughly 10%, far below global average corporate tax rates.¹¹

This is driven primarily by the largest and most profitable shipping companies headquartered in wealthy OECD countries. Four OECD-based firms capture over half of global shipping profits, yet pay only 16% of total shipping taxes, with an effective tax rate of around 3%. By contrast, non-OECD companies pay significantly higher effective tax rates despite earning a smaller share of profits. The result is a structural imbalance in which profits are concentrated in the Global North while tax burdens are disproportionately borne elsewhere.

Given the cross-border nature of shipping and the failure of national taxation systems to deliver fair outcomes, international action is required. A global levy on shipping emissions, with proceeds allocated with a clear mandate to support a just and equitable transition (see “relationship between climate finance and human rights” below), offers a pathway to aligning the sector’s fiscal contribution with its climate impact.

Industry lobbying and governance issues at the International Civil Aviation Organization and the International Maritime Organization

The International Civil Aviation Organization (ICAO) is a UN agency serving as the global forum for international civil aviation. It is not a regulator, and has no enforcement powers to that effect, but has to date set the global standards and practices on aviation through the co-operation of State Parties. However, entrenched corporate capture of decision-making processes and governance issues which favour the interests of industry and high-emitting, wealthy States has resulted in weak regulation of the climate impacts of aviation and has dramatically decreased the level of climate ambition at the ICAO, including on climate finance.

Evidence strongly suggests that industry presence has shaped and influenced the ICAO’s opposing position on environmental taxation on aviation fuel duty. Analysis by InfluenceMap of ICAO’s February 2025 meeting of the Committee on Aviation Environmental Protection (CAEP) found that industry representatives made up 31% of attendees, outnumbering environmental delegates by 14 to one.¹² Further still, the International Air Transport Association (IATA), a trade association representing 350 airlines, aligned its messaging with ICAO to oppose aviation taxes and levies. IATA cited the ICAO’s wishes for its contracting nations to “express concern regarding proposals to use international aviation as a source for climate finance” at COP30.¹³ ICAO also argued that developing countries would be most impacted by the taxes or levies, despite Small Island Developing States positioning the aviation and maritime sectors as a fruitful source for levies and taxes to mobilize climate finance through the Global Solidarity Levies Taskforce (GSLTF).

Industry capture is reinforced and prolonged by ICAO’s governance structure: CAEP generally requires delegates to sign non-disclosure agreements to participate and does not make agendas and delegate submissions publicly available; the General Assembly convenes once every three years to formally approve CAEP recommendations; and negotiations are closed to the media while delegate job affiliations are not disclosed, obstructing external scrutiny and accountability. Legal analysis by Opportunity Green demonstrates how this structure contradicts the obligations of Member States who are also signatories to the Aarhus Convention and Escazú Agreement on appropriate access to environmental information, and as a result is likely to impact groups most

at risk from the climate crisis and who may have fewer means and capabilities to ensure their voices are heard at international aviation negotiations.¹⁴

In contrast to ICAO, the IMO has the authority to adopt enforceable climate measures, including mechanisms capable of mobilising climate finance. However, the October 2025 negotiations on the IMO Net-Zero Framework demonstrate how procedural tools and the actions of powerful, high-emitting States can be used to delay or weaken climate ambition, with implications for emissions reductions and just and equitable climate finance.

When negotiations resume in October 2026, enshrining principles of equity and fairness within the IMO Net-Zero Fund’s operating rules will be essential to ensuring those most vulnerable to the impacts of both climate change and decarbonisation initiatives are not left behind during the maritime transition. Equitable design of the IMO Net-Zero Fund is essential to overcoming concerns about the Net-Zero Framework’s disproportionate negative impacts on certain countries and regions and ultimately enabling a just and inclusive transition worldwide. Clear fund governance structures that guarantee inclusive representation, accessibility to funds, and equity-focused disbursement may help to strengthen confidence in the Net Zero Framework’s fairness and effectiveness, increasing the likelihood of consensus at the next MEPC session.¹⁵

Structural injustice in global adaptation finance

By 2035, developing countries will require \$3.3tn in adaptation finance, yet current trajectories indicate that less than one-quarter of what is needed will materialise.¹⁶ This gap directly undermines States’ ability to protect lives, livelihoods, and fundamental human rights.

Private finance remains negligible; globally the private sector contributed less than 3% of adaptation finance between 2019-2022, much of it from philanthropy rather than commercial investment. This underscores a profound challenge and market failure, as while the need for adaptation solutions is vast, the incentive for private financiers remains minimal due to perceived lack of market value.¹⁷

Given the structural absence of private capital, closing the adaptation gap requires predictable, public, non-debt-creating finance. This strengthens the case for international levies on high-emitting and historically undertaxed sectors such as international aviation and shipping. Progressive levies designed under the polluter pays principle could generate substantial, predictable finance for adaptation, helping to advance a just and equitable transition by aligning with the new collective quantified goal (NCQG).

Finance flows to problematic ‘transitional fuels’

The success of climate financing depends on having clear, science-based definitions of genuinely sustainable economic activities. In the shipping and aviation industries, the consistent mislabelling of certain fuels as “sustainable” risks impeding the mobilisation of finance as a tool for decarbonisation by directing capital towards high-emitting activities.

In shipping, liquefied natural gas (fossil LNG) is a methane-intensive fossil fuel whose lifecycle GHG impacts can exceed those of conventional marine fuels, yet has been advertised in terms such as “eco-friendly” and a “green technology”.¹⁸ Likewise, the umbrella term “sustainable aviation fuel” (SAF) covers a wide range of alternative fuels with vastly different environmental credentials, creating legal, financial and reputational risks for investors and institutions that label these fuels as sustainable without robust, lifecycle-based substantiation.¹⁹

These mislabelling practices are symptomatic of broader classification challenges in sustainable finance. For example, technical criteria in the European Union’s Taxonomy for sustainable activities currently enable ships and planes running on fossil fuels to be eligible for green finance based on weak ‘efficiency’ criteria, potentially directing large finance flows into assets that lock in emissions for decades and undermine alignment with a 1.5°C pathway.²⁰

By blurring the line between genuinely low-carbon solutions and high-emission fuels, such as mislabelling erodes investor confidence, facilitates greenwashing, and diverts capital away from truly sustainable technologies that are essential for decarbonising international shipping and aviation.

Recommendations and examples of actionable pathways to mobilize sufficient climate financing in the shipping and aviation sectors

The IMO Net-Zero Framework

The IMO Net-Zero Framework creates an important, though currently limited, pathway to mobilise climate finance for the shipping sector through its penalty pricing mechanism under the two-tiered global fuel standard. The estimated sum of \$10-15bn generated per year by the pricing mechanism is far less than what could have been raised under a flat rate universal levy (\$40-60bn annually between 2025-2050).²¹ The revenues generated under the IMO Net-Zero Framework are significantly lower than what is necessary to support a just and equitable transition.²²

A higher Remedial Unit (RU) price will help secure further funds to support the transition while increasing the incentive to transition away from GHG-emitting energy sources. RUs are currently priced at \$100 at Tier 1 and \$380 at Tier 2 for the years 2027 to 2030. However, in January 2028 the IMO will determine a new methodology for setting the price from 2031 onwards, giving an opportunity to push for more ambitious numbers.

Additionally, the current text on revenue disbursement for purposes related to a just and equitable transition lacks clarity. Although the IMO Net-Zero Framework states that revenue will be disbursed under this priority area, the text as a whole remains open for further clarification on the percentage of total funds that will be reserved for this purpose, exactly what activities will fall within its scope, who will be eligible to receive funds and how they can be accessed.

The development of the governing provisions related to the IMO Net-Zero Fund is a key opportunity for States to account for the needs of developing countries, in particular the most climate vulnerable countries, and prevent revenue streams disproportionately benefiting already wealthy countries and companies.

Aviation taxation

Corporate capture, governance and transparency issues at the ICAO, when taken jointly with the potential legal avenues to implement taxes on aviation fuel, necessitates and provides national governments with the opportunity to move forward with taxation domestically (placed on all flights departing from their jurisdictions, not just domestic flights) without waiting for an international universal agreement on aviation taxation. The GSLTF is a promising example of coordinated action outside of traditional negotiating and decision-making spaces.

Finally, private jet ownership is an exceptional luxury consumption and typically enjoys lower rates of air passenger duty compared to commercial flights. The global average net wealth of a private jet owner is \$1.6bn,²³ therefore the imposition of an adequate air passenger duty burdened by the private jet industry would constitute a significant step forward in the effective application of the polluter pays principle.

Relationship between climate finance and human rights

The IMO's proposed Net-Zero Framework provides an emerging example of international climate finance with implications for human rights. The Framework's core emissions reduction mechanism is a two-tiered global fuel standard that includes GHG pricing on emissions above a certain threshold, estimated to generate a revenue stream of \$10bn per year, to be managed and disbursed through the IMO Net-Zero Fund.²⁴

The design of this mechanism has direct implications for a just and equitable transition, as the ability for ships to remain compliant through the purchase, banking and trading of surplus and

remedial units, introduces the potential for a private credit trading system, which risks concentrating financial flows amongst ships and regions with existing access to capital, advanced technologies, or prior exposure to GHG regulations. Without corrective measures, this dynamic could exacerbate inequities between States, particularly disadvantaging Least Developed Countries and Small Island Developing States, with knock-on effects for economic rights, livelihoods, and development outcomes.

If allocated with a clear mandate to support a just and equitable transition, revenues could help offset disproportionate negative impacts on developing States that are highly trade dependent, geographically remote, or climate vulnerable. High quality finance, characterised by concessional terms, higher risk tolerance, and grant-based components, could support countries trapped by high costs of capital which discourages investments that would positively contribute to climate action and development.²⁵ On the other hand, poorly designed finance, relying heavily on de-risking instruments that transfer risk to public balance sheets, may undermine fiscal space and increase sovereign debt burdens.²⁶ This poses a risk to the realisation of economic and social rights, especially where public resources are already constrained.

A key issue within the IMO Net-Zero Framework concerns how revenue use is interpreted, particularly whether spending to “promote a just and equitable transition” must remain strictly “within the boundaries of the energy transition of shipping”. From a human rights perspective, rigid sectoral ringfencing may undermine effectiveness and equity. Investments in climate-resilient coastal infrastructure or workforce social infrastructure and health services, while not strictly maritime, may be essential to safeguarding labour rights, the right to health, and community resilience.²⁷ Experience from climate funds such as the Green Climate Fund demonstrates that effective and rights-aligned interventions often require integrated, multi-component project design to ensure long-term viability.²⁸

¹ D.S. Lee and others, ‘The contribution of global aviation to anthropogenic climate forcing for 2000 to 2018’ (2021) 244(117834) Atmospheric Environment.

² International Maritime Organization, ‘Fourth IMO Greenhouse Gas Study’ (2020) <https://www.imo.org/en/OurWork/Environment/Pages/Fourth-IMO-Greenhouse-Gas-Study-2020.aspx> accessed 14 January 2026

³ International Court of Justice, ‘Obligations of States in respect of Climate Change’ (2025), paragraph 139, available at: <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>

⁴ Ibid., paragraph 270

⁵ Milan Klöwer and others, ‘Quantifying aviation’s contribution to global warming’ (2021) 16(104027) Environmental Research Letters, 1.

⁶ Stefan Gössling and Andreas Humpe, ‘The Global Scale, Distribution and Growth of Aviation: Implications for Climate Change’ (2020) 65(102194) Global Environmental Change, 4.

⁷ For example, a UK House of Commons Library research briefing in 2019 notes that many commentators consider the exemption ‘an indefensible anomaly’ (see Anthony Seely, ‘Taxing aviation fuel’, House of Commons Library Briefing Paper Number 523 (October 2019), 1); and the explanatory memorandum to the EU proposal to revise the Energy Taxation Directive in 2021 notes that a mandatory fuel tax exemption for international aviation fuel is ‘not coherent with the present climate challenges and policies’ (see European Commission, ‘Proposal for a Council Directive restructuring the Union framework for the taxation of energy products and electricity (recast)’, COM/2021/563 final, Recital 21).

⁸ Opportunity Green, ‘Mitigating tourism impacts from a global aviation levy or greenhouse gas pricing mechanism’ (September 2025)

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⁹ Thomas Hirsch and others, ‘New resources for public climate finance and for the Loss and Damage Fund: Exploring taxes and levies at EU and multilateral level’ (Climate Action Network Europe, September 2023) <<https://caneurope.org/content/uploads/2023/10/Public-sources-climate-finance-loss-and-damage.pdf>> accessed 27 February 2025, 3.

- ¹⁰ Opportunity Green, ‘Clearing the air on how we tax aviation fuels’ (November 2024) <<https://www.opportunitygreen.org/s/Opportunity-Green-Aviation-tax-briefing-paper-Final-with-Annex.pdf>> accessed 14 January 2026
- ¹¹ Opportunity Green, ‘Global shipping: mega profits, micro taxes’ (March 2025) <https://static1.squarespace.com/static/64871f9937497e658cf744f5/t/67e29a5117221a02734dfc8b/1742903890515/Shipping+taxes+profits_final_small.pdf> accessed 14 January 2026
- ¹² InfluenceMap, ‘Corporate Capture and the UN International Civil Aviation Organization’ (September 2025) <<https://influencemap.org/report/ICAO-Corporate-Capture-2025>> accessed 14 January 2026
- ¹³ *ibid.*, 23.
- ¹⁴ Opportunity Green, ‘Clear Sky and Transparent Sea’ (December 2022) <<https://www.opportunitygreen.org/publication-clear-sky-and-transparent-sea>> accessed 14 January 2026
- ¹⁵ Opportunity Green (2025), ‘Adjournment of the IMO’s Net-Zero Framework – what does it mean? Available at: [Adjournment of the IMO’s Net-Zero Framework – what does it mean? — Opportunity Green](#)
- ¹⁶ Climate Policy Initiative and Global Centre on Adaptation (2024), ‘State and Trends in Climate Adaptation Finance 2024’ <https://gca.org/wp-content/uploads/2024/04/State-and-Trends-in-Climate-Adaptation-Finance-2024.pdf> accessed 14 January 2026
- ¹⁷ *Ibid.*
- ¹⁸ LNG advertisement has been under increased scrutiny. For example, the UK’s advertising regulator recently ruled that such claims were in breach of UK consumer regulations, as they were likely to mislead consumers, since LNG was a fossil fuel. See Opportunity Green’s press release: <<https://www.opportunitygreen.org/press-release-asa-upholds-Ing-greenwashing-claims-msc-cruises-ticket-sellers>>
- ¹⁹ Opportunity Green, ‘Fuelling misconceptions: the legal risks of advertising ‘sustainable aviation fuel’’ (July 2025) <<https://www.opportunitygreen.org/publication-legal-risks-advertising-sustainable-aviation-fuel-saf>> accessed 14 January 2026
- ²⁰ Opportunity Green has launched a legal challenge against the European Commission, requesting it to review its green investment rules on aviation and shipping, see: <<https://www.opportunitygreen.org/press-release-eu-taxonomy-challenge>>
- ²¹ Goran Dominioni et al, (2023), ‘Distributing Carbon Revenues from Shipping’ <<http://hdl.handle.net/10986/39876>> accessed 14 January 2026
- ²² Global Maritime Forum (2020), ‘The scale of investment needed to decarbonize international shipping’ <<https://globalmaritimeforum.org/news/the-scale-of-investment-needed-to-decarbonize-international-shipping/>> accessed 2025
- ²³ Wealth-X, ‘Private Jets and the Ultra Wealthy’ (May 2023) <<https://wealthx.com/reports/private-jets-and-the-ultra-wealthy>> accessed 14 January 2026
- ²⁴ Transport & Environment (April 2025), ‘The Impact of the IMO’s Draft Net-Zero Framework’ <<https://www.transportenvironment.org/uploads/files/Impact-of-the-IMOs-draft-Net-Zero-Framework-April-2025.pdf>> accessed 14 January 2026
- ²⁵ The Fund for Responding to Loss and Damage (2024) ‘Background paper on financial instruments, modalities and facilities FLD/B.2/12’ <https://www.frlf.org/sites/default/files/LDF_Financial_Instruments.pdf> accessed 14 January 2026
- ²⁶ Daniela Gabor & Ndongo Samba Sylla (2023), ‘Derisking Developmentalism: A Tale of Green Hydrogen in Development and Change’, 54: 1169-1196 and Sören Scholvin et al. (2025) ‘De-risking green hydrogen? Insights from Chile and South Africa’, in Energy Policy 198, 114485
- ²⁷ Opportunity Green (2025), ‘A just and equitable transition for shipping’ <<https://www.opportunitygreen.org/publication-a-just-and-equitable-transition-for-shipping>> accessed 14 January 2026
- ²⁸ Green Climate Fund (2023), ‘Investment framework for GCF-2’ <<https://www.greenclimate.fund/document/investment-framework-gcf-2>> accessed 14 January 2026