Input for synthesis report on just transition and human rights

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Basic Income for Nature and Climate as a pathway for a just transition

Basic Income (BI), an unconditional, regular cash payment made to individuals within a given society, has proven a powerful tool to address a wide range of socio-economic challenges. Most existing BI projects pay limited attention to environmental issues. However, there is growing evidence that a BI framed around just transition priorities could also be a powerful solution for biodiversity conservation and climate justice (International Memorandum, 2024). Not only does basic income recognise each individual person's right to a basic level of economic security, it also provides them with the direct resources to respond to and undertake activities related to a just transition.

Mainstream just transition policymaking has generally focused on labour transitions which, whilst important, will not alone deliver an inclusive just transition that reaches and benefits everyone in society. For example, women, Indigenous communities and youth may often be implicitly left out of just transition policymaking (UNDP, 2023). This submission will consider the evidential base for basic income, some ecologically viable strategies to fund and implement it, and how it compares in practice and outcome to existing cash-based climate policies.

A brief history of cash transfers for nature protection and climate regulation

Over the past several decades, a wide variety of so-called market-based instruments (MBIs) have been developed to deliver benefits to local people, particularly in lower-income societies, to support and encourage biodiversity protection and climate mitigation activities. The most prominent of these are payment for ecosystem services (PES) programmes, more than 500 of which are currently in operation worldwide. Likely the most famous PES programme is in Costa Rica (Porras & Chacón-Castante, 2018). In the 1950s, more than half of the country was covered by rainforest. By 1990, however, this percentage had been reduced by half. To address this problem, among other measures in 1997 Costa Rica introduced a nation-wide PES programme to pay private landowners to preserve their forest parcels.

The programme is funded by a variety of means, including fuel taxes, a water charge, carbon credits and collaboration with the private and public sector. Landowners get cash transfers for reforestation, agroforestry, forest protection and sustainable forest management for periods of 5 or 10 years. Payments are conditional on demonstrating measurable outcomes. As a result of the PES programme and other measures, by 2022 forest cover had expanded to cover 60% of the country (United Nations Climate Change, 2023; World Bank Group, 2022).

Moving away from conditionality

Unconditional cash transfers (UCTs) are one of the most promising and well-studied development and poverty-alleviation interventions (GiveDirectly, 2020; GiveDirectly, 2023; Giving What We Can, 2024; GiveWell, 2024). Building on this experience, BI is becoming viewed as an effective intervention to address the polycrises of climate change, biodiversity loss, human right violations and inequalities. Studies have shown that UCTs and BI schemes have positive effects on people's livelihoods, in areas like monetary poverty, health, nutrition, food security, well-being, employment, education, savings, investment, production, childhood growth, child health, malnutrition, stunting, infant mortality, educational outcomes, wealth, consumption, assets (Das & Sethi, 2023; GiveDirectly, 2020; McIntosh & Zritlin, 2024). They have been showed to also contribute to a reduction in depression, anxiety, HIV incidence, domestic violence, transactional sex, suicide, and physical and sexual violence against children (Machado et al., 2024; Wollborg et al., 2023; Wong & Forget, 2023).

Given the scale of the polycrisis, and the fact that its impacts are being unjustly felt by those who have least contributed to their escalation (IPBES, 2024; Benevolenza & DeRigne, 2018), some have argued that BI has the capacity to be delivered quickly and cheaply - and therefore at scale - to provide the basis for a transition to a more just and sustainable world (World Economic Forum, 2023).

GiveDirectly (GD), an INGO whose mission is to eradicate poverty, is among a number of organizations that have been testing different cadences and delivery mechanisms of UCTs. Comparative studies of GD's flagship lumpsum intervention with short-term (two years) and long-term (twelve years) basic income interventions have produced some valuable insights and learning (GiveDirectly, 2023), pointing to the scalable potential of BI as a means of tackling inequalities in the context of the climate and biodiversity crises. A cost-effectiveness analysis (GiveDirectly, 2024) shows that for each dollar GiveDirectly raises, it multiplies by US$2.5 in the local community.

Basic income for Nature and Climate - for people, nature and climate.

While PES programmes like Costa Rica's provide promising evidence of the potential for cash payments to support conservation and climate action, they are limited in several respects. They are usually a byproduct of carbon markets, allowing (or requiring) polluting actors to purchase credits to offset their own carbon emissions. Through channelling conditional revenues from these credits to communities in protected and environmentally sensitive areas, carbon markets aim to generate positive externalities that genuinely offset the carbon footprint upstream, whilst also redistributing money directly to climate-vulnerable communities. However, significant doubts exist as to the ethics, efficacy, transparency and environmental impact of these schemes (Probst et al., 2024; The Guardian, 2023).

With the protection of carbon- and biodiversity-rich ecosystems being high on the list of priorities to keep within planetary boundaries, Fletcher and Büscher (2020) have argued for the introduction of a conservation basic income (CBI) as a way to enact a new and more just conservation paradigm (Büscher & Fletcher 2019). CBI translates as an unconditional, regular and universal cash payment to people who live in or near biodiversity hotspots. Mumbunan et al. 2021 add climate action to the equation in an expanded basic income for nature and climate (BINC) mechanism. BINC can be framed as an alternative to current Market-Based Instruments (MBIs) such as PES, REDD+ (reduced emissions through avoided deforestation and forest degradation), Tropical Forest Forever Facility (TFFF) and other initiatives which offer financial incentives to groups or individuals carrying out positive environmental work. Additionally, BINC could be used as a sub-mechanism to channel the revenues generated by the aforementioned schemes directly to people who live at the frontline of the climate crisis.

While very few UCTs currently exist in the field of nature conservation, practitioners and funders are beginning to leverage the overwhelming evidence and learnings and apply those for biodiversity and climate gains. At present, a conditional cash transfer programme in Indonesia is estimated to have reduced the tree cover loss in villages by 30% whilst also providing some benefits to local communities (Ferraro & Simorangkir, 2020).

The only true BINC in operation is in the Peruvian Amazon. Cool Earth is a climate organisation who has been delivering UCTs to people who live in the rainforest for 17 years. These payments have contributed to safeguarding over 450,000ha of rainforest (Cool Earth, 2023). Last year, in partnership with two female-led Indigenous organisations ONAMIAP and OMIAASEC, it launched the first basic income pilot to address Indigenous autonomy in the face of the climate crisis (The Guardian, 2024). Millenia-old practices by Indigenous peoples and local communities have ensured that 39% of global lands continue to be in good ecological condition (Kennedy *et al.*, 2023). Without significant rights-based support to address their economic, socio-political, cultural and environmental vulnerability, frontline communities lack the necessary resilience to resist threats to their territories (Graziano Cedia, 2019; Tauli-Corpuz, 2018).

A full evaluation of the pilot will be published by researchers at the University of Bath at the end of 2025. Ongoing surveys and interviews with participants have shown that people have been able to address food and housing security, improve household and community cohesion and continue with community conservation projects such as reforestation and the protection of watering holes. While more research and scale are needed to fully understand the potential of BINC, these early trends suggest that people who live in carbon-rich forests are able to maintain a certain level of resilience at the expense of those who wish to exploit their lands.

Funding a basic income for nature and climate

The funding question remains a central debate amongst scholars and policy-makers. De Lange *et al.* (2023) argue that a conservation basic income of US$5.50 in existing protected areas in low and middle income countries would cost US$478 billion annually, with 75% to 88% of eligible populations found in these regions. Sumaila et al. (2024) come to a similar amount of US$442 billion, by looking at people in countries with a low Human Development

Index. The campaign organisation Equal Right has outlined a ‘Cap and Share’ policy, which it claims could raise upwards of $US5 trillion annually for climate finance, including a modest basic income for all citizens of the world of at least US$30 a month (Equal Right, 2023).

Equal Right’s modelling applies a carbon charge of US$135 per tonne of CO2 equivalent on global fossil fuel extraction, which would occur within a ‘cap’ or limit on the total amount allowed to be extracted. This system would mitigate the climate crisis whilst also raising significant quantum for a just transition. Equal Right advocates putting the revenues from the charge into a Global Commons Fund, which would invest in the green economy and pay out a global UBI, with the level of UBI increasing in line with the performance of the fund (Equal Right, 2023). A global carbon tax of US$50-100, redirecting the US$540 billion in subsidies to the agriculture and fishery industry (Sumaila et al. 2024) or the US$7 trillion received by the fossil fuel industry (Black et al., 2023) - considering the negative impact from these sectors estimated at US$25 trillion annually (IPBES, 2024) -, taxing deforestation, fuels, firearms, wealth among many others (Barbier, 2012; Abbott & Bogenschneider, 2018; World Bank Group, 2022; Wilkinson & Pickett, 2024), or the *Polluter Pays Principle* (European Commission, 2021) have also been suggested to fund the green transition.

Although the initiatives we discuss below may not fall within the principles of a pure Universal Basic Income, they offer insights as to how policy-makers may be able to envision a green transition in their own countries. In Canada, its Carbon Rebate initiative generates revenue through a fuel charge of US$80 per tonne of gasoline and an output-based pricing system for emissions from polluting industries which is then redistributed to its citizens. Similarly, Switzerland’s CO2 Levy is revenue generated by taxing all thermal fossil fuels at US$142 per tonne which is also redistributed to all its residents. Finally, the 2010 energy subsidy reform in Iran is another illustration of how fossil fuel subsidy reduction through the delivery of an unconditional cash payment to its citizens contributed to income inequality reduction (Zarepour & Wagner, 2022). The transfers amounted to around 6.5% of GDP (or US$40 billion) and about 29% of the median household income (UNICEF, 2019).

Conclusion

Few today disagree with the assessment that climate change has had profound impacts on human rights, threatening humanity’s path towards a just and sustainable world (UNDP, 2023). Had we addressed our reliance on fossil fuels when that same industry produced incriminating reports about their own activities in the 1980s (Franta, 2021), we probably wouldn’t be facing many of the sustainability issues we have today.

Climate change must be tackled through a portfolio of mitigating activities, which now more than ever, must also account for historical injustices incurred by billions of people (Walsh & Ormond-Skeaping, 2022). The colossal resources needed for the adaptation of the most vulnerable groups and countries stresses an urgent need for rights-based approaches as a pathway towards a just transition. Whilst highlighting the political and contextual complexities of delivering BINC, this submission offers a viable model to address the basic human rights of individuals in the context of the climate and biodiversity crises. As such, we invite the OHCHR to consider our efforts in pursuit of a more equitable and sustainable world.