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Quantifying ISDS risks

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ISDS protection of global fossil fuel assets

Those treaties protect

 **62%** of fossil fuel assets owned by foreign companies

 **12%** of all global fossil fuel assets

2 Gt CO₂e

= 58% of the GHG emissions from all of Europe's fossil fuel operations in 2022

PERCENTAGE OF TOTAL GLOBAL ISDS-PROTECTED EMISSIONS



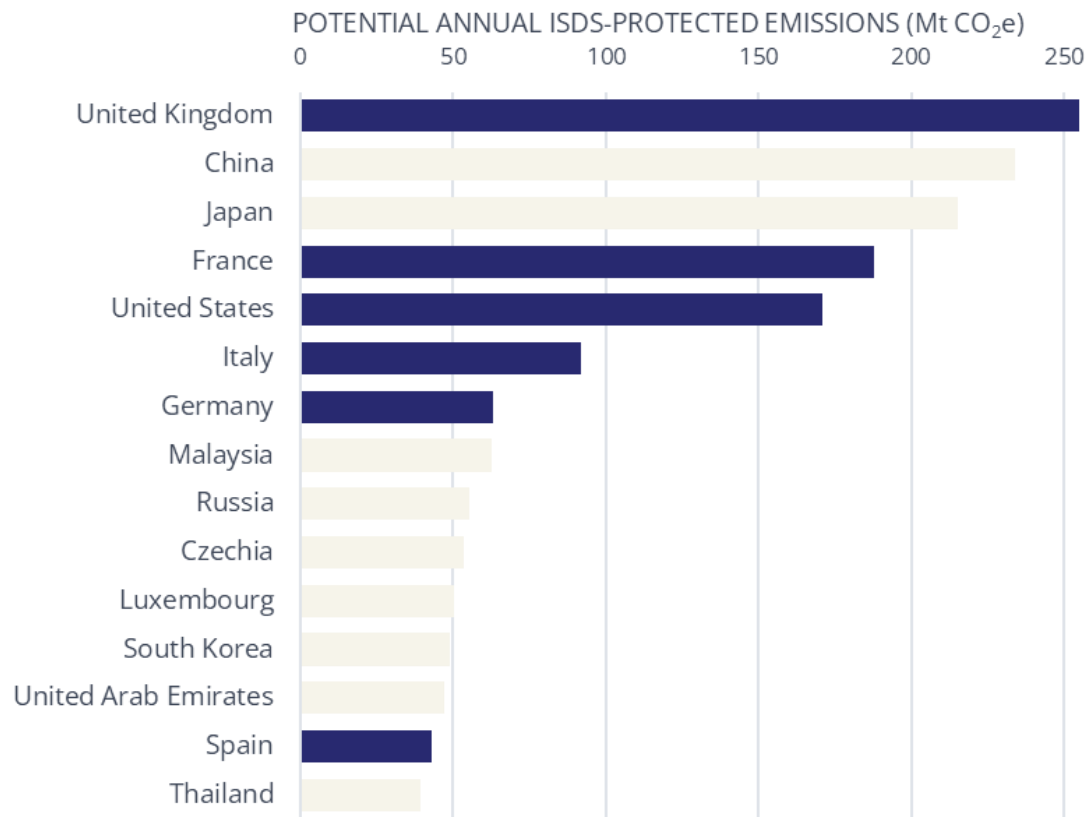
Source: Analysis by E3G. Aggregated data using Rystad Energy's UCube and Global Energy Monitor's GCPT, GCMT & GOGPT

Misalignment with climate efforts



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Six of the top 15 countries by amount of greenhouse gas emissions protected are members of the Clean Energy Transition Partnership



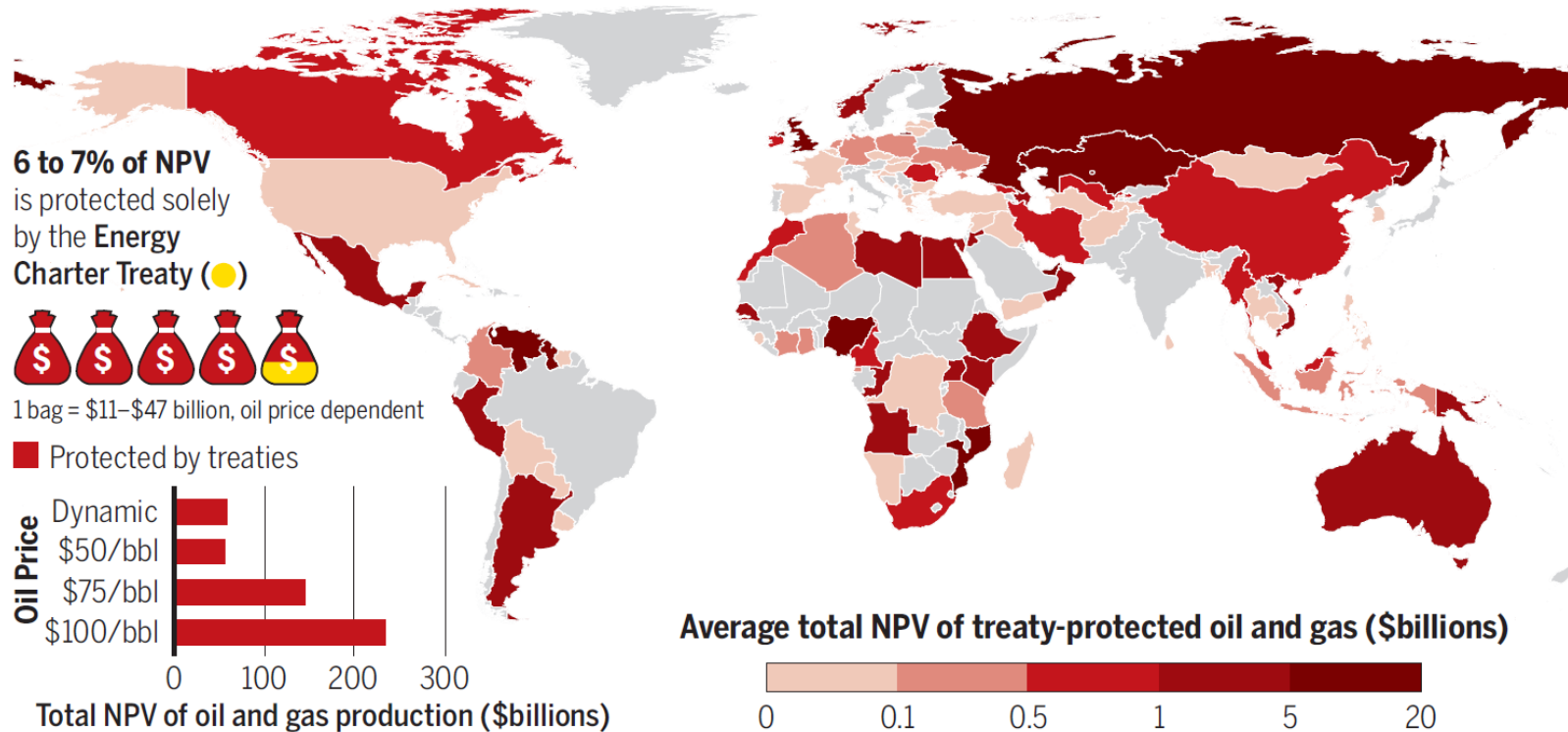
- > Investment treaties with ISDS function as “free state-backed insurance”.
- > They work similarly to export guarantees/insurances by ECAs.
- > CETP signatories continue to protect fossil fuel investors’ interests via ISDS.

Future disputes – oil and gas phaseout



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Phasing out oil and gas production to reach net zero by 2050
could generate up to **\$340 billion** globally.



✓ **Mozambique (#1)**

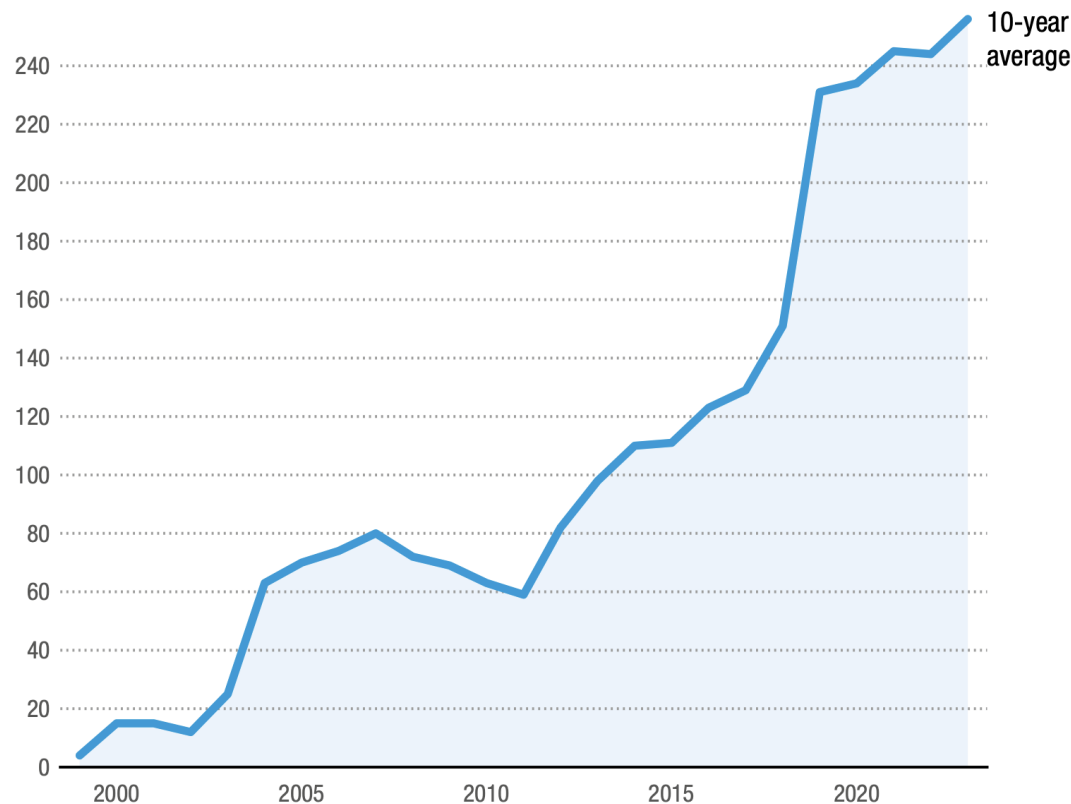
\$29 billion = 186% of GDP (2019)

✓ **Guyana**

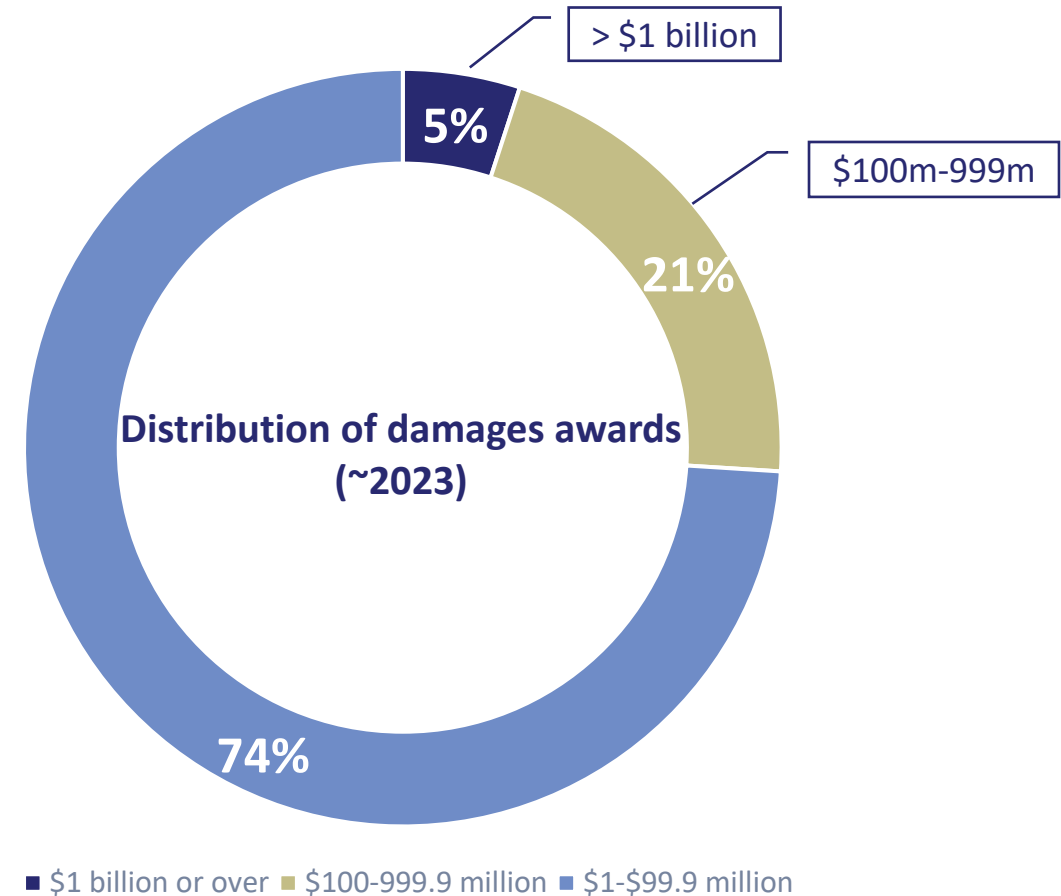
\$15 billion = 282% of GDP (2019)

ISDS reduces public funds for climate action

Figure 1
ISDS damages awards are growing
Ten-year rolling average of damages awards in treaty-based ISDS proceedings



Source: UNCTAD, 2024, IIA Issues Note: Compensation and Damages in Investor-State Dispute Settlement Proceedings



Source: UNCTAD, 2024, reproduced by E3G

About E3G

E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate. Our goal is to translate climate politics, economics and policies into action.

E3G builds broad-based coalitions to deliver a safe climate, working closely with like-minded partners in government, politics, civil society, science, the media, public interest foundations and elsewhere to leverage change.

More information is available at www.e3g.org

