case 7-427-581
July 28, 2026

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Carbon Burden Sharing: The North-South Divide

It was 11:47 p.m. on a Tuesday in April 2026 when Amara Okafor-Diallo[i] finally closed the competing briefs spread across her desk. She had 72 hours left. In just a few days, the Preparatory Committee of the Climate Finance Summit would convene in Baku, Azerbaijan, and from her desk at the International Monetary Fund (IMF) headquarters in Washington she would transmit to them the analytical memorandum that would frame the negotiations for 195 national delegations. If her memo was persuasive, it would anchor the debate. If it was not, the committee would default to no recommendation, and another year would pass without coordinated global carbon pricing.

Okafor-Diallo, 34, was a senior equity analyst in the Fiscal Affairs Department of the IMF, with a PhD in development economics from Oxford and an MBA from the University of Michigan's Ross School of Business. Before the IMF, she had spent three years at the World Bank's Climate Change Group modeling how emissions trading affected sub-Saharan African economies. She understood, with uncommon precision, how a number on a spreadsheet became a closed school or an abandoned hospital.

Her predecessors at the IMF had produced technically sound analyses that were ignored because they failed to account for the political and moral dimensions of the pricing debate. Her mandate was different: produce an analysis that could persuade delegates who disagreed fundamentally, not just about the right answer but about how to define the question.

The Four Proposals

Four carbon pricing structures had emerged from preliminary consultations. Each reflected a coherent normative position. Each produced radically different distributive consequences for the 137 countries in the dataset Okafor-Diallo had assembled. Her memo had to evaluate them.

[i] Amara Okafor-Diallo is fictional. The case study otherwise is factually based. The institutional context is real (the IMF Fiscal Affairs Department, the UNFCCC COP process, the IMF International Carbon Price Floor, the EU CBAM, and the G20 climate-finance architecture), but the Preparatory Committee, the 2026 Climate Finance Summit, and the four pricing proposals (Options A–D) are constructed for instructional purposes. All quantitative data are drawn from the publicly available secondary sources cited herein; burden figures are the author's calculations.

Published by WDI Publishing, part of the William Davidson Institute (WDI) at the University of Michigan.