

# Oxford Climate Policy Blog

Initiating debates on international climate policy

## COP28: Call for a Climate Solidarity Alliance

Benito Müller



*Activists participate in a demonstration for loss and damage at the COP28 UN Climate Summit, Monday, 4 December 2023, in Dubai, United Arab Emirates. (AP Photo/Kamran Jebreili)*

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### 1. The World Climate Action Summit:

#### Launching the International Taxation Taskforce

As announced in a [press release of the Élysée Palace](#), “Antigua and Barbuda, Barbados, France, Kenya, and Spain jointly launched a new **taskforce on international taxation**, with the support of the European Climate Foundation” on 1 December 2023 during the World Climate Action Summit that preceded the UN Climate Change Conference (COP28) in Dubai, United Arab Emirates. Taskforce members “reaffirmed the urgent need to mobilize new, additional, predictable, and adequate financial resources – in addition to current commitments – to support developing and vulnerable countries’ transition to a low carbon and nature positive economy, while addressing the adverse effects of climate change, including loss and damages [and] the need to consider all options available in a spirit of international solidarity and equity.”

The Taskforce emerged from discussions on the possibility of developing new taxation instruments that took place during the [Summit for a New Global Financial Pact](#) in Paris in June 2023, and from the [Nairobi Declaration on Climate Change](#), the outcome of the Africa Climate Summit (ACS, Sept 2023), which urges consideration of a global carbon taxation regime.

Building on this momentum, “Kenya and France proposed the establishment of a taskforce to examine possible new revenue streams to unlock additional financial resources to tackle the joint development, nature and climate agenda, notably through innovative taxation mechanisms.” The Taskforce “brings together a coalition of countries committed to the progress on international taxation for sustainable development and climate action, with the aim to identify the most promising avenues and formulate concrete proposals at COP30, to be implemented by the relevant decision-making institutions and frameworks.”

As confirmed by Chrysoula Zacharopoulou, France’s Minister of State for Development, the idea is for the Taskforce to identify international taxes to “be negotiated in relevant international institutions, like the OECD, the UN, or the G20.”<sup>[1]</sup> It would be excellent if such international levies for loss and damage could be negotiated. However, for reasons I explained in an earlier OCP/ecbi post ([Call for an International Climate Solidarity Alliance](#)), I am not convinced that this could be done, at least not in a reasonable amount of time. This is why in that post I called for the formation of an **International Climate Solidarity Alliance** (ICSA) between national governments willing to set up domestic Climate Solidarity Levies (CSL) as innovative sources for loss and damage, both at home and for the new Loss and Damage Fund (L&DF) formally established on the first day of COP28.

## 2. The COP28 Climate Solidarity Side Event

On 8 December 2023, Antigua and Barbuda and OCP/ecbi co-hosted a side event on [Climate Solidarity Levies: Innovative Sources of finance for Loss and Damage](#), dedicated to the memory of my late dear friend Saleemul Huq, co-author of the [CSL Manifesto](#).

### Climate Solidarity Levies

In my presentation, I described the key features of such CSLs as:

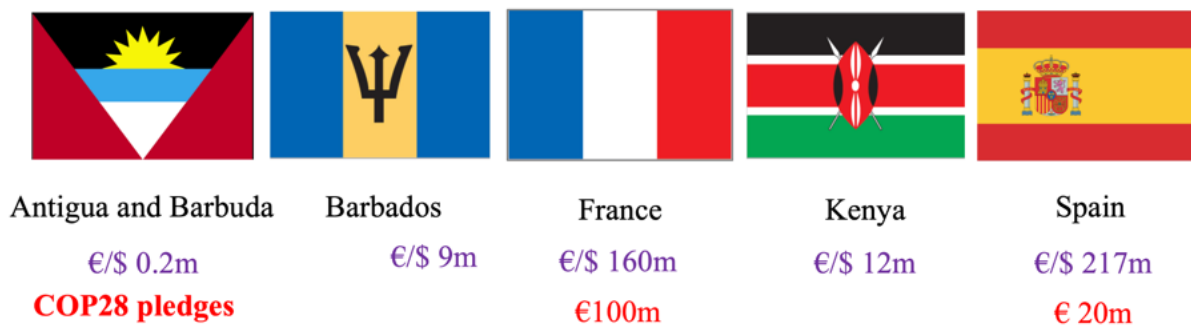
- Collection ('off-budget') in a dedicated Fund at the national level to be used for in-country L&D expenditures and as contributions to the L&DF; and
- Simplicity of collection, such as through (differentiated) flat-rate air ticket or cargo container charges.

I also highlighted the possibility of restricting domestic use of the revenue from CSLs, and an L&DF contribution payback for developing countries, to incentivise their participation (for example, the Alliance would pay them back a multiple of what they contribute to the L&DF).

Equitable Participation	Most Vulnerable	Other Developing	Developed
Domestic use of revenue (up to):	100%	50%/100%	25%
L&DF Contribution Pay-back	2x	1.5x/1x	0x

## What about the Taskforce?

The presentation concluded by looking at the the present revenue potential of Taskforce members if they were to collect an €/ \$ 5 (undifferentiated) solidarity L&D air ticket charge, comparing it (where applicable) to the L&DF pledges that were made at COP28.



The €/ \$ 5 per ticket charge was chosen purely for illustrative purposes. It corresponds to the average undifferentiated charge that would generate the €160 million currently actually collected by the existing **French Solidarity Levy** for HIV/AIDS (UNITAID), which, *nota bene*, has had no effect on passenger numbers (so no threat to tourism dependent economies).

The reason for singling out Taskforce members in this manner was simply to call on them not only to discuss the feasibility of global tax instruments over the next couple of years, but to do something now! That is, they should implement an air-ticket levy to help address their own L&D needs, as well as to help others by providing regular and predictable contributions to the L&DF now. Generating a global solution in a bottom-up, step-by-step manner is not always possible, but when possible, we should at least try (the chances of success are at least as good as getting a global top-down agreement). What is needed now is a 'leading

group' of countries who not just talk-the-talk, but walk-the-walk, and Taskforce members are ideally placed to do precisely that – in parallel to their global deliberations.

### 3. The Final Call

Personally, the best thing about the side event was chatting with Stephen Hammer, who had just become founding CEO of the [New York Climate Exchange](#) (NYCE). When complaining about being told that a national application of a CSL in the US would be very difficult as Congress would have to pass it, he suggested directly approaching some of the relevant authorities, such as the [Port Authority of New York and New Jersey](#) (PANYNJ).



Having myself 'gone sub-national' in my quest for innovative sources of funding for climate change before (see Box 1), I was delighted by the suggestion and am more than happy to follow up and collaborate with him and the NYCE on the idea!

In Paris it became 'chic' for sub-nationals to provide multilateral support for climate change finance. Now it must become 'de rigueur'!

[A Day in Agadir — sub-national contributions to multilateral climate finance](#)

[Addressing the finance gap in sub-national contributions to the fight against climate change](#)

[Innovative Sources for Multilateral Climate Finance](#)[State and City Climate Leadership Includes Global Finance](#)

[Massachusetts UN Least Developed Countries Fund](#)

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#### ***Box 1. Some past ideas on sub-national sources for multilateral climate funds***

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As it happens, the figure of \$5 used above for illustrative purposes fits in very well with the charges already collected at NY/NJ airports. Thus, for my last economy class trip to New York, I paid around the same for using the immigration and customs services at JFK airport (see my airline ticket receipt below).

So, the scale of the proposed solidarity charge should not be an issue. What could one expect to raise?

Stephen told me that the PANYNJ last year handled around 113 million passengers (La Guardia 29m, JFK 55m, Newark 29m) [2], which means \$5 passenger climate solidarity charge would have generated \$565 million, a sum which, when augmented by a \$10 TEU ([Twenty-foot Equivalent Unit](#)) cargo container charge would have reached \$639 million,[3] just under the combined total of country pledges to the L&DF to date. It

Government, authority and airport charges	Per adult
Air Passenger Duty - United Kingdom	GBP 87.00
Passenger Service Charge - United Kingdom	GBP 55.81
Passenger Civil Aviation Security Service Fee - USA	GBP 4.50
International Transportation Tax - USA	GBP 16.90
International Transportation Tax - USA	GBP 16.90
Animal & Plant Health User Fee (Aphis) - USA	GBP 3.10
Immigration User Fee - USA	GBP 5.60
Customs User Fee - USA	GBP 5.20
Passenger Facility Charge	GBP 3.60

therefore makes eminent sense to pursue such sub-national Alliance members and thus drop the ‘international’ from the name and simply call for a **Climate Solidarity Alliance** (CSA) as a group of national and sub-national stakeholders who are able and willing to introduce a CSL in their jurisdiction. This is what we need! And when do we need it? **NOW!** With a possible launch of the CSA at the “finance COP” in 2024.[4]

[1] Matteo Civillini, [France, Kenya set to launch COP28 coalition for global taxes to fund climate action](#) *Climate Home News*, 16

November 2023.

[2] In 2019, the [PANYNJ](#) handled 7.4 million TEUs containers.

[3] See: [List of busiest airports by passenger traffic](#).

[4] By decision 1/CP.21, para. 53, Parties shall set a new collective quantified goal (NCQG) prior to 2025.

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