

# Oxford Climate Policy Blog

Initiating debates on international climate policy

## Call for an International Climate Solidarity Alliance

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*Presidents Ruto (Kenya) and Macron (France) in Paris 23 January 2023 (photo source: [JeuneAfrique.com](https://www.jeuneafrique.com))*

These reflections are about the aviation and maritime levies referred to in the AU Position Narrative's Call for Urgent Action (see below) as innovative sources of grant finance for the new Loss and Damage Fund established last year at COP 27 in Sharm el Sheikh.

**Global vs National Implementation.** In the AU Position Narrative (PN), these levies are introduced as 'global.' However, it is our considered opinion that, while a desirable long-term goal, global (sectoral) levies are not a viable short-term option, particularly if they are meant to be used for addressing adverse climate impacts (in most vulnerable countries).

For one, the multilateral climate treaties (UNFCCC/Paris Agreement) do not have the mandate to take decisions that are binding on either the aviation or maritime sector, and even if they did, there is considerable opposition to the idea of global levies in general.

As to global levies agreed by the relevant multilateral sectoral treaty organisations (ICAO and IMO), it is in our opinion highly unlikely that any revenue of a climate related tax would be used to fund anything outside the relevant sector. Thus, even if the IMO were to adopt the much-discussed carbon levy on maritime shipping, it is much more likely that the revenue would be recycled to 'greening' the maritime sector and addressing adverse response measure impacts of the levy than adverse climate impacts in developing countries.

We have thus come to the conclusion, reflected in the [Manifesto for Climate Solidarity Levies](#) (CSLs, see below) that a national implementation of such levies is a much more viable way in which to kick start the generation of grant finance to address adverse climate impacts in developing countries.

**Climate Solidarity Levies.** The proposed CSLs are modelled after the tried and tested French Solidarity Levy for HIV/AIDS introduced in 2006. The defining features of such CSLs, following that model, are that they:

- are easy to collect (like lump-sum charges on air tickets or maritime cargo containers);
- are collected 'off budget' in dedicated national funds; and
- contribute to the multilateral effort address the problem at hand, in this case addressing adverse climate impact in developing countries (through contributions to the relevant funds of the Paris Agreement, in particular the Adaptation Fund and the Loss and Damage Fund.

As such they adhere to the first three of the guiding principles of the PN: their application is purely voluntary and not restricted to any type of country, they are globally pooled (although one could envisage that some countries retain a share of the revenue for domestic action), and they are targeted at the greatest need.

**Way forward.** President Ruto and President Macron, as proponents of CSLs announce, if possible at the African Climate Summit, the launch of an **International Climate Solidarity Alliance of countries willing to adopt a CSL**, initially focussed on air-ticket levies.

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VIEWS



Saleemul Huq

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## In funding climate actions, we can be more creative

A simple \$5 loss and damage aviation levy could be imposed on every passenger flying on any of the airlines under the jurisdiction of the UAE.

**THE AFRICA CLIMATE SUMMIT**

## CALL FOR URGENT ACTION

**5. Launch a new instrument for a just, inclusive and democratic institutional architecture.** A second objective of multilateral collective action should be aimed at introducing new universal global instruments to mobilise the incremental **\$3.5 trillion** annual investment that is needed to achieve the required emissions reduction by 2030 and 2050. It is our position that on this matter, priority must be accorded to instruments that make polluters pay, including a global aviation and maritime levy, global financial transaction tax and a global fossil fuel tax.

These levies should be collected and the capital should be pooled with several principles in mind:

1. These financial burdens need to be applied globally, including to the Global South, not just to a handful of wealthy countries.
2. All of the funds raised go into a single, global pool (to avoid local optimisation).
3. The funds need to be deployed on the basis of achieving the highest climate impact in the areas of greatest need, ensuring investment is happening to deliver both mitigation and adaptation outcomes.
4. A portion of the funds should be deployed towards technological innovation and reducing the cost of new technologies, such that they can be deployed globally.
5. Finally, we should create a global governance body – a Global Green Bank – that manages the collection and distribution of the funds based on the best available climate science, and is independent of national interests. Put differently, we cannot be hostage to our national interests in the deployment of these funds.

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