

IATAL: a proposal for an International Air Travel Adaptation Levy

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IATAL — an outline proposal for an International Air Travel Adaptation Levy

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Work product in ADAM project
Case Study P3b: International development assistance



Two key problems:

- Adaptation funding deficit:
 - Costs estimates: 3.4-15.4 billion US\$ per year (NAPA estimates) or 9-41 billion US\$/year (World Bank)
- Bunkerfuels – Aircraft emissions:
 - Emissions at 544 MtCO₂ in 1990
 - Increasing by 3.3%/year over last 25 years
 - Passenger numbers have increased by 45% over last 10 years




Problem of international adaptation fundraising

- Bilateral and multilateral donor funding will always compete with other domestic budget lines, such as public health, education, etc.
- Solution: system similar to CDM levy for adaptation



Proposed International Air Travel Adaptation Levy

- IATAL as mitigation instrument:
 - IATAL (M) \approx responsibility \approx emission per passenger flight
- IATAL as solidarity contribution: **preferred solution**
 - IATAL (S) \approx capability \approx ticket price 
- IATAL as both:
 - IATAL (MS) \approx responsibility + capability



Delivering Adaptation Funding

- An average levy of €/\$5 per ticket would generate around €/\$10 billion annually
- A 2% levy (assuming an average ticket price of €/\$ 200/500) would generate €/\$ 7.6/19 billion annually
- Disbursement possibly through Adaptation Fund under Kyoto Protocol



Some points for discussion

- Impact on export, tourism, jobs in developing countries
- A shipping levy may bring similar advantages
- Extent of the countries involved
- Governance of this large funding mechanism

