

Solidarity Levies in the Baku to Belém Roadmap to 1.3T

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Prepared by the Secretariat of the Global Solidarity Levies Task Force in response to the call for submissions of views on the Baku to Belém Roadmap to 1.3T from the CMA 6 and CMA 7 Presidencies on 21 February 2025.

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(a) What are your overall expectations for the “Baku to Belém Roadmap to 1.3T”?

The Baku to Belém Roadmap has a clear aim in the mandate of paragraph 27, decision 11a/CMA.6 on the new collective quantified goal on climate finance, namely *“to scale up climate finance to developing countries Parties”*. This is in support of paragraph 7, which *“calls on all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035”*. In addition, the CMA6 and CMA7 Presidencies will *“produce a report summarizing the work as it concludes the work by CMA7”*.

The Roadmap should be a consultative process that builds a collective view on the actions and policy interventions required by actors and stakeholders across the financial system to deliver on the 1.3T goal. It should result in a clear pathway of recommendations and a sequence of actions, outlining a practical route to mobilise 1.3T by 2035. The report should be published by the UN General Assembly in September 2025 at the latest to allow sufficient time for consideration before COP30. Key actors that should be consulted include stakeholders with expertise on solidarity levies, including the Global Solidarity Levies Task Force.

To succeed, this will need to secure the widespread buy-in of governments as well as non-governmental actors, building and connecting existing initiatives and leveraging existing assets in the climate finance ecosystem including prominent efforts such as the Independent High Level Expert Group on Climate Finance, the 4P Paris Pact for People and the Planet, and the Roundtables on the Global Climate Finance Agenda convened by the UNFCCC Executive Secretary.

The final report should be presented to COP30 alongside leaders-level initiatives demonstrating the implementation of key pillars of the Roadmap. In a complementary fashion, an agenda item on the Baku to Belém Roadmap under CMA7 or a cover decision at COP30 would provide a space for governments to support the Roadmap and its recommendations, and establish

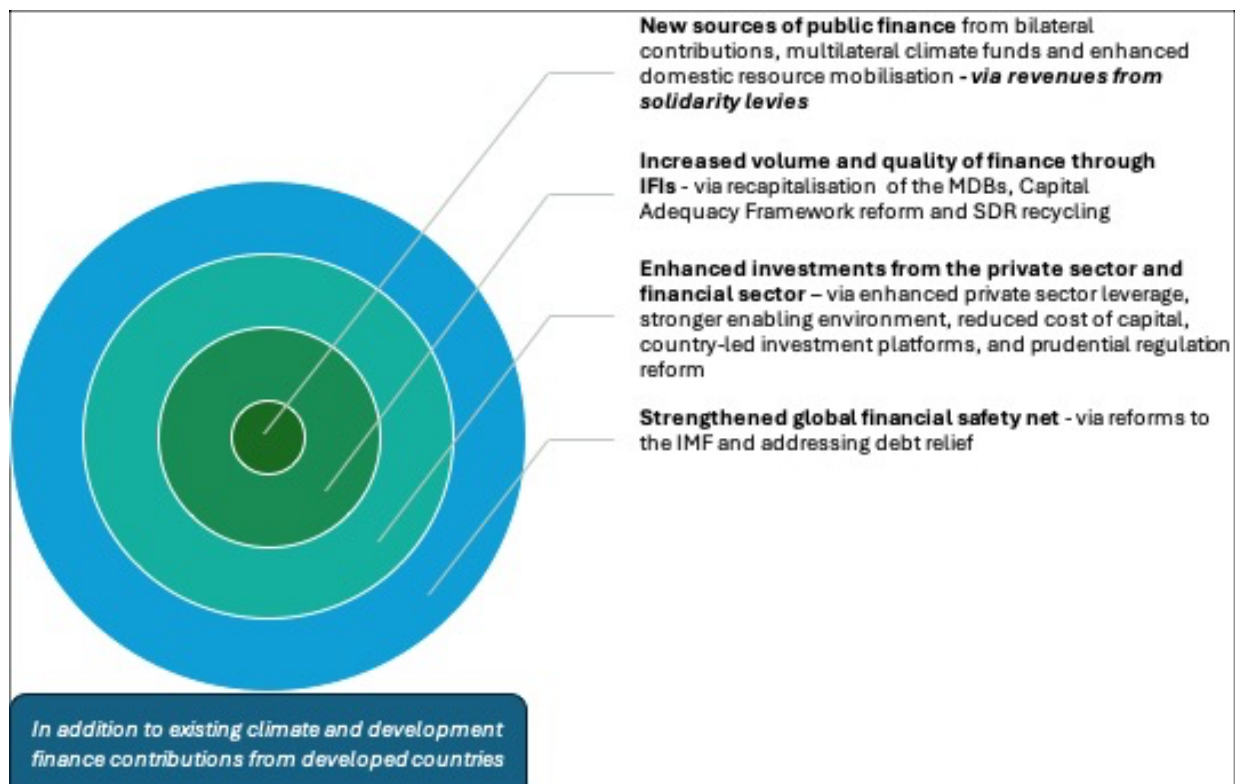
ongoing tracking and implementation through to 2035. This could be done periodically, in a fashion aligned with the Global Stocktake cycle.

(b) Which topics and thematic issues should be explored to inform the Roadmap, within the scope of the mandate?

Paragraph 27 of decision 11a/CMA.6 explicitly states the role of “*grants, concessional and non-debt creating instruments*” in the Baku to Belém Roadmap. ***Reflecting on this mandate, it is clear that solidarity levies should emerge as a prominent topic within the Roadmap.***

There is a significant gap between current financing and the levels required to meet the 2030 Sustainable Development Goals, the Paris Agreement and the Global Biodiversity Framework. Developing countries have pushed for renewed global efforts to ensure the financial system delivers adequate scale and quality of financial flows for their needs and priorities. Global initiatives such as the Bridgetown Initiative, the Nairobi Declaration, the V20 Accra-Marrakech agenda, and the Paris Pact for People and Planet all reflect the high level of political attention paid to the agenda of reforming global financial architecture over the past few years.

Global financial architecture reform encompasses a wide range of focus areas, outlined in the below diagram.



While the political attention has been mostly on reform on international financial institutions so far, in particular MDB reform (increasing lending), **progress now also needs to be made on other fronts, especially to increase concessional finance that does not add to existing debt burdens for the poorest countries. *The success of efforts to ensure that the global financial system is fit for purpose for international climate and development goals hinges upon ensuring the provision of new sources of public finance.***

There is a significant deficit of grant or highly concessional public finance, which is important for investments in adaptation, access to essential services and loss and damage, for example, and to support highly indebted low-income countries who cannot take on more loans and do not attract private capital. According to the IHLEG, concessional financing of \$200–300 billion annually is needed by 2030 to meet the Paris Agreement goals alone; much more is needed to achieve the Sustainable Development Goals (SDGs). However, overseas development assistance flows from donor countries are declining amid tightening fiscal and political conditions domestically.

There is an emerging consensus that a key area of reform to generate new and additional resources for international climate and development finance relates to new forms of taxation know as solidarity levies. Levies on polluting yet undertaxed sectors of the economy and sectors benefiting hugely from globalisation – such as fossil fuels, maritime shipping, international aviation and financial services, among others – have enormous potential to mobilise new, additional, predictable and adequate financial resources without worsening existing debt burdens.

Many options for solidarity levies could easily generate more than \$100bn per year; the below table outlines estimates of potential revenue generation from levies. Depending on the total amount of levies implemented, the cumulative revenue generation from a set of solidarity levies could exceed \$500bn per year in a high scenario.

As such, solidarity levies are a foundational aspect of the ‘Baku to Belém Roadmap’ to scale up finance for developing countries to \$1.3 trillion by 2035. For developed countries, a large share or whole of the revenues of solidarity levies should be used to support the climate and development goals of developing countries. It is these flows that would count towards the 1.3T. In developing countries, solidarity levy revenues can go towards supporting domestic public finance for achieving climate and development goals; this share does not contribute to meeting the 1.3T as it would count as domestic resource mobilisation.

Levy option	Indicative potential revenue generation from existing literature
Maritime shipping levy	A levy applied well-to-wake of \$150-\$300 per tonne of CO ₂ e would in 2027-2030 generate an estimated \$127 billion per year ^[ii]
Aviation kerosene levy	A levy of €0.33 per liter globally from the consumption of kerosene jet fuel for international flights would generate an estimated €18 billion per year (approximately \$19 billion per year) ^[iii]
Aviation ticket levy	A frequent flyer levy starting at \$9 for a person's second flight and rising to \$177 for their twentieth within the same year would generate an estimated \$121 billion per year ^[iii]
Fossil fuel extraction levy	A \$5 fee per tonne of CO ₂ e on the extraction of fossil fuels in 2024 would generate an estimated \$216.2 billion per year ^[iv]
Fossil fuel profits levy	A 50% tax on the windfall profits of the biggest 14 fossil fuel companies by market capitalization between July 2021- July 2023 would generate an estimated \$173.4 billion ^[v]
Financial transaction levy	The UK stamp duty or the French FTT equivalent applied by G20 countries, despite numerous exemptions, would generate between €156 and €260 billion per year (based on a nominal rate of 0.3% or 0.5%) ^[vi]
A coordinated minimum wealth levy	A global minimum tax on billionaires equal to 2% of their wealth would generate an estimated \$200-\$250 billion per year ^[vii]
A cryptocurrency levy	A global levy on the electricity use of crypto miners of \$0.045 per kWh would generate an estimated \$5.2 billion ^[viii]
A plastics production levy	A fee of \$60-90 per tonne on primary polymer production would raise an estimated \$25-35 billion per year ^[ix]

^[ii] UNCTAD (2024) Report as part of the [Comprehensive Impact Assessment on mid-term measures under consideration at the IMO](#)

^[iii] Alou Adessé Dama, Vianney Dequiedt, Audrey-Anne de Ubeda, Grégoire Rota-Graziosi (2023) [Taxation of civil aviation fuels as a source of financing for vulnerable countries](#)

^[iv] Xinyi Sola Zheng, Dan Rutherford. (2022). [Aviation Climate Finance using a Global Frequent Flying Levy](#)

^[v] Sindra Sharma & David Hillman. (2024). [The Climate Damages Tax: A guide to what it is and how it works](#)

^[vi] ActionAid. (2024). [The Power of Windfalls: The potential of windfall profit taxes on top of fossil fuel and financial companies](#)

^[vii] Capelle-Blancard, G. (2023). [The Taxation of Financial Transactions: An Estimate of Global Tax Revenues](#)

^[viii] Zucman, G. (2024). [A blueprint for a coordinated minimum effective taxation standard for ultra-high-net-worth individuals](#)

^[ix] Shafik Hebous & Nate Vernon-Lin. (2023). [Cryptocarbon: How Much Is the Corrective Tax?](#)

^[x] Charles D & Cumming P. (2024). [The Polymer Premium: A Fee on Plastic Pollution](#)

Efforts to scale up the implementation of solidarity levies will take many years of sustained political engagement at global and national level. It is possible to envisage an indicative pathway for reaching full scale with solidarity levies, which would amount to a ‘breakthrough’ on solidarity levies reaching full scale for contributing as a significant source of new, additional and predictable concessional/debt-free finance for climate and development for developing countries.

The following is purely illustrative and does not represent a prediction or strategy, but it outlines a hypothetical pathway to scale up levies between now and 2030, demonstrating the potential significant contribution that levies can make to achieving the 1.3T.

- **2025** - the adoption of a maritime shipping levy at the IMO; a recognition of the potential role of levies from the aviation sector at ICAO General Assembly; the launch of initial coalitions of the willing for solidarity levies in key areas (such as aviation, fossil fuels, financial transactions and ultra-high net worth individuals) at COP30
- **2026** – national implementation of levies in domestic budgets by governments in the coalitions of the willing; more countries committing to implement levies at COP31; establishment of international mechanisms for directing revenues to recipient countries
- **2027** – first financial flows from levies implemented by coalitions of the willing; first reporting on scale of levies and their contribution to the 1.3T; the IMO shipping levy comes into force; the UN Framework Convention on International Tax Cooperation is adopted, providing the framework for internationally coordinated taxation of, for example, profits from fossil fuel companies and ultra-high net worth individuals
- **2028** – further expansion of coalitions of the willing for solidarity levies both in size and coverage, including expansion to new tax bases such as cryptocurrencies; an agreement to initiate negotiations on a global aviation kerosene fuel levy at ICAO General Assembly for adoption at its subsequent session (2031)
- **2029/2030** – escalation from coalitions of the willing into formal multilateral negotiations at the G7, G20, OECD and UN Tax Convention

(c) What country experiences, best practices and lessons learned can be shared related to barriers and enabling environments; innovative sources of finance; grants, concessional and non-debt creating instruments, and measures to create fiscal space?

There are many innovative sources of finance from solidarity levies, based on existing practices and established mechanisms, that could increase grants, concessional and non-debt finance for developing countries on the pathway to 1.3T. Policy options that the Roadmap should integrate, include:

- Options that can be implemented by coalitions of the willing by COP30 such as
 - A levy on **aviation** kerosene fuel or airplane tickets
 - A **fossil fuel** extraction levy or a excess energy profits levy such as an increase to the minimum rate of taxation for multinational corporations that are fossil fuel companies
 - A **financial transactions** levy / stamp duty on shares (extending to countries where they have not been implemented yet, and increasing the rate of such levies where they have been established already).
- Options requiring further work to assess their political and technical feasibility, to support defining the best way to pursue their adoption in the medium term
 - Further consideration of the IMF proposal for an **international carbon price floor**
 - Linking **existing emissions trading schemes** (ETS) or extending the base of **carbon taxes** via a coalition to coordinate around extending pricing to unlevied areas
 - A **cryptocurrency levy** recognising the significant financial transactions associated with cryptocurrency which has a high environmental impact
- Options that can be promoted via global agreements in ongoing relevant international fora which the Task Force will support where possible
 - A levy on maritime shipping as being discussed at the **IMO**
 - A coordinated minimum effective taxation standard for **ultra-high-net-worth individuals**, as proposed under the Brazilian G20 Presidency in 2024 and being discussed at the UN Tax Convention negotiations
 - A levy on plastics producers recognizing proposals for its introduction in the context of negotiations for an international legally binding instrument on **plastic pollution**

(d) Which multilateral initiatives do you see as most relevant to take into account in the Roadmap and why?

The Global Solidarity Levies Task Force is a critical multilateral initiative for the Roadmap. Chaired by Barbados, France and Kenya, to date, it includes 17 members: Antigua & Barbuda, Barbados, Colombia, Denmark, Djibouti, Fiji, France, Kenya, Marshall Islands, Senegal, Sierra Leone, Somalia, Spain, Zambia, and three observers: Germany, the African Union and the European Commission.

The Global Solidarity Levies Task Force is a 4P Initiative, with solidarity levies seen as a breakthrough initiative for 2025 by members of the 4P Coalition.

The objective of the initiative is, by COP30, to bring together a coalition of the willing ready to implement one or several levies whose proceeds will be used for climate and development.

Participating countries would commit to implementing a specific levy at domestic level (or enhance it if they have already implemented one), which means that no global agreement or global collecting institution would be required, and tax sovereignty would be preserved. They would commit to allocate the revenues to climate action and development. The poorest and most vulnerable countries would use the proceeds solely for domestic purposes; emerging and advanced economies would use part of the proceeds to fund international action on climate and development.

As an initiative which is actively progressing the implementation of a key measure required to reach the 1.3T, the GSLTF should be seen as a central player in the development of the Roadmap and its launch at COP30. The GSLTF aims to bring leaders-level announcements of implementation of solidarity levies in Belém and this would provide reinforcing surround sound of concrete deliverables in the short-term alongside the roadmap to the 1.3T over the next 10 years.

The GSLTF can also serve as a key initiative in the ongoing implementation and accountability for the Roadmap through to 2035. Post-COP30, the Task Force will be focused on ensuring the implementation of commitments and ensuring tracking of the financial flows from solidarity levies to ensure transparently that these are supporting climate and development objectives. As such the GSLTF is a key initiative to support the wider implementation and monitoring of the 1.3T.