



# International Climate Solidarity Levies

Innovative funding source for the new  
Loss and Damage Response Fund

**Professor Benito Müller**

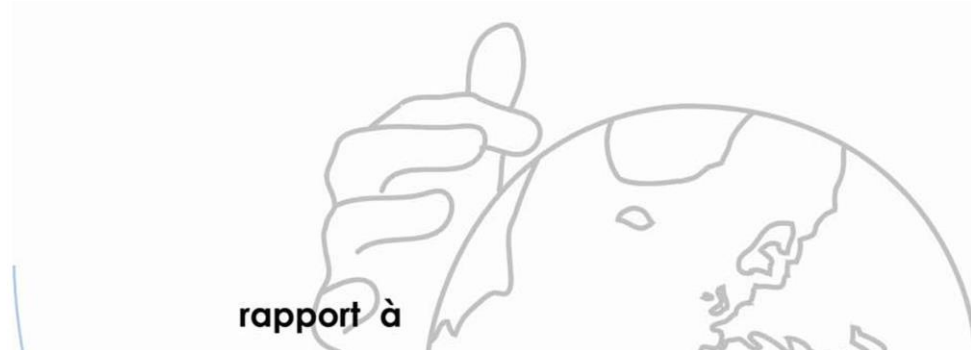
Managing Director Oxford Climate Policy,

Convener International Climate Policy Research, Environmental Change Institute, University of  
Oxford

# THE LANDAU REPORT 2004



groupe de travail  
sur les nouvelles  
contributions financières  
internationales



Instruments discussed include:

- Environmental taxes. Long-term prospects for a carbon tax are examined. In the short run, it is suggested to focus the reflection and debate on sectors not covered by the Kyoto Protocol and currently not subject to taxation, such as maritime and air transport.

December 2004

# THE FRENCH SOLIDARITY LEVY 2006

The levy was a surcharge of €1 on economy class flights within Europe, €4 on long-haul economy class, €10 on business class within Europe and €40 on long-haul business class.

The levy is collected by the *Directorate General for Civil Aviation* which transfers it *not* to the general budget, but to a dedicated '**Solidarity Fund for Development**' managed by the French Development Agency earmarked for funding organisations working in global health such as UNITAID, combating HIV/AIDS, malaria, and tuberculosis.



ADAPTATION SPIN-OFFS I: 2006-8

# International Air Passenger Adaptation Levy (IAPAL)

A proposal by the  
GROUP OF LEAST DEVELOPED COUNTRIES (LDCs)  
within the framework of the BALI ACTION PLAN

Submitted to the UNFCCC AWC-LCA  
on 12 December 2008





Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

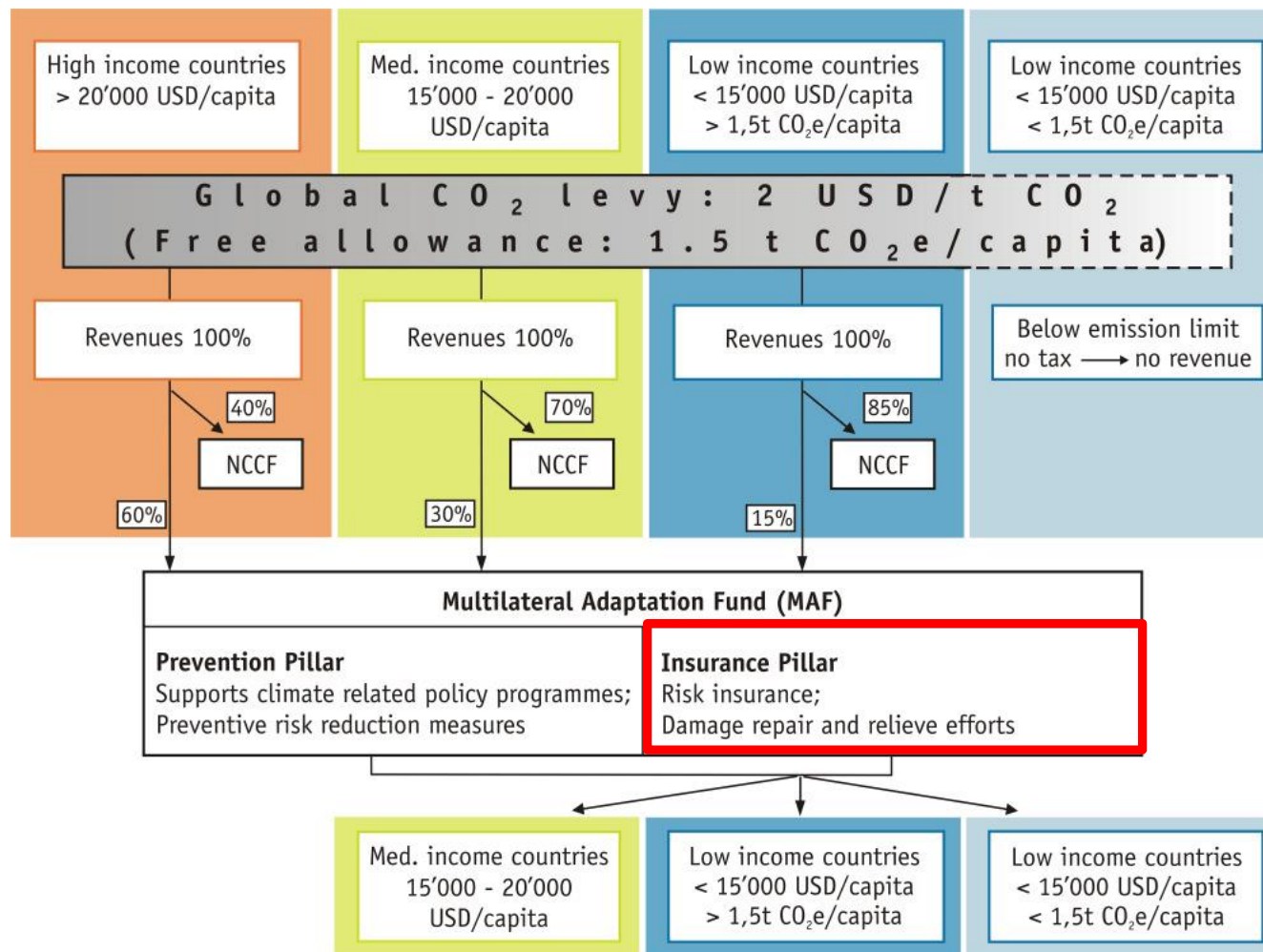
Swiss Confederation

# Global Solidarity in Financing Adaptation

## A Swiss Proposal for a Funding Scheme



COP 12  
2006



# THE REMIT PROBLEM

The UNFCCC does not have the remit to legislate on aviation

Alternatives for a global ‘top down’ levy?



## Solidarity Tax

Airlines and their passengers should not have to pay for social programmes that are not related to airport and aeronautical services

“An example of a discriminatory tax on the air transport industry was introduced by the French Government on 1 July 2006 with a “solidarity” tax designed to support aid to developing countries.

The Council of Economics and Finance Ministers of the European Union (ECOFIN) considered and ultimately rejected the idea of implementing such a tax on an EU-wide basis. Even the African Union has publicly expressed its opposition to the concept.”

# ADAPTATION SPIN-OFFS 2: BOTTOM-UP (2020)





25 JANUARY 2013

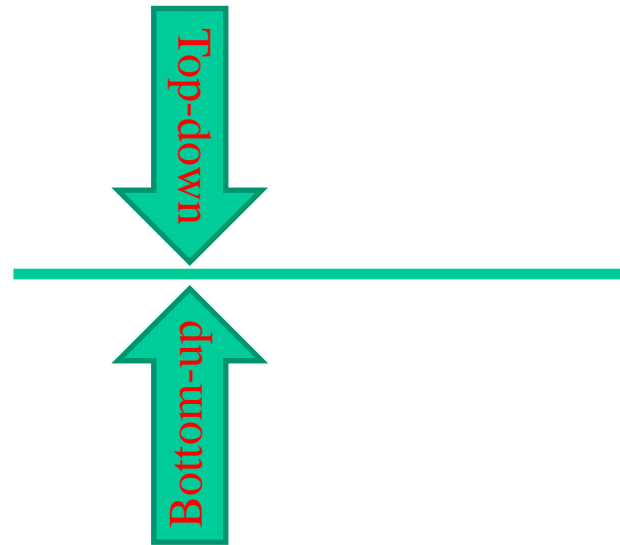
# French levy on airline tickets raises more than one billion euros for world's poor since 2006

By 2012, the levy has been raising between €162 million and €175 million per year, totalling one billion euros since its creation. According to the French government, “no impact has been observed on French air traffic or on tourism following the establishment of the airline-ticket levy.”



# ICSLs: THE GOLDILOCKS SOLUTION (2023)

## International Air Passenger Adaptation Levy (IAPAL)



## International Climate Solidarity Levies

Comprising different types of levies, e.g.:

- Air ticket levies (like the French Solidarity Levy)
- Maritime transport levies (€10 per container)

Scale: EU-wide application now = € 1 billion p.a. each

# Thank you!

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