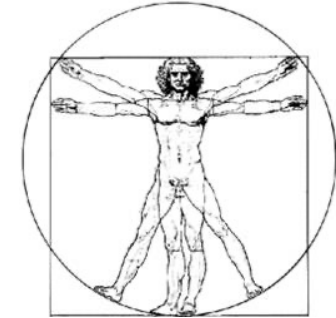


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Climate Solidarity

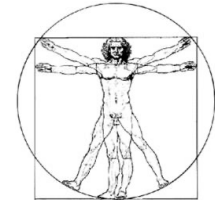
A Climate Solidarity Alliance implementing national Climate Solidarity Levies as innovative source for domestic and multilateral Loss and Damage finance.

Prof. Benito Müller

Director, ecbi

Ministry of Finance,
St John's,
Antigua and Barbuda
24 October 2023





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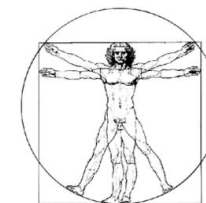
THE FRENCH SOLIDARITY LEVY 2006

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, combatting HIV/AIDS, malaria, and tuberculosis.

By 2012, the levy was raising between €162 million and €175 million per year, totaling 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.”[Leading Group 2012 , [Information sheet on the airline-ticket levy](#), p.3]



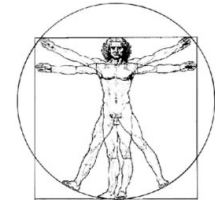


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Benito Muller	
To: Cost of an economy class British Airways ticket London-New York-London departing 25 June 2023 including all taxes and charges	798.61

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
Total government, authority and airport charges*	GBP 198.61

ADAPTATION SPIN-OFF I: 2006-8



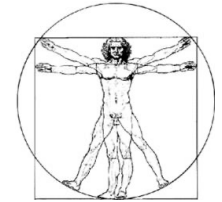
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International Air Passenger Adaptation Levy (IAPAL)

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





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THE REMIT PROBLEM

The UNFCCC does not have the remit to legislate on aviation

Alternatives for a global ‘top down’ levy?



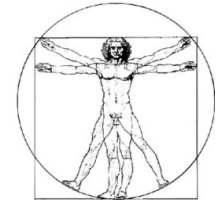
Solidarity Tax

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-OFF 2: BOTTOM-UP (2020)



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THE SOLUTION (2023)

Oxford Climate Policy Blog

Initiating debates on international climate policy

A Manifesto on an Innovative Funding Source for the new Loss and Damage Response Fund

by *Benito Müller* ([OCP](#)), *Saleemul Huq* ([ICCCAD](#)), *Robert Filipp* ([IEF](#))

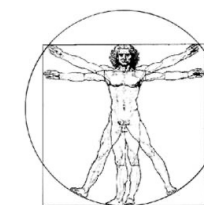
Climate Solidarity Levies

- Adoption: voluntary
- Implementation: national
- Application: mandatory (domestic law)

Examples:

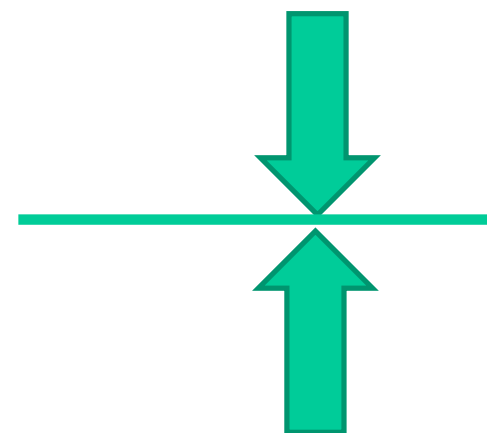
- Air ticket levies (like the French Solidarity Levy)
- Maritime transport levies (€10 per container)

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

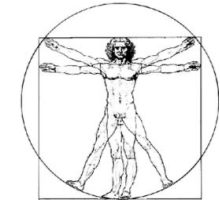


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International Air Passenger
Adaptation Levy (IAPAL)



Creating a world
fit for the future



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Study on the taxation of the air transport sector

Final Report

Report for European Commission (DG TAXUD)

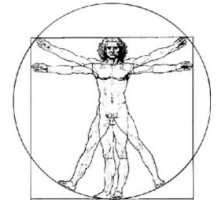
July 2021

A number of EU Member States and their neighbours (Austria, France, Germany, Italy, Netherlands, Portugal and Sweden, together with Norway and the UK) already implement a ticket tax – in some jurisdictions better defined as a levy or charge – on all departing air passengers.

For a flat ticket tax of €10 applying to all flights, the reduction in demand is 9% on intra-EEA flights and **1.5% on extra-EEA flights**. **The total tax revenue is about €6.7 billion in 2025, rising to €9.9 billion in 2050**

Oxford Climate Policy Blog

Initiating debates on international climate policy

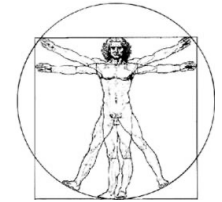


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Call for an International Climate Solidarity Alliance

EQUITY ELEMENTS FOR THE OPERATIONALISATION OF THE CLIMATE SOLIDARITY ALLIANCE

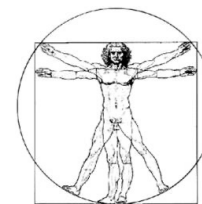


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CBDR-RC – at the individual-, not country-level, reflecting the responsibilities and capabilities of the ‘**global rich/affluent**’ (with progressive differentiation according to ticket class)

Equitable Access: Programmatic Enhanced Direct Access (Country Programmes)

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



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THANK YOU!