

Oxford Climate Policy Blog

Initiating debates on international climate policy

Pakistan: a Climate Solidarity Alliance Case Study



Families and their belongings stranded in Jaffarabad, Balochistan 2022

Sources: [\[1\]](#)

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The Case of Pakistan

While the need for urgent climate finance remains an inescapable priority for countries like Pakistan the key to unlock this, however, still remains a mystery to policy makers. Most of them acknowledge the urgency of climate vulnerability while lamenting the absence of such climate finance as the main bottleneck impeding

climate action. Unfortunately, this approach is intrinsically flawed. Claiming climate victimhood, when everyone is now a victim, does not attract climate finance and the demands for justice in an, otherwise, unjust world continue to remain mere demands without generating any resources.

It is now well established that flow of climate finance follows climate action rather than the other way around. Country policies and strategies are all required facilitators but can never become a substitute for demonstrated action. Pakistan's Nationally Determined Contributions, submitted to the UN, clearly chart out the required climate action pathway for Pakistan. This is premised on the two pillars of building up its green infrastructure, through forestry and protected areas, and to shift towards low carbon development, through deployment of renewable energy and electric mobility.

In a world where climate talk comes cheap, Pakistan now needs to follow up this stated intent with action if it is to become a stakeholder for attracting a slice of the global climate finance flows. More importantly, it needs to learn some important lessons derived from the global financial architecture, namely

- if backed with political commitment, a major part of the requisite climate finance can actually be generated domestically. Almost 85% of total climate finance globally is raised and spent domestically while almost half of this is through private sector mobilization.
- moreover, acting with domestic funds enhances the country's green credentials which then creates the traction to attract, not only global appreciation, but also innovative climate financing.

Pakistan has already followed this path, enhancing its domestic funding for green infrastructure manifold during 2018-2022, and then reaping the benefits to achieve global appreciation as well as attracting green finance such as through a \$500 million green bonds flotation. Recently, the IMF has announced \$1.3 billion in concessional climate funding through its RST (Resilience and Sustainability Trust) for Pakistan while tying it to the country domestically committing at least 1% of its GDP towards climate action. This momentum now needs to be enhanced by coupling with initiatives, such as the CSA, which aim to facilitate, catalyze and leverage additional funding for climate vulnerable countries, who are willing to move beyond victimhood, and show commitment to action by prioritizing domestic funds as well as sourcing through innovative instruments such as climate solidarity levies.

The CSA: Summary for Policy Makers

How does the Climate Solidarity Alliance (CSA) fit in with this? As explained in the [Summary for Policy Makers](#), the CSA is envisioned as a partnership of national and sub-national actors who are willing to show solidarity with the poorest and most vulnerable to help them deal with climate change. A bottom-up voluntary partnership approach is chosen to enable immediate action and to sidestep the complexities of international agreements. The key characteristics of the proposed CSA are: the establishment of national Climate Solidarity Trust Funds (CSTFs) with Loss and Damage (L&D) windows; the use of domestic CSLs to replenish these trust funds; and the use of a specific Solidarity Bonus Mechanism to show solidarity with the poorest and most vulnerable, both bilaterally (North-South and South-South), as well as through multilateral chan-

nels, such as the [Fund for responding to Loss and Damage](#) (FRLD). The CSA model could be used as a solidarity tool – the way in which to provide solidarity – for the coalition of countries working together through the [Global Solidarity Levies Taskforce](#).

Climate Solidarity Trust Funds (CSTFs): National CSTFs are central to the CSA proposal, with national partners expected to establish these funds with a L&D window designed to finance responses to loss and damage both domestically and internationally. France’s Solidarity Fund for Development and Fiji’s Climate Relocation of Communities Trust Fund are examples of existing national funds that could be used for this purpose (for more, click [here](#)).

Climate Solidarity Levies (CSLs): CSLs are a cornerstone of the CSA. Inspired by the French solidarity tax on air tickets, these levies are nationally determined, designed to be easily collectable at the national or sub-national level, and used for the CSA. They could, for example, take the form of:

- *Air ticket charges:* A flat-rate charge on air tickets, differentiated by class or destination.
- *Maritime cargo container charges:* A levy on cargo containers processed at ports.
- *For-hire vehicle charges:* A levy per trip for for-hire vehicles entering or leaving major airports.
- *Cruise ship passenger charges:* A charge on cruise ship passengers dis-/embarking at ports.

Solidarity Bonus Mechanism: A solidarity bonus mechanism is proposed to encourage developing countries to voluntarily contribute to the FRLD. Developed country partners would provide pay back and bonus payments directly into the L&D window of developing country partners’ CSTFs for their contributions to the FRLD. This offers a direct solidarity benefit and incentivises participation.

Pakistan and the CSA

The proposed domestically sourced Climate Solidarity Funds are an ideal vehicle not only for demonstrating domestic action to attract climate finance in general, but also for attracting matching philanthropic and private sector grant contributions, which are increasingly difficult to capture through traditional channels. They are not meant to supplant these other channels, but simply to supplement them through an innovative pathway. The proposed Solidarity Bonus Mechanism furthermore enables countries like Pakistan to capitalize domestic finance with international solidarity. For instance, a domestic climate levy, while augmenting internal climate funding would also be able to attract matching funds coming from enabling CSA partners.

In short, the CSA makes perfect sense for countries which are on the frontlines of climate impacts and are willing to prioritize climate action through a commitment of domestic funding streams. The CSA then provides an enabling platform to extrapolate this domestic funding through a win-win-win formulation. A win for the climate vulnerable country which gets additional funds, a win for the partner willing to invest in extrapolating home grown climate action and a win for the multilateral climate funds. This is why we propose that such a Climate Solidarity Alliance is the need of the hour and should be launched as soon as possible – in the context of the Brazilian COP Presidency (for reasons explained [here](#)) – particularly to make grant

funding available to the poorest and most vulnerable, and to those most committed to climate action, while also establishing the framework within which sub-nationals (such as [in the case of the US](#)) and multilateral actors can collaborate for enhancing global climate action.

Bridgetown Postscript

On 9 April, Barbados Prime Minister Mia Motley gave a welcoming address to the participants of the fifth meeting of the Board of the Fund for Responding to Loss and Damage, in which she touched on a number of issues that are pertinent, indeed resonate with the ideas behind the Climate Solidarity Alliance proposal. The first part of this postscript presents relevant transcripts of the Prime Minister's address. The second part puts these in the context of the proposed Climate Solidarity Alliance.

A. The Prime Minister's Address



Barbados Prime Minister at the FRLD Board meeting in Bridgetown

“God helps those who help themselves!” Establishing a national trust fund for catastrophes, resilience and regeneration.

“We established a catastrophe Fund, which was intended to be able to help those who are the victims of catastrophe, particularly those earning below a certain sum. [T]he government has changed that now into a resilient and regeneration fund, recognizing [...] that if we are going to ask the rest of the world to help us, we have to start first with helping ourselves.”

- “We have placed a responsibility on every employee in the country and every self-employed person to contribute half of a percent of their salary, and we have removed any cap that may have been linked to social security contributions, recognizing that if you earn 2000 or 20,000 or 200,000 you must still pay half of a percent and it is because we carry a philosophy, share the burden, share the bounty, because we live all together on a small rock.
- [Also] employers must match the contributions of the employees.
- [Furthermore] we announced in the last budget, a month ago that Barbados will contribute quarter of a percent of its GDP every year to the resilience and regeneration fund”.

Global Solidarity: Top-down

And then there is “the work that we are doing with France and Kenya, President Macron, President Ruto [under the [Global Solidarity Levies Taskforce](#)]. Fabulous, and we’re having others interested more and more, even if it is not immediately applicable or enforceable because of countries trying to block it. [W]e need to be able to see progress on global levies, recognizing that those who contribute to the problem must help solve the problem, and those who stand to benefit egregiously from the solution must equally leave a little something on the table, because that is what sharing the burden and sharing the bounty means in real terms.”

“[S]olidarity on levies matters, and whether it is the oil and gas companies or whether it is what is being debated in London this week at the International Maritime Organization – not of a levy, because we’re unlikely to see a levy land – but we can see a pricing mechanism that incentivizes you or punishes you, depending on the fuel being used, and for those ships that are still using heavy fossil fuels, clearly, the payment per ton of CO2 will be higher than those who have already made the transition to be in green shifts.”

“The International Air Transport Association “IATA meets in India at the beginning of June. We have maintained, even as a tourism state, none of us can get through without having to leave something on the table now to be able to save ourselves or to save the planet. [...] Would you pay \$5 or \$10 to help save the planet every time you’ve travelled [economy class]?”

B. International Solidarity: Bottom-up

As it happens, the IMO did actually adopt a pricing mechanism as predicted by the Prime Minister – indeed what is known as a fuel-intensity based cap-and-trade scheme – with revenue collected by a dedicated IMO Net-Zero Fund. However, as concerns solidarity, this is largely related to the maritime sector, and it stands to reason that the same would be the case if a global air-ticket levy were to be adopted by ICAO.

This is why the proposed Climate Solidarity Alliance is based on the bottom-up partnership-model used in the context of the French solidarity air ticket tax (essentially the same as what the PM described) introduced in 2006, in which countries simply get together and do it. With its domestically sourced Catastrophe, Resilience and Regeneration Fund (CRRF), Barbados has all the prerequisite for becoming a founding CSA member, and subsequently using its Solidairty Bonus Mechanism not only to support the FRLD, but also to multiply the revenue of its own CRRF.

[1] This post is based on a DAWN post by M.A.A. Khan: "[Unlocking climate funds](#)"[29 March 2025] and the [Climate Solidarity Alliance Summary for Policy Makers](#) [ecbi: 26 February 2025]. The source of the photo is "[Why Pakistan is at 'ground zero' of the climate crisis after suffering deadly flooding](#)", Sky News, 29 August 2022

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This entry was posted in Uncategorized on 10 April 2025 [<https://blog.oxfordclimatepolicy.org/pakistan-a-climate-solidarity-alliance-case-study/>] by Benito Muller.

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