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The Functions and Responsibilities of a Climate Solidarity Alliance & the Varieties of its Membership

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Climate Solidarity Alliance (CSA, or Alliance) membership, as envisaged in previous posts (see selected literature list below), presupposes the establishment of national **Climate Solidarity Trust Funds** (Trust Funds) with Loss and Damage (L&D) Windows to fund responding to climate loss and damage domestically as well as internationally, say through the multilateral **Fund for Responding to Loss and Damage** (FRLD). These national Trust Funds, in turn, are meant to be sourced by domestic **Climate Solidarity Levies** (CSLs). At the same time they can serve as National Funding Entities for loss and damage, which can receive contributions from multilateral climate funds, bilateral donor agencies, philanthropy, private sector etc.

The Alliance would allow for both national and sub-national members from both developing and developed countries with different functions and responsibilities. The account of these functions and responsibilities provided here is my personal view of how things could be arranged.

Selected Literature

- [a] [Call for an International Climate Solidarity Alliance](#)
- [b] [COP28: Call for a Climate Solidarity Alliance](#)
- [c] [Founding the Climate Solidarity Alliance: Possible Next Steps](#)
- [d] [Climate Solidarity Levies Manifesto](#)

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Developed Country Members

National

As reflected in Fig. 1, national developed country Alliance members — say France, to keep with Fig. 1 — would have two types of financial obligations:

Multilateral obligations i.e. the financial obligations under the multilateral climate treaties, including the provision of funding to the multilateral climate funds, such as the FRLD.

Alliance obligations, the raison d'être of the Alliance (i.e. without them there would be no reason to form an alliance): If eligible developing country members — say LDCs or SIDS like Fiji (Fig.1) — choose to make a voluntary (CSL) contribution to the FRLD, then developed country members, say France, would have an Alliance obligation to pay at least the same amount as a **'solidarity bonus'** directly into the L&D Window of their Trust Fund (to be counted as part of France's international L&D payments). The precise manner in which this would work, in particular who would be eligible for a solidarity bonus, would obviously have to be agreed by the Alliance membership. (For more on the depicted Trust Funds, see Annex below.)

In keeping with the principle of **national fiscal sovereignty**, countries will choose what share of their CSL(s) they want to send to the FRLD. However, in order to address the issue of distributive justice — everyone doing 'their fair share' under the obligations — it would make sense if the developed country members would settle on a particular percentage to be used for each type of CSL (be it an air-ticket levy, a container cargo charge, or whatever else).

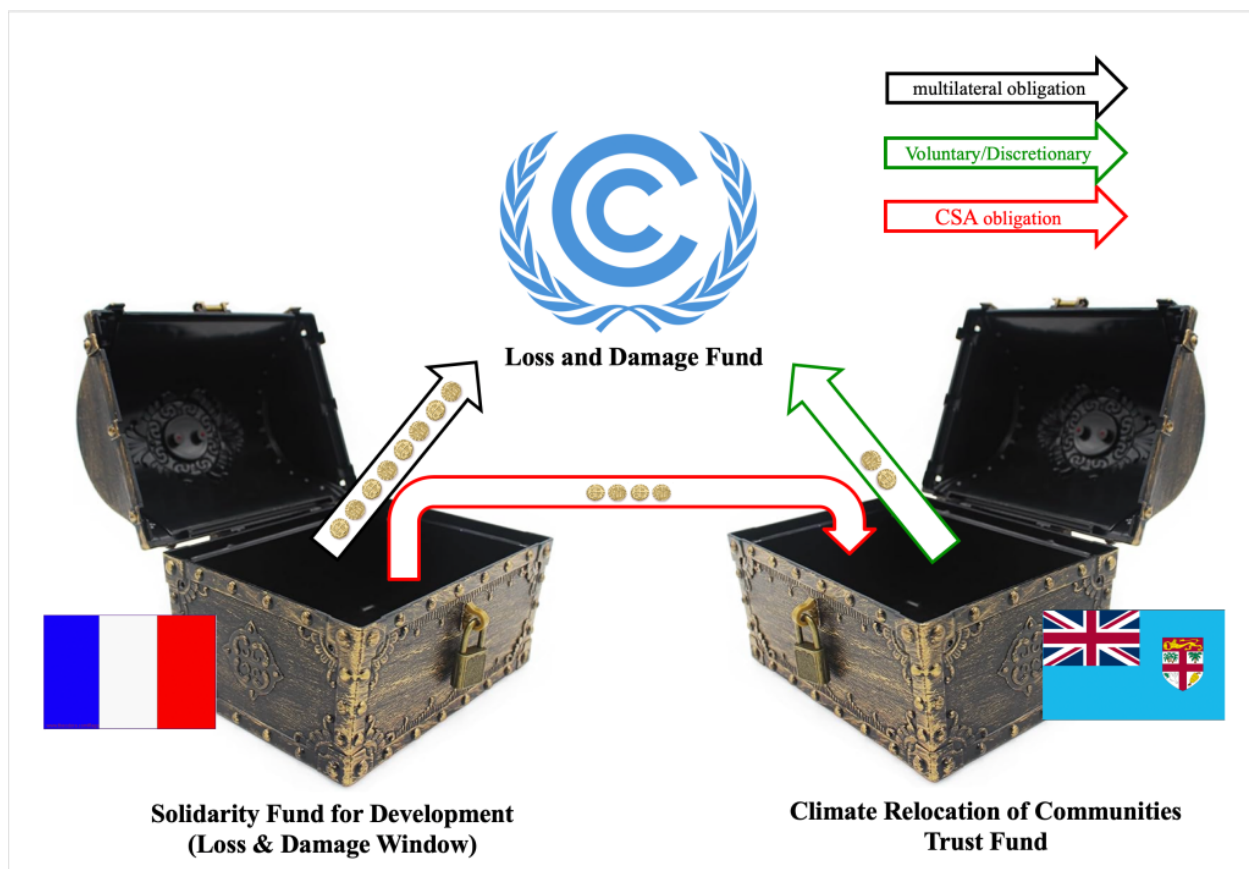


Figure 1. The role of national developed country Alliance members

Sub-National

A recent [ecbi Discussion Note](#) explores the potential for implementing CSLs at the sub-national level in two major US cities: New York and Los Angeles. This idea has become very topical as explained in an OCP post by [Michael Franczak](#) (of the New York based International Peace Institute), entitled: *How US Cities and States can lead on climate action under a second Trump Administration*. Sub-national entities do not have multilateral obligations, but by joining the Alliance, they would be expected to supply solidarity bonus payments to the (eligible) developing country members, as indicated in Fig. 2.

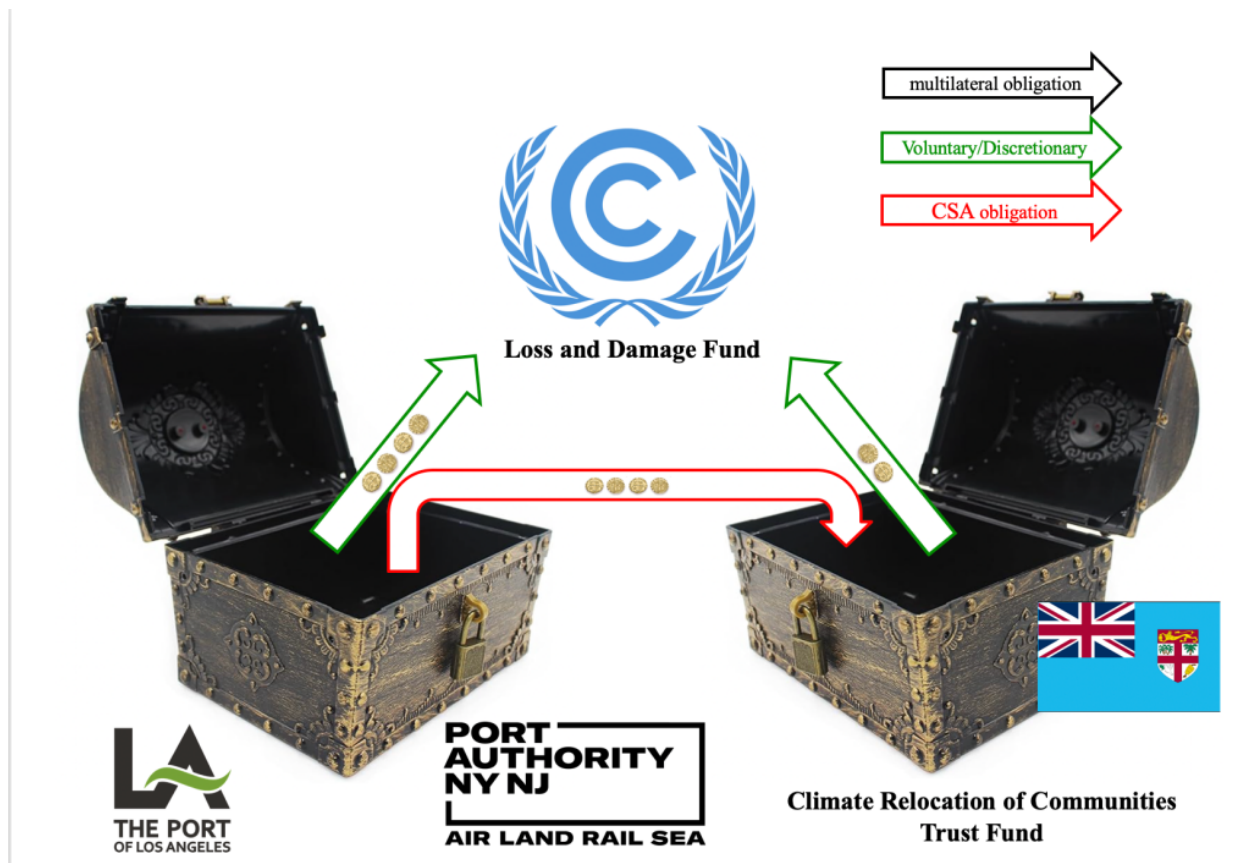


Figure 2. The role of sub-national Alliance members (from developed countries)

Developing Country Members

Developing country members do not have an obligation to contribute to the FRLD, nor would they be obliged to contribute to the solidarity bonus scheme, but they could do so as voluntary South-South solidarity payments, as suggested in Fig. 3.

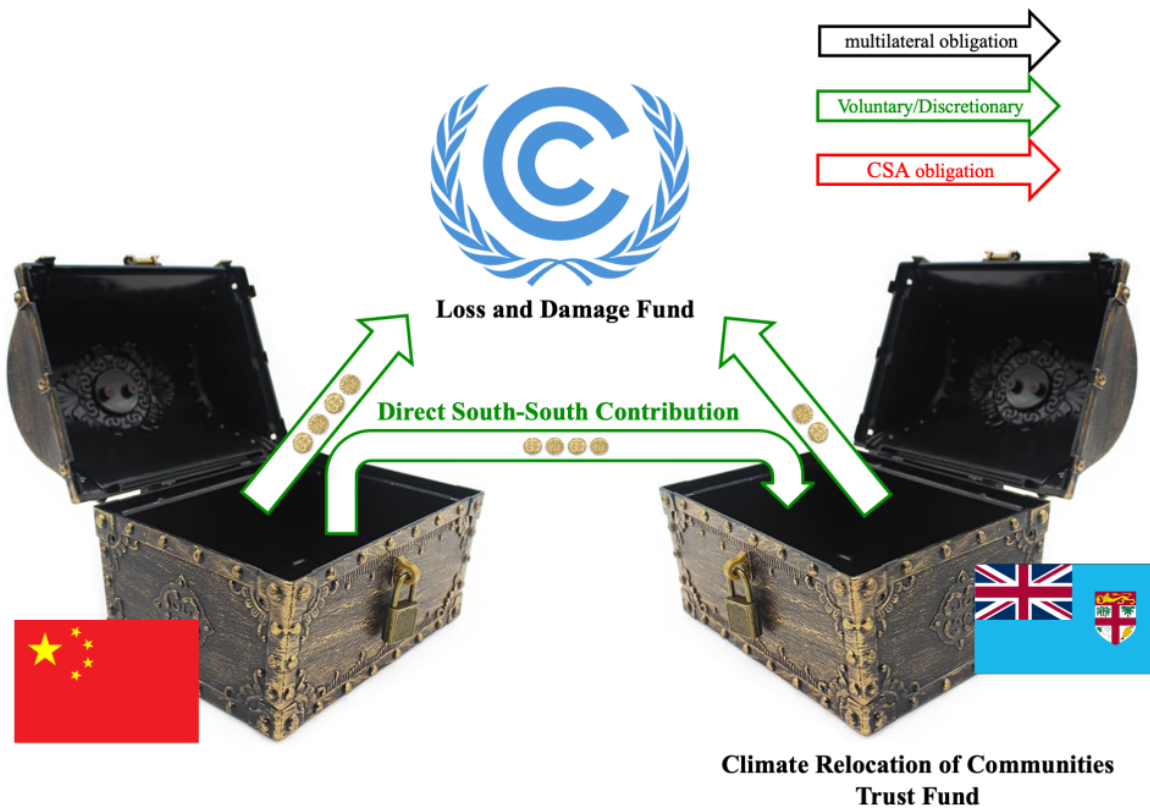


Figure 3. The role of national Alliance members (from developing countries)

Annex: National Examples ¹

France

On 1 July 2006, France started to collect a **solidarity tax on airplane tickets** (*taxe de solidarité sur les billets d'avion*) as a way to help finance the fight against HIV/AIDS, tuberculosis and malaria in severely affected countries.

The tax was initially proposed by Presidents Jacques Chirac of France and Luiz Inácio Lula da Silva of Brazil in Paris in September 2005. It was taken up as an innovative funding source for **UNITAID** (a drug-purchasing organization created by Brazil, Chile, France, Norway and the United Kingdom and hosted by the World Health Organization) by the *Leading Group on innovative financing for development* created in 2006 as an informal network of states, IGOs, NGOs, and other stakeholders “dedicated to the eradication of poverty and the preservation of global public goods (health, education, food security, agricultural development, environment, climate, biodiversity, etc.).”^[1]

The level of the French solidarity tax is differentiated by destination (inside or outside the **EEA+CH**) and travel class (economy or other) and has evolved as shown in Table 2.

	Within EEA + CH		Other Destinations	
	Economy	Other	Economy	Other
1 July 2006	€ 1.00	€ 4.00	€ 10.00	€ 40.00
1 April 2014	€ 1.13	€ 4.51	€ 11.27	€ 45.07
1 January 2020	€ 2.63	€ 7.51	€ 20.27	€ 63.07

Table 2: Evolution of charges under the French solidarity tax

The levy is collected by the French 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. In 2023 the French tax raised around EUR 370 million, EUR 210m of which channelled towards UNITAID. 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."^[2]

Fiji

In 2019 Fiji introduced a national Climate Relocation of Communities Trust Fund as financing mechanism for its National Planned Relocation Arrangements, as recently described in a [submission to the L&D Transitional Committee](#) (TCS). The Trust Fund allows for funding from an array of domestic, private, international, and bilateral sources.

The Trust Fund has been established to operate as a multi-donor trust fund. Funding accrued through different domestic and international sources, mechanisms, facilities, and donors will be pooled and used in the aggregate for the support of planned relocation activities defined by the Climate Relocation of Communities Trust Fund Act (2019), and the Climate Change Act (2021). The Fund has been designed to leverage financing from a range of different domestic revenue-raising mechanisms such as levies, or taxes.

One of these domestic sources is the Fiji Environment & Climate Adaptation Levy (ECAL), which charges 5% on the gross annual turnover of a number of prescribed services (listed in Table 3). While the Fiji government will contribute 3% of the ECAL revenue, i.e. approx USD 3.6m,^[3] to the Fund, "additional international and bilateral contributions are now required to take the initiative to scale."^[TCS, p.9]

Clearly the Fiji Fund satisfies all the hallmarks of a national L&DF and the ECAL contribution could very naturally be extended with an air ticket Climate Solidarity Levy providing direct additional domestic, and as part of a CSA leveraging international funding for loss and damage in Fiji. For example, a (modest) CSL levy of USD 5 per air passenger would currently raise around USD 6.5m^[4] which, when contributed to the multilateral LAFD in the context of a CSA, would yield USD 13m annually (assuming a 2-fold solidarity multiplier).

Table 3. Services that will be subject to Environment & Climate Adaptation Levy are as follows:		
No	Service provider	Services subject to ECAL
1	Licensed hotels	Accommodation, refreshments, and <i>any other</i> services.
2	Tourist vessels operating within Fiji waters	Accommodation, refreshments, and <i>any other</i> services provided on board.
3	Licensed bars	Meals, beverages, and any other services provided in a licensed bar. This includes licensed bars located, for example, in private clubs.
4	Licensed Nightclub	Services such as music, dancing or other entertainment including other services
5	Inbound tour operators	Travel, tour and sight-seeing services.
6	Organizers of entertainment programs /product exhibitions	Entry fees to the events venue.
7	Recreational Activity operators	Recreational activities provided by these operators e.g. Skydiving
8	Cinema Operators	Entry fees and all services provided within the cinema premises.
9	Licensed Rental/hire car operators	With effect from 01/01/15 any hire of chauffeur driven motor vehicles
10	Bistros and coffee shops	Meals, beverages, and other services.
11	Licensed Restaurants	Meals, beverages, and other services.
12	Aircraft operators	This applies to charter flight services except for charter flights for medical or natural disaster relief evacuations services are not subject to STT and ECAL.
13	Water sports operators	All water sports activities including river safaris.
14	Home stay operators	Accommodation and other services provided in a private residence or property that accommodates tourists, international students or overseas visitors who are paying guests. It does not apply to hostels/accommodation operated by public educational institutions.
15	Unlicensed service operators	If a service provider is not licensed but meets the registration requirements and, it will be required to register and charge ECAL on the services provided.

1. Source: [Founding the Climate Solidarity Alliance: Possible Next Steps](#) ↩

This entry was posted in Uncategorized on 28 November 2024 [<https://blog.oxfordclimatepolicy.org/the-functions-and-responsibilities-of-a-climate-solidarity-alliance-the-varieties-of-its-membership/>] by Benito Muller.

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