



For People and the Planet

At COP28 in November 2023, President Ruto of Kenya, President Macron of France and Prime Minister Mottley of Barbados, launched the Global Solidarity Levies Task Force. By COP30, the aim is to bring together a coalition of the willing ready to implement one or more of the solidarity levies and use the proceeds for climate and development at home and globally.

The Task Force is now being supported by close to 20 countries from Africa, Europe, South America, the Caribbean and the Pacific, representing **over 10% of global GDP**. The secretariat is co-led by Laurence Tubiana, President of the European Climate Foundation, and Ismail Momoniat, former Acting DG of the South African Treasury, with the help of an international expert group.

Why?

The development and climate finance gap is widening, while international public finance for development and climate is not increasing enough, or even decreasing. Many countries are increasingly suffering from the debt burden.

At the same time, major sectors of these economies are undertaxed, while hugely benefiting from globalization and – for some – being among the main polluters.

Levies have the potential of mobilizing additional, debt-free financing, while also improving tax justice and creating more stable and predictable sources of funding for global challenges.

What for?

The coalition countries will agree jointly on how to use the proceeds and maximize their impact, to further development and climate goals at home and globally (in the case of the advanced economies part of the coalition).

The funds would be additional, debt-free financing badly needed today to reach the Sustainable Development Goals and the objectives of the Paris Agreement.

The coalition works closely with partners like the UN, the IMF and the World Bank to make this happen.



No country should have to choose between fighting against climate change and eliminating poverty. That is why our governments decided to contribute to an ambitious reform of the international financial architecture. The Paris Pact for People and the Planet, the Nairobi Declaration and the Bridgetown Initiative each aim at offering one piece to this puzzle. No options should be left behind, and one key piece is still under exploited: solidarity levies.

Solidarity levies are necessary to make sure that all players contribute to their fair share to this global effort. There are swathes of the economy which are largely under-taxed yet polluting the planet.”

Sherpas of the co-chairs of the Global Solidarity Levies Task Force
Dr Arnold McIntyre (Principle Technical Advisor, Barbados)
William Roos (Assistant Secretary Multilateral, Development and Trade Affairs, Treasury, France)
and **Ali Mohamed** (Special Climate Envoy, Kenya)

Which levies?

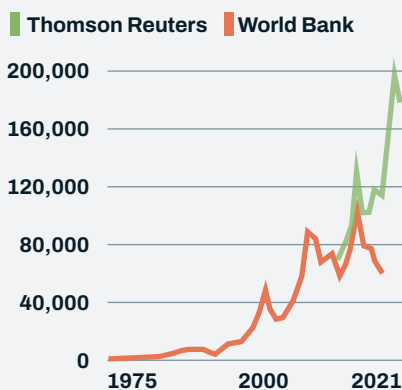
The Task Force is looking into progressive levies which have been **tried and tested**. These levies tax undertaxed sectors which are often **heavy polluters**. The levies can be implemented by a **coalition of the willing** without requiring global agreement.

The main criteria for the design of each levy will be coordinated among the coalition. Implementation and tax collection will remain the responsibility of each government and be implemented domestically.

The primary goal is **resource mobilization**. Levies on aviation, fossil fuels and financial transactions are being considered, among other options.

1 Financial transactions

Increase of financial transactions by year



The number of financial transactions has increased drastically in the last 50 years. Yet if you buy something, e.g. a shirt, you will likely pay around 21% VAT. Compare this to a banker who pays between 0-0.3% VAT when buying a share.

Gunther Capelle-Blancard:
The taxation of financial transactions:
An estimate of global tax revenues, 2023

2 Fossil Fuels

75% of global greenhouse gas emissions are made by coal, oil, and gas companies

from 2022 - 2024:

\$281 billion profit made by the five largest coal, oil and gas firms

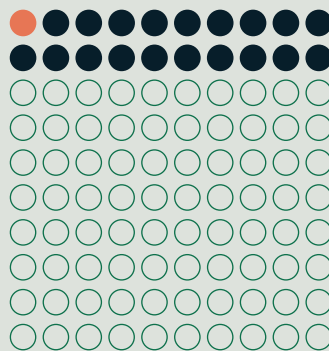
while fossil fuel subsidies surged to **\$7 trillion**

3 Aviation

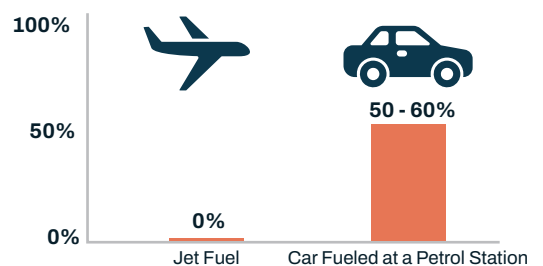
1% of the global population produces **50%** of aviation emissions

19% produces the other 50%

80% have never set foot on an aeroplane



What percentage of the price is tax?



Revenue potential for specific levies

PER YEAR ESTIMATE

\$418bn from a global levy of 0.1% on trading stocks and bonds

\$210bn from a levy on fossil fuel extraction of \$5 per tonne of CO2

\$200bn from a global carbon price on international shipping and aviation

Have a question?

Get in touch via info@solidaritylevies.org

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