Global Solidarity
Levies Task Force







Raising Revenue, Building Resilience:

How Solidarity Levies Are Shaping the Future of Public Finance

A report by the Global Solidarity Levies Task Force

COP31 – ANTALYA, TÜRKIYE | NOVEMBER 2026

> “Adaptation remains an indispensable first line of defence. For Small Island Developing States (SIDS) and Least Developed Countries (LDCs), in particular, adaptation, resilience, and loss and damage need financial support that doesn't worsen already constrained debt positions. The Climate Vulnerable Forum has long advocated for innovative finance such as smart levies which are 'painless' for the economy but can mobilize significant resources. The Global Solidarity Levies Task Force's report offers a pathway for meeting the historic adaptation challenge."



Mia Amor Mottley
Prime Minister of Barbados
Co-Chair of the Global Solidarity Levies Task Force
Chair of the Barbados Presidency of CVF-V20
Chair of the Bridgetown Initiative

> “Nearly 20 years ago, the Least Developed Countries proposed an international air passenger adaptation levy. The case is stronger now than ever. Witness the devastation caused by extreme weather this year alone. This will only worsen as we enter the era of 1.5°C overshoot. The Premium Flyers Solidarity Coalition is a simple but powerful way to finance resilience in our countries. It is an idea whose time has come."



José Ramos-Horta
President of Timor-Leste
Recipient of the Nobel Peace Prize

> “Antigua and Barbuda is honored to host this year's Commonwealth Heads of Government Meeting at a moment when small and climate-vulnerable states urgently need fairer and more predictable financing for resilience, financing that does not deepen already unsustainable debt burdens. CHOGM provides an important opportunity to build support for practical solutions. Those who contribute most to pollution, and those who have benefited most from globalization, should make a fair contribution to addressing the risks our countries did least to create. Properly designed and internationally coordinated solidarity levies can help turn that principle into additional finance for resilience and sustainable development. The work of the Global Solidarity Levies Task Force is essential in moving this agenda from principle to implementation."



Gaston Browne
Prime Minister of Antigua and Barbuda
Chair of the Commonwealth Heads of Government Meeting (CHOGM)

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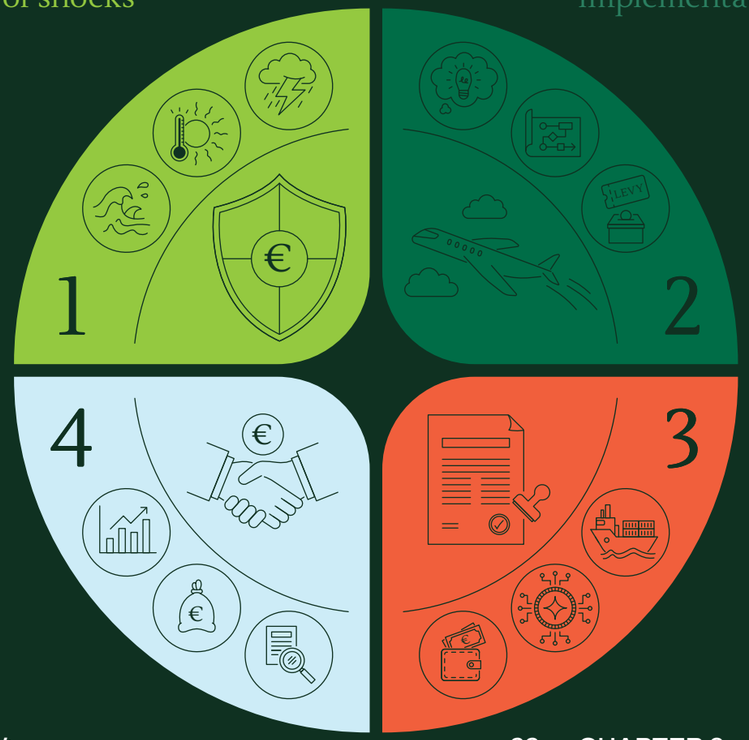
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Foreword

Climate change is no longer a distant threat. Its impacts are already being felt across our societies – and as we enter a world set to overshoot the Paris Agreement's 1.5°C limit, its effects are rising.

This summer's extreme heat and wildfires are estimated to have cost European economies around €180 billion, a sum high enough to effectively erase the bloc's growth forecast for the year. The catastrophic floods in Nepal caused an estimated $4.7 billion in damage, equivalent to one-tenth of its economy.

These, and dozens of other examples, show how resilience is essential for every country's economic prosperity. As we have seen in recent years, in an interconnected world where international trade relies on stable global supply chains, risks like climate change, pandemics or energy crunches transcend national boundaries and must be managed collectively.

Investing in resilience to exogenous shocks is a necessity, not a nice to have. This task also comes at a moment where nations are wrestling with the grand challenges of our time, from technological disruption and energy transition, to escalating warfare and the return of great power politics. These issues are placing ever greater demands on our leaders and the decisions they make about where to invest public finance.

The state has played a central role in every major economic transformation. Today's remarkable shift towards clean energy – with investment in renewable energy now well above that in fossil fuels – was made possible by decades of public policy and government support.

The same leadership is now needed for resilience. Too many resilience measures still lack investment, despite their immense value to society; every dollar invested in adaptation can generate more than $10 in benefits over ten years.

Yet precisely when public investment is most needed, fiscal space is shrinking. Over two-thirds of low-income countries are at high risk of debt distress or already in it. Even across the wealthiest economies, average debt-to-GDP ratios are rising, squeezing government coffers. Decades of tax competition have eroded governments' revenue base, with corporate tax rates falling over the past two decades and billionaires worldwide paying effective personal tax rates of as low as between 0% and 0.5%. Meanwhile, artificial intelligence and ageing populations are set to upend income tax on labour as a source of government revenue.

These observations raise fundamental questions:

- How can we ensure that governments today have the capacity to invest in our collective future?
- Will we equip governments to invest in the future of their citizens and their economies?
- Or will we allow resilience to become something only those with sufficient means can afford?

I believe one answer to these questions is solidarity levies.

Nationally determined and internationally coordinated, they can strengthen domestic resource mobilisation in vulnerable countries while enabling a contribution from higher-income countries. Targeting the big polluters or those benefiting most from globalization and using the revenues specifically to respond to the need for more resilience is extremely popular with citizens, in developed and developing countries alike. Importantly, they offer a pragmatic step on the way to more systemic reforms of our taxation systems.

This is ultimately a question of political agency. At a time when the power of governments is being challenged by crises on multiple fronts, solidarity levies can give states back the capacity to act, empowering them to invest in our collective resilience.

The work of the Global Solidarity Levies Task Force has put in place the foundations for solidarity levies to become an ever greater instrument for financing global resilience. Now, the task ahead is to implement them at scale.



Prof. Laurence Tubiana
Lead of the Global Solidarity Levies Task Force Secretariat
Special Envoy to Europe for COP30
CEO of the European Climate Foundation



Executive Summary

The story so far

The Global Solidarity Levies Task Force was formed in 2023 by Prime Minister Mia Mottley of Barbados, President Emmanuel Macron of France, and President William Ruto of Kenya.

They established it with a simple but ambitious initial mission: to take the long-standing concept of solidarity levies and make them a reality.

This fired the starting gun on a two-year sprint by the governments of the Task Force, as they collaborated to build detailed and convincing proposals for solidarity levies, and generate political momentum behind them.

It culminated in the launch, at the 4th International Conference on Financing for Development (FfD4) in June 2025, of the Premium Flyers Solidarity Coalition.

In light of this success, last year the co-chairs of the Task Force extended its mandate for a further three years, continuing up until COP33 to coincide with the milestone of the Paris Agreement's second Global Stocktake.

The Task Force's previous report, published at COP30, set out ten key recommendations that form the backbone of its work until 2028. This involves both advancing solidarity levies where progress has already been made and continuing to develop and push forward currently less mature proposals as viable solutions for financing climate action and development.

Key messages

This year's report builds on this foundation.
It outlines four key messages across its four chapters:

1 In an age of shocks, governments are searching for targeted, fair and politically feasible ways to finance resilience. This makes solidarity levies a strategic necessity.

The climate disasters, economic disruptions and geopolitical shocks of 2026 have exposed a common reality: countries everywhere face growing risks, but lack the predictable resources needed to prepare for, absorb and recover from them. This is particularly acute in developing countries, where declining official development assistance (ODA) and mounting debt pressures are constraining investment in resilience.

Investments in preparedness, adaptation, health systems and early warning mechanisms would deliver significant returns. However, the financing available remains far below what is required. The challenge is a lack of structural financing solutions. New mechanisms are needed to mobilise resources more fairly, predictably and at scale.

Solidarity levies offer one solution. By applying equitable and progressive levies to sectors of the economy that are polluting, excessively profitable, or have benefited the most from globalisation while being undertaxed, governments can generate dedicated revenues for resilience-building. As climate and development challenges intensify, solidarity levies will help shift the world from a model of repeated crisis response to one of sustained resilience-building.

2 Premium flyer levies have moved from idea to implementation. They are a proof of concept, demonstrating that solidarity levies are politically and technically feasible.

The Premium Flyers Solidarity Coalition represents a significant breakthrough. It is the first ever group of governments, drawn from all parts of the world, committing together to introduce levies on a polluting sector of the economy as a fair means of scaling climate and development finance. It is inspired by the Unitaid airline ticket levy, first introduced in 2006 as a tool to generate finance for fighting HIV/AIDS, tuberculosis and malaria.

The rationale for focusing on premium flyers is clear. Levies on premium flyers will have minimal impacts on consumers, nor negatively impact tourism, while being straight forward to implement and capable of bringing in significant revenues. The latest research continues to strengthen this case.

Momentum is building at the national level, as more countries put these levies into law. The next step is turning these national levies into an effective solidarity mechanism to fund resilience, where a share of the proceeds or an equivalent amount is reallocated through a multilateral vehicle that can match and scale the resources raised by the efforts of vulnerable countries.

3 Levies in sectors beyond premium aviation are gaining traction.

Progress to date on solidarity levies has not only been concentrated around the Premium Flyers Solidarity Coalition. The idea of solidarity levies across other sectors is gaining traction.

- **Fossil fuel levies have moved rapidly up the political agenda following this year's energy price shock**, which generated extraordinary profits for oil and gas companies and renewed interest in windfall taxes and related measures. The case for action extends beyond temporary windfalls. Fossil fuel companies have long generated substantial profits while benefiting from significant tax advantages, suggesting a role for permanent levies that can accelerate the energy transition and finance a just and orderly transition away from fossil fuels.
- **There is a wider trend of governments adopting multi-levy approaches**, aggregating multiple levies across a range of sectors to finance resilience, disaster response, environmental protection and other public priorities.
- **The menu of options for solidarity levies is clear.** It covers traditional polluter pays levies, such as in sectors like fossil fuels, plastics and shipping. It extends to taxes aimed at addressing wider negative externalities to society beyond solely environmental pollution, as demonstrated by health taxes on products like tobacco, alcohol and sugar, or emerging proposals for artificial intelligence taxes. It also encompasses levies on areas of the economy that are undertaxed and have benefited disproportionately from globalisation, such as cryptocurrency taxes, wealth taxes, and financial transaction taxes.
- **A key trend supporting the expansion of solidarity levies is the growing momentum behind international tax cooperation.** Stronger international frameworks capable of addressing tax avoidance and profit shifting are key to ensuring effective revenue collection from national level taxes. The most significant development is the ongoing negotiation of a United Nations Framework Convention on International Tax Cooperation, which could offer a pathway for embedding and implementing the polluter pays principle through taxation.

4 It is time to take solidarity levies to the next level so that by 2030 they are a key feature of international finance.

This requires governments to:

- **Work together.** Individual countries introducing solidarity levies alone is not going to be enough. Every country can and should move ahead without waiting for others. However, to reach the scale of finance required by the resilience challenges of today quickly is going to require governments to join forces and build coalitions of the willing.
- **Build the dynamic of international solidarity.** The transformational potential of solidarity levies lies in unlocking a new source of public finance to build resilience globally, as a global public good. Building this dynamic of international solidarity requires coalitions of willing governments to align on mechanisms for redistributing a share of the revenues from wealthier countries to developing countries.
- **Leverage solidarity levies to shape the future of climate, development and international cooperation.** Faced with rising resilience costs and profound social transformations, from the energy transition to artificial intelligence and widening inequality, governments everywhere must fundamentally rethink the way they finance essential functions of the state. In this light, solidarity levies can change the paradigm for public finance in low- as well as high-income countries. Furthermore, the dynamic of international solidarity generated by redistributing revenues can help restore trust between countries that has been increasingly lacking in international politics. At a moment of intense geopolitical rivalry, this can be seen as a component of broader efforts by coalitions of the willing to strengthen international cooperation and renew the multilateral spirit.



CHAPTER 1

Solidarity levies: financing resilience in an age of shocks

Resilience is the watchword of 2026

This year will once again be marked by deadly events linked to climate change. While different in nature and geography, they have two things in common. First, they are unprecedented, showing that the climate crisis is accelerating faster and in more deadly ways than even scientists predicted. Second, currently, we do not have the revenues to meet this historic challenge, protect lives and livelihoods, and build the resilience that is increasingly needed to face it.

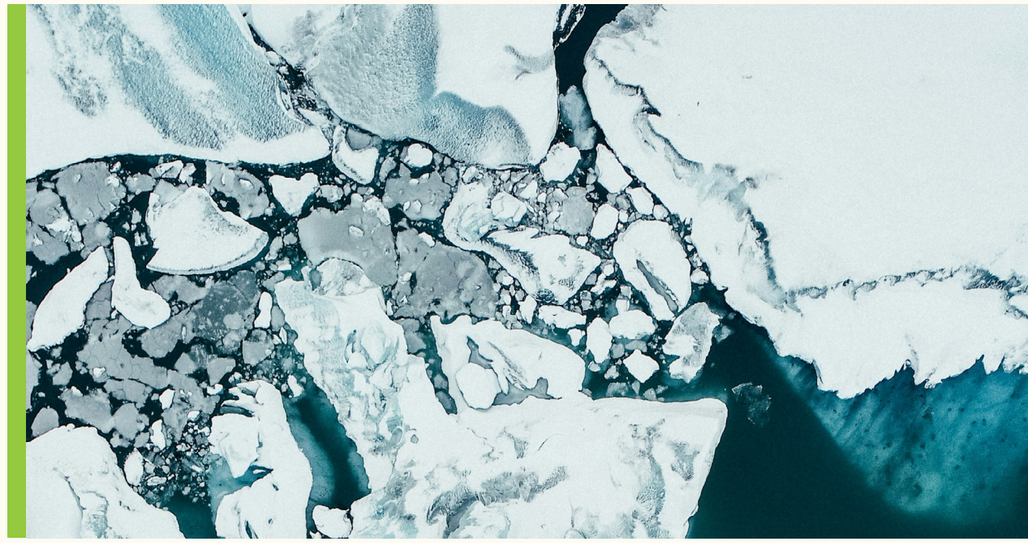
There is Nepal, where the collapse of a glacier caused devastation on an unprecedented scale, killing more than 1,300 people and leaving thousands missing. There is Europe, where a barely interrupted sequence of heatwaves from May to August brought record temperatures, uncontrollable wildfires and thousands of excess deaths. And the year is not over yet, with El Niño adding another layer of uncertainty to an already exceptional climate year. These events are a brutal reminder that the climate crisis is no longer a distant risk. The house is already burning.

The world is experiencing these extreme weather events against the backdrop of another oil shock. The crisis around the Strait of Hormuz is creating widespread economic instability, with consequences for energy, food, inflation and public finances. Different crises are increasingly interacting with one another, exposing the same underlying vulnerability: the capacity of countries and societies to absorb shocks and recover from them.

What the world is experiencing in 2026 is revealing structural vulnerabilities and cannot be viewed any longer as passing disruptions of a system which is otherwise working. It is symptomatic of an emerging truth. In the future, we may increasingly divide countries not simply between whether they are rich or poor, but between whether they are resilient and able to respond to shocks, or not.

This does not have to be inevitable, as many examples demonstrate from all over the world show. While we have come to recognize that what we are facing is more unpredictable, more significant, faster-moving, and more deadly than we could have anticipated until recently, we also know that interventions exist to help us better prepare, adapt, and recover. Jamaica is a good example: despite recurring hurricanes, the fact that they better prepared, in particular through anticipatory and pre-arranged finance, meant that the country's credit rating actually went up in the aftermath of Hurricane Melissa. Vaccine development usually takes an average of ten years, but the response to COVID-19 showed what is possible, with political prioritization, adequate resources and global coordination delivering a vaccine in only 11 months.

Scaling up investment in resilience, both at home and abroad, is therefore critical. It is increasingly seen not only as a development and climate priority, but as a national defence and security priority. NATO's Article 3, for example, sets out the national and collective responsibility of its members to invest into resilience and civil preparedness as essential to the ability of societies to withstand and recover from major shocks, including the impact of natural hazards exacerbated by climate change. This includes investments into physical but also social infrastructure, such as health system strengthening.





DEFINING RESILIENCE

At its core, resilience is the ability of systems, countries, institutions and communities to prepare for, cope with, adapt to and recover from shocks and the effects climate impacts and environmental disasters to conflict, pandemics, or price and financial shocks.

In practice, it is highly context-specific, depending both on a system's existing preparedness and the nature of the shocks they are seeking to address. This means there is no single route to resilience, but rather many pathways across a range of policy interventions.

In this sense, resilience should not be seen as a clearly defined sector like energy or transport, but rather an emergent and systemic outcome resulting from policy interventions across multiple domains, and at all scales of governance, from the level of the community to the international.

Rather than defining it as a narrow technical objective, resilience needs to become, "an operational, political, and security imperative that sustains dignity, agency, and essential functions for the most vulnerable, (...) building forward toward stronger, people-centred systems."

This complexity means that there won't be one coherent approach to resilience-building, but coordination, exchange of lessons learned and a joint approach is needed. There are significant economic upsides – every $1 invested in resilience investments generates more than $10 in benefits over ten years – demonstrating how such investments can help advance countries' broader sustainable development priorities.

The need for structural solutions on resilience

Last year, the world agreed on two important financing targets for 2035: at least US$300 billion a year in international public climate finance through the New Collective Quantified Goal, alongside efforts to scale climate finance from public and private sources to US$1.3 trillion a year. These commitments were an important step forward. But 2026 is showing us, without mercy, the three main weaknesses of this approach.

First, what is the value of targets if the financial reality is pointing in the opposite direction? Official Development Assistance fell by 23.1% in real terms in 2025, its largest annual decline on record, to US$174.3 billion. At the same time, governments are under pressure from debt, defence, and the energy crisis. Climate finance cannot continue to depend almost entirely on annual budget negotiations, where adaptation is forced to compete with every other political priority.

Second, what use are plans for 2035 when lives are already at stake? Developing countries are estimated to need more than US$310 billion a year for adaptation by 2035, while international public adaptation finance stood at just US$26 billion in 2023, 12 times less than what is needed. And this doesn't include other resilience needs, e.g. the strengthening of health systems and early warning systems for infectious diseases.

Third, as needs explode, not only in countries traditionally considered vulnerable, how can we continue to call for more finance without looking at structural solutions to generate it?

The Hormuz crisis reminds us that money is not the problem. Money exists in abundance. Fossil-fuel profits are enormous. Projections show that by the end of the year, fossil fuel companies could make US$82 billion in profits, up- and downstream. Private aviation and other highly carbon-intensive forms of consumption continue to grow. A global assessment of more than 25,000 private jets and nearly 19 million flights between 2019 and 2023 found that number of private jets increased by 28% and the distance flown jumped by 53% between 2019 and 2023. Emissions from private aviation increased by 50% over the period, despite being used by only around 0.003% of the world's population.

The real question is how we choose to mobilise and distribute resources, and who we ask to contribute. Today's crisis may be an opportunity to break with old habits: scraping together whatever resources are left, mobilising in the short term and on an ad hoc basis and announcing financial commitments only to delay or struggle to deliver them. What is needed is not incremental change or tactical wins, but structural solutions - mechanisms that provide predictable, sustainable resources - so that we do not have to scramble for money every time a crisis strikes or climate damage makes the headlines.

We need structural solutions, for countries in the North as much as for those in the South. Many countries, regional organisations and local authorities across the world are leading the way. According to the WHO, heat-related deaths in Europe in 2023 would have been around 80% higher, causing 36,000 more deaths, without the adaptation measures already in place. Sub-districts in Indonesia with early warning systems had significantly fewer casualties than those without them: between 73-96% lower. In Honduras, every dollar invested ahead of droughts returned $1.69 in avoided fiscal costs, counting both the emergency spending averted and the premium the governments paid to finance disasters after the fact.

Solutions exist. The question is how to allow all communities at risk to fund the right measures, put them in place and adapt their systems in time.

It is not realistic for countries such as Nepal, which contributes less than 0.1% of annual greenhouse gas emissions, to hope that donors will voluntarily replenish international funds every time their needs increase. Nor is it sustainable for citizens in wealthy countries to see adaptation and resilience placed in the balance against debt repayment, military expenditure and every other domestic budget priority, only to be cut back at each parliamentary budget discussion. Especially as citizens everywhere increasingly see the contradiction: some continue to pollute and benefit from a highly carbon-intensive and unequal globalisation, without being asked to contribute proportionately to addressing its consequences.

"What is needed is not incremental change or tactical wins, but structural solutions - mechanisms that provide predictable, sustainable resources."

Official Development Assistance fell by 23.1% in real terms in 2025, its largest annual decline on record

Public adaptation finance is 12 times less than what is needed

Solidarity levies for resilience

This is where solidarity levies offer an obvious answer. They can raise genuinely additional finance in ways that are targeted and fair, while adjusting price signals and ensuring that those who benefit most from globalisation and pollute most contribute more.

WHAT IS A SOLIDARITY LEVY?

A solidary levy consists of three things:

1. A government taxes a sector that is causing societal or environmental damage or a profitable sector of the economy that has benefited from globalisation. Examples include aviation, shipping, fossil fuels, or the financial industry. Importantly, these taxes are progressively designed to be equitable and fair, reducing the financial impact on poorer taxpayers, and ensuring those with the broadest shoulders and responsibilities carry the greatest burden.
2. The revenues generated by this levy are used domestically tackle pressing and under-funded issues of global concern, both in developed and developing economies, such as the climate crisis, development shocks such as pandemics, and global public goods. Importantly, wealthier countries also allocate a share of the revenues internationally to support poorer economies' efforts to tackle the same challenges.
3. Although the levies are implemented domestically by individual countries, they are not envisaged to be delivered in isolation, but rather by a group of governments working together as a coalition of the willing across traditional Global North- South divisions. By forming an alliance with a shared framework, these governments create a collective international financing mechanism with a common objective.

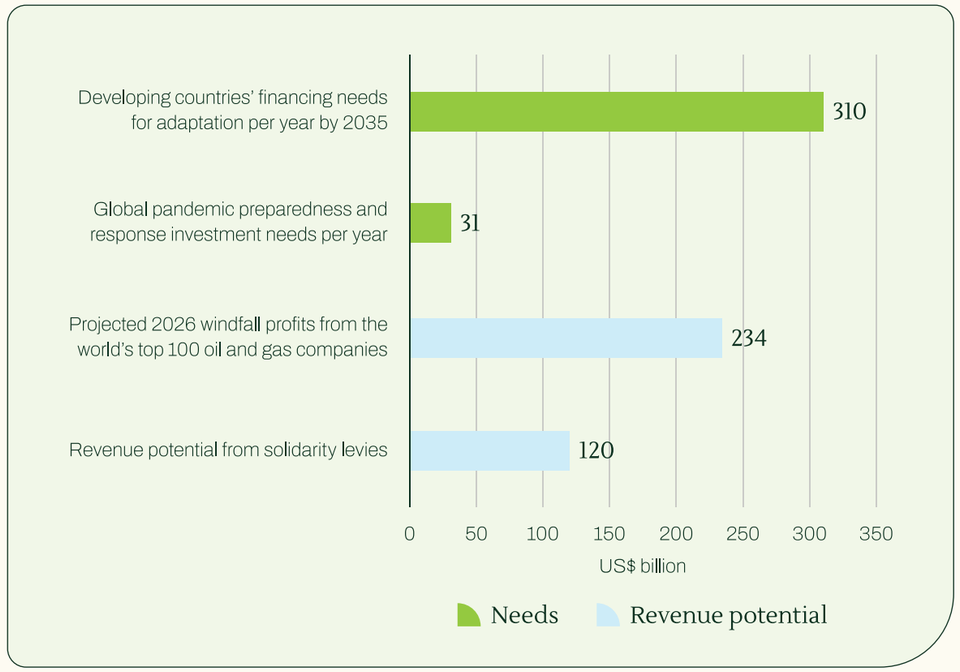
In this context, the concept of solidarity has multiple dimensions:

- **Solidarity as unity around a shared purpose:** countries are collaborating and using the same tax measure to tackle the same struggles, such as building resilience to exogenous climate and development shocks.
- **Solidarity as international support:** the levy enables wealthier nations to assist poorer countries through reallocating a share of the revenues.
- **Solidarity as redistributive justice:** underpinned by the direct connection between where the tax is levied and how the revenues are spent, with the proceeds directly addressing inequalities and damages caused by the taxed sector.
- **Solidarity as collective action:** governments recognise that shared challenges require coordinated responses, and that acting together enables greater ambition, effectiveness, and political legitimacy than acting alone.



Solidarity levies create predictable and dedicated financing streams badly needed for resilience. Solidarity levies for resilience have therefore become a strategic necessity. And they are possible. Countries across the Caribbean, Africa and the Pacific are already experimenting with national resilience funds and dedicated mechanisms to finance preparedness and adaptation.

Figure 1.1: How solidarity levies can help meet financing needs for resilience



Sources: IHLEG on Climate Finance, 2025; Global Witness/Rystad Energy/The Guardian, 2026; World Bank & WHO, 2022; UNEP Adaptation Gap Report, 2025

Now is the time to take solidarity levies for resilience to another level. While every government can make progress on their own without waiting for others to take action, the question is whether this can become a joint effort commensurate with the urgency of the moment: changing the way we do multilateral action and moving climate and development finance into a new era.



CHAPTER 2

Premium flyers levies: from idea to implementation

As the previous chapter outlined, there is a strong case for solidarity levies. They offer a structural solution for investing in resilience to exogenous shocks, and they can do so in ways that are politically palatable.

Moreover, solidarity levies are no longer an idea on paper. Launched at COP28 by Barbados, France and Kenya, the Global Solidarity Levies Task Force brings together some 25 countries that work side by side to design levies on high-emitting, under-taxed activities and to build the political coalitions needed to implement them.



The Premium Flyers Solidarity Coalition

These countries have already moved from analysis to action.

At the Fourth International Conference on Financing for Development in Seville, in June 2025, eight governments (Antigua and Barbuda, Barbados, Benin, France, Kenya, Sierra Leone, Somalia and Spain) launched the Premium Flyers Solidarity Coalition, the first concrete coalition to emerge from the Task Force.

It has kept growing since: Djibouti joined at the Africa Climate Summit in September 2025 and, at COP30 in Belém, Nigeria and South Sudan came on board as members, with Brazil, Fiji and Vanuatu as observers.

THE PREMIUM FLYERS SOLIDARITY COALITION COMMITMENT FRAMEWORK

As agreed, members commit to:

i. **Introduce or harmonise upwards, by 2030,** levies on premium passengers (business and first class or equivalent, and/or private jets), without prescribing the national instrument (e.g. a levy on passenger tickets, kerosene, excise tax, etc.)

ii. **Apply the highest implementation standards** and work towards upward harmonisation of rates, base and collection.

iii. **Invest an equivalent amount of the proceeds raised** into climate action, resilience and the response to climate impacts, pandemics and other development shocks.

iv. **For high-income members, strive to allocate a significant share to international solidarity** through multilateral mechanisms, additional to existing climate finance and ODA.

By leaving the choice of instrument to each country while setting a common direction of travel, the framework respects national sovereignty and still ensures that members converge upwards rather than compete downwards.



Why premium flyers?

Aviation is one of the most under-taxed sectors of the global economy. International aviation fuel is not taxed at all: bilateral air service agreements typically exempt kerosene, and the EU's Energy Taxation Directive still mandates an exemption for commercial aviation (a reform of the Directive is currently under negotiation). Across the G20, the average carbon price on jet fuel is just €9 per tonne of carbon dioxide, against €68 for petrol and €79 for diesel. International tickets are, in most countries, also exempt from VAT; in Europe alone, the resulting gap is estimated at around €29 billion for 2024.

Even in a country like France where aviation taxes are relatively high compared to other countries, the French Treasury estimated in 2025 that French air transport pricing (including all measures internationally, at EU level and in domestic taxes) covers an average of around 34% of all its negative externalities, despite the multi-layered taxation system. This means that when a flight causes costs to society of €1, aviation only pays 34 cents; most of the negative impacts to society are not covered. A separate study found that from 2013-2025, low carbon prices and under-taxation meant that European airlines paid for just 4% of their climate damages; in some years, the proportion of negative externalities covered fell as low as 1%.

This tax gap benefits a narrow group of travellers. Just 1% of the world's population is responsible for half of aviation's emissions. A premium seat is 2.6 to 3.4 times more polluting per passenger than an economy seat, and a private jet 5 to 14 times more polluting than a commercial flight. Yet only 0.003% of the population fly on private jets and the median wealth of a private jet owner is US$190m. Targeting premium flyers therefore combines the "polluter pays" and "ability to pay" principles, and the revenue potential is substantial: around US$17 billion a year globally from premium tickets and US$7 to 17 billion from private jets.

Even in a country like France where aviation taxes are relatively high, when a flight causes costs to society of €1, aviation only pays 34 cents

From 2013-2025, European airlines paid for just 4% of their climate damages

Only 0.003% of the population fly on private jets

SMALL LEVY, BIG IMPACT: THE FIRST SOLIDARITY LEVY CELEBRATES ITS 20TH ANNIVERSARY

In September 2006, at the initiative of Presidents Jacques Chirac and Luiz Inácio Lula da Silva, Brazil, Chile, France, Norway and the United Kingdom launched Unitaid. Its financing model was simple, but politically consequential: take a 'painless' contribution from a globalised activity, collect it nationally, and dedicate the proceeds to a global public good without drawing on national budgets. France introduced a solidarity levy on air tickets, initially ranging from €1 on an economy ticket to €40 on a long-haul business-class ticket. Brazil provided an equivalent budgetary contribution. Other countries, including the Republic of Korea, Chile and several African countries, followed. Norway decided to use the proceeds from CO2 pricing to support Unitaid.

This was not simply a technical innovation in development finance. It was a political choice about who should contribute to global solidarity, and about where the proceeds of taxation should go. The levy connected a highly globalised activity - air travel - with a highly globalised public interest: access to life-saving health products. It also demonstrated that international solidarity did not necessarily have to mean larger calls on national treasuries.

The political bargain mattered. Two heads of state, from the North and the South, gave the initiative legitimacy at the highest level, needed to overcome concerns and move ahead fast. After six years, the air-ticket levies had already generated more than €1 billion without negatively impacting the aviation or tourism industry; by 2019, they represented 63% of the total contributions to Unitaid.

The mechanism also worked because citizens could see the political purpose of the contribution. Revenues were earmarked for a clearly defined objective - fighting HIV/AIDS, tuberculosis and malaria - and channelled through a multilateral institution able to invest at scale. Since 2006, Unitaid has helped bring more than 150 health products and interventions to scale, including HIV and TB treatments for small children. In total, UNITAID reaches around 390 million people every year, more than the US population, and generates US$46 in economic savings for every US$1 invested.

The lesson is therefore political as much as financial. Earmarking of a levy creates a visible link between the contribution and the public good; international cooperation prevents the measure from becoming a purely national tax and helps overcome collective action problems; and progressive design can help ensure that those who benefit most from a globalised activity contribute more.

Twenty years on, the political challenge has changed and grown. The problem is no longer whether innovative levies can work. It is whether governments are prepared to create new sources of predictable international finance at a time when traditional development budgets are under pressure. Official development assistance from DAC members fell by 23.1% in real terms in 2025, the largest annual decline on record.

At the same time, the challenges the world is facing have skyrocketed with the climate crisis unfolding and increasing inequalities. Pandemics are on the rise with Ebola still raging in Central Africa, malaria remains among the deadliest diseases especially for children and even spreading in Germany. Malnutrition, including stunting, is a silent crisis growing in face of global ignorance. Climate change is no longer a theoretical problem, killing people even in Northern countries which thought they'd be safe.

This is where the political significance of solidarity levies re-emerges. The climate crisis is not simply another item to be added to already constrained aid budgets. It raises a question of political responsibility: how should the costs of global challenges be shared, and which activities should contribute to financing the resilience of those most exposed to health and climate risks they did least to create?

The aviation sector provides a particularly concrete starting point. First, there is already the proven precedent of the UNITAID levy to build on. Second, the distributional case is particularly strong: around 80% of the world's population has never set foot on a plane. Third, aviation generates significant negative externalities, notably emissions and air pollution, that remain only partially priced. Even in France, despite the existing air ticket levy, only around 34% of the sector's negative impacts are accounted for.

The political debate is already moving in this direction, with the Premium Flyers Solidarity Coalition, announced at the UN Financing for Development Conference and then launched at the Brazilian COP30, with Brazil and France among its members.

The question today is not whether another tax is needed. It is whether governments are willing to make a political choice: to capture a small share of the value generated by globalisation and turn it into predictable finance for global public goods.

Twenty years of Unitaid provide proof of concept. The next generation of solidarity levies must apply the same political logic to health, climate and food resilience. The missing ingredient is no longer evidence that the model can work. It is political will.



Philippe Douste-Blazy
Former French Minister of Foreign Affairs
Founding Chair of Unitaid
President of Unitlife

The rationale for premium flyer taxation

	Evidence
Levies on premium flyers will have minimal impacts on consumers	Premium flyers are among the least price-sensitive consumers anywhere. A small levy on a ticket is just a tiny fraction of the cost of business and first-class flights that could cost up to tens of thousands of dollars per ticket. Premium flyers can afford it, and the sector will not suffer. A recent study by the International Council on Clean Transportation (ICCT) confirms this: under the UK's Air Passenger Duty, the premium share of long-haul passengers rose from 20.0% to 22.4% over the past decade as the premium rate climbed about 72%; at the April 2025 rise, premium passengers still grew 2.6% under a 26% rate increase, and APD receipts rose about 12%, to £4.6 billion. The recent energy crisis has reinforced this evidence. For example, the CEO of Lufthansa has confirmed that demand for premium class travel remains strong, noting that "the more premium you are [as an airline], the less it [fuel price rise] affects you". ICCT analysis since the start of the Hormuz crisis shows that the shock raised the cost of premium flying more than a levy would, with medium- and long-haul routes seeing per-ticket increases (about US$243 and US$360 on a one-way Business Class ticket); yet premium demand grew anyway, even as economy demand fell. Business-class bookings rose about 5%, and premium demand expanded across nearly every route corridor and world region, while economy bookings fell about 3%. Private aviation was equally resilient. Global private-jet activity rose about 4% as the jet-fuel price roughly doubled.
Levies on premium flyers can bring in significant revenues	For some of the poorest and most vulnerable countries, the gains can be transformative. A recent study by the LDC Universities Consortium on Climate Change analysed a solidarity levy on premium flights across 10 SIDS and LDCs. It found that across these countries, the revenue generation was equivalent to or exceeded average annual financing from the Green Climate Fund, showing that these revenues compare favourably to existing climate finance flows.
Levies on premium flyers will not negatively impact tourism	To give a concrete example from a touristic economy: the Maldives introduced a levy on premium travel (differentiating business class, with a rate at US$120 per passenger, and first class, with a rate at US$240 per passenger) in December 2024. This levy did not lead to adverse negative effects or reductions in connectivity. In fact, connectivity expanded after the levy was introduced, with the number of international flights increasing by more than 5%.
Levies on premium flyers are straight-forward to implement	In 2025, the Global Solidarity Levies Task Force commissioned legal experts to produce a handbook on implementing premium flyer levies. This concluded that levies differentiated by class and distance are compatible with the Chicago Convention if applied uniformly and transparently, and that taxing private-jet fuel lies within states' authority, including under EU law, with no conflict with WTO rules. Most countries already collect departure taxes through ticketing systems.

$120-240
levy on premium flights in the Maldives

$243-360
increase in medium-long haul business class tickets due to the Hormuz crisis

5% rise
in business class bookings despite price increases

From commitments to national action

Momentum is building at national level, as more and more countries decide to put solidarity levies on aviation into law.

Within the Task Force, Denmark's new four-party government agreed in June 2026 to introduce a tax on private jets – on top of the Passenger Tax on Air Travel adopted in 2024 but which is currently exempting private jets, as well as existing kerosene taxation arrangements under the EU Energy Taxation Directive – and on cruise ship passengers, closing a gap that had left private flights outside the passenger tax on air travel. Vanuatu, one of the world's most climate-exposed countries, is exploring a aviation levy to create dedicated funding to address loss and damage. These are exactly the home-grown solutions that international solidarity should reinforce.

Beyond the coalition, governments are converging on the same agenda. Scotland will replace Air Passenger Duty with its own Air Departure Tax from 1 April 2027, and its 2026–27 Budget announced a Private Jet Supplement. Scottish airports recorded 10,503 private jet flights in the first ten months of 2025 alone, and Oxfam Scotland estimates that such a tax would have raised nearly £27 million over that period. Initiatives like this show how naturally other jurisdictions could align with, and eventually join, the coalition.

Making solidarity real

The decisive step now lies in turning national levies into an effective solidarity mechanism. Unitaid's success rested not only on a levy, but on the pooling of revenues into a multilateral instrument that delivered results at scale.

Premium Flyers Levies need the same kind of architecture, and the Task Force has begun consulting on revenue allocation mechanisms to design it.

The approach we recommend builds on the coalition's fourth commitment. High-income members, joined by middle-income members that wish to do so, would channel a significant share of their revenues into a common multilateral mechanism. That mechanism would support the efforts vulnerable countries are already making, such as those described above, by matching and scaling up the resources they raise at home.

To be effective, it should be:

- aiming at growing the total amount available for concessional climate and development finance in existing multilateral and bilateral mechanisms to existing ODA and climate finance, and delivered as grants rather than debt;
- Simple and fast to access for the most vulnerable countries, aligned with their own resilience and adaptation plans;
- Transparent, with public reporting on revenues raised and results achieved.

In under two years, Premium Flyers Levies have travelled from idea to policy. The next test is to make them a true instrument of solidarity, so that a small contribution from those who fly in comfort helps those most exposed to climate shocks stand on firmer ground.





CHAPTER 3

Scaling solidarity levies across the economy

Progress to date on solidarity levies has not only been concentrated around the Premium Flyers Solidarity Coalition. The idea of solidarity levies across other sectors is gaining traction.

In this chapter, we overview **3 key trends** shaping the future of solidarity levies:

1) Polluter pays levies are moving into the mainstream

2) Governments are adopting multi-levy approaches

3) International tax cooperation is opening up new opportunities for solidarity levies

1 Polluter pays levies are moving into the mainstream

The polluter pays principle is well established. For decades, governments have recognised that activities generating significant social or environmental costs should contribute towards addressing the damage they cause.

What is starting to change now is the willingness of policymakers to apply this principle to sectors that were previously considered politically difficult to tax.

FOSSIL FUELS

Perhaps the most striking development over recent months has been renewed attention to the opportunity of levies on the fossil fuel industry. The conflict in the Middle East and the blockade of the Hormuz Strait sparked a global energy crisis, triggering a fresh wave of political interest in taxing windfall fossil fuel profits.

- Since the start of the war in Iran, the oil industry made €36 billion in windfall profits in the EU, or around €154 million every day.
- The world's top 100 oil and gas companies could receive $234 billion in additional profits during 2026 if elevated prices persist.

In response, governments have been exploring new windfall profit taxes, excess-profit levies and export levies. This has been echoed by influential voices, such as the UN Special Rapporteur on extreme poverty and human rights in the Roadmap for Eradicating Poverty Beyond Growth, as well as the Laudato Si movement.

Table 3.1: A surge in support for fossil fuel windfall profit taxes following the Hormuz crisis

Geography	Developments
European Union	• In April 2026, 5 countries in Europe – the finance ministers of Austria, Germany, Italy, Portugal and Spain – jointly requested the European Commission to develop an EU-wide tax on windfall profits. • In September 2026, Poland joined the group in urging a discussion on a windfall levy among EU finance ministers.
Portugal	• The government approved a 33% windfall tax on extraordinary profits earned in 2026 by oil and refining companies.
Poland	• The government is pushing ahead with proposals to introduce a tax that would impose a 60% levy on excess revenue generated by oil companies between March and December 2026. This would generate 4 billion zlotys ($1 billion) a year.
Spain	• The minister for ecological transition called on the EU to establish a climate adaptation fund, financed by measures including the permanent levy on oil and gas profits.
USA	• Democratic lawmakers introduced proposals for a windfall profits tax on major oil companies.
Australia	• Legislators and civil society organisations proposed introducing a 25% gas export levy, which would raise A$17 billion ($12 billion) a year. In Parliament, a Select Committee on the Taxation of Gas Resources explored the proposal.



Beyond windfall taxes: addressing the structural problem of excess fossil fuel profits

The renewed interest in windfall profit taxes reflects a deeper reality: the fossil fuel sector continues to generate large profits even in periods of less volatility.

- For example, even in a relatively normal year such as 2024, the world's 585 largest fossil fuel companies generated an estimated $583 billion in profits.

Excess profits during periods of market disruption are therefore only the most visible manifestation of a deeper structural imbalance. The sector continues to benefit from a fiscal system that often fails to fully reflect its full environmental and social costs.

Permanent levies on fossil fuel profits represent one of the most direct mechanisms for ensuring that companies benefiting from high fossil fuel prices contribute more fairly to the costs associated with climate change. Rather than being conceived as one-off crisis measures, such levies can form part of a long-term fiscal framework that aligns taxation with climate and development objectives.

The revenue raising potential is significant.

- For example, fossil fuel companies made an estimated €82 billion in post-tax profits from their EU operations in 2023; a 33% climate tax on the industry's profits would have raised €27 billion to fund climate action that year.

A central challenge for improving the effectiveness of fossil fuel taxation requires addressing international tax avoidance. Recent research shows that while extractive multinationals report most profits in producing countries, a significant share continues to be shifted to low-tax jurisdictions.

- On average, around $0.12 of every dollar of profit is declared in tax havens, rising to approximately $0.20 during commodity booms.

This suggests that periods of high prices increase incentives for profit shifting. Effective fossil fuel levy regimes will therefore need to be accompanied by stronger international tax cooperation and mechanisms capable of capturing economic rents where multinational profit shifting remains pervasive.

On top of this, governments still grant extensive tax expenditures (tax cuts) for fossil fuels. These make up make up one of the largest components of fossil fuel subsidies worldwide, used by governments to support the production and consumption of fossil fuels. The foregone tax revenue is massive: around $460 billion a year for OECD member and partner countries. Outside of the OECD, the tax expenditures also remain important, representing on average 0.3% of GDP, with up to 4.9% of GDP in Niger for instance.

Fossil fuel levies as part of the transition away from fossil fuels

The growing debate on windfall profit taxes points towards a wider discussion about the role of taxation in the energy transition. Taxation occupies a unique position because it can advance several objectives at once. Well-designed fossil fuel levies can simultaneously generate predictable public revenues for climate action, discourage investment in carbon-intensive activities by helping correct market incentives that continue to favour fossil fuels, and support a just transition.

This was recognised at the First Conference on Transitioning Away from Fossil Fuels, held in Santa Marta, Colombia in April 2026. The discussions repeatedly framed fiscal policy and tax reform as central pillars of any credible transition away from fossil fuels. The conference recognised that countries cannot phase out fossil fuels while ignoring the fiscal systems that continue to support and depend upon them. The meeting also underscored the importance of using revenues fairly, including to support workers, vulnerable households and climate-vulnerable countries.

In their conference report, the co-hosts stressed *"the need to move from under-taxed fossil rents and revenue leakages to transformative fiscal policies"*, concluding that *"taxation should send clear signals to fossil fuel companies and investors to redirect capital toward new sectors, while supporting revenue diversification through progressive tax reform, green budgeting and strategic public investment."*

PLASTICS

Plastic pollution is already causing significant environmental damage, and without further intervention, is expected to triple by 2040. Many policymakers have adopted a levy on plastic as a way of internalising these negative externalities.

For example, legislators in the UK, Portugal and Spain have introduced levies on plastic packaging. Other countries are following suit, such as Germany which is set to introduce a national plastics tax from 2027.

These taxes incentivise behavioural changes to reduce plastic waste while also raising revenues to support the transition to a circular economy, further helping reduce plastic waste by strengthening recycling infrastructure and promoting positive behaviour change.

In Portugal, for instance, half of the revenues are earmarked to funds to support circular economy initiatives and sustainable business models. In Ireland, the revenues from a plastic bag levy are earmarked to the national Environmental Fund which finances environmental initiatives. Notably, this hypothecation was well received by retailers as it helped avoid any claims that they were profiting from the increased price of plastic bags.

SHIPPING

Another polluting sector that has seen progress in advancing polluter-pays mechanisms is maritime shipping.

IMO Net Zero Framework

At the International Maritime Organisation (IMO), governments have been negotiating policy measures that can deliver on its objective of reducing greenhouse gas emissions from ships globally to reach net-zero emissions by or around, i.e. close to 2050.

The IMO's Net Zero Framework, as agreed in April 2025, is a landmark agreement that mainstreams the polluter pays principle by introducing a global carbon pricing mechanism for the shipping sector.

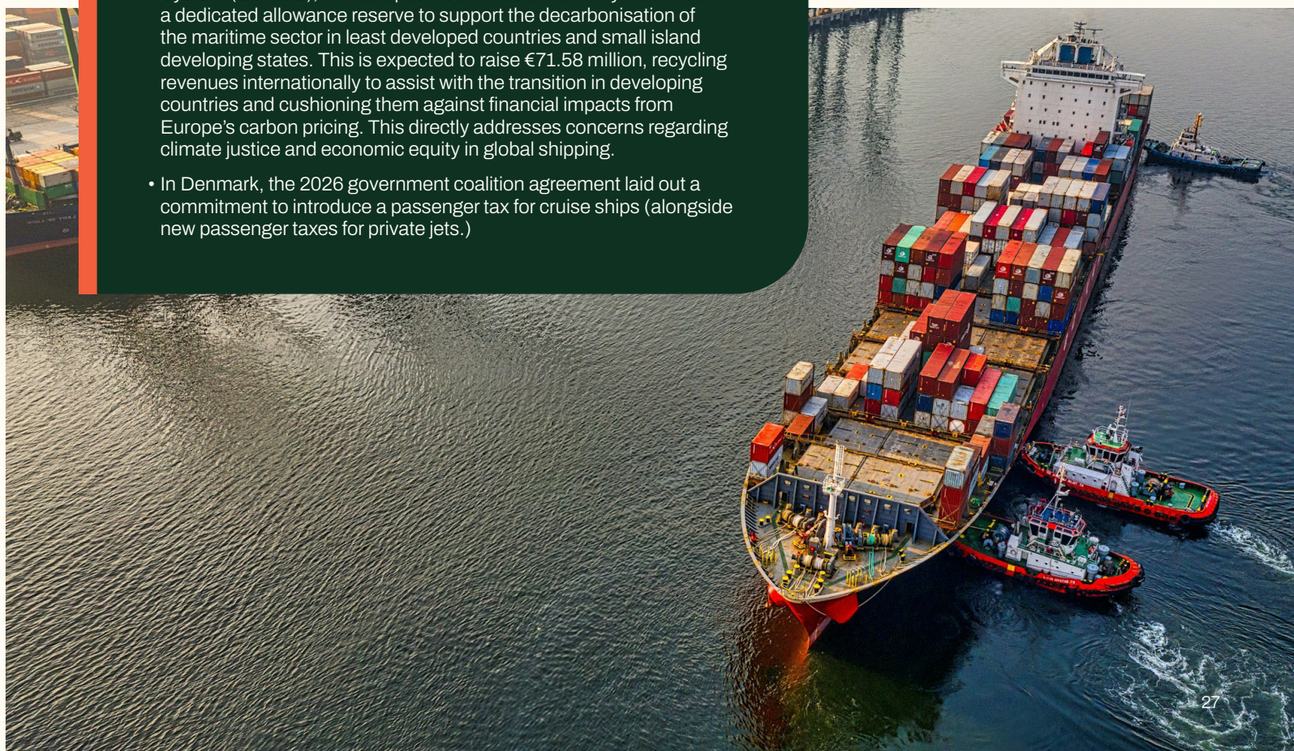
While not strictly a 'solidarity levy', the mechanism nonetheless envisages putting a carbon price on shipping emissions, with a degree of the revenues being allocated via a new IMO Net Zero Fund to be devoted to supporting the just and equitable transition of shipping in developing countries – thereby implicitly embracing the core ideas underpinning solidarity levies in practice.

The formal adoption of the Framework was postponed in October 2025 and will be considered again by Member States of the IMO at the 85th Marine Environment Protection Committee (MEPC) meeting in December 2026. Notably, some countries remain determined to introduce a full levy on shipping emissions. Tuvalu has tabled a proposal that seeks to achieve the impact of the original proposal made by Pacific islands in 2025 to impose a levy on all GHG emissions from international shipping.

OUTSIDE THE IMO

Progress on solidarity levies in the shipping sector this year has also been seen outside the IMO process:

- In its July 2026 comprehensive review of the EU Emissions Trading System (EU ETS), the European Commission formally introduced a dedicated allowance reserve to support the decarbonisation of the maritime sector in least developed countries and small island developing states. This is expected to raise €71.58 million, recycling revenues internationally to assist with the transition in developing countries and cushioning them against financial impacts from Europe's carbon pricing. This directly addresses concerns regarding climate justice and economic equity in global shipping.
- In Denmark, the 2026 government coalition agreement laid out a commitment to introduce a passenger tax for cruise ships (alongside new passenger taxes for private jets.)



AFRICA'S SOVEREIGN CARBON INITIATIVES: APPLYING THE POLLUTER-PAYS PRINCIPLE WHERE CLIMATE IMPACTS ARE FELT

Africa produces around 4% of global emissions, receives around 3% of global climate finance, and is among the first regions to bear the cost of climate change. Meanwhile, more than 50 countries, mostly in the Global North, already put a price on carbon, and the EU applies its carbon market to half of the emissions of ships sailing to and from its ports. The Africa Sovereign Carbon Registry (ASCR) Foundation starts from a simple idea: African countries are just as entitled to apply the polluter-pays principle to the international emissions passing through their territory, and to keep the proceeds for their own climate and development priorities.

The mechanism is deliberately simple. Through a Sovereign Carbon Initiative, set up by decree on the basis of the Paris Agreement, a government asks international shipping and aviation operators to pay a carbon contribution on the emissions of each journey to or from its territory. As in the EU system, half of these emissions are attributed to the country. Emissions are calculated using IMO and ICAO methodologies and recorded in a national Sovereign Carbon Registry. Each country sets its own rate (US$17 per tonne of CO2 in Djibouti, US$25 in Liberia, US$35 in Gabon), which remains marginal for operators, at around US$1-2 per passenger. Each country also decides how the revenue is used, through a national agency that finances adaptation, energy transition and development projects.

The Foundation provides the shared infrastructure. It hosts the national registries and offers governments a turnkey solution at no upfront cost, financed by a small share of the contributions collected. Its governance brings together member states, international organisations and independent experts The aim is to combine national sovereignty with common standards across the continent.

The model has already proved it can deliver quickly. Djibouti launched the first initiative in 2023: contributions were collected three months after the decree, and more than 80 projects have since been financed, from solar-powered schools and maternity clinics to mangrove restoration and plastic waste collection.

Others have followed. Gabon launched its initiative in January 2025 and Liberia in 2026, and more than 15 countries are considering joining. The African Union Commission has expressed its support. At the Africa Climate Summit in September 2025, President Ismaïl Omar Guelleh called on his peers to build a lasting and harmonised continental mechanism to finance the ecological transition.

That harmonisation is central. The shipping industry has warned against a patchwork of national rules. A shared registry, common methodologies and joint governance are the Foundation's answer: they allow countries to act now, each on its own terms, while their efforts converge rather than fragment, and complement the global framework under discussion at the IMO.

At a time when official development assistance is falling sharply, these initiatives give vulnerable countries something aid rarely provides: predictable revenue of their own, raised from globalised and polluting activities, and spent where climate impacts are felt. We welcome the efforts of the Global Solidarity Levies Taskforce, which is working towards the same goals as us. We support the emergence of a coalition of countries working together towards fairer taxation of the sectors with the highest emissions. The creation of Sovereign Carbon Registries may offer a practical solution for channelling funds from the Solidarity Levies Taskforce, as these domestic and sovereign funds invest transparently in resilience, adaptation and climate action. It remains for high-income countries to support those nations that are committing by backing their domestic funds.



H.E. Ahmed Araita Ali
Secretary General of the Africa Sovereign Carbon Registry Foundation

2 Governments are adopting multi-levy approaches

The second emerging trend is the growing use of combinations of different levies across multiple sectors to create a package of dedicated and predictable sources of public revenue.

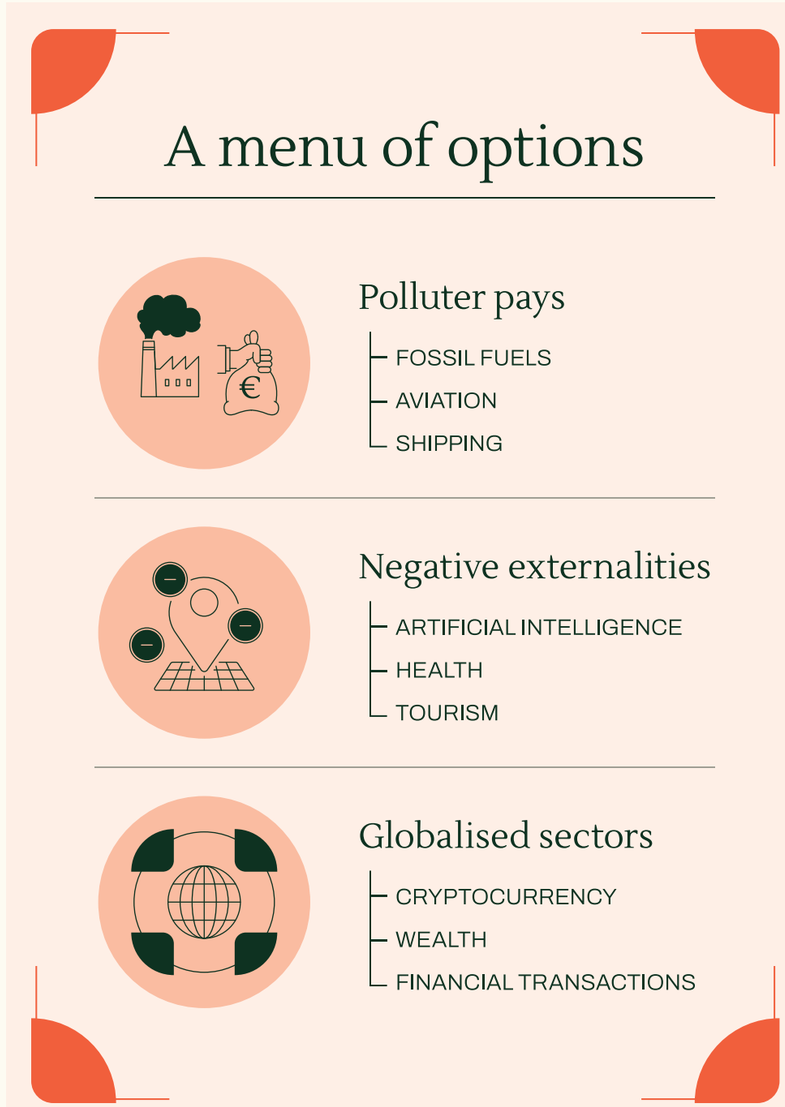
Rather than relying on a single tax instrument, some governments are aggregating multiple small levies across a range of sectors to finance resilience, disaster response, environmental protection and other public priorities.

This approach offers several advantages. By drawing revenues from a range of economic activities, governments can reduce reliance on any single tax base, spread the burden more broadly across beneficiaries of economic activity and keep rates low, while create significant and more stable revenue streams. In many cases, the revenues are also earmarked specifically for resilience, helping to strengthen public acceptance and demonstrate a clear link between the source of funding and its intended use.



Figure 3.1: A menu of options for solidarity levies

Governments adopting a package of levies have a range of options to choose from, including both well-established levy models with existing precedents, and incipient proposals that can be piloted. These options, such as those outlined in the non-exhaustive list below, fall broadly into 3 categories.



1) POLLUTER PAYS

- As outlined earlier in this report, this includes proposals such as levies in aviation and shipping, and on fossil fuels, focusing in particular on high-emitting sectors.

2) WIDER NEGATIVE EXTERNALITIES

These levies address wider negative externalities beyond solely environmental pollution, such as societal harms and health impacts

- **Artificial Intelligence (AI) taxes.** With the rapid rise of AI and its disruptions to the labour market, policymakers are increasingly looking at options for how to ensure an equitable tax burden on AI that can both replace potential lost revenue while also playing a role in moderating AI's negative impacts. Proposals include taxing AI tokens – as proposed by Bill Gates – or targeted taxes on data centres.
- **Health taxes.** This category of levies have been employed in a variety of contexts, primarily taxing products and activities damaging to public health such as excessive sugar consumption, alcohol and tobacco use. In some cases, the revenues from these levies are then used to expand domestic financing for public health. For example, health taxes on tobacco, alcohol and sugar-sweetened drinks in the Philippines have been earmarked to increase the Department of Health budget six-fold since 2013. Morocco uses a share of its tobacco tax is used for humanitarian aid for partner countries in the Middle East and Africa."

> "The world is at a pivotal moment for sustainable development financing. To achieve the Sustainable Development Goals, countries must mobilize more domestic resources. Health taxes are among the most effective tools available, improving health outcomes while generating critical revenue. Raising the inflation-adjusted prices of tobacco, alcohol and sugary drinks by at least 50% by 2035 through higher taxes could cut consumption and unlock an estimated US$1 trillion in additional public revenue globally to strengthen health systems and invest in healthier futures."
>
> 
>
> **Dr. Tedros Adhanom Ghebreyesus**
> Director-General of the World Health Organization (WHO)

- **Tourism taxes.** Levies in the tourism sector are often motivated by a desire from legislators to address negative environmental and social impacts on local communities. For example, Hawaii has recently introduced a 0.75% levy to the state's existing tax on hotel rooms, timeshares, vacation rentals and other short-term accommodations. It also imposes a new 11% tax on cruise ship bills, prorated for the number of days the vessels are in Hawaii ports. Officials estimate the tax will generate nearly $100m annually with the revenues used to improve environmental protection and address climate impacts. Similarly, Greece introduced a Climate Crisis Resilience Fee as a mandatory nightly tax on tourist stays and cruise disembarkations, using it to fund disaster recovery, wildfire prevention, and climate infrastructure.

3) GLOBALISED SECTORS

This final category relates to levies applied to areas of the economy that have benefited disproportionately from globalisation, very often undertaxed precisely because of their globalized nature or their recent developments.

- **Cryptocurrency taxes**. The crypto assets market represents a major financial resource that remains largely untapped at domestic and international level, despite the many negative externalities generated by this industry (such as crime, tax evasion and, of course, the environmental impact, which is particularly significant for cryptocurrencies based on proof-of-work technology, such as Bitcoin). Whilst the dual nature of cryptocurrencies – as both financial assets and a medium of exchange – poses challenges for the effective taxation of this sector, many countries already levy taxes on it as financial assets (for example, through a capital gains tax regime). By contrast, few countries have taken the step of levying a tax on cryptocurrency transactions, even though the revenue potential is much higher - around $15.8 bn for a painless 0.1 per cent micro-tax, according to the IMF. Only India is applying a 1% Tax Deductible at Source (TDS) on crypto transactions. It is therefore possible that a small number of countries might come together to decide jointly to work towards the introduction of more systematic taxation of cryptocurrency transactions, particularly as part of efforts to improve existing taxes on financial transactions and to enhance transparency regarding cryptocurrency trading. A detailed report by the expert group set up by the Global Solidarity Levies Task Force sets out proposals along these lines.
- **Wealth taxes.** Political momentum continues to build behind proposals for introducing taxes on ultra-high net-worth individuals. The landmark World Inequality Report showed that a 2% minimum tax on billionaires would raise $200–250 billion annually, while the same rate on those worth at least $100m would generate more than $500 billion annually.
- **Financial transaction taxes (FTT).** Despite fiscal pressures and the widespread use of taxes on the purchase or sale of shares and other financial securities, there has been limited progress on FTTs in recent years. A new study examining the impact of Spain's FTT, the most recent major FTT introduced, finds that the levy reduced market volatility without harming liquidity and may have improved market functioning, particularly in a market increasingly shaped by algorithmic high-frequency trading and retail investors**.** The study also confirms the importance of key design features, including limiting exemptions and collecting the tax through financial intermediaries rather than tracing beneficial ownership. In 2024, revenue from the Spanish FTT increased by nearly a quarter, reaching €249 million.

Case studies

European Union: exploring new own resources for its next budget

The European Union is currently engaged in one of the most significant debates on public revenue generation in decades. As it prepares its next budget, the Multiannual Financial Framework (2028-2034), policymakers are exploring a new generation of "own resources" to finance common European priorities.

The European Commission has proposed a package of new own resources designed to both to finance new spending priorities and to support repayment of EU debt. The package builds on existing proposals linked to the EU Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM), while also introducing new sources of revenue, such as proposals for a corporate contribution from large companies operating within the Single Market, plastics-related charges, tobacco-based revenues and a levy linked to electronic waste.

The European Parliament has also proposed new own resources from a digital levy on large online platforms benefiting from access to the Single Market, a capital gains levy on crypto-assets, and levies on online gambling and betting services.



PROPOSALS FOR NEW OWN RESOURCES FOR THE EU

The EU is currently negotiating its 2028–2034 budget, known as the Multi-annual Financial Framework (MFF). This comes at a moment when Europe's security, economic resilience and international influence are increasingly intertwined. As geopolitical tensions rise and the multilateral system comes under pressure, Europe needs a budget that can sustain strong partnerships abroad while investing in its own resilience. Yet financing these ambitions is constrained by pressure on national budgets and the long-standing deadlock over new EU own resources – in other words, dedicated EU-wide revenue streams.

A new paper commissioned by Global Citizen from renowned economists shows that the EU is not short of options to break this deadlock. The authors identify six options which could raise meaningful revenue, distribute the burden fairly, safeguard competitiveness and be implementable in the short term. Together, the authors estimate they could raise around €100 billion a year, with costs borne primarily by the wealthiest and every Member State gaining 0.5–0.7% of GNI in fiscal space.

At the same time, EU-level action on innovative taxation could have significance beyond the EU budget: by demonstrating that coordinated new revenue sources are feasible, Europe could provide a practical proof of concept for international solidarity levies, build coalitions with like-minded countries, and encourage other countries to adopt matching levies for shared global priorities such as global health and climate resilience. In this sense, strengthening the EU's capacity to finance its own priorities can also reinforce Europe's ability to exercise leadership internationally.

The options include:

A one-off levy on large fortunes

A one-off levy on individual net wealth, payable in instalments over 30 years. The yearly rate would be 0.1% on wealth between €1 million and €10 million, 0.3% between €10 million and €100 million, and 0.5% above €100 million. It would raise about €26.3 billion for the first year.

A European digital services tax

A 3% tax on the revenue large digital companies make in the EU from online advertising, online marketplaces and the sale of user data, which could raise an estimated annual revenue of €6 billion. In 2019, Member States shelved a similar proposal to await an international agreement at the OECD, which still has not been concluded. Several member states, including France, Italy and Spain, have acted on their own and more plan to follow.

A levy on digital advertising

A levy of 15% on digital advertising revenue that would apply to platforms earning more than €100 million a year from advertising in the Union. It could raise between €8.9 billion to €10.3 billion per year. Google, Meta and Amazon share about 75% of EU digital advertising revenue.

A financial transactions tax

A tax of 0.5% on transfers of ownership of shares issued by companies incorporated in the Union, wherever the trade takes place and wherever the investor lives. It would raise between €6.7 and €8.3 billion per year. This tax would be paid disproportionately by the wealthiest within the euro area (the wealthiest 10% of households hold about 82% of directly held listed shares) and in substantial part by foreign investors (in France, non-residents are estimated to pay around half of the current financial transactions tax). The scope of the tax is much narrower than previous attempts, excluding derivatives. Three additional EU member states, namely France, Italy and Spain, have successfully introduced similar levies on financial transactions since then, and market functions are protected by exemptions.

***Global Citizen** is a co-founder of the MFF Hub, a network of over 100 organizations that rallies efforts to increase financing for development, humanitarian assistance and global climate action in the next MFF, including through new own resources.*

www.mffhub.org

Countries are already implementing levies

ETHIOPIA
Using levies to finance national resilience

In 2025, Ethiopia established a new Disaster Risk Response Fund financed through a broad package of domestic levies applied across the economy.

Rather than depending solely on external finance, the model creates a dedicated and predictable source of revenue for disaster preparedness and response by drawing small contributions from sectors that benefit from economic activity and public services. The fund is financed through a diverse set of revenue streams, including:

- A 1% levy on bank loans and insurance premiums
- A 5% levy on digital banking service fees
- A 5% levy on telecom airtime and data services
- A surcharge on domestic airline tickets
- A levy on fuel sales
- Levies on tobacco and alcohol sales
- Charges on passports, visas and business licences
- Contributions from government budgets and other regulated activities

Ethiopia's approach is noteworthy because these small levies have a clear objective of revenue mobilisation dedicated to a national financing mechanism capable of responding to droughts, floods and other climate-related shocks in a more predictable way.

For the solidarity levies agenda, Ethiopia demonstrates that levies can strengthen domestic resource mobilisation and help countries build their own resilience financing systems.



GABON
Introducing international transport levies for sustainable development

In 2025, Gabon introduced a carbon contribution mechanism covering international aviation and maritime transport.

Under the scheme, operators are required to pay a contribution of US$17 per tonne of CO_2 equivalent on a share of emissions associated with flights and shipping movements to and from Gabon. The mechanism channels revenues into government-managed funds supporting sustainable development and environmental objectives.

The initiative is notable because it applies the polluter-pays principle to sectors that have traditionally remained undertaxed despite their growing climate impacts, rather than placing the burden on domestic households or businesses.

FIJI
A sovereign trust fund for climate relocations

Fiji established the Climate Relocation of Communities (CROC) Trust Fund in 2019. This fund is intended to finance the planned relocation of communities affected by climate impacts. The fund is capitalised in part through a number of taxes. Currently, 3% of revenues raised from specific domestic streams are earmarked to the fund. This includes VAT on prescribed services, a 50 cent plastic bag fee, a 5% superyacht levy and the Social Responsibility Tax, an additional progressive income tax levied on high-income earners.

A LUXURY SOLIDARITY LEVY COALITION

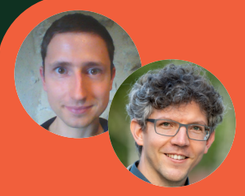
Rationale: Luxury consumption is concentrated among the wealthiest, so taxing it is highly progressive. It acts partly like a wealth tax, reducing what large fortunes can buy, without discouraging saving, investment or philanthropy, and without requiring asset valuations. Part of what luxury buys is status, which is largely zero-sum, so taxing it also curbs wasteful status competition. On this ground alone, a total tax of around 42%, roughly twice typical VAT rates, would be justified. Yet national luxury taxes are held down by competition for mobile shoppers and wealthy residents. Coordination can unlock a large base. Global luxury spending was €1.44 trillion in 2025; in the EU alone, a broad 20% levy would raise around €42 billion a year.

What exists already: National luxury taxes exist in many countries. A typical design involves a category specific per-item price thresholds and a tax on the value exceeding that threshold. For example, Denmark imposes a 150% tax on the value of each car in excess of €32,000.

Implementation: A luxury solidarity levy coalition could adopt a common, broad definition of luxury based on customs codes and category-specific price thresholds (e.g. jewellery, watches, cars, yachts, private jets, premium hotels), levy an additive excise on the value above these thresholds, on sales and imports and earmark a certain fraction of the revenue to international funds for global public goods. Both this fraction and the tax rate could be made an increasing function of the set of participating countries, thereby incentivizing countries to join as this will induce the other coalition members to give more money to the international funds for global public goods such as climate change mitigation and pandemic prevention.

Initiation: Any subset of countries could initiate such a solidarity levy coalition. Initiation by the EU could be particularly promising and globally beneficial. In the EU, apart from a few exceptions, luxury is currently mostly taxed at rates no higher than other consumption, in contrast to much of the rest of the world (including China and India) where luxury is taxed at substantially higher rates. This can be explained by the strong tax competition forces operating within the EU. Thus, member states that currently find it in their interest to not tax luxury at the national level might still find it in their interest to vote in favour of such a tax at the EU level, with a fraction of the revenue going to international funds for global public goods and the remaining fraction going to the EU budget.

Benefits: In addition to benefitting the world through the improved global public good provision, the coalition would also help other countries, in particular China, to raise their own revenue from portable luxury good taxation, given that this is currently undermined by smuggling, where e.g. Chinese residents travel to the EU to buy luxury goods there, get VAT refunds and then don't declare the purchases to the Chinese customs.



Dr. Lennart Stern is a postdoctoral researcher in the research group Welfare and Policy Design at the Potsdam Institute for Climate Impact Research (PIK) and **Prof. Matthias Kalkuhl** is department head at PIK and Professor of Economic Growth, Climate Change, and Development at the Faculty of Economics and Social Sciences at the University of Potsdam.

3 International tax cooperation is opening up new opportunities for solidarity levies

A third trend supporting the expansion of solidarity levies is the growing momentum behind international tax cooperation.

Stronger international frameworks capable of addressing tax avoidance and profit shifting are key to ensuring effective revenue collection from national level taxes.

The most significant development is the ongoing negotiation of a United Nations Framework Convention on International Tax Cooperation. While discussions remain at an early stage, the process represents an important shift. For the first time, governments are negotiating a universal framework for international tax cooperation under UN auspices, with the explicit objective of strengthening domestic resource mobilisation and improving the fairness of the global tax system.

This UN Tax Convention should not be seen as competing with, but rather as complementing, the efforts undertaken by other forums in the areas of tax cooperation and the fight against tax evasion, first and foremost the OECD's International Framework on Base Erosion and Profit Shifting (BEPS) which paved the way for the "landmark agreement" at the G20 (BEPS Pillar 2), establishing a global minimum effective tax rate of 15 per cent on the profits of multinational companies with consolidated turnover of 750 million euros or more. However, whilst this agreement does not officially exclude oil companies, its practical application is significantly limited in this sector due to specific mechanisms (substance-based carve-out) and the limitations of the BEPS 2 agreement. Economists have also demonstrated an increase in profits recorded in low-tax jurisdictions when these companies report exceptional profits.

The negotiations of the UN Tax Convention are particularly relevant for solidarity levies because they create an opportunity to embed polluter-pays principles and other innovative forms of taxation within a broader system of international tax cooperation.

WHY THE UN TAX CONVENTION MATTERS FOR SOLIDARITY LEVIES

There is growing attention to the role that a new UN Tax Convention could play in advancing application of the polluter-pays principle to the fossil fuel sector.

For instance, recent proposals have suggested to introduce a polluter pays surtax applied to the global profits of fossil fuel companies.

- Financial modelling shows that if a 20% surtax had been active globally over the 10 years following the Paris Agreement in 2015, it would have generated over $1 trillion in additional public revenue.

Beyond any individual policy proposal, the significance of the UN Tax Convention lies in its potential to create an institutional framework through which future international tax measures can be negotiated and implemented.

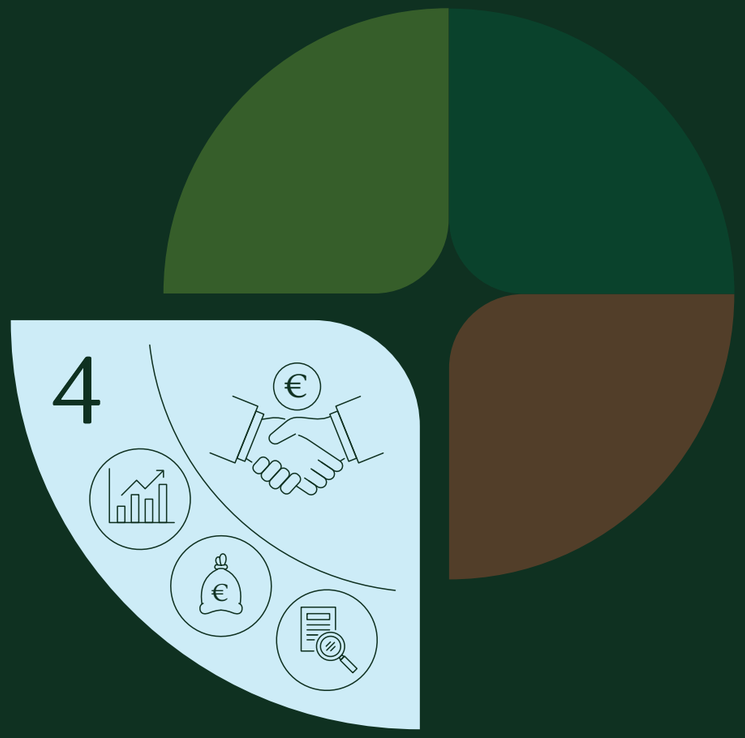
As governments seek new sources of finance in response to growing climate impacts, fiscal pressures and development needs, the Convention could provide a platform for exploring coordinated approaches to fossil fuel taxation, environmental levies and other innovative revenue instruments.

For the solidarity levies agenda, this points towards the longer-term possibility of a more integrated international architecture for mobilising resources at the scale required.

Conclusion

Taken together, these 3 key trends show solidarity levies are part of a broader movement towards more targeted, progressive and internationally coordinated taxation.

Governments are already moving in this direction. The question now is how quickly these levies can be scaled, coordinated and replicated. As more countries experiment with solidarity levies, the opportunity is to establish a new generation of fiscal instruments capable of financing climate and development at the scale required.



CHAPTER 4

How to take solidarity levies to the next level

Where do we go from here?

This report has shown that progress on solidarity levies is possible and underway. Many governments are already taking steps to implement these levies. The foundation is set for policy interventions in the coming years that can establish solidarity levies as a new pillar of public finance and help us build the resilience we need.

Figure 4.1: From a proof of concept to a key feature of international finance

Today

The Premium Flyers Solidarity Coalition is a proof of concept for solidarity levies

Taking the Premium Flyers Solidarity Coalition to the next level

- Introduce premium flyer levies at the national level
- Expand membership of the Coalition
- Implement international solidarity revenue redistribution mechanisms for resilience
- Introduce monitoring and reporting systems

Expanding in other sectors

- Build political momentum in sectors outside aviation - with the aim of bulding new coalitions of the willing
- Experiment with packages of solidarity levies to fund national and regional resilience funds
- Pilot proposals for taxes in novel or innovative areas
- Adopt and implement the IMO Net Zero Framework
- Agree a robust UN Tax Convention

2030

Solidarity levies become mainstream across public finance

3 essential steps

Encouraging the wider adoption of solidarity levies now requires governments to:

1) WORK TOGETHER

Individual countries introducing solidarity levies alone is not going to be enough. Every country can and should move ahead without waiting for others. However, to reach the scale of finance required by the resilience challenges of today – and to do so rapidly – is going to require governments to join forces and build coalitions of the willing.

This can accelerate implementation by pooling political capital behind a solution, thereby creating positive peer pressure and building momentum behind coordinated action in a common framework that can be scaled internationally. It also helps demonstrate political and technical feasibility, reducing concerns around issues such as leakage and sectoral competitiveness and allow for more ambitious design options.

2) BUILD THE DYNAMIC OF INTERNATIONAL SOLIDARITY

For all countries, whether developed or developing, solidarity levies offer a promising and popular new avenue of domestic resource mobilisation in a time of fiscal constraints and elevated debt levels.

However, financial needs are rising fast in vulnerable and developing countries that are increasingly exposed to climate impacts. Nepal alone has put the cost of its glacial flood disaster in August 2026 at $5 billion, a figure that dwarfs what most vulnerable countries can plausibly self-finance and what any existing multilateral fund can shoulder. The Super El Niño will increase needs even further.

In this context, the transformational potential of solidarity levies lies in unlocking a new source of international public finance to build resilience globally, as a global public good.

Building this dynamic of international solidarity requires coalitions of willing governments to align on mechanisms for redistributing a share of the revenues from wealthier countries. To succeed, these countries must establish a mutual understanding on an equitable, principle-based framework for how revenues are allocated.

A central feature of any such framework is that the revenues from solidarity levies, whether used domestically or redistributed internationally, should be aimed towards shared efforts to build resilience to exogenous climate and development shocks, such as pandemics and climate impacts.

The spirit of investing the proceeds in the same areas builds on previous examples, such as in France, where public bodies are voluntarily able to allocate 1% of their operating revenue - covering water and sanitation, waste management, energy and transport - to international cooperation initiatives in these sectors.

By serving a common purpose at home and abroad, solidarity levies are creating a new partnership mechanism through which countries collectively invest in resilience-building. Levies enable countries to jointly mobilise resources for shared challenges, replacing an increasingly strained aid paradigm with one based on co-investment, mutual benefit and collective resilience. This recognises that while countries have different responsibilities and different levels of vulnerability, they increasingly face shared risks.

In this regard, solidarity levies represent an important evolution beyond the traditional donor-recipient ODA paradigm, helping shift away from perceptions of aid as paternalistic to building genuine development partnerships. By exemplifying a new shared model of co-investing in development, this agenda can be emblematic of efforts by donor countries to transform how they cooperate with global partners and mobilises finance in a predictable way and less dependent on budget decisions of other governments.Donors and recipients would become co-investors into resilience.

Figure 4.2: Solidarity levies can fund a wide array of mechanisms



National resilience funds

E.g. Ethiopia's Disaster Risk Response Fund or Barbados' Resilience and Regeneration Fund

Regional resilience funds

E.g. the Pacific Resilience Facility

Sub-national funds

The Under2 Coalition have proposed establishing a Subnational Solidarity Finance Facility.



Vertical climate funds

Revenues could contribute to, for example, the upcoming replenishment of the Green Climate Fund, or the Fund for Responding to Loss and Damage.

Vertical development funds

For example, the Global Fund and Unitaid have both already previously benefited from solidarity levy revenues.



Pre-arranged financing mechanisms

For instance, the CVF-V20 have proposed that revenues could serve as a funding source for premiums for sovereign insurance for climate risks.

3) LEVERAGE SOLIDARITY LEVIES TO SHAPE THE FUTURE OF CLIMATE, DEVELOPMENT AND INTERNATIONAL COOPERATION

Restoring trust

The new dynamic of international solidarity generated by levy-based revenue distribution mechanisms can also help restore trust that has been increasingly lacking in international politics.

- **For developing countries,** it means less dependence on whether donors will have sufficient fiscal space and political will when the next disaster strikes.
- **For wealthier countries,** it means moving from recurrent requests for additional budgetary resources towards mechanisms that generate revenues from the global economy itself, including for their own needs.
- **For citizens,** it creates a clearer connection between the activities being taxed and the public goods being financed.

Fulfilling commitments

Looking ahead, solidarity levies can become an important tool for implementing international commitments, funding global public goods and recreating multilateral action. We should be clear about their limits. They will not replace official development assistance; they will not replace national budgets; they will not eliminate the need for much larger investments in climate action.

But they can provide something that the current system lacks: additional, predictable and politically sustainable sources of revenue built on a framework of collective action and trust.

A paradigm shift

Levies for resilience also will change the paradigm of public finance in general, not just in the developing world. With the energy transition and other profound developments such as Artificial Intelligence and ageing populations, governments already struggling to reconcile public spending with debt sustainability will have to rethink the way they finance essential functions of the state, including resilience, both North and South. Transnational border activities which thrive on negative externalities that aren't priced are no longer sustainable and have to be turned into reliable funding sources.

Over the past decade since the Paris Agreement and the Sustainable Development Goals, the international system has agreed a comprehensive set of goals, standards and reporting frameworks for international climate and development finance.

Delivering against these commitments requires interventions from a broad set of actors – not negotiators, but implementing agents across finance ministries, MDBs, international financial institutions and the private sector.

The challenge now is to move past the often blocked COP finance negotiations and focus on shifting decisively towards the rapid and tangible delivery of promises such as the $1.3 trillion climate finance goal. This is not only significant because of what it means for climate and development action on the ground; it is also a fundamental question of trust between governments, especially donors and recipients.

This takes on a heightened importance at a moment of intense geopolitical rivalry, with the multilateral system under some of the greatest pressures since its inception. In this sense, unlocking the full potential of solidarity levies can be seen a component of broader efforts by coalitions of the willing to strengthen international cooperation and renew the multilateral spirit.

INTERNATIONAL SOLIDARITY LEVIES COULD PROVIDE AN IMPORTANT NEW SOURCE OF CONCESSIONAL CLIMATE FINANCE

The Independent High-Level Expert Group on Climate Finance (IHLEG) estimates that climate and related development investment in emerging markets and developing economies (EMDEs), other than China, must reach around US$3.2 trillion annually by 2035, including US$1.3 trillion from external sources. Meeting these needs requires harnessing the complementary strengths of domestic and international, public and private finance, with different sources and instruments playing mutually reinforcing roles in meeting investment needs, reducing risks and lowering the cost of capital.

Concessional and low-cost finance plays a critical role, particularly for countries facing severe fiscal and debt constraints and for investments with high social and environmental returns but limited commercial revenues, including adaptation, loss and damage, nature and just transitions. The IHLEG estimates that concessional finance flows must increase at least fourfold by 2035. Yet traditional sources face growing pressure as official development assistance budgets decline, underscoring the need for additional sources.

International solidarity levies could make a meaningful contribution to expanding scarce concessional resources. The IHLEG estimates that a portfolio of voluntary levies could contribute US$20-110 billion annually in international climate finance for EMDEs by 2035, depending on the mechanisms adopted, country participation and the share of revenues allocated internationally. While modest relative to overall investment needs, these additional, potentially predictable and non-debt-creating resources could be particularly valuable for financing priorities that cannot readily attract commercial investment and supporting climate-vulnerable developing countries. Levies on aviation, maritime shipping and other highly polluting activities could also strengthen incentives for decarbonisation.

Realising this potential will depend primarily on political leadership and international cooperation. Agreement on levy design, implementation and revenue-sharing remains challenging, while safeguards are needed to avoid adverse impacts on developing countries. Progress may initially depend on coalitions of willing countries, with wider adoption taking time. Nevertheless, solidarity levies could become an important complement to traditional concessional finance, provided political momentum translates into operational mechanisms and meaningful international revenue-sharing commitments.







Marilou Uy, Éléonore Soubeyran and Amar Bhattacharya

from the Independent High Level Expert Group on Climate Finance (IHLEG)

Global Solidarity Levies Task Force

solidaritylevies.org
bsky.app/profile/globalsolidaritylevies.org
x.com/gsltaskforce

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