

Launch event and panel discussion – Handbook on Carbon Taxation for Developing Countries
25 October 2021, 11.15 a.m. – 12.15 p.m. (Virtual)

Closing remarks

Caroline Lombardo, Chief, International Tax and Development Cooperation Branch, Financing for Sustainable Development Office, UN Department of Economic and Social Affairs

Distinguished speakers, dear participants,

We have now come to the conclusion of this panel discussion and launch of the UN Handbook on Carbon Taxation for Developing Countries.

Our opening speakers reminded us of the urgency for all governments to act effectively in the fight against climate change, and in building more sustainable societies after the COVID-19 crisis. We also heard about the call by the UN Secretary-General for all countries to set a carbon price. And we heard, more broadly, from a “Taxation and SDGs perspective,” about taxation as powerful tool to achieve resource mobilization, while reducing inequalities, and promoting sustainable consumption and production patterns.

The engaging panel discussion highlighted the wide-ranging and far-reaching impacts of climate change in diverse contexts, and that there is no one-size-fits-all solution for governments in the decarbonization journey. We heard about the set of measures that Jamaica is considering to protect the environment and raise revenues in the process, and the choices made by two countries, Sweden and Chile. Although both countries decided to introduce a carbon tax, their specific situations led to different decisions in how to design and administer this important instrument.

As we heard, the UN Handbook on Carbon Taxation is a tool that can help all countries in making these choices, including whether a carbon tax is the right solution for them. A carbon tax is an instrument that can be suitable for countries at all levels of development: in its simplest form, it can rely on the existing infrastructure to levy fuel taxes and other excise taxes, which most countries in the world already have in place. It is simple to administer, has low compliance costs, and limits opportunities for informality and evasion. In its more complex form, it can help put in place monitoring and verification mechanisms, and improve collaboration among different branches of government.

Congratulations again to the UN Tax Committee and its former subcommittee for developing this important tool. I am confident that it will help many countries in the years to come, in making decarbonization choices that are right for them. The new Membership of the Committee decided to continue this crucial work, also in light of the feedback that will emerge from countries beginning to use the Handbook: my best wishes go to the Committee and the newly established Subcommittee on Environmental Taxation.

I would like to thank all speakers and panellists for sharing your thoughts and experience, and our moderator and former Coordinator, Natalia, for leading us through this interesting discussion. My wholehearted thanks go also to the Government of Norway for making this Handbook possible, and for supporting many more Committee products and related capacity building activities.

Finally, let me conclude by thanking all participants for joining us in this special occasion, and for asking questions that enriched discussion. I hope that this event has helped increase your awareness of carbon taxation as an instrument to support the transition toward low-carbon economies and societies, and that

you will be taking away inspiration and ideas about how to help your own country in the decarbonization journey.

We look forward to seeing you at the next event!

Thank you.

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