

Remarks by Mr. Navid Hanif
Director, Financing for Sustainable Development Office,
Panel Discussion and Launch Event on the
UN Handbook on Carbon Taxation for Developing Countries
Monday, 25 October 2021, 11:15 a.m. – 12:15 p.m. (Virtual)

Side Event to 23rd Session of UN Tax Committee and to upcoming COP-26

Distinguished speakers, dear participants,

Welcome to this launch event for the United Nations Handbook on Carbon Taxation for Developing Countries, produced by the UN Tax Committee. UNDESA is delighted to host you on this informal, yet very special, occasion.

On Sunday, at the UN Climate Change Conference, COP26, the world will come together to further discussions on how to tackle the challenge of climate change.

The ambition is big. As the Secretary-General has stressed, all countries and sectors need to decarbonize by 2050.

Taxation is an important tool to drive a sustainable and just transition to low-carbon economies. Governments should aim to tax carbon emissions and polluting activities, rather than people or income; introduce fair royalty regimes in extractive activities; and shift subsidies away from activities that damage the environment.

In his recent report, Our Common Agenda, the Secretary-General makes an urgent call for all countries to implement carbon pricing mechanisms and ultimately to set a carbon price. He also encourages Group of 20 nations to create an international carbon price floor.

Transitioning to low-carbon, sustainable growth approaches is not only good for the environment: it could deliver direct economic gains of \$26 trillion by 2030 and create over 65 million new low-carbon jobs.

The UN Tax Committee, in its 2017-2021 Membership, has already made a great contribution to assisting this transition. The Committee's new Handbook fills a major gap, as there was no comprehensive international guidance on carbon taxation specifically thought for developing countries.

We are excited that this important tool will now be available to all countries that are considering carbon taxation as part of their sustainable development strategies, or in their fiscal reforms.

The UN Tax Committee develops guidance with special attention to developing countries and with a sustainable development focus. The Committee has recently released a range of publications on various international taxation issues, which provide practical and balanced options for countries' consideration.

The UN Handbook on Carbon Taxation was developed in this same spirit and in a multi-stakeholder, multi-disciplinary way. It focuses on carbon taxation, a relatively simple way to price carbon emissions that can rely on the existing administration in place for fuel and excise taxes. And it provides options, rather than prescriptive guidance, noting that there is no one-size-fits-all solution to sustainable development and options can be adapted for use in different political economies / contexts.

We are thankful to the Committee and wider UN Tax community for this unique work. As many of you will know, the new membership is currently meeting in session to deliberate and decide on its work plan for the next four years. I am delighted to report that the Committee has decided to continue work on environmental taxation in the coming years.

Let me conclude my remarks by thanking everyone who has made this Handbook possible. My profound appreciation goes to the Members of the Subcommittee on Environmental Taxation, that supported the Committee in developing this Handbook; you will meet some of them later on. I would also like to thank our team in the Secretariat in our Financing for Sustainable Development Office, who worked tirelessly to support this publication.

We would not have been able to achieve these results without the contributions of the wider UN tax community, including Member States and other partners and stakeholders. In particular, Norway has been very generous in its financial support to the UN Tax Committee, its subcommittees and related capacity building work.

To all participants in this event, you are our valued stakeholders, and we welcome your views and suggestions during our discussions today. Your voices and experience are vital to ensure that UN guidance is timely, practical and address the priorities and realities faced by developing countries in their efforts to achieve sustainable development.

We look forward to an engaging discussion today with this very distinguished panel.

Thank you.

* * * * *