

Concept Note for Side Event

The tenth session of the Africa Regional Forum for Sustainable Development (ARFSD-10)

Theme: The costs and benefits of greening the Ethiopian and Egyptian aviation industry with carbon taxes

Background

The tenth session of the Africa Regional Forum on Sustainable Development will be convened under the theme *“Reinforcing the 2030 Agenda for Sustainable Development and Agenda 2063 and eradicating poverty in times of multiple crises: The effective delivery of sustainable, resilient and innovative solutions”*. This side event planned is themed: *“The costs and benefits of greening the Ethiopian and Egyptian aviation industry with carbon taxes”*. The side event focuses on SDG Goal 13, *Climate Action*, with a particular emphasis on SDG Target 13.2 proposing the integration of climate change measures into countries’ national policies and planning as well as SDG Target 13.5 promoting mechanisms for raising capacity in climate change planning and management in least developed countries. As part of climate change measures in countries’ national policies (SDG 13.2) and as a mechanism to raise the capacity of climate change planning and management (SDG 13.5), the application of carbon tax and the revenue tied with it could have the potential to curb the increasing level of CO₂ emissions and to support climate financing and climate-positive investments in developing countries.

The event is also linked to SDG Goal 17, Target 17.1 focusing on strengthening the domestic resource mobilization and domestic capacity for tax and revenue collection in developing countries. In this regard, the main objective of the side event is to discuss the costs and benefits of applying carbon tax in Africa’s aviation sector to support, inter alia, green growth, climate action plans including NDCs, and SDG progress towards the achievement of the 2030 Agenda for sustainable development and Agenda 2063: The Africa we want. Its conception is also driven by the African Leaders’ Nairobi Declaration on Climate Change and their call to Action drafted at the African Climate Summit held in September 2023, urging governments to consider the application of carbon tax to the aviation and international maritime sectors, as outlined in section 57 of the Nairobi Declaration, and quoted below:

We, the African Heads of State and Government, “Urge world leaders to consider the proposal for a global carbon taxation regime including a carbon tax on fossil fuel trade, maritime transport, and aviation, that may also be augmented by a global financial transaction tax (FTT) to provide dedicated, affordable, and accessible finance for climate-positive investments at scale, and establish a balanced, fair and representative global governance structure for its management, with an assessment of the financial implications on socioeconomic impacts on Africa”.

The event pinpointed the aviation sector in Africa due to its rapid growth and its growing contribution to economic growth across the continent. The growth in the sector, however, remains unsustainable, due to its heavy reliance on outdated aircraft with low carbon and fuel-efficiency and climate friendliness. Consequently, the sector is emitting significant amounts of CO₂ and several other GHGs in the atmosphere, largely contributing to global warming and climate extremes. Currently, these challenges are pressing the need to balance the sector's demand for sustainability with its economic viability. Along with other climate change measures and policy alternatives such as investing in green technologies and innovation or the deployment of sustainable aviation fuel, the application of carbon taxes can be one of the most effective tools due to revenue recycling mechanisms. Therefore, the discussion on the costs and benefits of applying carbon tax in the African aviation industry, particularly on the largest airlines in Africa, Ethiopian Airlines, and EgyptAir could give valuable and relevant insights for aviation-related climate policies and measures in Africa.

Objective of the event: The objective of the side event is to present the costs and benefits of greening the Ethiopian and Egyptian aviation industry with carbon taxes.

Expected outcomes: Improved understanding of the potential gains of applying aviation carbon tax first as well as the potential losses of not applying carbon tax first.

Partners:

Technology, Climate Change and Natural Resource Management Division/UNECA
Ministry of Environment, Arab Republic of Egypt

Panelists:

H.E Kamel al-Wazir, Ministry of Transport, Arab Republic of Egypt
Dr. Hossam Ezzeldin, Permanent Secretary, Ministry of Environment, Arab Republic of Egypt
H.E Alemu Sime, Ministry of Transport, Ethiopia
H.E Sindisiwe Chikunga, Ministry of Transport, South Africa
Mr. Mesfin Tasew, CEO, Ethiopian Airlines
Mr. Yehina Zakaria, CEO, EgyptAir

Presenter:

Mariamawit Ayele, Fellow with the Technology, Climate Change and Natural Resource Management Division/UNECA

Moderator:

Dr. Nassim Oulmane, Director of the Technology, Climate Change and Natural Resource Management Division/UNECA

Date and time: Date proposal: 20th or 21st April 2024. Time proposals 11am-12:30pm, 2-3:30pm or 4-5:30pm.

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