
Using carbon taxes to pay for development | MDG blog

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Despite the US financial crisis, the world is not paralysed on the challenges of poverty and climate change. The world is moving forward, with or without the US. Ministers of environment and development gathered at the UN early today to put forward highly innovative strategies for addressing the global climate change crisis. Specific, bold, and creative approaches were presented – by Switzerland, the European Commission, Norway, Mexico, and other countries. An emerging theme: we should use carbon taxation (or the auctioning of carbon permits) to shift economies to sustainable energy, and use the carbon revenues to meet global challenges. According to the Swiss Government's proposal, a \$2 per ton levy on carbon dioxide would raise around \$48bn per year, money that could play a critical role in helping impoverished countries to meet the Millennium Development Goals and to adapt to climate change. I believe that we'll be hearing a lot more about carbon levies in the months ahead, as a practical approach to climate change control and development finance.