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## **STATEMENT ON INTERNATIONAL CO-OPERATION IN DELIVERING THE PARIS GOALS**

The upcoming international climate negotiations at COP24 in Katowice are a critical milestone towards limiting global temperature rise to well below 2°C through agreeing the rules underpinning the Paris Agreement. Achieving the Paris goal represents a significant journey for all countries. Whilst not all countries can achieve GHG emissions reductions at the same cost level, all will have a contribution to make across a range of activities.

Co-operation between countries will be vital to deliver net zero GHG emissions, maximising the contribution that each country can make towards the overall goal. Creating the right framework will enable businesses to play a crucial role alongside governments and civil society in meeting this goal: providing an opportunity for new international markets, such as in low carbon technologies and carbon sinks, bringing investment, knowledge, capacity and technology.

Article 6, and in particular 6.4, of the Paris Agreement introduces the foundations to support the eventual development of a robust global carbon emissions market. Putting a price on carbon emissions has shown to deliver emissions reductions cost-effectively, generate revenue for countries and foster innovation when global competitiveness is safeguarded. Equitable carbon charges and the redistribution of revenues are important success factors for an effective carbon pricing mechanism.

Until a global effective carbon pricing mechanism is in place, adjustments should be made to avoid market distortion for European companies due to the different treatment of GHG emissions. This way the EU can continue its ambitious climate leadership while safeguarding European companies' global competitiveness.

Article 6 is the key to kick-off the process towards a global carbon market, through:

- establishing the route for the generation and transfer of verified emission units from one country to another;
- enabling the private sector to play a role in the generation and transfers of emission units;
- ensuring that double counting of emissions reductions does not occur, which requires clear, quantitative, transparent, accounting of country emissions and the transfer of emissions between countries;
- ensuring environmental integrity;
- quantifying a broad range of mitigation activities and should encourage the development of a carbon price.



To conclude, article 6 is a critical step to ensuring and improving a cost-efficient pathway towards delivery of the Paris goal and allowing countries and business to unlock opportunities and potential. Maximising these opportunities requires simplicity, integrity and must be done without delay. Globally coordinated action enhances the prospect to successfully and cost-effectively deliver on the Paris objectives. Therefore, agreement at COP24 is essential.