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Call for urgent action on international co-operation under the Paris Agreement to deliver climate neutrality

A clear political framework has emerged: achieving the goals of the Paris Agreement and the journey to net zero emissions¹ will be one of significant change. Co-operation between countries is vital to deliver climate neutrality swiftly, effectively and efficiently. Maximising the contribution that each country can make towards the overall goals of the Paris Agreement individually and through Article 6 collectively is essential.

Enabling international co-operation with a role for business based on Article 6 of the Paris Agreement will enable businesses to play a crucial role alongside governments and society. This can provide an opportunity for new international markets in low carbon technologies, and deliver investment, knowledge, capacity and technology around the world.

Article 6 introduces the foundations to support these developments, guided by the environmental integrity principles whilst taking into account social impacts, and can accelerate global climate action in a cost-effective way. In 2018 at COP24, significant progress was made on these rules. However, countries now need to take urgent action to reach an agreement on the supporting rule book for Article 6 at COP25.

The rules regarding Article 6 should:

- achieve overall mitigation of global emissions through international co-operation and ensuring environmental integrity, safeguarding competitiveness and the consideration of measures that support a just transition; fostering the development of a carbon price;
- develop quantitative, transparent accounting of country emissions and the transfer of emissions between countries;
- quantify a broad range of mitigation activities as well as carbon removal activities, such as sinks and CCUS, that are a critical to reaching net-zero emissions whilst allowing economies to grow and prosper;
- enable the private sector to play a role in the generation and transfers of emission units; and
- address Kyoto-era emissions units, for example, Certified Emission Reductions (CERs) from the Clean Development Mechanism (CDM) to create a robust and accepted market for sustainable emission reduction units under Article 6 and incentivise additional investment.

Urgent action to agree on robust and sustainable rules for Article 6 at COP25 is required. With the above enablers, this will ensure a cost-efficient pathway towards greater climate action allowing countries and business to invest in projects that are aligned with climate neutrality.

¹ Cfr. Article 4 of the Paris Climate Agreement