

Paris Declaration on Carbon Pricing in the Americas

December 12, 2017

Paris, France

We, the Heads of States and Governments of Canada, Colombia, Costa Rica, Chile and Mexico; the Governors of California, Washington and the Premiers of Alberta, British Columbia, Nova Scotia, Ontario and Quebec.

Recognizing that climate change is a global, national and local threat affecting the economy, the environment and the livelihoods of millions of people, and therefore requires an urgent and effective response from jurisdictions at all levels: national, sub-national and local;

Recalling the Cali Declaration of the Pacific Alliance Presidents of 2017¹, the Under-2 Memorandum of Understanding², the Climate Action Statement from the Climate Summit of the Americas³, and the Ministerial Declaration on Carbon Markets⁴;

Reaffirming our support for the Paris Agreement as a necessary step towards fighting climate change, and for scaled-up national and subnational action to address climate change, including through enhanced ambition in future nationally determined contributions;

Recognizing the importance of carbon pricing mechanisms, and specifically the development of national, regional and international carbon markets as useful and effective instruments for reducing greenhouse gas emissions at a lower cost, driving innovation, facilitating the transfer of clean technology, enabling fiscal reform, encouraging mitigation efforts across sectors guided by price signals, and promoting sustainable economic development;

Commending the continued efforts of national and sub-national jurisdictions across the Americas to introduce carbon pricing and develop efforts to align or link their respective and existing carbon markets;

Acknowledging that aligning carbon pricing policies and programs can provide benefits and take various forms, help to enhance certainty and reduce the risk of carbon leakage, address competitiveness concerns across jurisdictions, facilitate increased liquidity in markets, promote administrative efficiency and, internalize the cost of GHG emissions, thus reducing externalities;

Emphasizing the need to encourage comparable criteria and standards for the measurement, reporting and verification (MRV) of greenhouse gas emissions and mitigation outcomes as a necessary step to develop and facilitate global and regional carbon markets and national carbon pricing policies;

¹ <https://alianzapacifico.net/?wpdmdl=9850>

² <http://under2mou.org/wp-content/uploads/2015/04/Under2-MOU-with-Addendum-English-US-Letter.pdf>

³ <https://news.ontario.ca/ene/en/2015/07/climate-action-statement--climate-summit-of-the-americas.html>

⁴ http://www4.unfccc.int/submissions/Lists/OSPSubmissionUpload/580_218_130982956672551743-New%20Zealand%20statement.pdf

Affirming our shared vision of regional cooperation on carbon pricing in the Americas;

WE DECLARE our commitment to

- Implement carbon pricing as a central economic and environmental policy instrument for ambitious climate change action.
- Apply a cost of carbon to guide public investment decisions in our jurisdictions, and encourage private companies to do the same through internal carbon pricing, according to national and subnational governments' capacities and legal frameworks.
- Create the platform for cooperation on “Carbon Pricing in the Americas (CPA)” among our jurisdictions, inviting the support from the World Bank, the Partnership for the Market Readiness and other relevant partners, institutions and organizations, to identify and work in opportunities to increase alignment of carbon pricing systems and promote carbon markets, in order to maximize climate action while ensuring real progress on reducing greenhouse gas emissions.
- Collaborate to strengthen systems for measurement, reporting, and verification (MRV) of greenhouse gas emissions and emissions reductions, in alignment with global provisions of MRV, as a necessary foundation for the coordination of carbon markets within the Americas.
- Explore the development of common standards to ensure the environmental integrity of international carbon pricing mechanisms.
- Strengthen international and regional collaboration and cooperation in an effort to share lessons and improve technical capacity of the public and private sector.

We INVITE the participation of all relevant institutions, such as the World Bank, including the Partnership for Market Readiness, in providing resources and technical expertise to support the implementation of this declaration, particularly the creation of the CPA cooperation platform and the alignment of systems for measuring, reporting, and verifying greenhouse gas emissions.

We CALL upon relevant international and regional organizations to provide technical support and promote knowledge sharing among stakeholders in order to build upon the purposes of this Declaration.

We ENCOURAGE the support of jurisdictions outside the Americas to collaborate, strengthen, and project carbon pricing at the global level.

We WELCOME the support and active engagement of businesses, financial institutions, nongovernmental organizations, and civil society in developing and implementing durable, equitable, and effective carbon pricing policies.