

IN THE WAKE OF THE HISTORIC PARIS AGREEMENT, NEW PARTNERSHIPS ARE EMERGING AROUND THE WORLD TO KEEP THE MOMENTUM ON CLIMATE ACTION GOING – INCLUDING THE DECLARATION ON CARBON PRICING IN THE AMERICAS.

NEYDI CRUZ, ANGELA CHURIE KALLHAUGE, DIRK FORRISTER AND NATHANIEL KEOHANE LAY OUT THE BACKGROUND TO THE DECLARATION AND WHAT THE PARTNERS HAVE ACHIEVED SINCE ITS DECEMBER 2017 SIGNING

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WHEN THE PARIS AGREEMENT entered into force on 4 November 2016, it sent a signal to the world that climate change is a global challenge that urgently needs to be addressed on several fronts and by multiple actors. The collective effort of all levels of government, with the participation of all stakeholders, is essential to achieving the goals laid out in the Agreement. Many jurisdictions have committed to collaborative initiatives outside of the Agreement to help increase their ambition, share best practices, and improve their capacity for climate action. The Declaration on Carbon Pricing in the Americas, which creates a platform for cooperation, is an example of collaboration among governments to enhance their commitment to fighting climate change and reaffirm their support for the Paris Agreement.

The Declaration represents a landmark commitment toward the implementation of carbon pollution pricing policies in the Americas

On 12 December 2017, at the One Planet Summit in Paris, France, the governments of Canada, Chile, Colombia, Costa Rica, Mexico, as well as the US states of California and Washington and Canadian provinces including Alberta, British Columbia, Nova Scotia, and Québec,

announced the creation of the Declaration on Carbon Pricing in the Americas (the Declaration). In the spring of 2018, the state of Sonora joined the Declaration, as the first subnational government from Mexico choosing to be part of this unique regional collaboration mechanism. The Declaration and platform for cooperation remain open for more jurisdictions to join.

The Declaration represents a landmark commitment toward the implementation of carbon pollution pricing policies in the Americas. It includes the participation of leading non-governmental institutions in providing resources and technical expertise to support the work programme and maximise climate action. Declaration members welcome the engagement of businesses, financial institutions, nongovernmental organisations, and civil society in developing and implementing durable, equitable, and effective carbon pollution pricing policies.

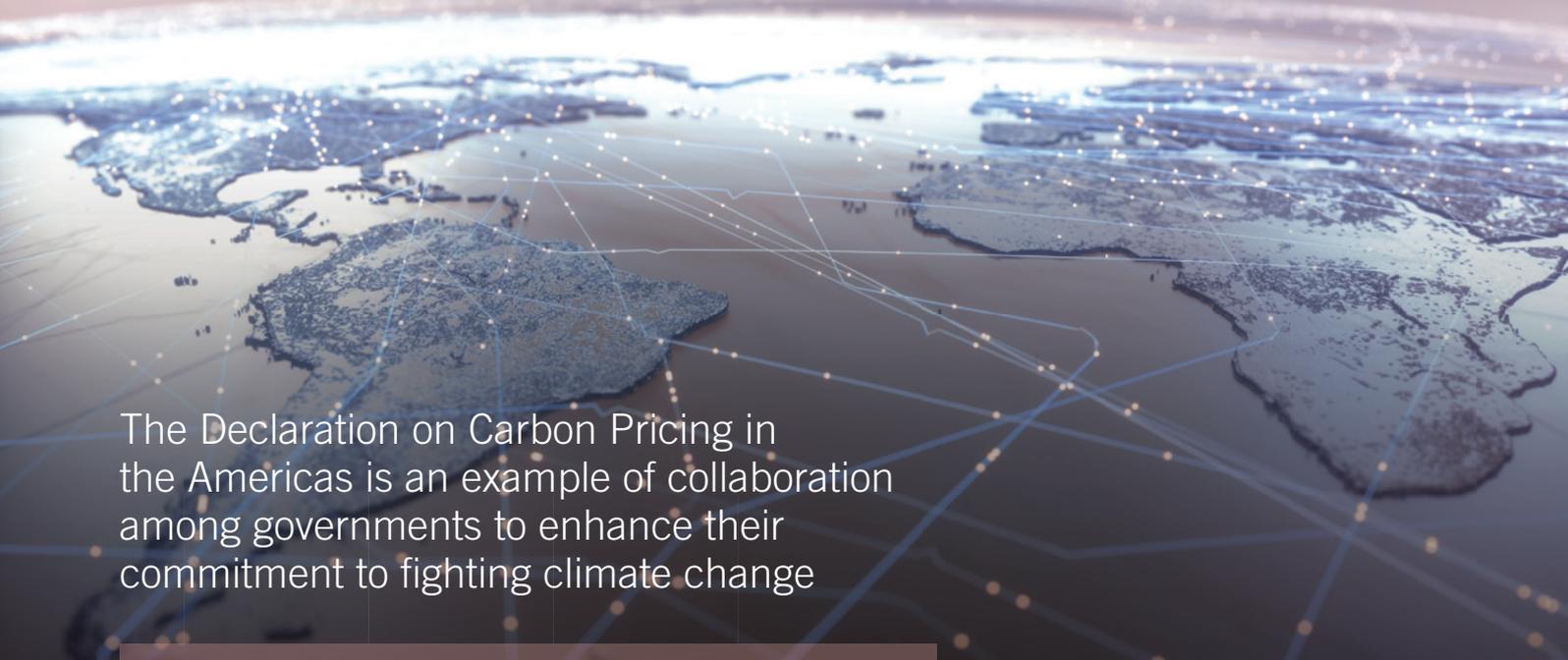
Members to the Declaration recognise that climate change is a global threat and reaffirm their support for the Paris Agreement as a necessary step toward fighting it. The national and subnational government members declared their commitment to implement carbon pollution pricing as a central economic and environmental policy instrument for ambitious climate action.

Members commend the actions by jurisdictions across the Americas to introduce a price on carbon and to develop efforts to align or link markets. Their shared vision of regional cooperation includes

encouraging: comparable criteria and standards for the measurement, reporting, and verification (MRV) of GHG emissions and reductions; public and private investment decisions to deliver meaningful emission reductions; and development of common standards for environmental integrity. Members have committed to sharing lessons learned with the view of improving technical capacity to design and implement carbon pollution pricing in the public and private sector internationally and regionally.

Putting a price on carbon pollution is widely recognised as one of the most effective, transparent, and efficient policy approaches to reducing GHG emissions. Carbon pollution pricing supports the transition to a low-carbon economy by helping polluters internalise the cost of their emissions, as well as driving innovation and adoption of clean technology, enabling fiscal reform, and promoting more sustainable development. A collaborative approach will amplify these benefits throughout the region, and will help create more effective and enduring carbon pollution pricing systems. Members' collective commitment to put a price on carbon pollution helps to diminish concerns surrounding competitiveness and carbon leakage, while demonstrating to the world that the Americas are serious about reducing greenhouse gas (GHG) emissions.

To help members achieve their commitments, the Declaration established the platform for cooperation on Carbon Pricing in the Americas. The platform is a



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working group, which includes members, partners, and endorsers of the Declaration, with the purpose of providing a knowledge-sharing forum, facilitating dialogue to help identify opportunities to increase comparability and convergence of carbon pollution pricing systems, promoting carbon markets, and building on already successfully implemented initiatives, such as the World Bank's Partnership for Market Readiness. The platform sets a framework to access and learn from the technical and political carbon pollution pricing experiences of other members, in the three official languages of the region. Mexico and Canada co-chair the platform, which has had three in-person meetings since it was established and holds regular conference calls to discuss key issue areas for future work, identify deliverables and team leads, and consider avenues to expand the Declaration to welcome new members. The platform is the cornerstone of the Declaration, embodying its collaborative spirit and facilitating open and constructive discussions.

By working through the platform, member jurisdictions identified common economic linkages, government priorities, civil society considerations, and carbon pollution pricing challenges. With these considerations in mind, members selected five priority areas for future work:

- Common Standards/Accounting/MRV
- Linkages by Degrees
- Competitiveness
- Complementary Policies
- Stakeholder/Private Sector Engagement

Members anticipate that the outcomes from this work will enable the timely and effective design of carbon pollution pricing systems in members' jurisdictions, while inspiring more jurisdictions across the Americas to join the Declaration and accelerate their efforts to fight climate change. Of the eight new or enhanced carbon pollution pricing initiatives in place since early 2016, three-quarters of them are in the Americas. Members to the Declaration hope to see that number continue to rise across the continents in 2018 and onwards.

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The Declaration sets a shared vision of regional cooperation on carbon pollution pricing in the Americas. In less than a year, members, partners, and endorsers of the Declaration have made significant progress towards achieving that vision – and there is no end in sight. Members welcome new partners to the platform in their efforts to implement cooperative carbon pollution pricing systems. Climate change is a global challenge that requires worldwide

mitigation efforts. The Declaration on Carbon Pricing in the Americas takes climate action to the next level, by ramping up continental efforts to combat climate change and demonstrating that members are willing and ready to do their part to ensure a sustainable economy and environment for years to come. Through the Declaration, we keep the momentum alive and constant.

Members recognise that climate change is a global threat and reaffirm their support for the Paris Agreement as a necessary step towards addressing climate change

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