

Global leaders agree to set price on carbon pollution

April 21 2016



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Six world leaders and the heads of powerful multilateral organizations agreed Thursday to push for broader implementation of carbon pricing schemes to accelerate the fight against global warming.

The leaders of Canada, Germany, France, Mexico, Ethiopia and Chile, along with the IMF, World Bank, and OECD, pressed for the use of

carbon pricing to cover 25 percent of [global emissions](#) within four years, double the current level.

And they want pricing to cover 50 percent of all emissions within one decade. They said faster and wider implementation is needed to achieve the goal of limiting the rise in the average global temperature to below 2.0C above pre-industrial levels.

Carbon pricing aims to set a cost to polluters and create schemes through which they can pay that cost and be incentivized to lower emissions—for instance, through "cap and trade" systems that allow polluters to buy and sell carbon credits, as well as direct taxes on emissions.

The ambitious targets were announced by the World Bank and IMF-organized Carbon Pricing Panel one day before leaders and envoys from more than 160 countries gather in New York to sign the COP21 climate-change pact the world agreed to in Paris last December.

"There is a growing sense of inevitability about putting a price on [carbon pollution](#)," said World Bank President Jim Yong Kim in a statement.

"In order to deliver on the promises of the historic Paris climate agreement, a price on carbon pollution will be essential to help cut emissions and drive investments into innovation and cleaner technologies."

Currently around 40 countries and 23 cities and regions have adopted schemes for pricing carbon pollution, covering about 12 percent of global emissions.

"The Paris Agreement must be implemented successfully to ensure a safer climate future," said Chile's President Michelle Bachelet.

"We share a common vision in the panel that expanding [carbon pricing](#) in the world is good for the economy and the planet."

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Citation: Global leaders agree to set price on carbon pollution (2016, April 21) retrieved 18 April 2024 from <https://phys.org/news/2016-04-global-leaders-price-carbon-pollution.html>

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