International Action

*Perspective on the world post-Copenhagen*

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Real price tags on pollution

Source: Vivid Economics

PPP exchange rates  |  market exchange rates

Australia: $1.68  |  $1.68
China: $14.22  |  $14.22
Japan: $3.11  |  $3.11
South Korea: $0.72  |  $0.72
UK: $29.31  |  $29.31
US: $5.05  |  $5.05
US (RGGI states): $9.52  |  $9.52

Source: PPP and market exchange rates.
Why countries are acting

• Economic self interest
  – Energy security, reductions in energy imports

• Avoided health impacts of pollution

• Climate change
  – e.g. China concerned of climate change impacts on economy and social stability, UK concerned of security implications

• To meet international pledges

• Low carbon pollution race has begun
  – China and EU current leaders
State of UNFCCC

- Copenhagen: disappointment not a failure
  - 80% of emissions have pledged
  - Accord forms a good basis for implementation
  - Pledges must be honoured
- UNFCCC still main negotiating arena
  - Progress needed in Cancun on mitigation (including review), MRV, Green Fund, Technology and REDD
  - Progress needed on new Kyoto Commitments
- Other forums can and should have complementary roles
  - For example, G20 commitments to subsidies removal
Main points

- Countries are acting to reduce economic dependence on pollution
- Need to find bridges to top down and bottom up approaches
- Perilous to use UNFCCC as benchmark for action
- Credible domestic policies central to building international confidence
  - Australia currently does not have one