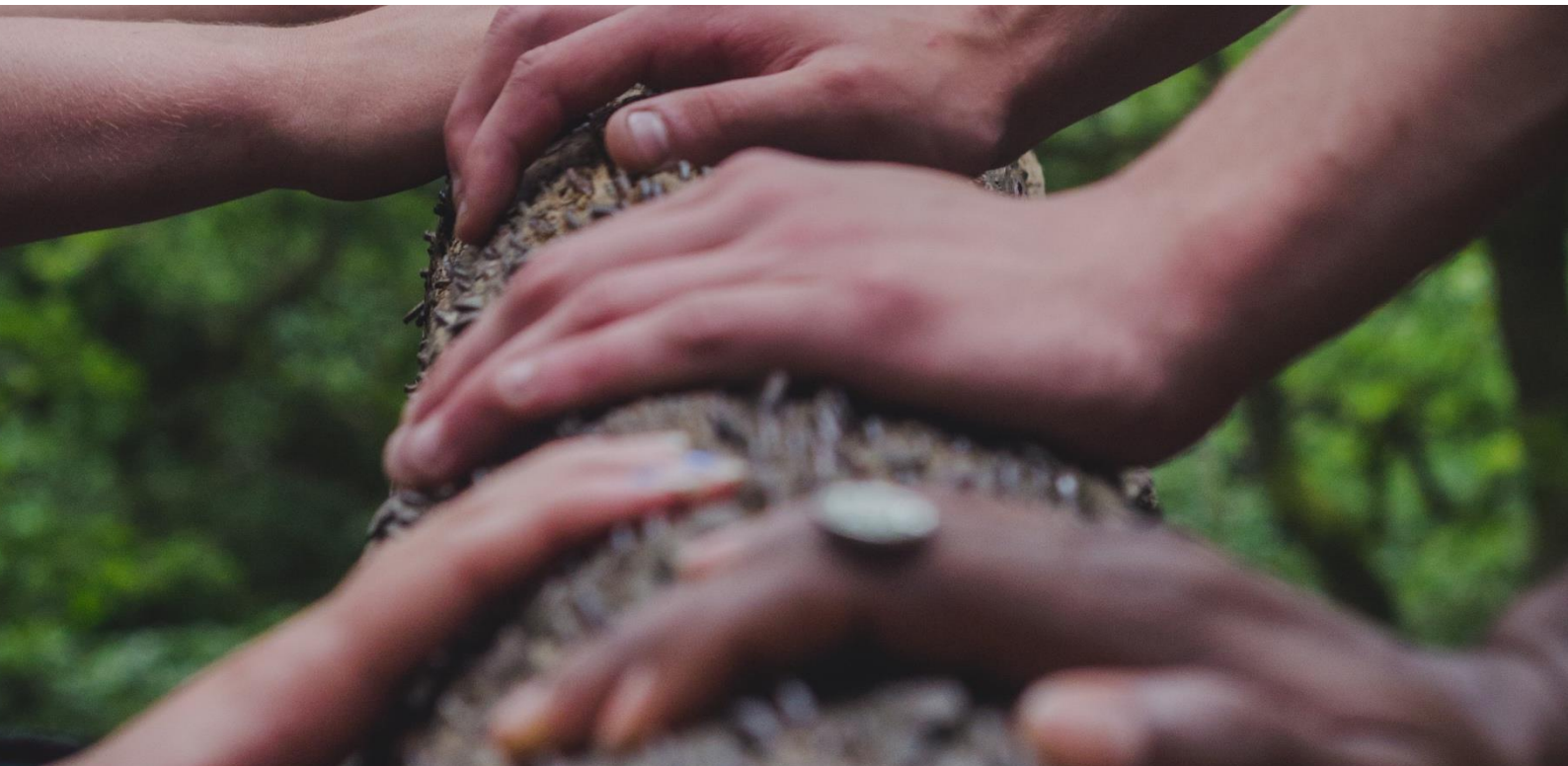




SCOTIA GROUP



POLICY PROPOSAL 2
GUIDING PROPOSITIONS ON BINDING
CLIMATE COMMITMENTS

GLOBAL CLIMATE ACTION
THROUGH LEGALLY BINDING
COMMITMENTS



Policy Proposal 2: Guiding propositions on binding climate commitments

GLOBAL CLIMATE ACTION THROUGH LEGALLY BINDING COMMITMENTS

For COP26 to have global impact, we need innovative and ambitious ideas to embody legally enforceable commitments of some kind. Carbon border taxes, which seem to be imminent in the EU, are an example. Legally binding annual, 5-year, 2030 and 2050 emissions targets would be another.

1. Non-state actors including cities, companies and civil society institutions as well as states should be included in making commitments.
2. A starting point would be coalitions of willing states that took the lead as a top tier prepared to make binding commitments (amongst themselves or to their citizens or both) to reduce emissions. The EU might be the starting point for such a coalition.
3. Global emissions need to fall by about 50% between 2021 and 2030 (i.e. 8% each year) to be broadly consistent with a 1.5C target. At the Biden climate summit, the US, the EU, Japan, Canada and the UK (in order of emissions) pledged to reduce emissions by a collective 44%. These five account for about one quarter of global emissions.
4. The UK and France have legislated to make national carbon emissions targets legally binding. They could be exemplars for climate change legislation.
5. The EU's carbon price is now through \$60 per tonne of CO₂ and is expected to go on to \$100 in the foreseeable future.
6. This carbon price is unsustainable without an EU carbon border tax, and this is expected. Other countries should follow suit.
7. A possible top-tier group of states could be extended to include non-state entities (regions, cities, companies, civil society institutions) that commit to:
 - a) Legislate or adopt in their constitutions binding carbon emissions targets;
 - b) Adopt an ambitious carbon price; and
 - c) Impose carbon border taxes (or some equivalent for non-state entities).



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8. A gold standard would be if entities committed both to 5-year carbon emission plans and to make annual carbon budgets consistent with these plans that were legally binding and could be sued on by citizens (or shareholders).
9. A commitment of this kind would be a signal to funders (sovereign wealth funds, private equity, pension plans) that there would be an enormous boom in highly profitable cleantech.
10. The commitments would become meaningful if civil society groups could enforce them by bringing legal actions.
11. It would also give judges a clear signal that they were part of a new process for climate action.

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