



TRANSCRIPCIÓN

**INTERVENCIÓN DEL PRESIDENTE DE GOBIERNO, PEDRO SÁNCHEZ,
EN EL EVENTO MERCADOS DE CARBONO EN EL MARCO DE LA COP28**

Dubái, 1 de diciembre de 2023

INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ

Thank you, thank you, Ursula, and thank you all for joining us here today.

As Ursula has said, I think this COP provides a historic opportunity to break a new path of increased ambition and international cooperation.

An opportunity to overcome climate action implementation challenges, in line with both science and equity, to ensure that the spirit of Paris lives on.

We are all aware that huge financial resources will be needed to transform global development patterns and make economies more resilient to climate change.

The question is how, how to create enabling environments for financial and technological innovation and cooperation, while retaining the benefits of climate action in terms of job creation and economic growth. And we need to do it without breaking the bank.

The IMF has recently estimated the effects on fiscal sustainability of climate policy packages, comparing those that rely only on spending and subsidies, and those that also make emitters pay. And the results are sobering: without carbon taxes, debt-to-GDP ratios would rise by about 50 percentage points. This means that the longer you delay implementing a carbon tax or a carbon market, the worse will your debt situation get.

If anything, we need carbon pricing a lot more today than just a few years ago. The effects of climate change are accelerating while cost increases and higher interest rates are threatening investments in the energy transformation. And, of course, developing countries continue to face a major financing gap.

Increased lending by more climate-focused MDBs will have to play a key role, as Ajay will surely highlight, but it will not be enough to meet the enormous needs of developing and least developed countries.

It is no surprise that the leaders assembled at the Africa Climate Summit in September also called for a global carbon taxation regime. The fact that Mr. Ruto and Mr. Hichilema are joining us here today perfectly reflects that.

In other words, we need public finance to build trust and to leverage private investments, but also new financing approaches and sources.

It is with this in mind that we sponsored the “Call to action for Paris aligned Carbon Markets”: to help visualize the financial and technical benefits that carbon pricing offers in accelerating the decarbonization of our economies.

Carbon pricing gives an incentive to find ways to save energy and switch to greener sources while generating significant new revenues to finance green transition policies as well to address consequences and impacts of climate change.

To realize their full potential, carbon markets need to be carefully designed and implemented.

First, they must rely on robust and ambitious standards that are aligned with the Paris Agreement goals.

Second, pricing is key. It has to give clear signals that help economic agents align their investment decisions with international and domestic climate targets, without hurting economic prospects.

Just look at, my country, Spain: emissions in industrial and power generation facilities have decreased by 52% between 2005, when the EU’s Emission Trading System was born, and last year.

Third, part of the revenues should be used to minimise the potential adverse economic and social impact of both the carbon tax and the energy transition, with a focus on the most vulnerable.

Since the 2013 reform of the ETS framework in the European Union, Spain has been spending most of its carbon revenue on climate action, helping accelerate our green transformation in a socially just way while leading to positive macroeconomic effects.

As Ursula has said, we stand ready to share our experience with all those interested, in our aim to cover at least 60% of global emissions.

Now, let me add a few remarks on voluntary markets, as Ursula has said. They can and must play an important complementary role, and I highlight complementary role. For some geographies, they can provide much-needed sources of funding.

But we need to reinforce their credibility and integrity. This means three things:

First, they should deliver real mitigation in host countries. In order to do that, they must be based on high-quality standards aligned to those of regulated markets.

Second, participants should prioritize the reduction of emissions across their value chain, ensuring that the use of carbon credits for offsetting purposes is preserved for residual and hard-to-abate emissions.

And third, double counting must be avoided. Emissions reductions sold as voluntary credits for international offsetting purposes should not count towards meeting Nationally Determined Contributions.

Dear friends,

finance is not neutral, and signals are needed. Today, we call on other committed actors, both governments and other public and private stakeholders, to join us and to help us send a strong political signal.

To tell the world that carbon markets work for the economy, for the people and for the planet.

And I thank you.

(Transcripción editada por la Secretaría de Estado de Comunicación)

(Intervención original en inglés)