

# Carbon footprints, carbon pricing and European cooperation

## A perspective for the Climate Alliance and the Covenant of Mayors



Energiebesparing



Burgerparticipatie

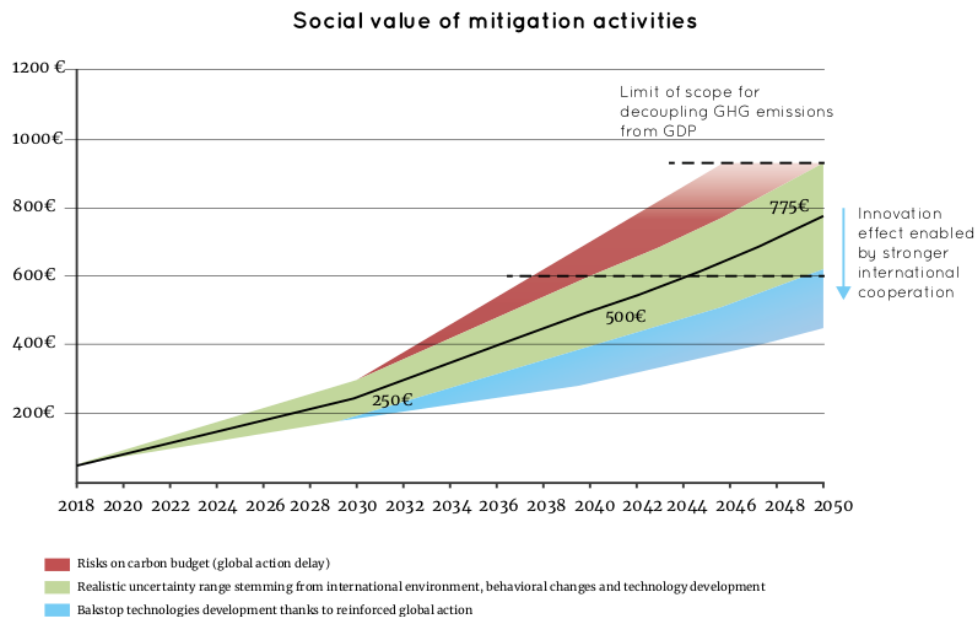


Hernieuwbare energie



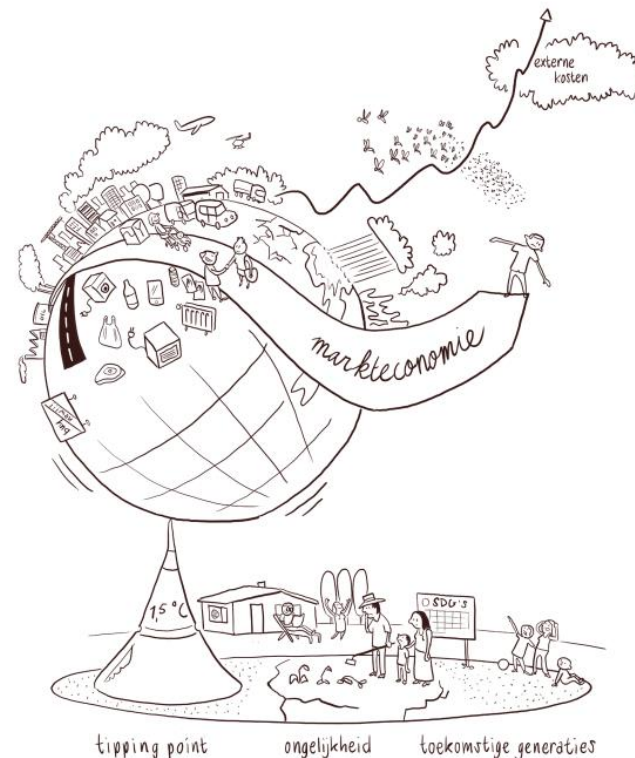
Europa

# True pricing and Social Costs of Climate Change

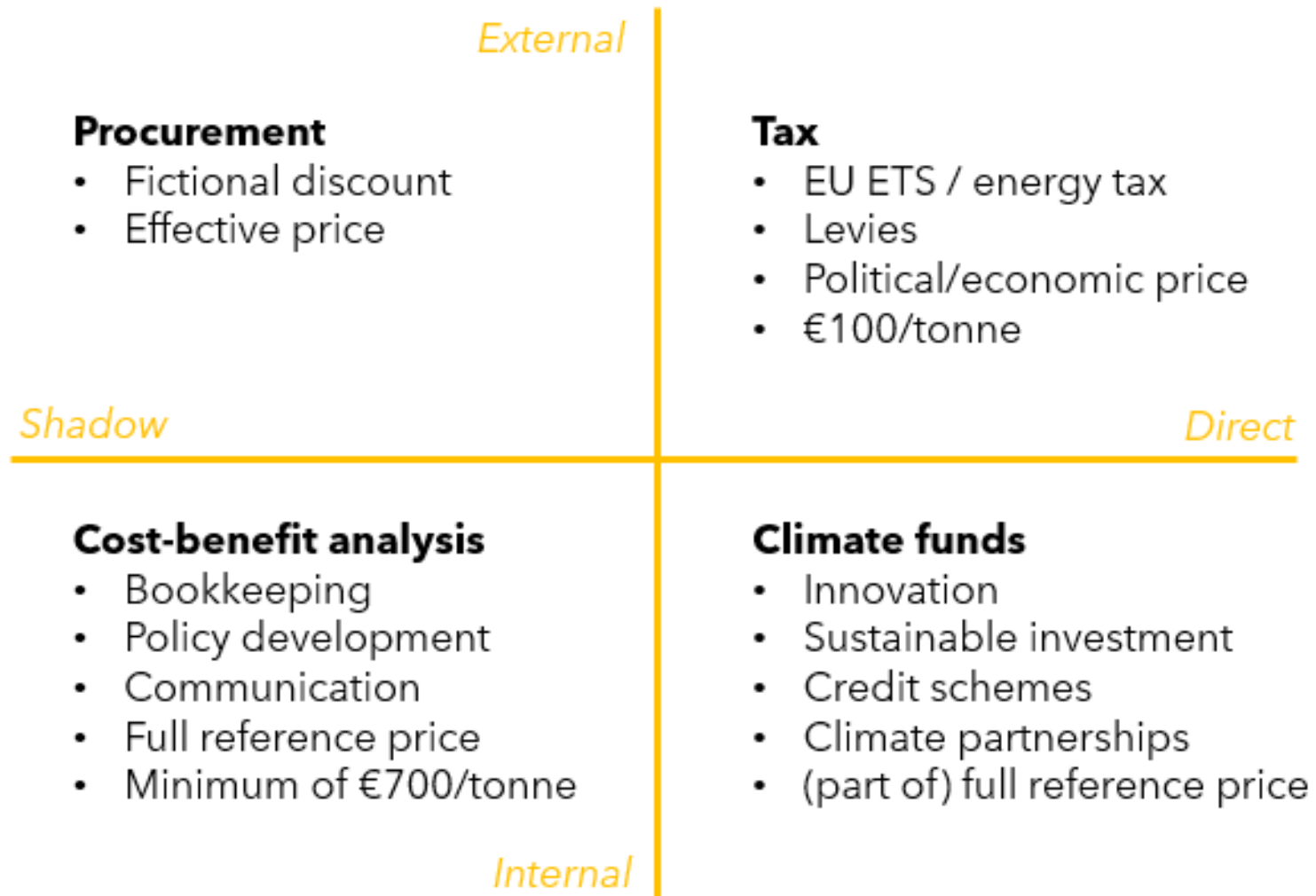


Essential: discount rate at zero or negative

**Intergenerational equality puts current CO<sub>2</sub> price at  $\geq 700$  Euro/ton CO<sub>2e</sub>**



# Different uses of carbon pricing



# The fundament: calculating the carbon footprint

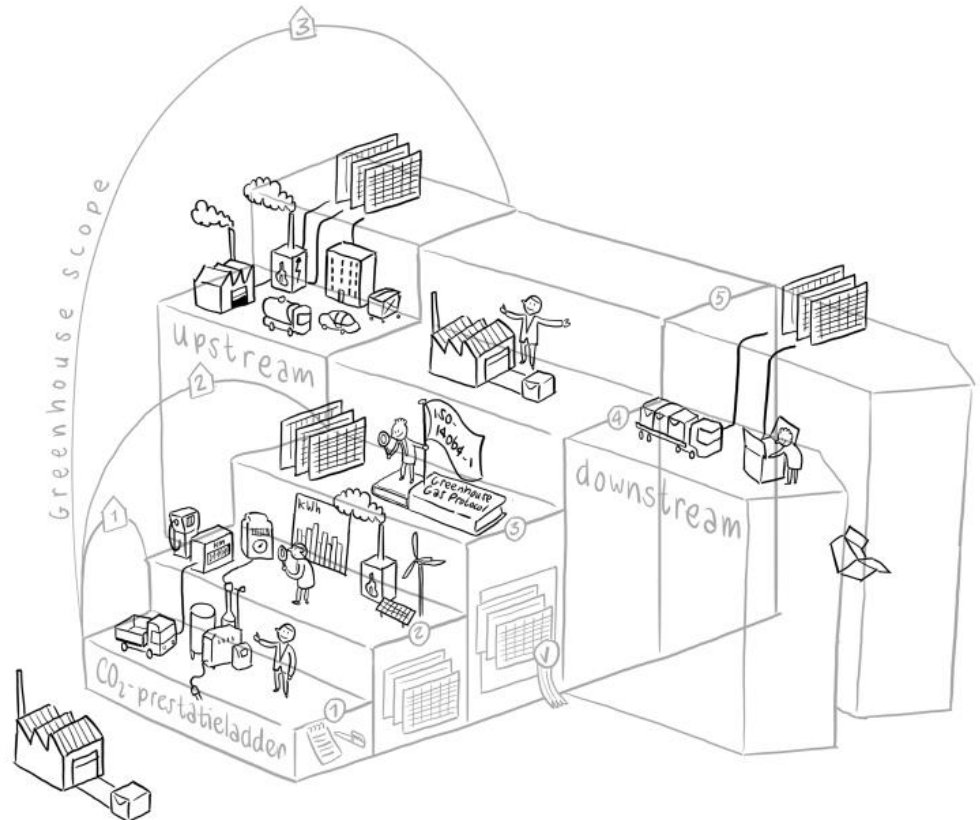
- Scope 1, 2 and 3
- Including upstream emissions
- Having a perspective on the downstream emissions

**Scope 1 and 2:** emissions of the organisation

**Scope 3:** including emissions of others, part of government direct responsibilities

**Upstream:** including all emissions caused by used products and systems

**Downstream:** including emissions for repairs etc. but also caused by users



**Clarity, transparency, responsibility are keys**

# Examples: Cost benefit analysis

External

## Procurement

- Fictional discount
- Effective price

## Tax

- EU ETS / energy tax
- Levies
- Political/economic price
- €100/tonne

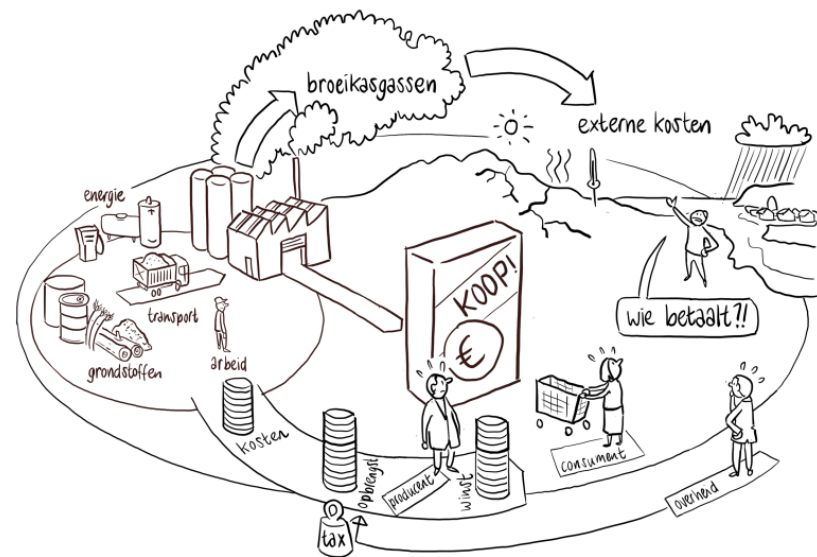
Shadow

Direct

## Cost-benefit analysis

- Bookkeeping
- Policy development
- Communication
- Full reference price
- Minimum of €700/tonne

Internal

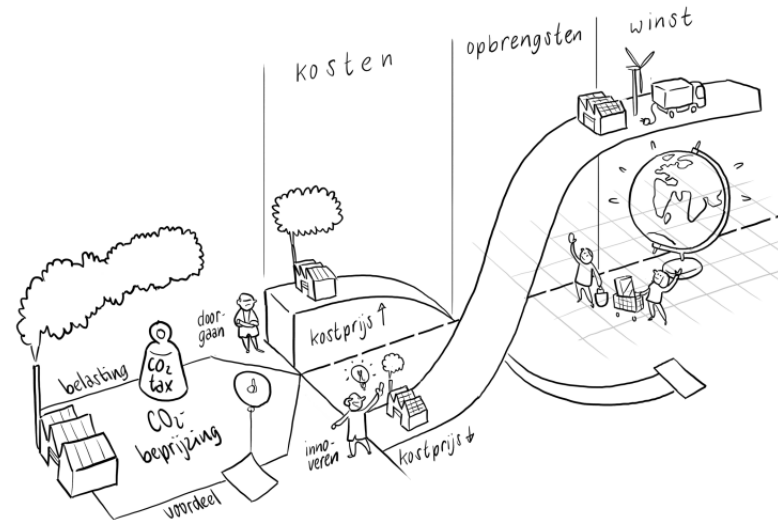
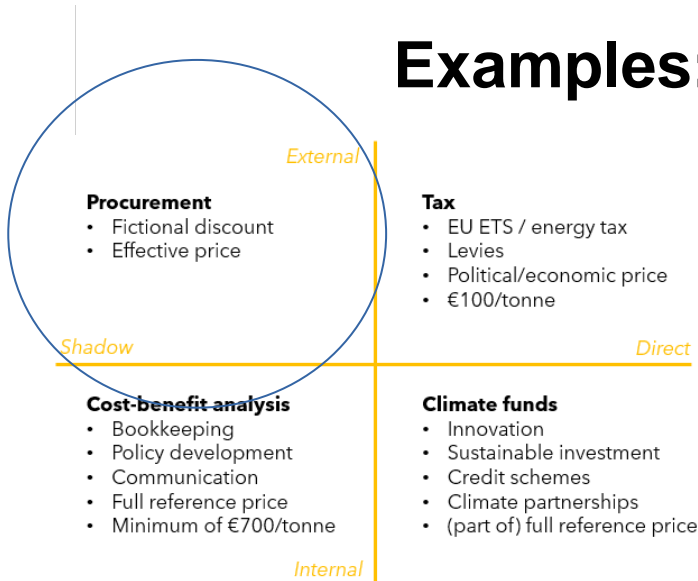


## The carbon price as a planning, reporting and evaluation tool:

For instance:

- Sustainability reporting and wider communication
- Planning for sustainable renovation or greenfield development
- Cost/benefit analysis of policies, such as climate policies but also specific policies on for instance transport, procurement, housing

# Examples: Sustainable procurement

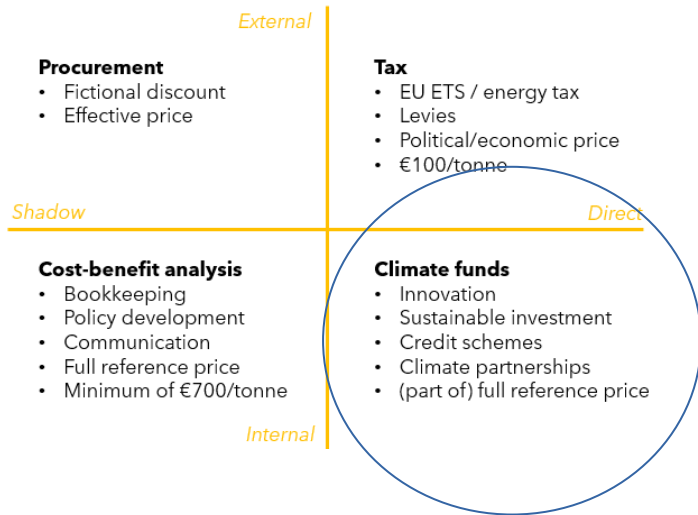


## The carbon price as a procurement tool:

For instance:

- As part of the environmental cost indicators used during procurement
- As part of the designing effort in advance of actual procurement
- As part of a system providing a shadow price which can be used as a discount (based on best performance on CO<sub>2</sub>-reduction) in selecting the winner

# Examples: Climate funds



Coordinadora de las Organizaciones Indígenas  
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## The carbon price as a funding mechanism:

For instance:

- As part of a reciprocal relationships with partners in the Global South
- As part of funding system for NGO activities in the region
- As part of funding system for innovation, internally and externally





## Developing a joint programme in two stages

- Select per country one or two municipalities for joint fact/practice finding and programme development, developing practical steps towards implementing carbon pricing at the local level
- Work together, create standardized methods applicable in all European countries, part of the Covenant of Mayors