



**Carbon Expo  
Cologne, 25 May 2016**

**Statement by  
Christiana Figueres, Executive Secretary  
United Nations Framework Convention on Climate Change**

Ladies and gentlemen,

Thank you very much. Thank you to all the hosts and the organizers for inviting me, once again, to the Carbon Expo.

Dear friends, Paris was quite an amazing result. I have to tell you it wasn't the result of two weeks, it was the result of many years of hard work, by many, many, many people, including all of you here. Give yourselves an applause for Paris.

Let me just recount for you very briefly how we all together broke records, plural, records in Paris. We started off with receiving 155 heads of state in one day, under one roof, for one topic – never seen in the history of the United Nations.

We do bring heads of state to the General Assembly of the United Nations, but over a space of three, four or five days, never 155 heads of state under one roof, for one topic, a record broken. And, two weeks after the Paris attacks. So, I salute French security, who dared to receive all those heads of state in one day.

Another record broken, a unanimous decision – please raise your hand if you ever witnessed a unanimous decision. They are almost impossible to achieve.

So, here we have a unanimous decision of 195 countries and the European Union. Not just a unanimous decision by all countries of the world, a unanimous decision to intentionally change the course of the global economy for all time. Not an easy challenge to step up to.

We also achieved a completely universal legal framework for every single country, no matter how small, no matter how large, no matter what the geography, what the economy, what the national circumstances, what the natural resource base – every single country under one legal framework, another record broken.

The Paris Agreement is built on an invitation to countries to identify how to contribute to the global climate effort from the perspectives of their own national countries, from the perspectives of their priorities, their interests, their needs. And I will tell you, I was delighted to lose a bet inside the Secretariat regarding how many countries are going to come forward with their national climate change plans, with their INDCs.

Well, I bet that we would not get more than 100. I am proud to publicly say, "I lost the bet!", because we had a 190 INDCs. This takes us from where we would have been – an increase to three, four, five degrees – to now a temperature rise of 2.7 to 3 degrees Celsius. Much better than where we were before – not where we need to be or want to be – but certainly much better.

Another record broken happened in New York on April 22, Mother Earth Day, when the Secretary-General invited all countries to come and sign on the first day of signature for the Paris Agreement. The previous record the United Nations held for any treaty on the first day of signature was 119 for The Law of the Sea. The Paris Agreement beat that record with 175 signatures on that day, plus two more coming in later.

Now we have 177 signatures for the Paris Agreement, presaging perhaps an early entry into force. This record was buttressed by another record broken. The previous record of the United Nations on opening day was one instrument of ratification, again for The Law of the Sea. Today we have 17 instruments of ratification already into the depository in New York.

This very much points toward a continued political commitment, a continued realization that we cannot continue the path that we were on and a continued political commitment to change that path. From a legal perspective our sense is – and I am also happy to be wrong again – that this Paris Agreement will enter into force as early as 2017, perhaps 2018. I will be delighted if it enters into force in 2016, but that is a little overly optimistic. In any event, certainly before 2020, which was the original date.

So, many records broken and it could not have come at a better moment because we are also breaking every single temperature record. Month by month, year by year, we are breaking every single record. There was no other way to do Paris but to break all the political

and legal records that we could, because this is how the Convention must respond to temperature records.

But now comes the hard part. To all of you who worked on the Paris Agreement, fantastic, thank you very much. I hope you got some sleep after that because that was the easy part. Now is the difficult part, which is actually making it real – taking the vision that is embedded in the Paris Agreement and making it the reality.

Now, the Paris Agreement must point us onto a 3D pathway. 3D is not three-dimensional, you don't have to get 3D goggles out. I just want to point out three characteristics of the path forward that start with "D".

Decoupling, first and foremost. If you were to summarize the Paris Agreement in one sentence, it would be that governments of the world, and the private sector and sub-national governments, are all in agreement that we must decouple GHG from GDP. Those two have gone together for 150 years, and they now have to be decoupled to allow developing countries to continue their economic growth, which they must, but to do so with lower greenhouse gases.

The second "D" is Destination. We have in the Paris Agreement a very clear destination. The Paris Agreement says we must reach climate neutrality in the second half of the century. But since I am only a few days from leaving, I can begin to be politically incorrect and say it's got to be the destination we reach not in the second half of the century, but by the second half of the century. By 2050 we must reach the destination that is decided and defined in the Paris Agreement, a balance between emissions and absorptive capacity of the planet, i.e., a net-zero emission economy around the world.

And the third "D" that Paris points to is very important, in particular for developing countries: Development. We cannot pursue climate targets independently of development. That is just not going to work, and if you force anybody to choose between two, you know which one is going to lose. Happily, the Paris Agreement fully recognizes that reality and calls for integration, at the national level, of climate targets and National Development Plans. Development must be completely coherent and consistent with what we are doing on climate.

The integration of the Sustainable Development Goals and the climate agenda is definitely the work that must be done this year by all of us. And it can only be done at the national level, which is where we are working now.

So 3 “D”s – decoupling, destination and development – the three lessons to be learned and the three characteristics of the path after Paris. What that means from your perspective is that markets are going to be disrupted, disrupted in a very positive sense, a very welcome disruption.

Certainly, the energy markets have already been disrupted and are continuing to be disrupted and I don’t have to explain to you the movement from centralized generation to decentralized generation, from fossil fuel base to renewables. But how energy markets are already being disrupted is nothing compared to what we are going to see over the next five to ten years.

And the other market that is being disrupted, not as quickly as the energy market, is the financial market. I’m sad to say that the financial instruments that we have out there are still way behind the kinds of investments we need to make. They are still obeying the logic of fossil fuel-based infrastructure and those financial markets need to quickly catch up to where we are.

But there's good news. We are already over \$300 billion dollars invested annually into renewable energy and can do much more with the proper financial architecture that would support the transformation that we need. Now under all this welcome disruption to markets – energy markets, financial markets – what would be the guiding star of all of that? What would be the guiding star of the disruption of the markets? Please help me.

[Audience member: A prince on carbon?]

OK, I think you know that. I think you know that the price of carbon is absolutely the fundamental guiding star that will effectively, efficiently, quickly disrupt the energy and the financial markets.

Are we where we want to be? No. Do we have an indication that we are doing a little bit better? Yes. Just the few months into 2016, we know that, building on Article Six in the Paris Agreement, we already have some countries coming in with new market schemes, or ETS, such as Korea, and some countries expanding the sectoral reach of their markets hugely, such as China.

We know new sub-national governments are increasing their participation and linking with each other. We also know that just this year, again, we have an uptick in demand for new Certified Emission Reduction credits. I don’t need to give you all of the stats. I’m actually quite grateful for the World Bank Report, which has expanded the understanding of the data

and evidence that you were collecting. And I would point all of you towards that if you haven't seen it.

So, as we move forward, I think it's going to be important to understand, not that the rubber has hit the road as I don't say that any more, but that the sun has hit the panel on implementation. It is now about implementing. It is now truly about taking the vision of Paris and making it a reality for one purpose: the well-being of people.

As we move to make that a reality, all your work to improve the visibility of carbon pricing, both in the government spheres and in the private landscape, is incredibly appreciated and I look forward to all the suggestions that are going to come out of your deliberations here in this new Carbon Expo.

Finally, two words to all of you.

First, thank you. Thank you to those of you who are here and to all of the other soldiers who have been in this carbon pricing market, ETS, battle that has taken incredible stamina to continue. I want to thank you for your stubbornness. I say that very positively because after six years of being at the Climate Convention I've reached the conclusion that it is perfectly fine to be stubborn, as long as it's for the common good.

It has been an incredible roller coaster ride. On that roller coaster, you learned to hang on, and to be stubborn, because you all knew that we need these kinds of instruments. And you kept your eyes on the prize. I thank you deeply for that.

And my second message to you is to honor you because you may think that you have been for many, many years working on carbon pricing, on carbon markets, on ETS and on rules. You have been, to a certain extent. But you have also been working on a much more important issue, a much more important agenda that is fundamental to the 21<sup>st</sup> century. It goes beyond climate change, and that, perhaps, is heresy for me to say, but life is larger than climate change.

Here's what you've been working on: you've been working on creating, evolving, and maturing the new private sector of this century. The private sector, the business engagement of this century, cannot be the private sector engagement that we had last century.

This century, we are looking to a private sector and business engagement that is business with purpose. Business with a triple bottom line. Business that understands that profit is absolutely key, but it is not the boundary of business. It is a business engagement that understands that, yes, we have to make a profit, but we also need to value in that equation, to

equally value, climate and people. Because it is the three – it is profit, planet, and people – that are actually going to deliver the future that we want, and the only future that we can sustainably have.

Luckily, since I'm the mother of millennials, I can tell you that that is the kind of private sector that millennials want to work for. So if you are motivated by brilliance, if you want the best and the brightest of the next generation to join your companies, you had better be very competitive and put out a very, very, clear message that you are a business with purpose. Our millennials have moved much farther than we and they say, "We don't want to work for businesses that are just looking for profit. We want to work for businesses that put profit, people and the planet together."

So, I thank you for having worked on that. Little did you know that you were working on a much larger agenda, you are fantastic pioneers. The business models of last century will become extinct very soon and you will see that you were pioneers in more than one sphere. Not just in carbon markets and ETSs, but in creating a completely a different business engagement, one with social and environmental responsibility.

I thank you for that and I honor you.

- - - - -