News release

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| *Pages* | 2 |

**UN ceremony seeks to speed up entry into force of Paris Climate Agreement.**

***Paris Climate Agreement signing ceremony takes place at the UN in New York on 22 April 2016***

**2016 will need to see significant progress on nations’ ratification of the Paris Climate Agreement to enable the UN’s goal of the early entry into force of the international climate deal to be realized.**

The next step in the process of implementing the agreement takes place today, with the UN hosting more than 150 government leaders including 40 heads of state for the largest signing ceremony for an international deal, ever.

Celine Herweijer, partner and climate change specialist, PwC UK Sustainability & Climate Change comments:

“The UN's goal is for the climate deal to enter into force as quickly as possible and there is huge focus on building momentum around the ratification process so that can happen. The end of 2016 is possible, if challenging. The odds are perhaps stronger that it will happen by 2017. Early entry into force might alleviate short term political risks associated with changing governments, and will also spur investor, business and public confidence that governments are committed to emissions cuts.”

In the meantime, significant discussion and debate on the accountability and compliance mechanisms – the legal end of the deal - is expected. The rules officially need to be finalised by 2018, and if entry into force does happen before this date, the deal will need the process in place sooner.

Celine Herweijer, partner and climate change specialist, PwC UK Sustainability & Climate Change comments:

"The mechanisms for accountability - transparency, review and compliance - are one of the key building blocks of the deal yet to be finalised. The mechanism is doubly relevant as robust accountability and compliance is not only fundamental to any international treaty, as it is the legally binding part of the climate Agreement, not the emissions cuts themselves that countries' have committed to."

Business attention has already turned to understanding the policy, regulatory, and investment implications of the transition ahead implied by the deal. In particular on actioning a range of commitments to emissions reductions made in the run up to the deal in December by businesses and cities.

Jonathan Grant, climate policy specialist, PwC UK Sustainability & Climate Change comments:

“Aside from maintaining momentum, ratification isn't of immediate practical relevance to business. But despite this, most will recognise the symbolic importance of the Paris Agreement and the prospect that it should catalyse action at the national level. The details of the Agreement and its ratification are less important as the focus for many companies is delivering the commitments they have made and analysing potential climate risks in response to concerns from their board or investors.”

The historic climate agreement will only officially enter into force once 55 countries representing 55% of global emissions have ratified the deal. In practice, this means that countries with high emissions and a high number of smaller countries are needed for the deal to come into force. So far only a handful of nations, largely small island states have ratified the deal. The ratification process in each country is an opportunity to engage a wide cross section of policy makers, public opinion and legislators around each country’s climate goals.

**Notes**

1. PwC’s [Low Carbon Economy Index](http://pwc.blogs.com/files/final_low-carbon-economy-index-2015_low-res-2.pdf)  which estimates the pace of the low carbon transition implied by national targets and compares this with their business as usual scenario, found that on average countries will need to reduce emissions per million dollars of GDP, or carbon intensity, by 3% every year to hit their targets. This is more than double the business as usual rate of just 1.3%.
2. Analysis by PwC UK for The World Business Council for Sustainable Development’s Low Carbon Technology Partnerships initiative released before the Paris Climate Summit showed the significant impact that business could have if it achieved low carbon economic growth. If fully achieved, business action to reduce emissions, could cut emissions by around 25% from business as usual and get society 65% of the way to a 2 degrees emissions pathway. This would channel $5-10 trillion of investment toward low carbon sectors of the economy and support 20-45 million person-years of employment.

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