

Carbon Pricing in the Americas and the Caribbean



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About IETA

The screenshot shows the IETA website homepage. At the top is the IETA logo and a navigation menu with links for HOME, MEMBERS ONLY, IETA COUNCIL, ABOUT IETA, and NEWS. Below the navigation is a main heading "MARKET SOLUTIONS FOR CLIMATE CHANGE" and a sub-heading "IETA INSIGHTS" with a large green number "4". A paragraph describes IETA as a nonprofit business organization created in 1999 to serve businesses engaged in the field of carbon markets. Below this is a section titled "WHO WE ARE" with three columns of text. The first column states the vision is a single global carbon price. The second column describes IETA as the collective voice for businesses. The third column states the goal is to enable members to capture opportunities and manage uncertainties. Below this is a banner for "IETA @ COP23 FIJI IN-CLIMATE CHANGE CONFERENCE BONN 2017". At the bottom is a section titled "OUR MEMBERS" with logos for Commonwealth Bank, firstclimate, Marubeni, and VCS. A footer bar at the very bottom says "2018 EVENT & PUBLICATION CALENDAR".

MARKET SOLUTIONS FOR CLIMATE CHANGE

IETA is a nonprofit business organisation created in 1999 to serve businesses engaged in the field of carbon markets. Our objective is to build international policy and market frameworks for reducing greenhouse gases at lowest cost.

WHO WE ARE

Our vision is a single global carbon price produced by markets of high environmental integrity. We pursue this vision with an eye to pragmatism, political reality and sound economics.

With deep relationships in key policy centres and commercial arenas, IETA is the collective voice for the full range of businesses involved in carbon pricing - all around the world.

We enable our members to capture opportunities, mitigate risks and manage uncertainties of global carbon policy.

IETA @ COP23 FIJI IN-CLIMATE CHANGE CONFERENCE BONN 2017

OUR MEMBERS

Commonwealth Bank, firstclimate, Marubeni, VCS

2018 EVENT & PUBLICATION CALENDAR

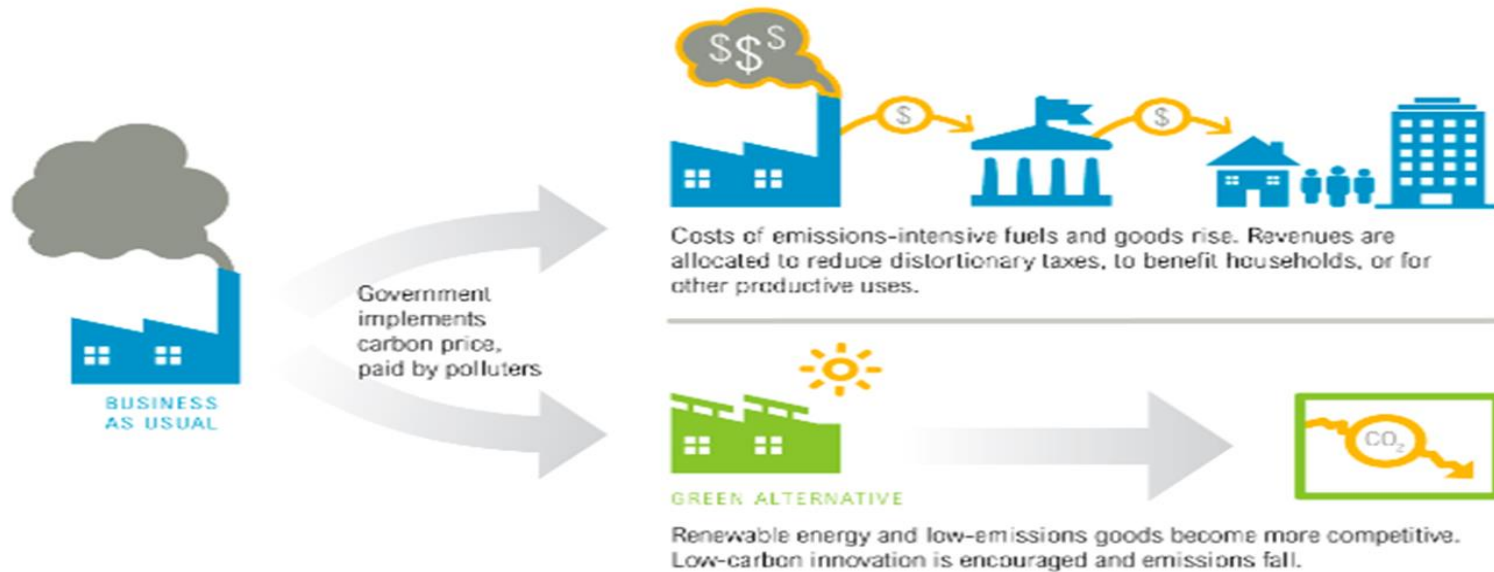
- Global non-profit, launched in 1999
- Collective voice of business on carbon pricing, markets and finance
- Representing 150+ companies globally
- Policy design, thought leadership, capacity building, best practices, knowledge transfer
- Global Partnerships & Dialogues - UNFCCC, World Bank, IDB and more!

About Allcot



- **Established in 2009 – Worldwide company**
- **Leader in greenhouse gas (GHG) emissions management tools and strategies for businesses of all sizes**
- **Services: offsetting, measurement and the development of emissions reduction strategies**
- **Goals : protect the environment; provide community benefits; enhance profitability and brand value; increase employee satisfaction; promote the United Nations Sustainable Development Goals.**

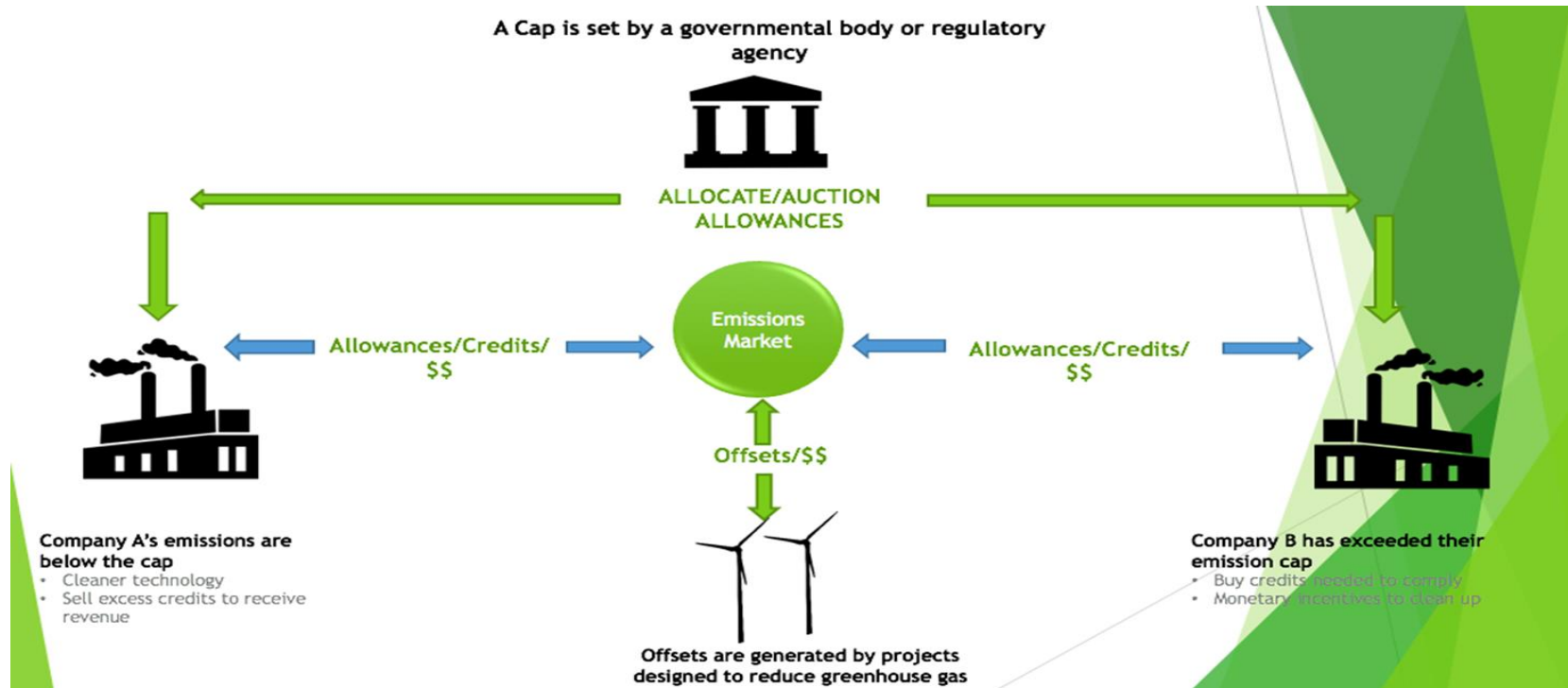
Carbon Pricing



www.wri.org/carbonpricing

 WORLD RESOURCES INSTITUTE

Emissions Trading Systems – The Basics



Kyoto Protocol vs Paris Agreement

Kyoto Protocol

- 37 countries with top down targets
- CDM and JI mechanisms to generate carbon credits via the UNFCCC
- Crediting "outside" the reduction commitment

Paris Agreement

- 192 countries with bottom up pledges
- New market mechanisms will be established under Article 6
- Crediting will require corresponding adjustments

Benefits of Emissions Trading - EU ETS

- Sets economy-wide target to cut emissions
- Requires measurement, verification and reporting
- Market-based system ensures lowest-cost reductions and supports development of clean technology
- Decouples emissions from economic growth
- Can link to other ETS to lower costs further

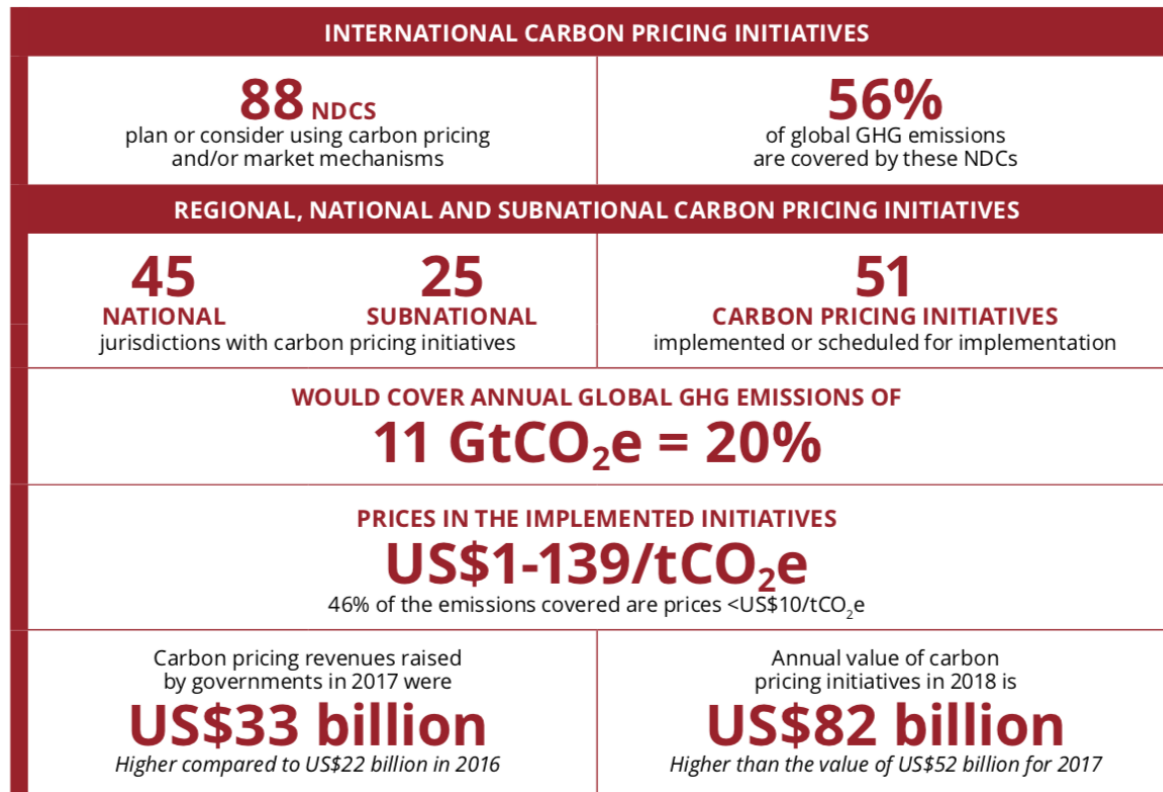
EUA Front-Year Price 2010-2018



Benefits of Emissions Trading - EU ETS

- Funds raised by EU ETS between 2013-2015 - €11.7 billion
 - €8.691 billion spent on domestic climate action
 - and €1.048 billion spent on international climate action
- EU emissions reduced by 23% between 1990-2016
- Economy grew by 53% over same period

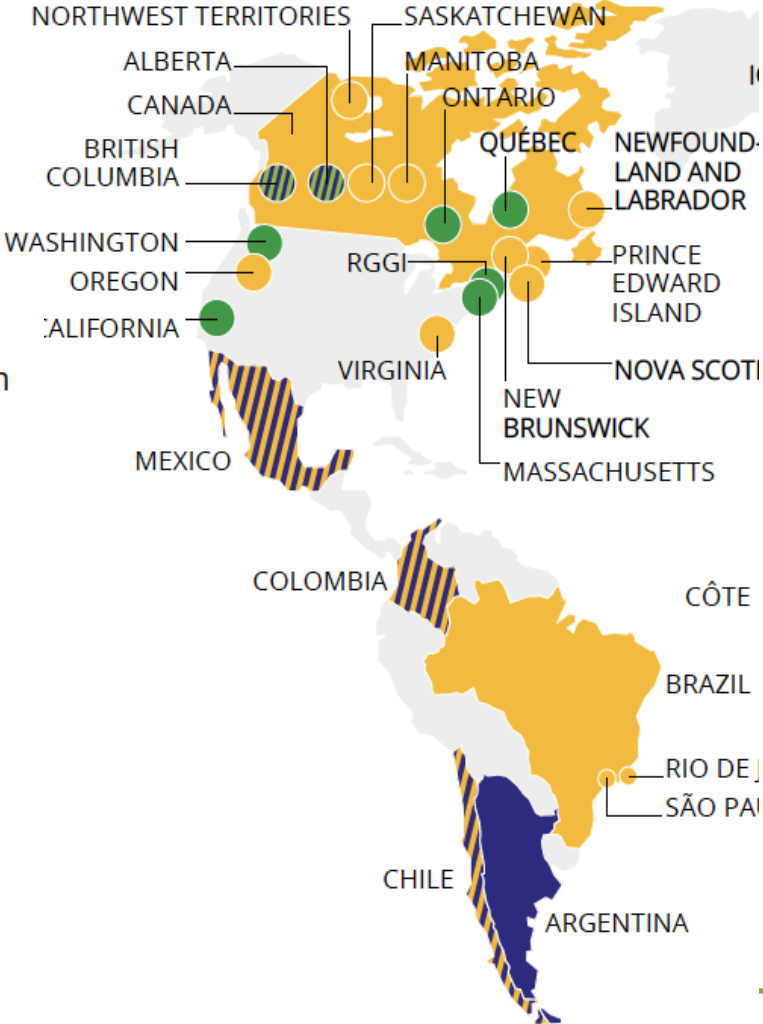
International Carbon Pricing Initiatives



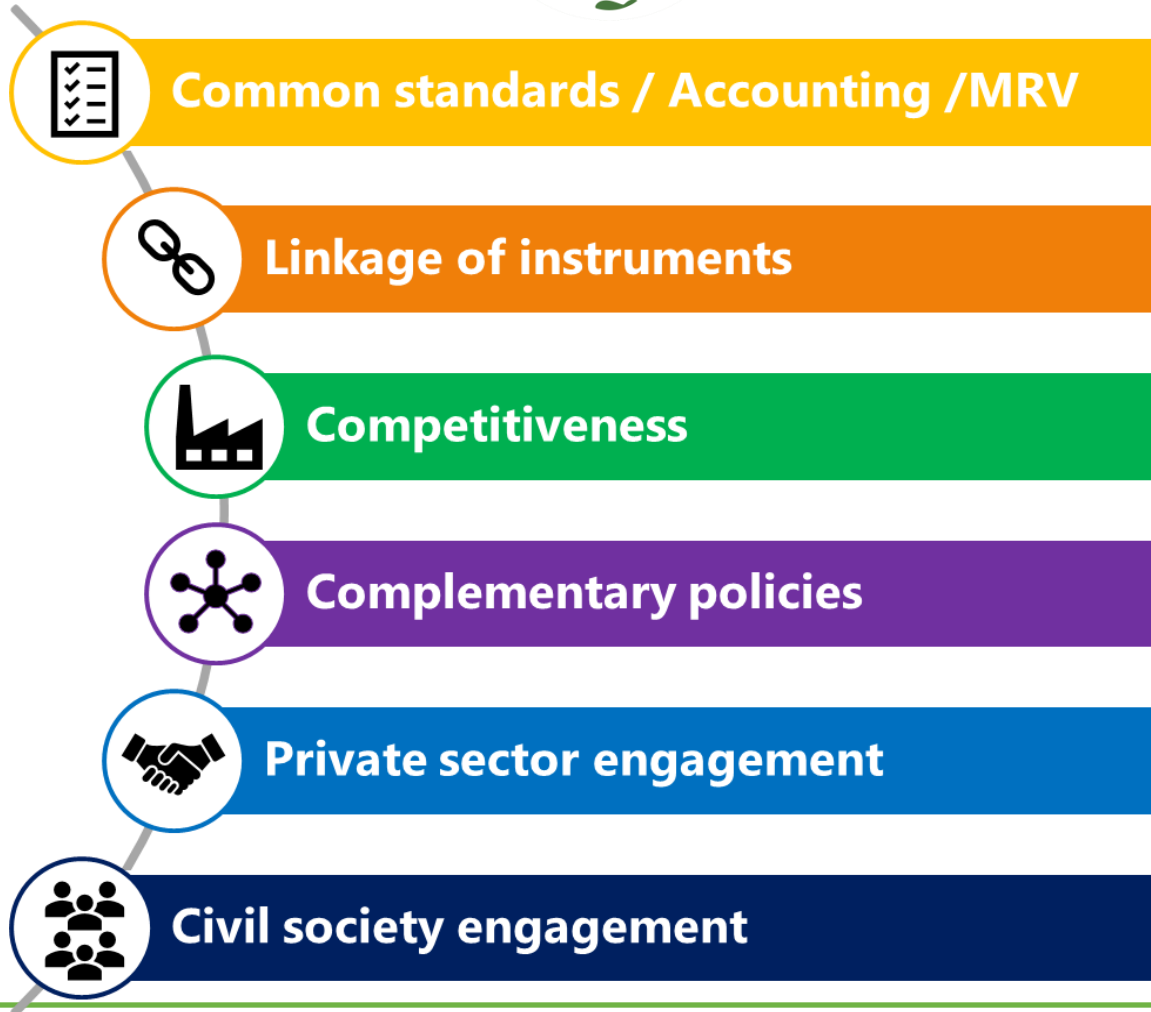
The Americas



- ETS implemented or scheduled for implementation
- Carbon tax implemented or scheduled for implementation
- ETS or carbon tax under consideration



Carbon Pricing in the Americas Declaration: Priority Areas



UNFCCC & PARIS AGREEMENT



- Agreement unites 195 governments in taking action to limit temperature rise to well below 2°C and pursue efforts to limit temperature increase to 1.5°C.
- Based on each government's NDC outline actions taken in a self-defined time period (or single year) post-2020.
- Paris Rulebook will provide the guidance, modalities and procedures that will allow governments to implement the Paris Agreement (e.g. defining reporting requirements, what should be reported, updating NDCs, sectors covered/excluded, use of cooperation etc.)
- Katowice aim is to complete:
 - Paris Agreement Work Program (PAWP)
 - Paris Rulebook = Implementation Agreement

Paris Agreement: An Overview



- **Article 2: Long-term goal**
- **Article 3: Progressing Effort**
- **Article 4: NDCs**
- **Article 5: REDD+**
- **Article 6: Markets**
- **Article 7: Adaptation**
- **Article 8: Loss & Damage**
- **Article 9: Finance**
- **Article 10: Tech Transfer**
- **Article 11: Capacity Building**
- **Article 13: Transparency**
- **Article 14: Global Stock-Take**
- **Article 15: Implementation**

Desired COP24 Outcomes



- **No “Big Splash” Outcomes – seeking a “Balanced Outcome”**
- **Governments have agreed to complete guidance, modalities and procedures that will implement Paris. Katowice aim is to complete:**
 - **Paris Agreement Work Program (PAWP)**
 - **Paris Rulebook = Implementation Agreement**
- **Other items to be addressed**
 - **Ministerial Declaration on Just Transition**
 - **Talanoa Political Process**
 - **Pre-2020 Action**
 - **Global Climate Action Agenda & Finance**
 - **IPCC Report to be brought in**

IETA Article 6 “Vision”

- **Article 6.2:** ITMO becomes the required approach for any quantifiable exchange of units or use of a carbon delineated mechanism between Parties.
- **Article 6.4:** The EMM is a process for unitizing an activity for climate financing and/or subsequent transfer of a mitigation outcome between Parties.
- **Article 6.8:** The non-market framework is for activities not immediately quantified in carbon units.

IETA Article 6.2 “Vision”

The ITMO is a voluntary process to increase ambition, not a mechanism.

It is the process by which there is a **quantitative transfer of emission reduction**

capability between two Parties either in the form of:

1. Allowances;
2. Reduction units;
3. A carbon delineated inventory adjustment.

IETA Article 6.4 “Vision”

- The Emissions Mitigation Mechanism (EMM) is a process for unitizing an activity for:
 - Climate finance (e.g. results-based finance)
 - A subsequent transfer of a mitigation outcome (MO) between Parties;
 - Enabling the use of domestic carbon pricing systems

All of which should be **measured in tCO₂** in a standardized way against the baseline of an NDC.

Thank You

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