



WORLD BANK GROUP
Climate Change

Preview of the State and Trends of Carbon Pricing 2017

Celine Ramstein

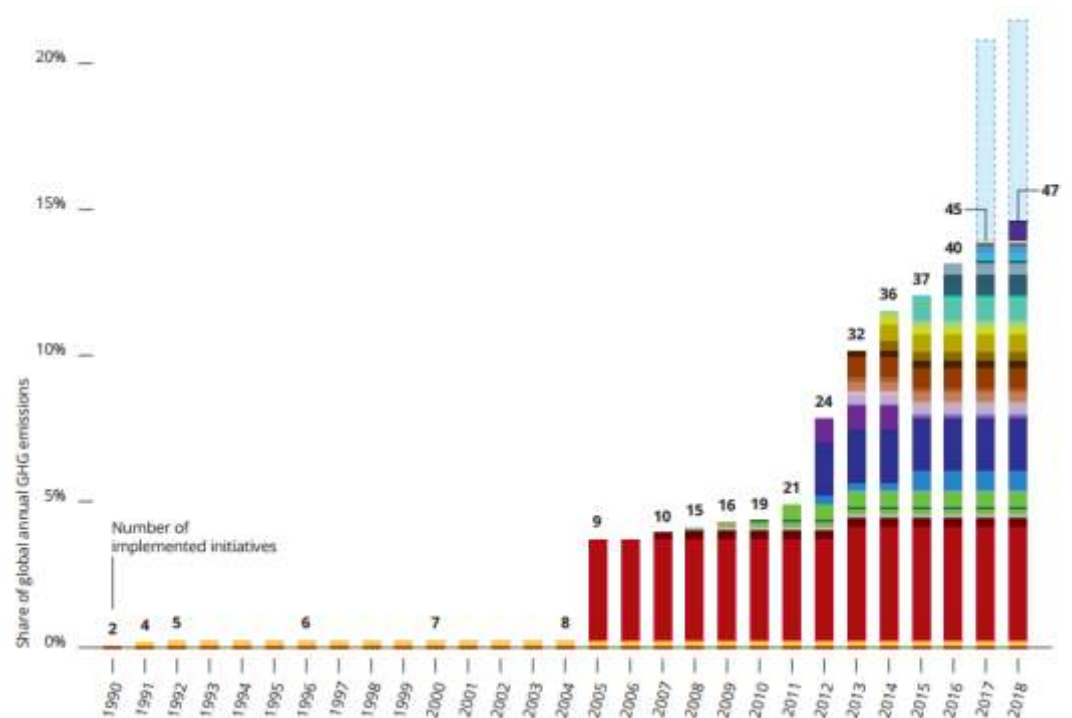
Carbon Pricing Intelligence Program Coordinator
World Bank Group

International Context

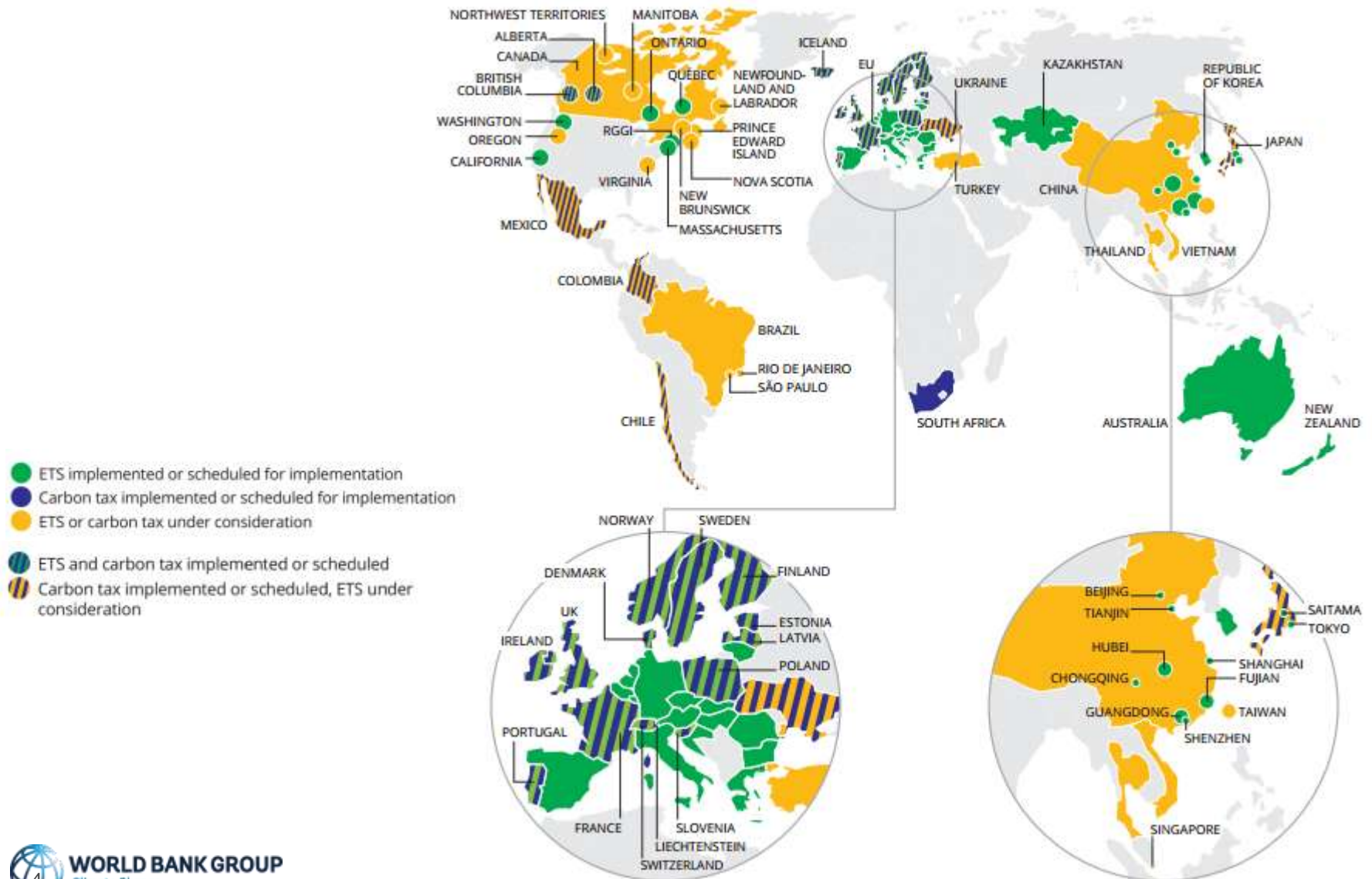
- We have seen **continued progress on carbon pricing** in 2016-2017, **despite headwinds that have constrained climate action** in some countries
- Great potential with the **implementation of NDCs**, with **81 parties** mentioning carbon pricing in their NDCs
- The negotiations on the implementation of the Paris Agreement are key, especially the **guidelines governing the operationalization of Article 6**, but making slow progress
- Important milestones **to come with COP23, December Paris Climate Summit and new initiatives** expected for the next months and years.

State of Carbon Pricing initiatives in 2016-2017

- **47** Carbon Pricing initiatives implemented or scheduled for implementation
- These initiatives cover **15% of global GHG emissions**
- In 2016, governments raised about **US\$22 billion in carbon pricing revenues**

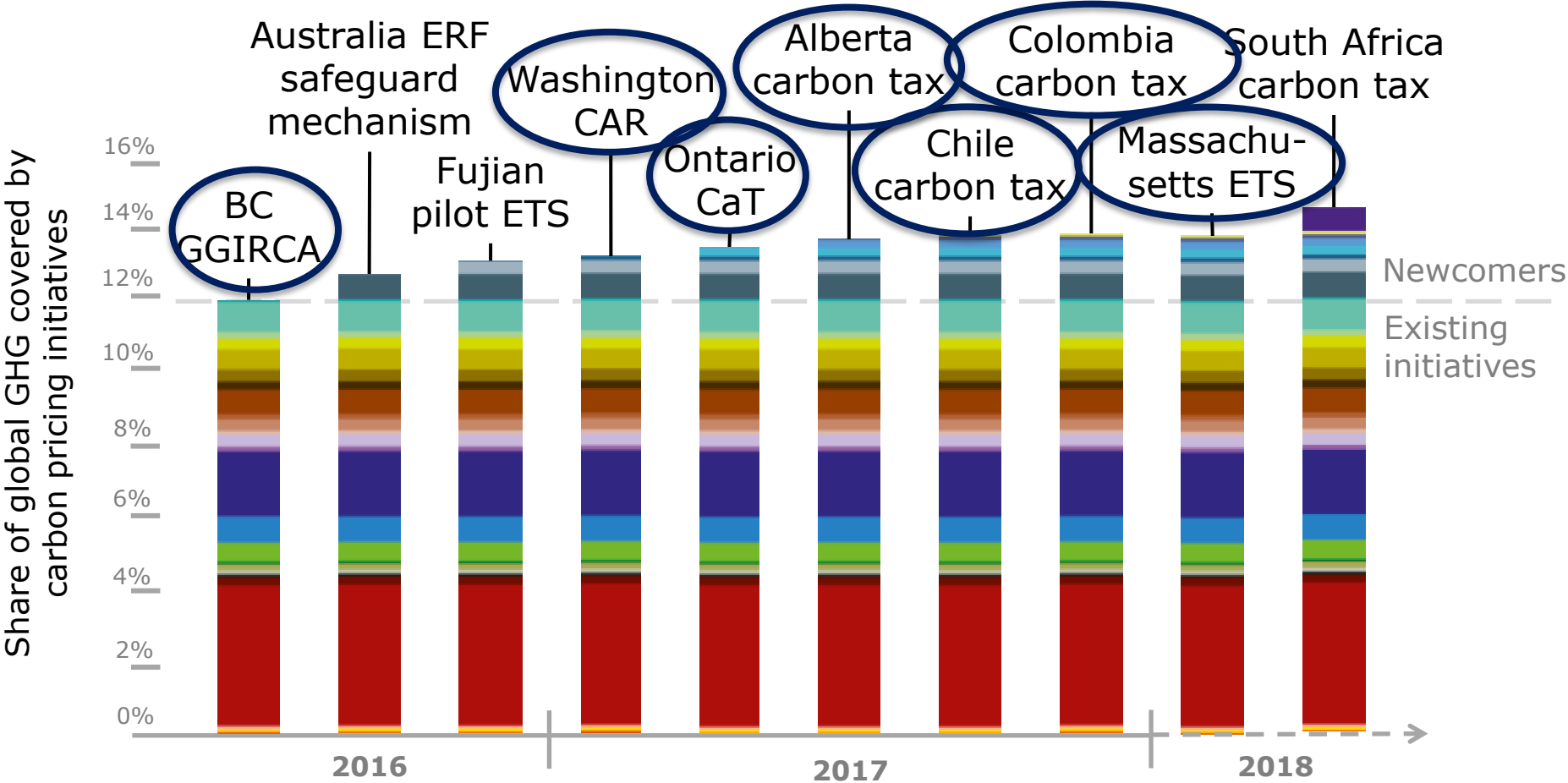


State of Carbon Pricing initiatives around the world



New carbon pricing initiatives since early 2016

3/4 of them in the Americas



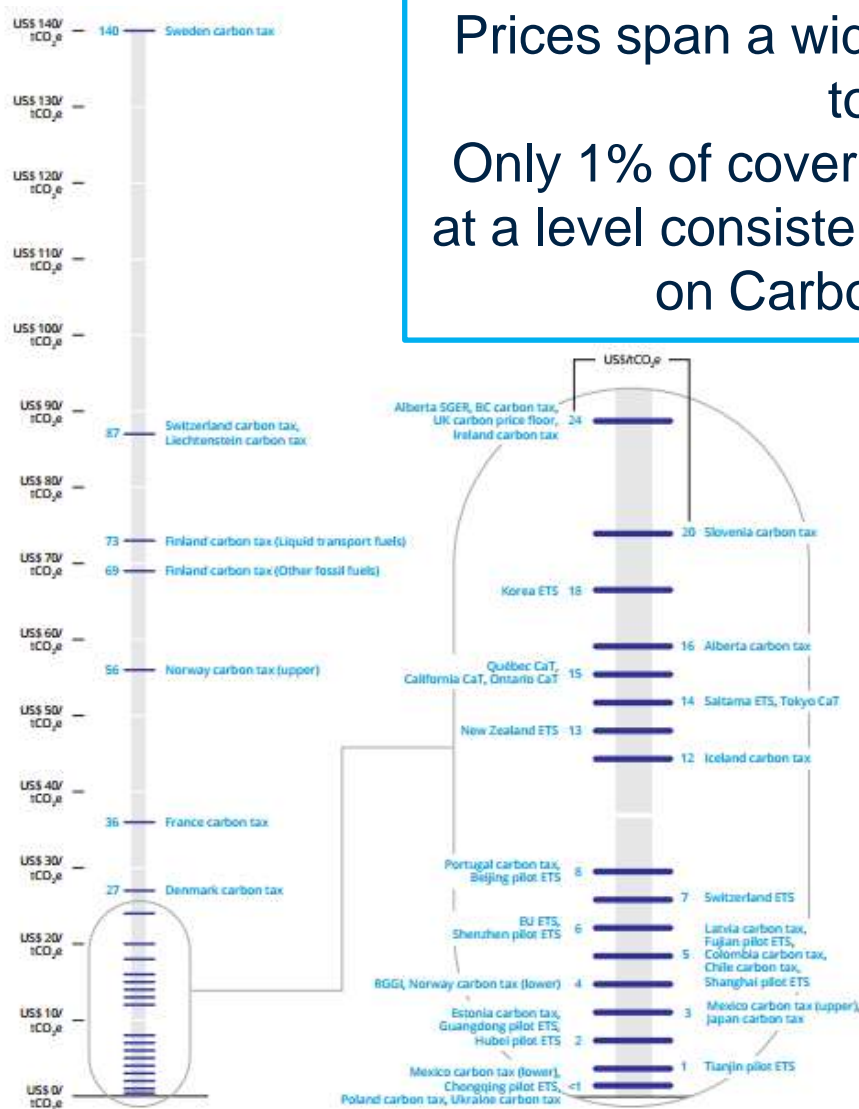
Starting year

Latest developments in 2016-2017

- The number of carbon pricing initiatives in the Americas has **doubled to 12 initiatives** over 2016–2017:
 - **In LAC:** carbon tax in Chile and Colombia
 - **In Canada:** new instruments in British Columbia, Alberta and Ontario and national framework put forward by the government.
 - Positive developments at the **US subnational level:** Washington State's ETS in 2016, Massachusetts ETS in 2018 and extension of the California ETS until 2030.
- **Prospects for carbon pricing in other jurisdictions have slowed or remain uncertain** (South Africa, US federal level)
- **Encouraging prospects ahead:** China, Mexico, Kazakhstan, Vietnam, Singapore, Colombia, Chile, ...

Prices in implemented Carbon Pricing initiatives

Prices span a wide range, from less than US\$1 up to US\$140/tCO₂e.
 Only 1% of covered emissions are currently priced at a level consistent with the High-level Commission on Carbon prices range for 2020.



More efforts are needed

- Despite these important positive steps, further action is necessary
- Key priorities for action include:
 - **Expanding coverage** through the development of **new initiatives** and the **broadening of GHG** coverage in existing initiatives;
 - **Deepening impact** by raising carbon prices, which will send a stronger price signal, triggering more investments in low-carbon technologies;
 - **Aligning carbon pricing** with complementary and enabling policies;
 - **Progressing on the guidelines of the Paris Agreement** to pave the way towards linking domestic pricing schemes and enabling usage of international market mechanisms.

Sources

<http://carbonpricingdashboard.worldbank.org/>

