



The State and Trends of Carbon Pricing 2018

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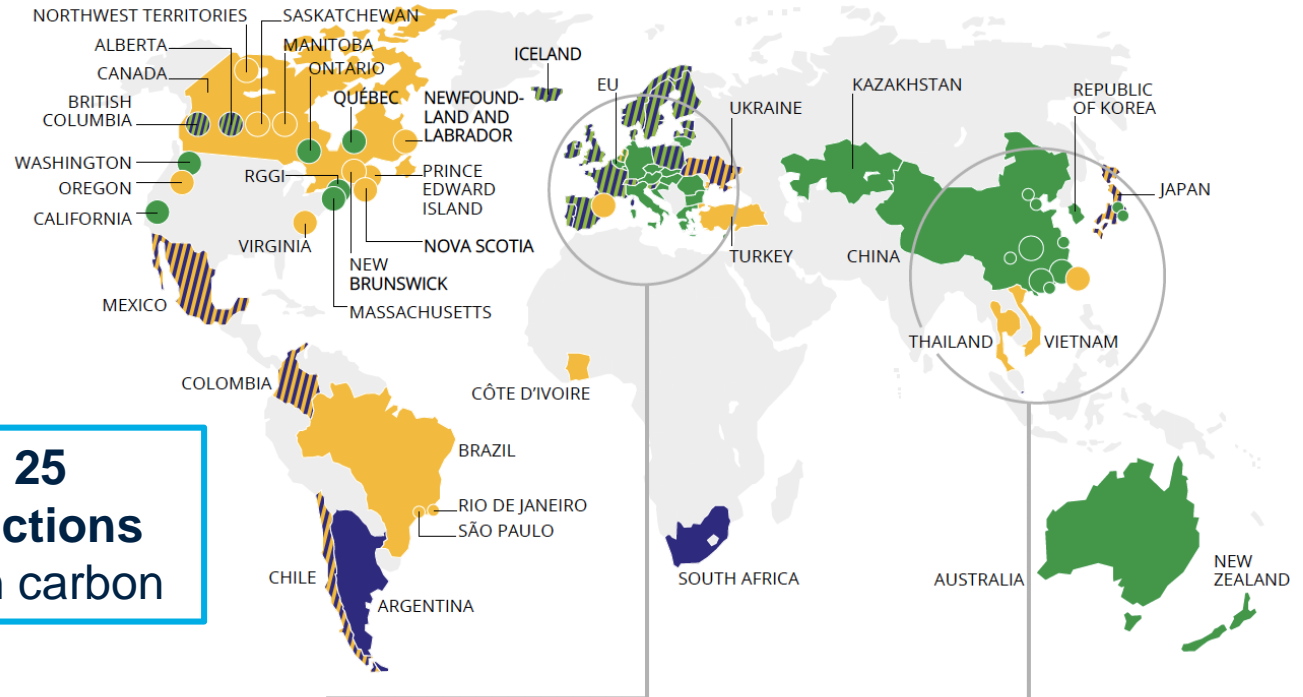
Emissions Trading Simulation Workshop

Santiago de Chile, November 2018

Latest developments in 2017-18

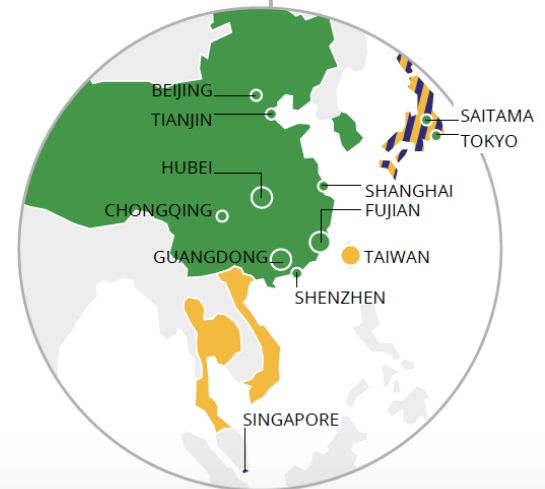
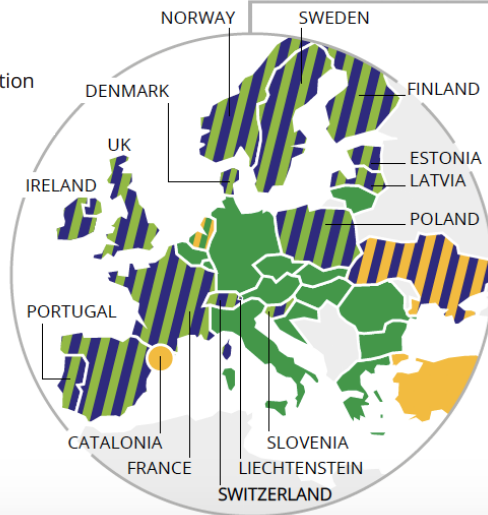
- 2017-18 saw **continued progress** on carbon pricing initiatives at the subnational, national, and regional levels.
- **51 carbon pricing initiatives** have been implemented or are scheduled for implementation:
 - 25 ETSs, mostly located in subnational jurisdictions,
 - 26 carbon taxes, primarily implemented on a national level.
- In 2017, governments raised about **US\$33 billion** in carbon pricing revenues.

State of Carbon Pricing initiatives around the world



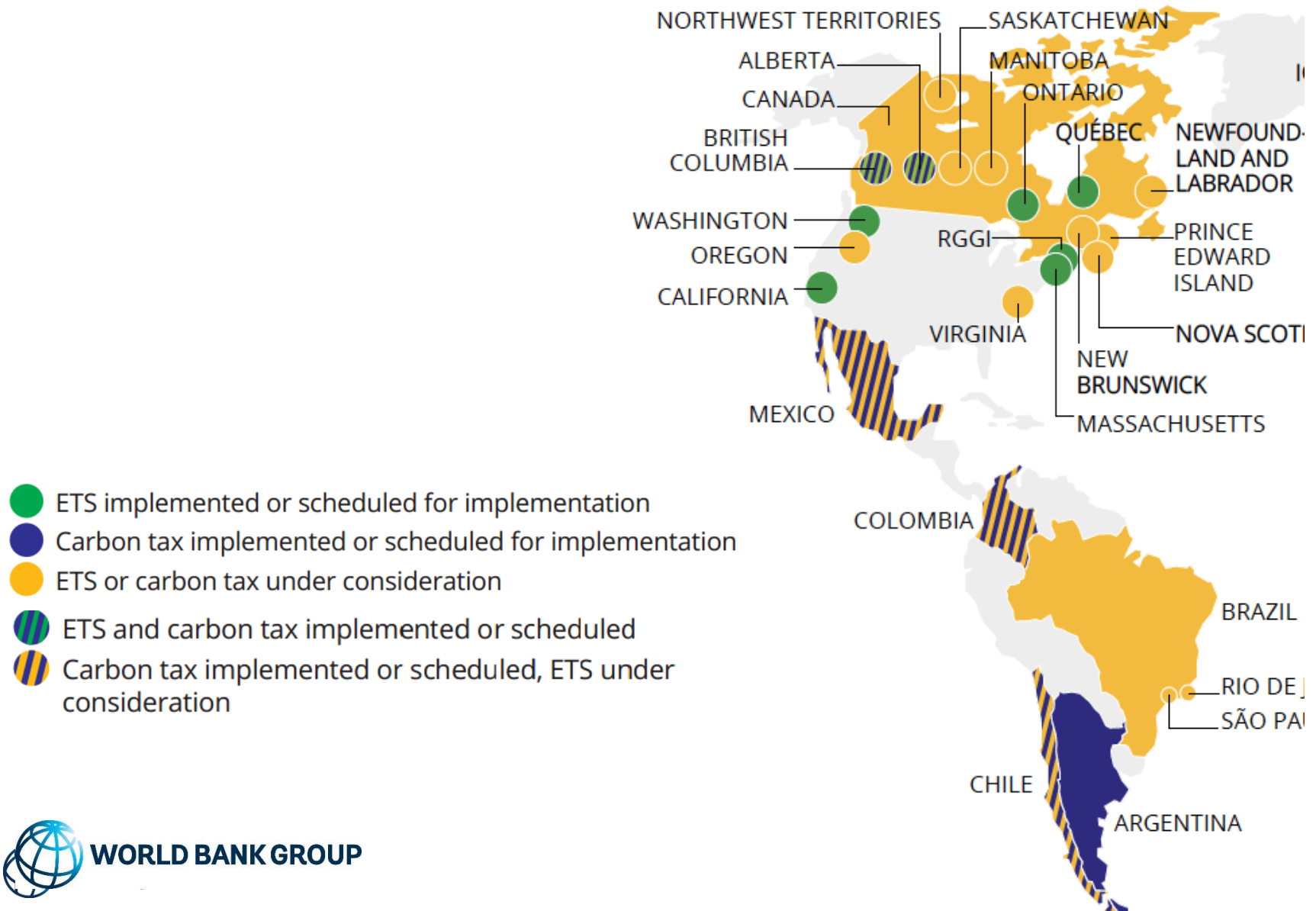
45 national and 25 subnational jurisdictions are putting a price on carbon

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

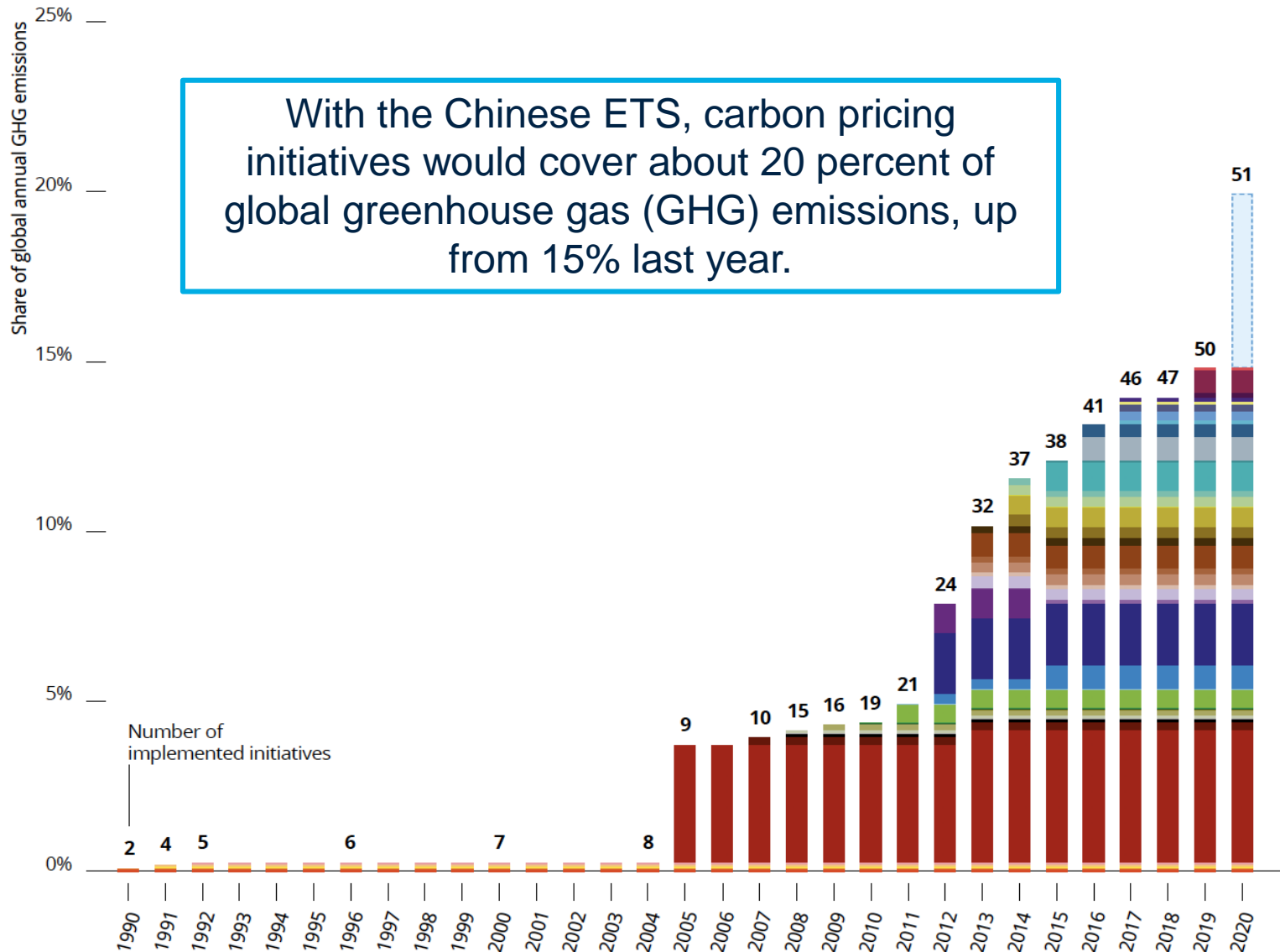


... and zooming into the Americas

Source: WBG State & Trends of Carbon Pricing 2018



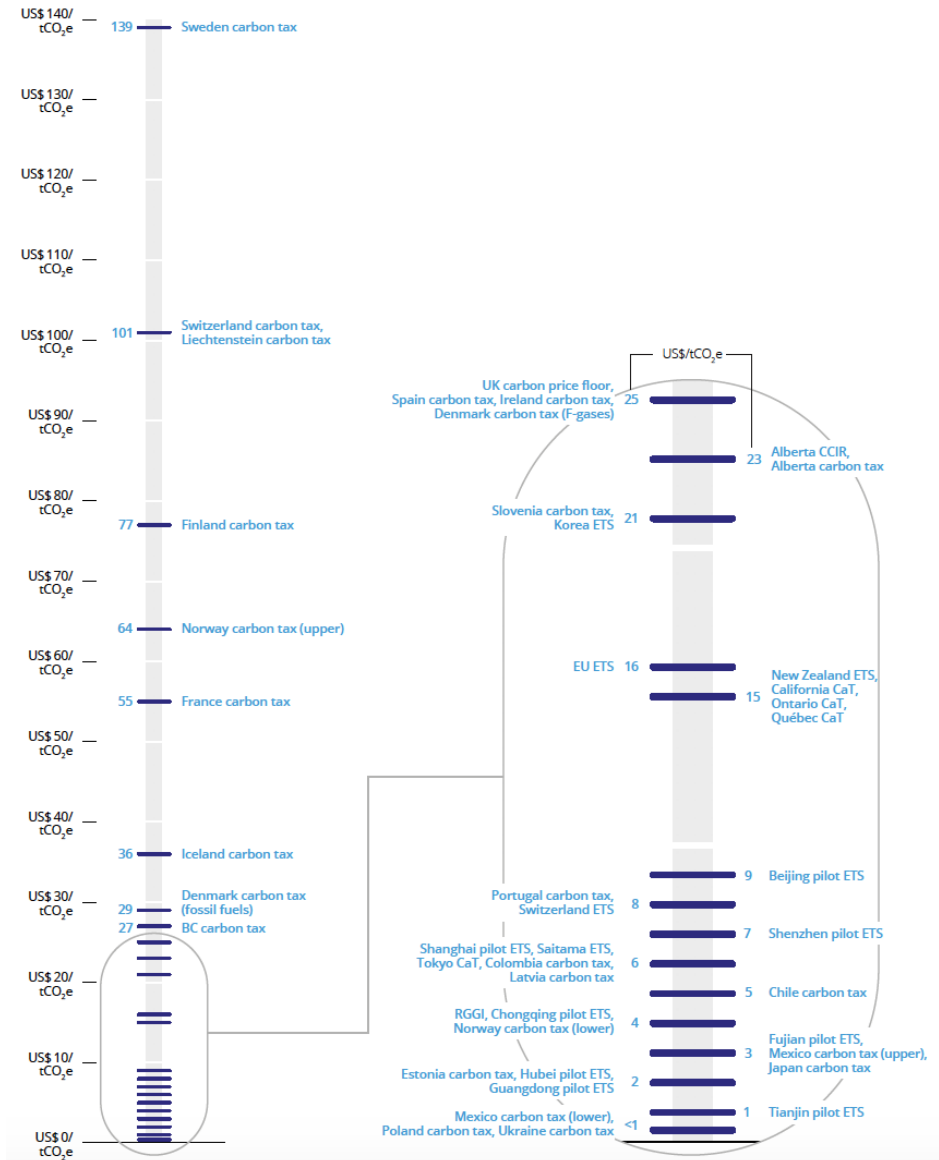
GHG emissions coverage of CP initiatives



Prices in implemented Carbon Pricing initiatives

While they remain too low, carbon prices in most initiatives are rising

About half of the emissions are now covered by carbon pricing initiatives priced at over US\$10/tCO₂e compared to one-quarter of emissions covered in 2017



Latest developments in 2017-18

- **All six newly implemented carbon pricing initiatives in 2017-2018 came from the Americas region:**
 - **In 2017:** carbon tax in Alberta, Chile, Colombia; ETS in Ontario; Clean Air Rule in Washington State
 - **In 2018:** ETS in Massachusetts, carbon tax in Argentina
- **Encouraging developments elsewhere:** China, Kazakhstan, Singapore, Netherlands, Ukraine
- Looking forward, **great potential** with the implementation of NDCs, with 88 parties mentioning carbon pricing in their NDCs representing 56 percent of global GHG emissions.
- 2018 will be a critical year for **implementing international carbon pricing mechanisms.**

Latest developments in 2017-18

- **At the international level:**
 - **Aviation:** 73 countries, representing 88 percent of international aviation activity, intend to voluntarily participate in CORSIA from the start of the pilot phase in 2021.
 - **Maritime:** IMO foresees for the first time in history a reduction in total GHG emissions from international shipping with a vision of putting the sector's emission reduction efforts on a pathway consistent with the Paris Agreement temperature goals.

INTERNATIONAL CARBON PRICING INITIATIVES

88 NDCS

plan or consider using carbon pricing
and/or market mechanisms

56%

of global GHG emissions
are covered by these NDCs

REGIONAL, NATIONAL AND SUBNATIONAL CARBON PRICING INITIATIVES

45

NATIONAL

jurisdictions with carbon pricing initiatives

25

SUBNATIONAL

51
CARBON PRICING INITIATIVES
implemented or scheduled for implementation

WOULD COVER ANNUAL GLOBAL GHG EMISSIONS OF

11 GtCO₂e = 20%

PRICES IN THE IMPLEMENTED INITIATIVES

US\$1-139/tCO₂e

46% of the emissions covered are prices <US\$10/tCO₂e

Carbon pricing revenues raised
by governments in 2017 were

US\$33 billion

Higher compared to US\$22 billion in 2016

Annual value of carbon
pricing initiatives in 2018 is

US\$82 billion

Higher than the value of US\$52 billion for 2017

INTERNAL CARBON PRICING INITIATIVES

OVER **1,300** COMPANIES

are using or planning
to use internal carbon pricing
in 2018-2019

84%

of these companies are located in
jurisdictions with (scheduled) mandatory carbon
pricing initiatives

INTERNAL CORPORATE CARBON PRICES ARE IN THE RANGE OF

US\$0.01-909/tCO₂e

More effort is needed

- Despite the continued progress, 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.

Getting ready for carbon pricing: PMR readiness support

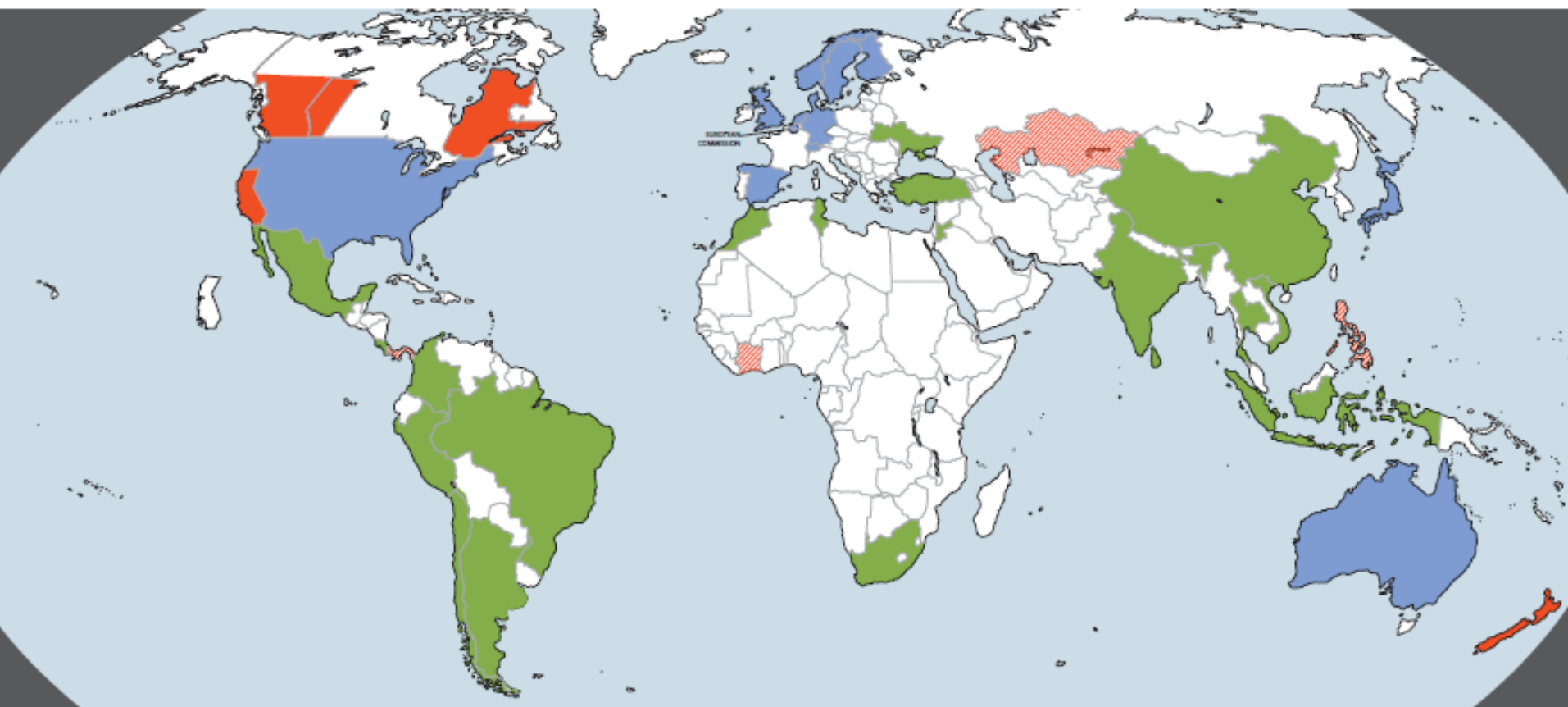
Source: PMR Annual Report 2018

PARTICIPANTS AND TECHNICAL PARTNERS

The map shows the different categories of participants and the stage in the process reached by each Implementing Country Participant.

FIGURE 1: PMR PARTICIPANTS BY CATEGORY AND IMPLEMENTATION STATUS

- Implementing countries at preparation phase
- Implementing countries at implementation phase
- Contributing participants
- Technical partners
- Technical partners receiving targeted technical support



Scope of readiness work in LAC countries

Source: PMR Annual Report 2018

| | CORE TECHNICAL COMPONENTS | | | | | SUPPORTING WORK COMPONENTS | | | | | DEVELOPING CARBON PRICING | | | |
|----------------------|---------------------------|---------------------|--------------|-----------------------------|--------------------|----------------------------|--|---|--|--------------------|---------------------------|-----|-----------|---------------------------|
| | MRV | DATA AND REGISTRIES | BENCHMARKING | INSTITUTIONS AND GOVERNANCE | OTHER ¹ | GHG INVENTORY | EMISSIONS PROJECTIONS/ NDC DEVELOPMENT | POLICY OPTIONS ASSESSMENT AND/OR POLICY INTERACTION | STAKEHOLDER ENGAGEMENT/ COMMUNICATIONS | OTHER ² | CARBON TAX | ETS | CREDITING | OTHER PRICING INSTRUMENTS |
| ARGENTINA | | | | | | | | | | | | | | |
| BRAZIL | | | | | | | | | | | | | | |
| CHILE | | | | | | | | | | | | | | |
| CHINA | | | | | | | | | | | | | | |
| COLOMBIA | | | | | | | | | | | | | | |
| COSTA RICA | | | | | | | | | | | | | | |
| CÔTE D'IVOIRE (TP) | | | | | | | | | | | | | | |
| INDIA | | | | | | | | | | | | | | |
| INDONESIA | | | | | | | | | | | | | | |
| JORDAN | | | | | | | | | | | | | | |
| KAZAKHSTAN (TP) | | | | | | | | | | | | | | |
| MEXICO | | | | | | | | | | | | | | |
| MOROCCO | | | | | | | | | | | | | | |
| PANAMA (TP) | | | | | | | | | | | | | | |
| PERU | | | | | | | | | | | | | | |
| THE PHILIPPINES (TP) | | | | | | | | | | | | | | |
| SOUTH AFRICA | | | | | | | | | | | | | | |
| SRI LANKA | | | | | | | | | | | | | | |
| THAILAND | | | | | | | | | | | | | | |
| TUNISIA | | | | | | | | | | | | | | |
| TURKEY | | | | | | | | | | | | | | |
| UKRAINE | | | | | | | | | | | | | | |
| VIETNAM | | | | | | | | | | | | | | |



Preparation (scoping, developing terms of reference, hiring consultants)

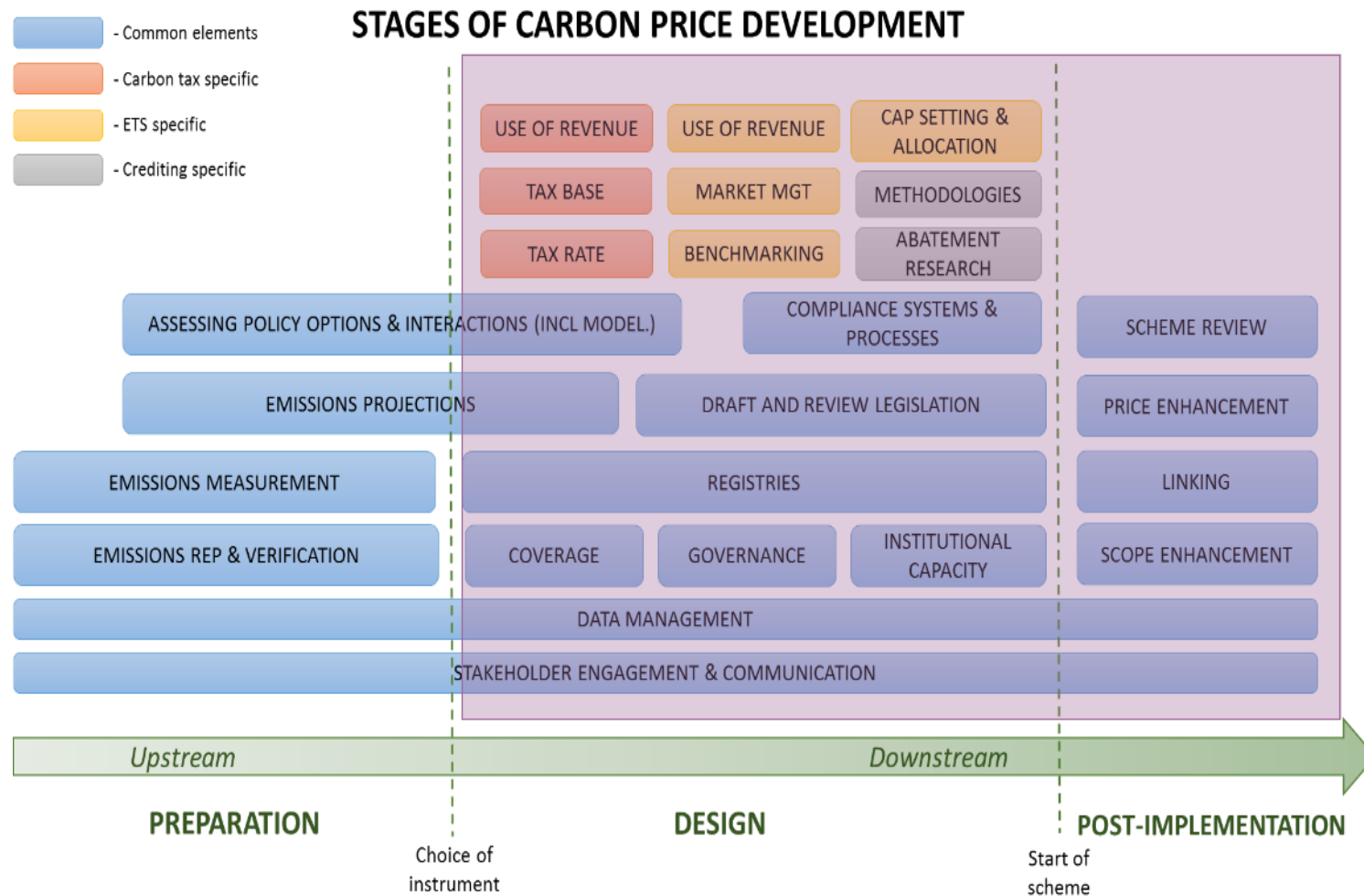


In progress (project has started and is ongoing)



Completed

From readiness to implementation support: evolving challenges & priorities?



Greater focus on **implementation** means technical assistance & capacity development must also target 'downstream' activities

Sources

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

THE WORLD BANK
IBRD • IDA

WHO WE ARE | WHAT WE DO | WHERE WE WORK | UNDERSTANDING POVERTY | WORK WITH US

What we Do / Data / Carbon Pricing Dashboard

Carbon Pricing Dashboard

HOME | MAP & DATA | WHAT IS CARBON PRICING? | PUBLICATIONS

KEY STATISTICS ON REGIONAL, NATIONAL AND SUBNATIONAL CARBON PRICING INITIATIVE(S)

- 46 Carbon pricing initiatives implemented or scheduled for implementation
- 42 National jurisdictions are covered by the initiatives selected
- 25 Subnational jurisdictions are covered by the initiatives selected

In 2017, these initiatives cover **8 GtCO₂e**, representing **14.6%** of global GHG emissions

Total value of carbon pricing initiatives in 2017

US\$52.22

Proportion of total value

Summary map of regional, national and subnational carbon pricing initiatives

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

About the Carbon Pricing Dashboard

The Carbon Pricing Dashboard has been created by the World Bank Group in order to provide up-to-date information on existing and emerging carbon pricing initiatives around the world. It builds on the data and analyses of the annual *State and Trends of Carbon Pricing* reports, prepared with the help of Ecofys.

We do our best to update this website with verified information on a regular basis, but please do not hesitate to contact us if you have any questions.

This analytical initiative, part of the Carbon Pricing Intelligence program, complements other World Bank Group activities to advance well-designed carbon pricing systems around the world.

