



Concept Note

Final version

Regional Dialogues on Carbon Pricing (REDiCAP) for Small Island Developing States (SIDS)

Auditorium, GIZ Bonn Campus (Friedrich-Ebert-Allee 32, 53113 Bonn)

Bonn, Germany

Monday, 16 June 2025 at 9:00 – 12:30 (CEST)

1. Introduction

In line with the timing of the sixty-second session of the Subsidiary Bodies (SB 62) in Bonn, Germany (16-26 June 2025), the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat will convene the Regional Dialogue on Carbon Pricing (REDiCAP) for Small Island Developing States (SIDS) on 16 June 2025.

This event is part of the Collaborative Instruments for Ambitious Climate Action (CiACA) initiative, supported by the German Government through the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUKN). It will bring together national governments from SIDS, international organizations, and technical partners.

While the adoption of carbon pricing instruments in SIDS remains limited, there is growing interest in exploring how these tools can support sustainable development, climate finance access and alignment with nationally determined contributions (NDCs) and long-term low greenhouse gas emission development strategies (LT-LEDS). The REDiCAP aims to support policymakers in SIDS explore carbon pricing instruments and foster cooperation, taking into account the particular challenges faced by SIDS.

2. Specific Objectives:

- a. To provide an overview of the status and recent developments in carbon pricing instruments globally and in SIDS, including carbon taxes, emissions trading systems (ETS), and hybrid approaches.
- b. To explore the interplay between carbon pricing mechanisms—such as carbon taxes and ETS—and carbon markets, including Article 6 cooperation, and how they align with national climate policies, such as NDCs, especially NDCs 3.0 to be submitted in 2025, and LT-LEDS.
- c. To identify and discuss opportunities to expand, link, or enhance the effectiveness of carbon pricing instruments in the SIDS context. Emphasis will be placed on tailoring carbon pricing policies to the unique challenges and climate policy goals, considering economic conditions, social equity, and institutional capacities.
- d. To collectively identify and define the technical, political, and institutional challenges to implementing and scaling up carbon pricing instruments in SIDS, considering their specific vulnerabilities and limited resources.

3. Target Group

- a. Government officials from SIDS that are Parties to the Paris Agreement.
- b. Representatives from international and regional organizations actively engaged in the design, implementation, and support of carbon pricing instruments and related cooperation frameworks.



4. Agenda and Session Structure

The dialogue will be structured to maximize interaction and engagement with the participants. It will include a mix of briefing and interactive discussion with the participants. The envisaged session flow is as follows:

Time	Session description	Speaker
30 min 9:00-9:30	Registration and Welcome Coffee	
10 min 9:30-9:40	Welcome Remarks and Introduction	Perumal Arumugam, UNFCCC Secretariat Sven Egbers, GIZ
5 min 9:40-9:45	Group photo	UNFCCC Secretariat
30 min 9:45-10:15	Session 1. Global and SIDS Outlook on Carbon Pricing Instruments This session will provide a macro-level overview of the status and trends in carbon pricing instruments worldwide and in SIDS. It will share insights on emerging opportunities, key challenges, innovative design features, regional dynamic, and international cooperation frameworks. Guiding questions: <ul style="list-style-type: none"> • What are the latest trends in the development and adoption of carbon pricing instruments globally? • What innovative design features are emerging and proving effective in different contexts? • How are SIDS currently engaging in carbon pricing, and what distinguishes their context? • What role can carbon pricing play in SIDS beyond emissions reductions, such as unlocking finance, strengthening institutions and supporting adaptation efforts? 	Stefano De Clara, International Carbon Action Partnership (ICAP) (virtual) Carlos Essus, GIZ
45 min 10:15-11:00	Session 2. Aligning Carbon Pricing Instruments with NDCs and LT-LEDS This session will begin with a scene-setting presentation by the UNFCCC Secretariat to explore the strategic role of carbon pricing in achieving climate targets under the Paris Agreement. The presentation will be followed by presentations by government representatives, who will share reflections on how carbon pricing instruments are being integrated into national policy frameworks, including NDC and LT-LEDS. Guiding questions: <ul style="list-style-type: none"> • How can carbon pricing be aligned with national climate goals, such as NDCs and LT-LEDS, to generate broader socio-economic benefits in SIDS? 	Scene-setting: UNFCCC Secretariat Government representatives: Guo Yiran, Singapore Luz Alcantara, Dominican Republic Jason Panui, Papua New Guinea Charles Hamilton, The Bahamas



	<ul style="list-style-type: none">• What institutional or policy challenges are countries facing in integrating carbon pricing in national frameworks?• What are some lessons learned from integrating carbon pricing into national climate strategies?• How can SIDS ensure that carbon pricing mechanisms align with development priorities and their adaptation needs?	
15 min 11:00-11:15	Break	
65 min 11:15-12:20	<p>Session 3. Brainstorming: Opportunities, Challenges and Actionable Solutions for Carbon Pricing Instruments in SIDS context</p> <p>This interactive session will encourage participants to reflect on both the opportunities and challenges associated with the design and implementation of carbon pricing instruments in SIDS. Attendees will collectively identify actionable solutions for carbon pricing implementation in SIDS. Key insights will be shared at the end of session and used to inform future regional collaboration and capacity-building efforts.</p> <p>Guiding questions:</p> <ul style="list-style-type: none">• What potential opportunities could arise from implementing carbon pricing in SIDS?• What are the main technical, institutional and political barriers that SIDS might face when considering the implementation of carbon pricing?• What capacity-building priorities should be addressed to support the effective design and implementation of carbon pricing in SIDS?	<p>Scene-setting presentation: UNFCCC Secretariat</p>
5 min 12:20-12:25	Survey	UNFCCC Secretariat
5 min 12:25-12:30	Final Remarks	UNFCCC Secretariat