

United Nations  
Climate Change



**RCC Latin America**

*Collaboration for Climate Action*

# Regional Dialogue on Carbon Pricing (REDiCAP) Latin America

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22 May 2025

# Agenda

## Opening Remarks

Perumal Arumugam, Manager of Markets and Non-Markets Support and Stakeholder Interaction, Mitigation Division, UN Climate Change Secretariat.

<b>Session 1</b>	<b>Global and Regional Outlook on Carbon Pricing Instruments</b> Camilo Trujillo, LAC Policy Advisor, IETA.
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## Group Picture

<b>Session 2</b>	<b>Aligning Carbon Pricing Instruments with NDCs and LT-LEDs</b> UNFCCC RCCs and Government Representatives (Brazil and Bolivia).
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<b>Session 3</b>	<b>Regional Insights on Carbon Pricing Instruments: Experiences and Lessons Learned</b> Government Representatives (Chile, Colombia, Panama, Mexico, State of California).
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<b>Session 4</b>	<b>Regional Brainstorming: Challenges and Actionable Solutions</b> <b>Discussion Groups and Key Takeaways from ECLAC</b>
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## Closing Remarks and Evaluation

CPA Cochairs (Government of Panama and California)



# Welcome Remarks

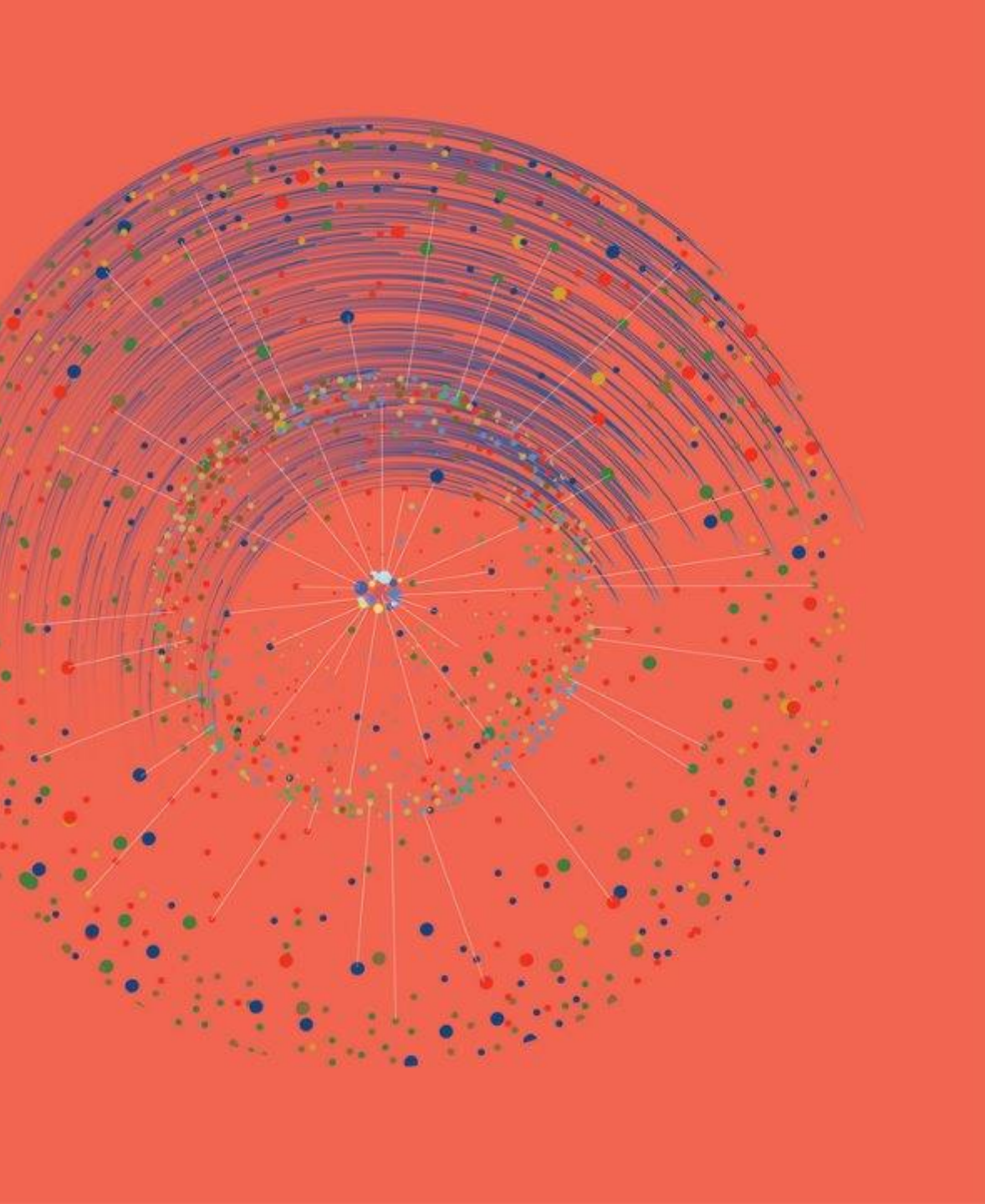


## **Perumal Aurumugam**

Manager of Markets and Non-Markets Support and  
Stakeholder Interaction  
Mitigation Division, UN Climate Change Secretariat







United Nations  
Climate Change



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# **Session 1: Global and Regional Outlook on Carbon Pricing Instruments**

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22 May 2025



# Session 1: Global and Regional Outlook on Carbon Pricing Instruments



**Camilo Trujillo**  
LAC Policy Advisor  
International Emission Trading Association  
(IETA)





22 May 2025

# State of Carbon Markets in LAC

LACCW - REDiCAP

**IETA**







LAC LANDSCAPE

Allow offsets

Offsets not allowed

Carbon Tax



Querétaro - MX



Tamaulipas - MX



Guanajuato - MX



Colima - MX



\*\*



+7 Estados Subnacionales MX

Emissions Trading System



\*



\*

GHG Voluntary Programs



General regulation\*



Art.6

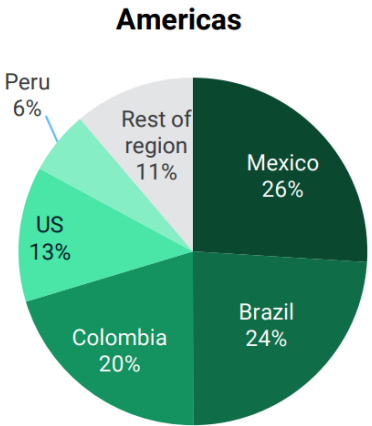
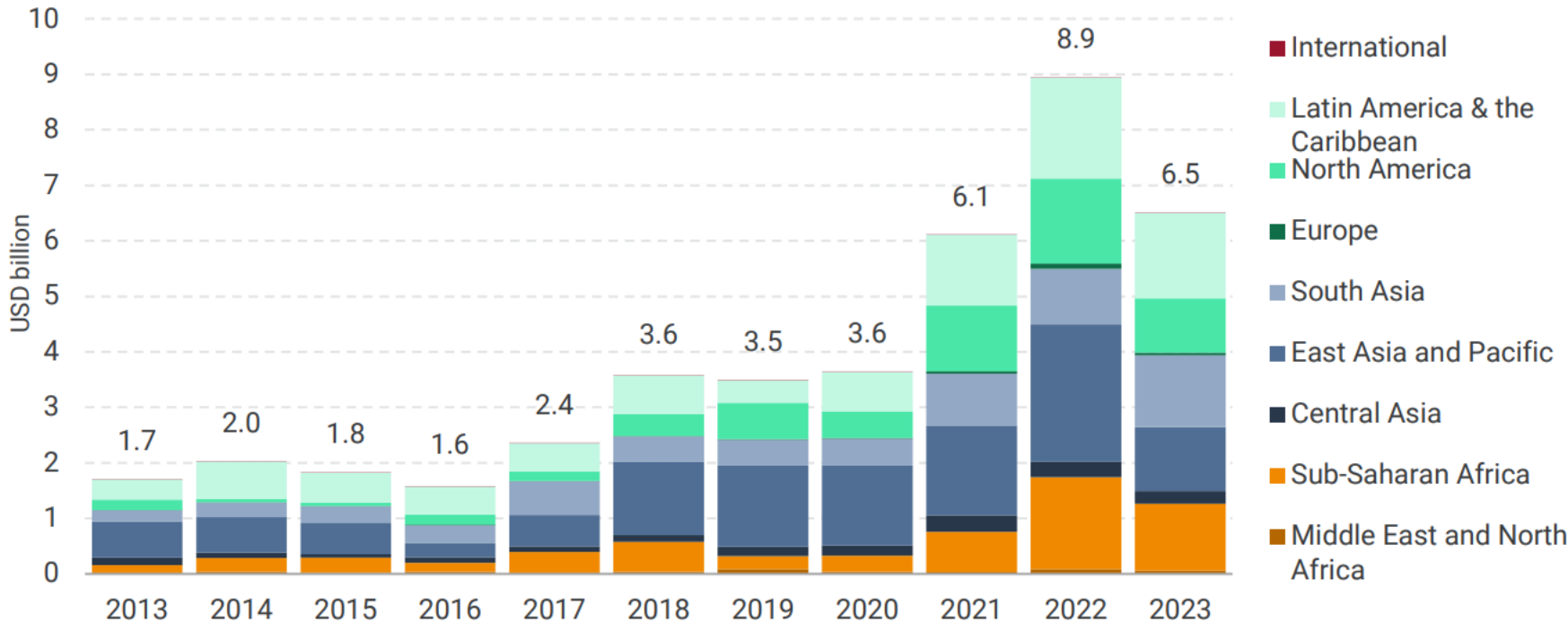


\* Under discussion

\*\* Carbon tax law includes the use of offsets, but it has never been regulated

# PROJECT INVESTMENT BY REGION & LAC MARKET PARTICIPATION (VCM)

Exhibit 5: Annual voluntary carbon-credit project capital expenditure by region



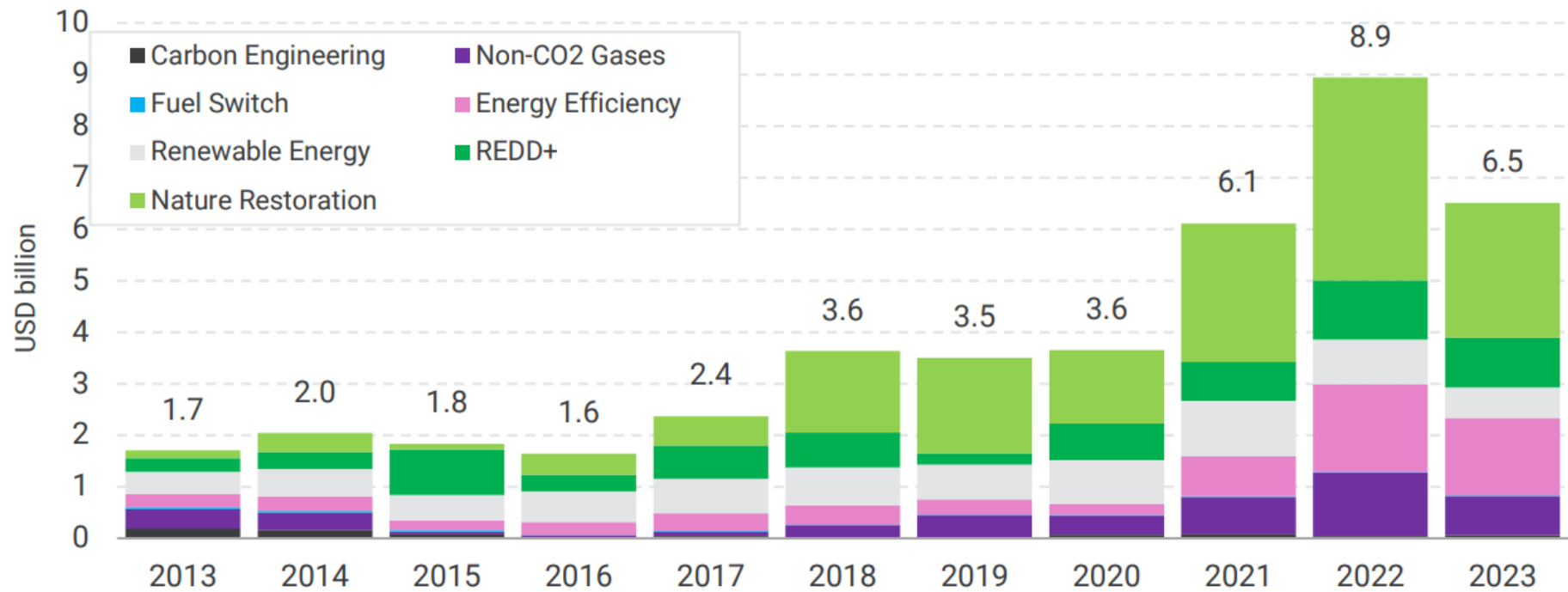
Latin America represents ≈ 23% of issuances and retirements

Data as of Sept. 30, 2024. Source: MSCI Carbon Markets



# ANNOUNCED CAPITAL RAISED AND COMMITTED

Exhibit 7: Annual voluntary carbon-credit project capital expenditure by project type



Data as of Sept. 30, 2024. Source: MSCI Carbon Markets





## Toesca Asset Management and Astarte Capital Partners Forge Strategic Partnership to Launch \$350 Million Regenerative Agriculture Investment Platform in Latin America

December 03, 2024 03:30 AM Eastern Standard Time

LONDON--(BUSINESS WIRE)--Toesca Asset Management, a leading alternative investment manager based in Santiago, Chile, and Astarte Capital Partners, a global investment firm headquartered in London, United Kingdom, specializing in sustainable real assets, today announced a partnership to establish an institutional platform focused on regenerative agriculture investments in Chile and the broader Latin American region.

The vehicle will seek to establish a permanent crop portfolio in Chile, Peru and “other Latin American markets,” according to the statement.

## Colombia's Largest Carbon Project Secures \$100M Backing from Temasek-Owned GenZero and Trafigura

By Jennifer L

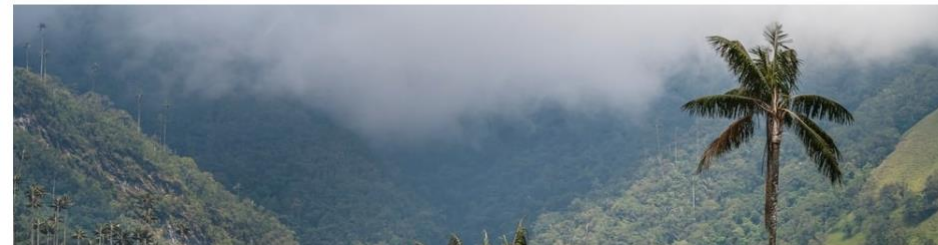
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West African Alliance on  
Carbon Markets and Climate  
Finance (WAA)



Dakar, May 24, 2024

Re: Carbon Markets

Dear SBTi Board of Trustees,

We, as West African Alliance on carbon Markets and Climate Finance (WAA), represent nations in the Global South whose peoples are on the front lines of the fight against climate change. We acknowledge that the Science Based Targets initiative (SBTi) is an influential group that impacts how companies set decarbonization targets. We are aware that the SBTi is currently consulting on the role of carbon markets in abating Scope 3 emissions. For many companies, carbon markets play an important role in setting and achieving their targets. For us in the Global South, carbon markets present a chance at receiving the funds necessary to invest in sustainable development for a just transition, adaptation finance and community livelihood activities. Despite big announcements made in the past, Governments of the Global North have failed to deliver the climate finance for a just transition that they have promised to our nations. The limited climate finance that we have received to date has come via private sector's participation in carbon markets. Companies in developed countries have bought carbon credits from our countries to abate their emissions. Many of these funding has benefited our communities and reduced emissions globally. Participation in these markets aids us in not only achieving the targets set in our current Nationally Determined Contributions but also to raise ambition in subsequent NDCs. To us, carbon markets is climate finance. There is no alternative. We are at a pivotal moment. Under pressure from campaigners in the Global North, business has been turning away from the carbon market. This has a direct and immediate impact on communities, biodiversity and the climate. Revenues from carbon projects support communities living in some of the world's most important natural environments. The SBTi has the power to reverse this damaging trend, by giving the private sector the confidence that investment in markets is a legitimate and robust route to delivering emission reductions and removals at scale. Therefore, we encourage the Trustees to follow through on the April 9th statement from the SBTi Board of Trustees proposing that companies abate Scope 3 emissions through environmental attribute certificates, including voluntary carbon markets. This step is essential in unlocking climate finance, enhancing ambition in Nationally Determined Contributions and supporting achievement of the temperature goals of the Paris Agreement. Opponents of carbon markets must realize that their actions are hurting us in the Global South: misguided activists, more often than not from countries in the North, are undermining the very causes they claim to support. They purport to stand for climate justice, but their actions mean nature is not being protected and funding is not reaching the communities that need it. They occupy the moral high ground on north-south cooperation but simultaneously prevent us from participating in cooperative approaches and other market mechanisms that the north and south agreed to in the Paris Agreement

Alliance Secretariat: SIPRES 2, 250, Sud Foire Dakar (SENEGAL) Tel: +221 77 27 39 39

FOR IMMEDIATE RELEASE

Statement from Global South Community-Based Organizations and Small Businesses in Support of SBTi's Board of Trustees V2

September 24, 2024

Dear SBTi Board of Trustees,

We represent a group of community-based organizations, non-profits and small businesses that work with communities at the front lines of climate change in Colombia, Brazil, Mexico, Peru, Argentina, Tanzania, Kenya, Gabon, Sierra Leone, Cote d'Ivoire, South Africa, India, Indonesia and many other countries across the Global South.

We celebrate the SBTi Board of Trustees' evidence-based decision to recognize the important role that voluntary carbon markets play in driving global climate action. The proposed expansion of SBTi's corporate guidance to include abatement of Scope 3 emissions through environmental attribute certificates means that at long last, funding will finally flow to the communities that are doing the hard work of reducing deforestation loss, restoring grasslands, reforesting mangroves, sequestering carbon in native forests and improving biodiversity for a health planet.

Simply put, if seen through, this brave shift by the SBTi Board will unlock more climate finance for natural assets and local communities in the Global South, accelerating global climate action.

For far too long, our voices have been ignored by the decision makers in London, Brussels, Geneva and New York. For far too long, despite big promises, the governments of the Global North have failed to deliver the requisite funding to the communities. Carbon markets are an important and powerful tool to create the right incentives required to mitigate emissions globally. A business case for the use of credits by businesses to compensate for their emissions is necessary to deliver much-needed finance from the private sector. As we know all too well, we cannot rely on philanthropy alone.

We therefore welcome the statement from the SBTi Board of Trustees and commend the Trustees for listening to our voices and setting a new direction, based not only on common sense, but also on a mounting body of evidence that points to the potential of these markets. We encourage the SBTi staff to set aside their objections and work with the Board – keeping both the mitigation hierarchy, and those of us in the Global South, in mind. The UN climate chief says we have two years to save the planet. We urge the SBTi staff to listen and act pragmatically, and to work expeditiously, to propose guidance to operationalize the Board's direction.

[names of signatory organizations and logos appear on following pages]



FINANCING FOREST LIVELIHOODS  
FOR CLIMATE AND BIODIVERSITY

To the attention of  
Susan Jenny Ehr, Interim CEO, Science Based Targets Initiative (SBTi)  
Alberto Carrillo Pineda, Chief Technical Officer, SBTi  
Tracy Wyman, Interim Chief Impact Officer, SBTi

London, 04.07.2024

Dear SBTi Board of Trustees,

We, the Peoples Forests Partnership (PFP), are writing to request inclusion in discussions on the use and quality requirements of carbon credits from voluntary carbon markets for the abatement of Scope 3 company emissions.

The PFP was formed to support forest communities' call for their right to participate equitably in climate and conservation finance, if they choose to do so, including through voluntary carbon markets. We are currently connecting communities across the Americas from the north of Mexico to the south of Peru, reaching over 120 community organizations across Africa, and are on a path of deeper outreach in Asia. Many of our members have, or intend to develop, projects that they aim to have funded through the sale of carbon credits.

Several letters have been published in response to the announcement of the possible use of carbon credits to meet Scope 3 emissions, including from NGOs, companies, and academics, calling for a reversal of the previous announcement. There have also been letters in support of the SBTi's announcement from the West African Alliance on Carbon Markets and Climate Finance, environmental NGOs, and Global South Community-Based Organizations and Small Businesses. This announcement has polarised opinions between organisations that share the same ultimate goals.

At a time of unspeakable corporate record profits, the pressures our community members are facing in guarding nature are growing by the day. We are concerned that the decision eventually taken by the SBTi could further limit Indigenous Peoples, traditional owners, local and Afro-descendant communities' access to direct finance, without giving them an opportunity to contribute to the discussion. Currently, [less than 1% of climate finance](#) is directly reaching Indigenous Peoples, traditional owners, local communities, and Afro-descendants, despite research consistently finding that these groups are the most effective stewards of natural ecosystems.

We understand the Scope 3 challenge is a complex issue, and there is debate about the most effective way to address Scope 3 emissions. We also agree that any decision to allow the use of carbon credits must support the goals of the Paris Agreement, and that companies must not be delayed from reducing their emissions. However, the scale of reported Scope 3 emissions means that even a small portion of abatement from carbon credits could drive significant finance to our members.

Note: The PFP is on a mission to create direct finance flows to rights-based and community centered nature and biodiversity conservation and restoration activities. As an organization we support the creation of equitable markets and financial instruments for nature-based solutions, but that does not mean that all our member organizations want to get involved in carbon or biodiversity markets. The decision to get involved lies with the communities.



# GLOBAL INITIATIVES ON CARBON CREDITS CLAIMS AND ISSUANCE

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EU Green Claims Directive



**VCMI** Voluntary Carbon  
Markets Integrity  
Initiative

**iC** | THE INTEGRITY COUNCIL  
FOR THE VOLUNTARY CARBON MARKET





# Key points on claims

## Green Claims Directive

- What are the implications of only allowing carbon credit claims for residual emissions?
- What if only removals are allowed?
- What if only removals are allowed within the EU, and what are the implications for LAC?

## SBTi - VCMi

- What are the impacts for LAC if Scope 3 emissions cannot be compensated?
- What are the implications if only beyond value chain mitigation is allowed?
- What if carbon credits cannot be used to meet interim targets?
- What definition of residual emissions will be used?

## ISO Net-Zero

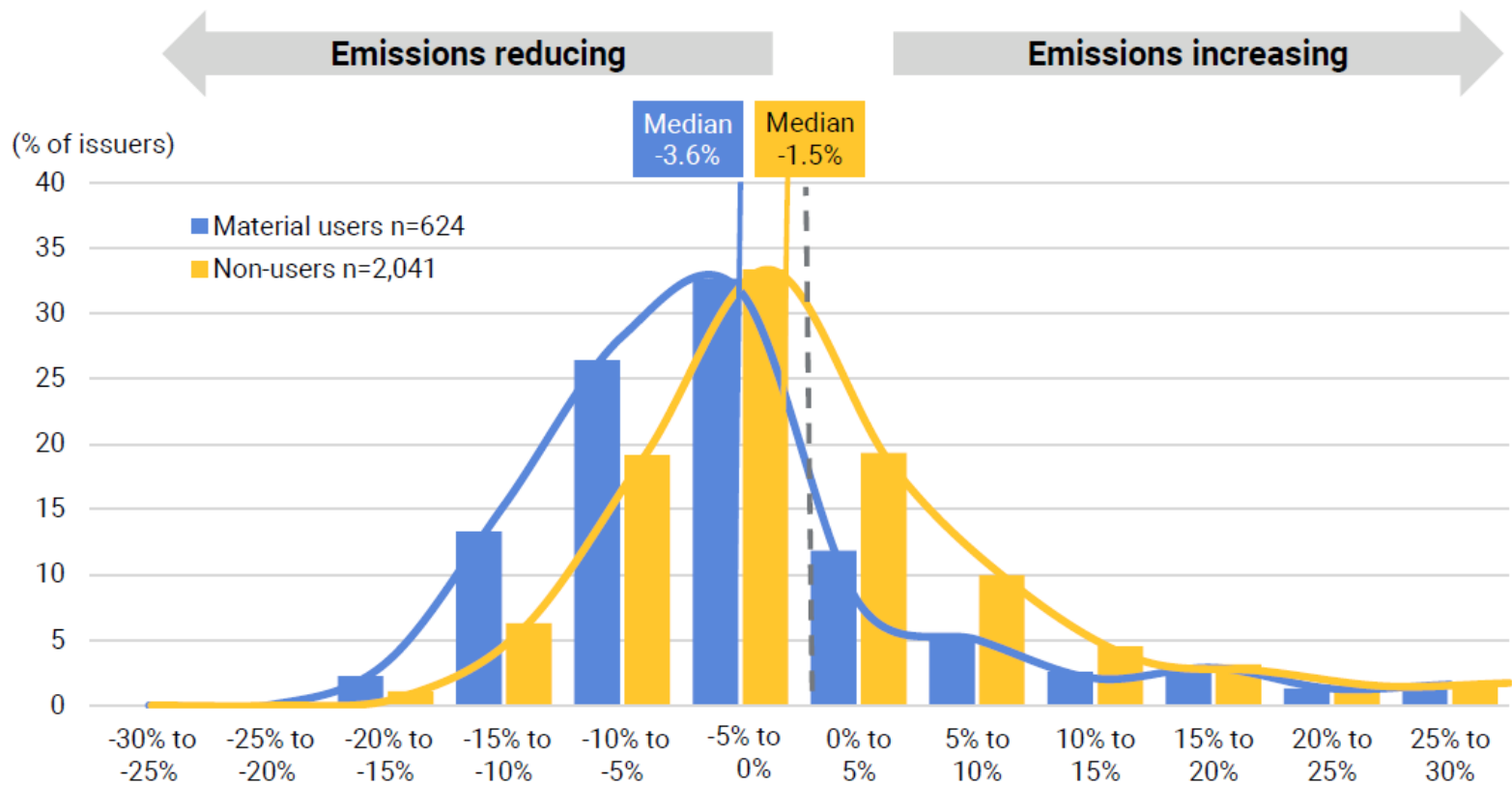
- Will the use of carbon credits be allowed?
- Low participation from the Global South in ISO Net-Zero committees

LAC must  
participate in  
discussions  
and  
consultations



# CARBON CREDITS AND EMISSION REDUCTIONS IN COMPANIES

Exhibit 4: Distribution of annualized change in company-reported gross Scope 1 and 2 emissions for material credit users and non-users, 2017-2022

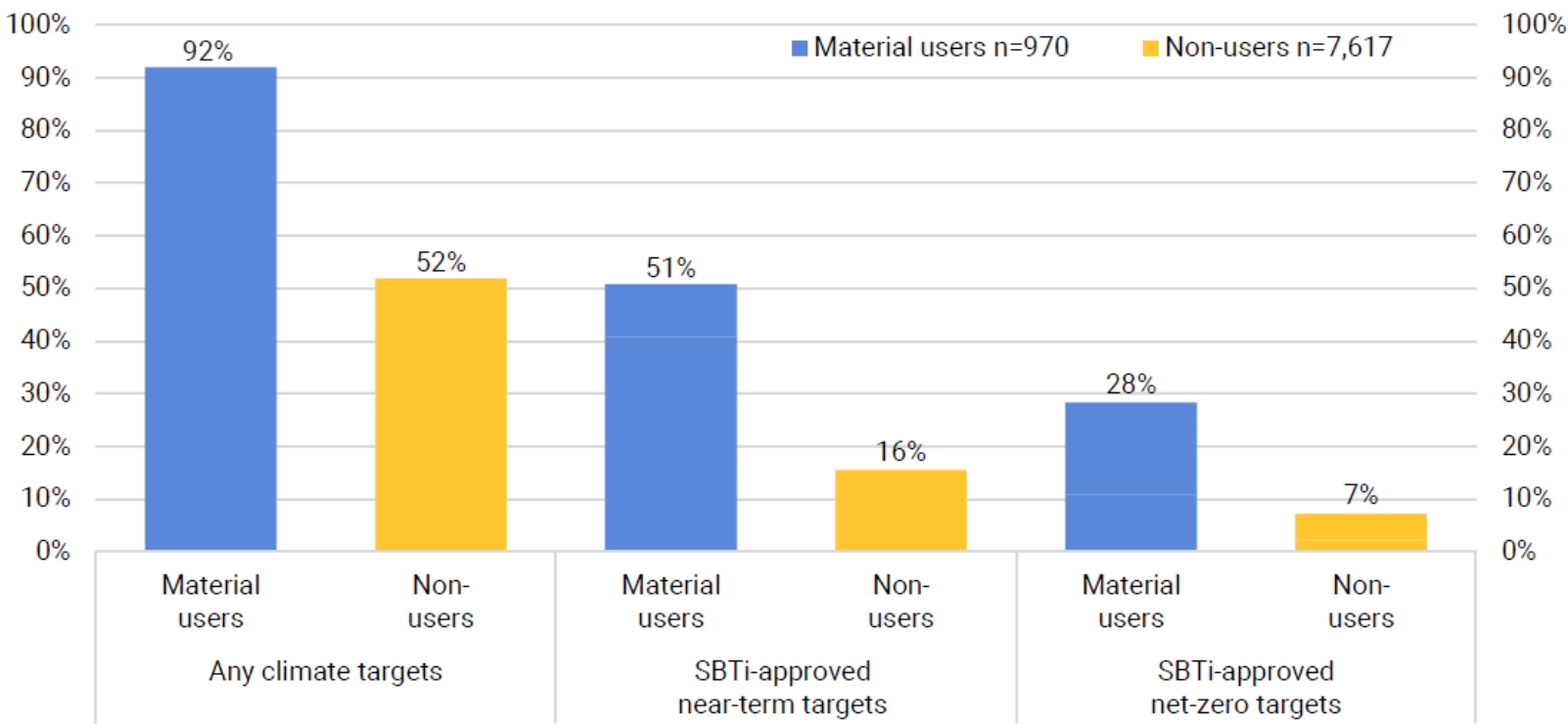


Among the 2.665 companies analyzed, 624 (23%) Were material users of carbon credits. Their median change in reported Scope 1 and 2 emissions between 2017 and 2022 was -3.6%

Data as of July 1, 2024. Only includes firms within the MSCI ACWI IMI that reported their Scope 1 and 2 emissions for every year between 2017 and 2022. Source: MSCI Carbon Markets, MSCI ESG Research

# CARBON CREDITS AND EMISSION REDUCTIONS IN COMPANIES

**Exhibit 10: Proportion of firms setting different types of climate targets**



*Data as of July 1, 2024. Of 970 material users, 10% and 18% committed to set SBTi-approved near-term and net-zero targets, respectively, but have not yet had those targets approved; and of 7,617 non-users, 6% and 5% committed to set SBTi-approved near-term and net-zero targets, respectively, but have not yet had them approved. Source: SBTi, MSCI Carbon Markets, MSCI ESG Research*



# Country Actions and Reactions to EU Carbon Border Adjustment Mechanism (CBAM)

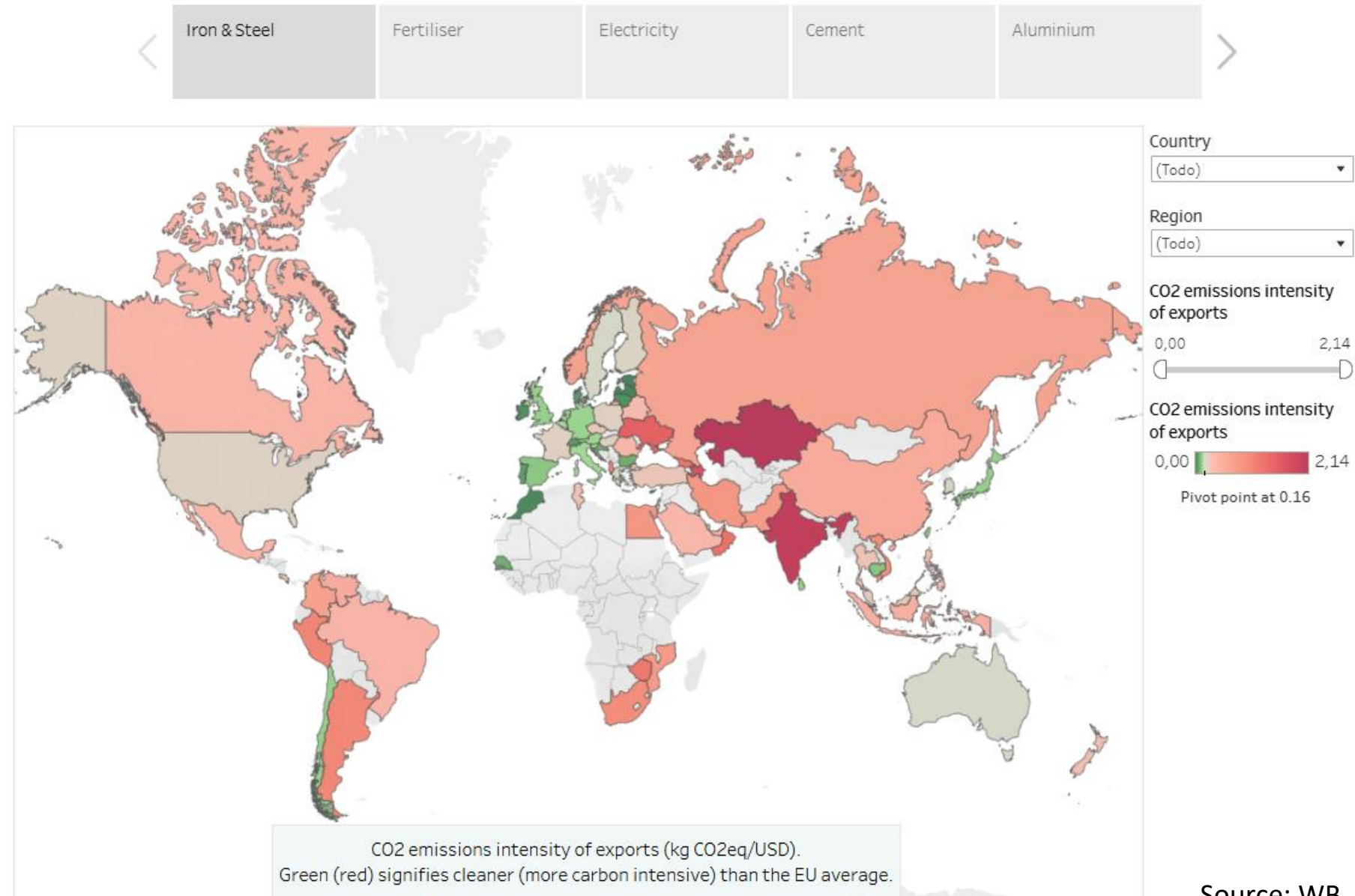
Important to look deeper – countries may oppose, but also hedging with domestic compliance programs



## CO2 Emissions Intensity, by Product

### LAC EXPOSURE TO CBAM

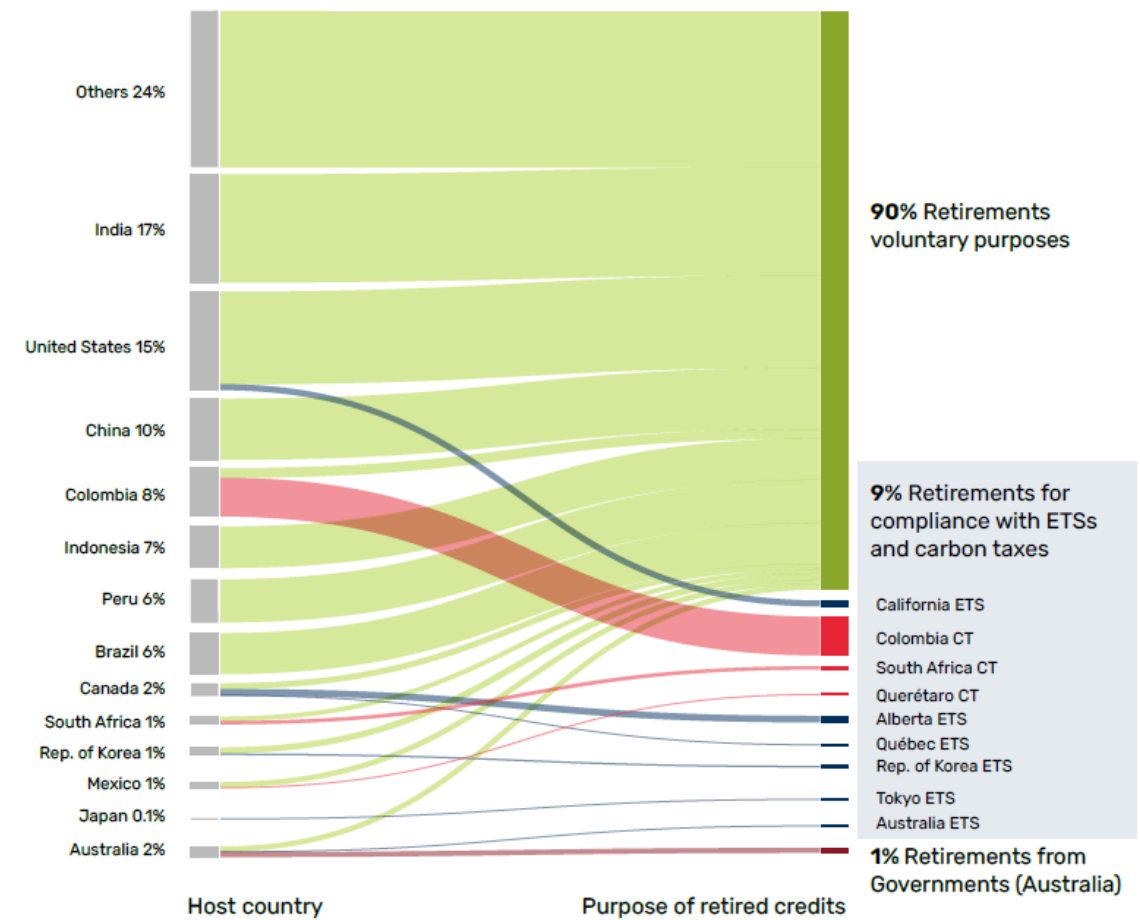
- Review and understand the sectors covered in our countries.
- Recognize LAC compensation systems instead of paying €70.
- Adjust the region's CPI to EU regulations.
- Coordination with other Ministries.
- Build a position as a LAC.



Source: WB

# ISSUANCE ACCORDING TO MARKET

FIGURE 19  
Indicative allocation of retirements by host country to major markets in 2023



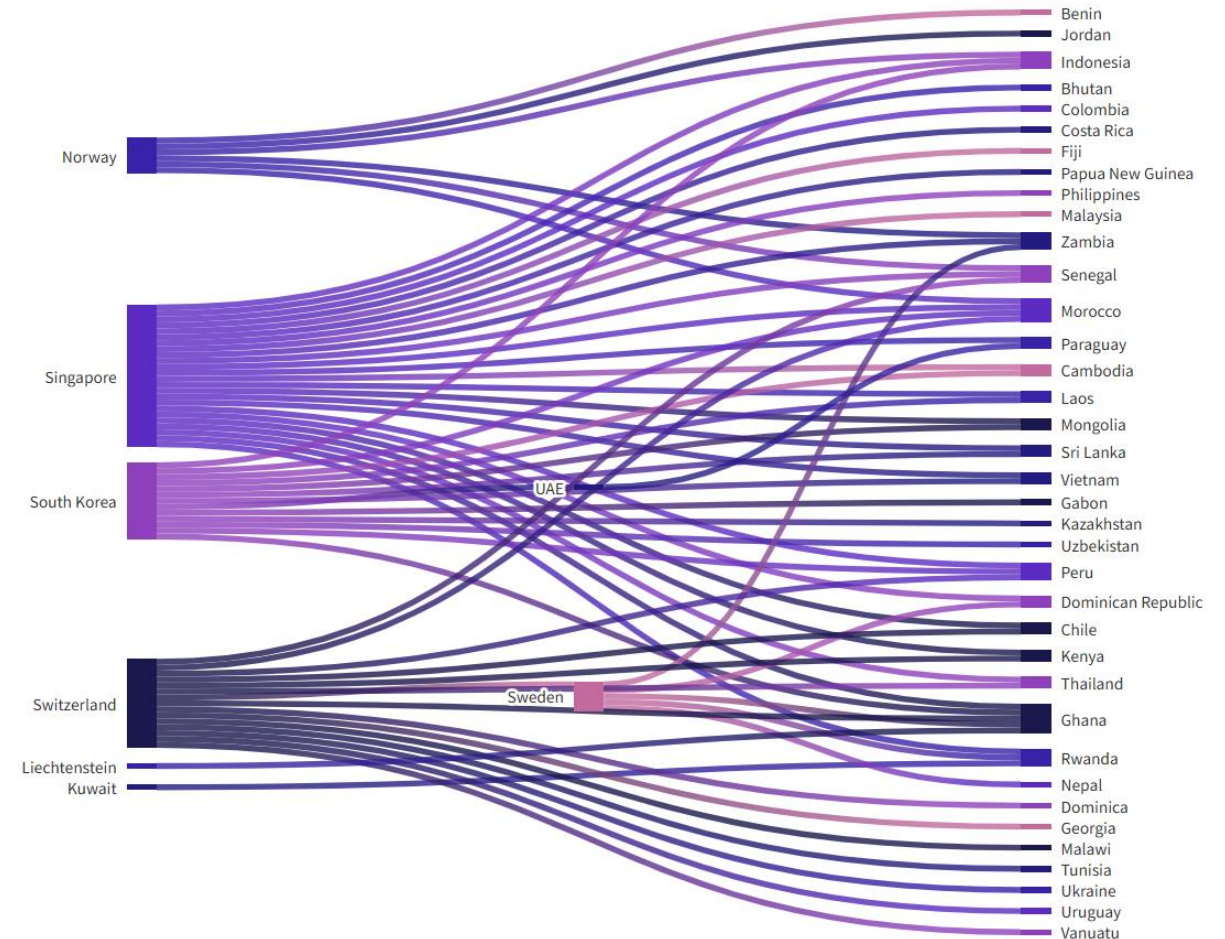
Fuente: Banco Mundial, 2024



# IETA'S GUIDING PRINCIPLES FOR ART.6

Our positions are the outcome of technical consensus-based discussions with experts from IETA member companies and are informed by our key guiding principles for Article 6 implementation, which include:

- Environmental integrity
- Efficiency and simplicity
- Clarity and stability
- Broad participation
- Maximisation of market implementation and usage



# IETA Climate Summits 2025

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EUROPEAN  
CLIMATE  
SUMMIT



L A T I N  
A M E R I C A  
C L I M A T E  
S U M M I T

Sao Paulo – Brasil  
Agosto 26-28



A S I A  
C L I M A T E  
S U M M I T



N O R T H  
A M E R I C A  
C L I M A T E  
S U M M I T







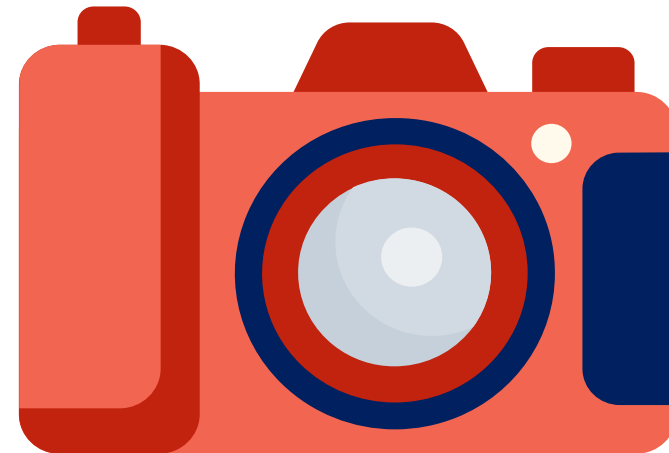
# IETA

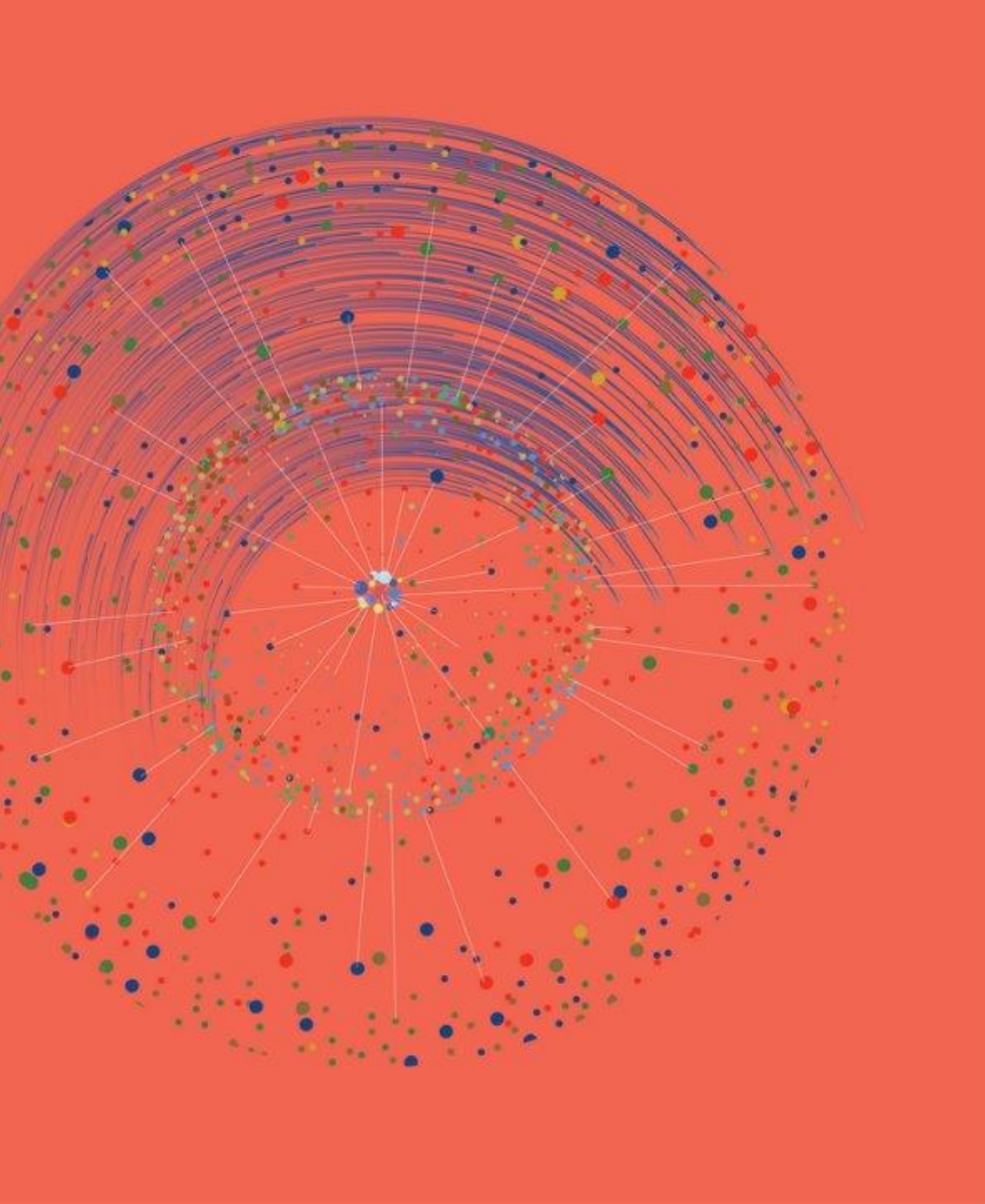
# Gracias

Camilo Trujillo - LAC Policy Advisor

[trujillo@ieta.org](mailto:trujillo@ieta.org)

# Group Picture





United Nations  
Climate Change



**RCC Latin America**

*Collaboration for Climate Action*

# **Session 2: Aligning Carbon Pricing Instruments with NDC's and LT-LEDS**

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22 May 2025

# Session 2: Sharing Experiences

## Aligning Carbon Pricing Instruments with NDCs and LT-LEDs



**Martin Rabbia**  
UN Climate Change RCC Caribbean



**Marina Moreira**  
Brazil



**Sergio Bowles**  
Bolivia





# Carbon pricing in NDCs and LT-LEDs

Carbon pricing is increasingly present in NDCs and LTSs—but often without clear articulation of implementation or trajectory



**Brazil NDC:** Embeds a tax reform and the Emissions Trading System within the Ecological Transformation Plan.



**Chile LT-LEDs:** Detailed reference to the green tax and its compensation system.



**Colombia LT-LEDs:** Signals that ETS is part of long-term strategy; carbon neutrality may involve sectoral compensation and markets



**Costa Rica LT-LEDs:** Proposes Green Tax Reform and fossil fuel subsidy removal.



**Mexico LT-LEDs:** Highlights carbon pricing as a crosscutting issue for long-term climate policy, with a carbon tax and cap-and-trade under exploration.



**St. Lucia NDC:** Exploratory mention of cap-and-trade and Article 6 mechanisms



# How to enhance clarity of carbon pricing references in NDCs?

## 1. Scope & Sectoral Coverage

What gases and sectors are covered?

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## 2. Instrument Design & Price Trajectory

What mechanism is used?  
How is pricing structured over time?

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## 3. Institutional Readiness & MRV

Are institutions and systems in place to govern and track the system?

---

## 4. Implementation Timeline & Long-Term Alignment

What is the implementation pathway and link to 2050 goals?

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## 5. Co-Benefits & International Linkages

How does it support just transition, use revenues, and engage with Article 6?

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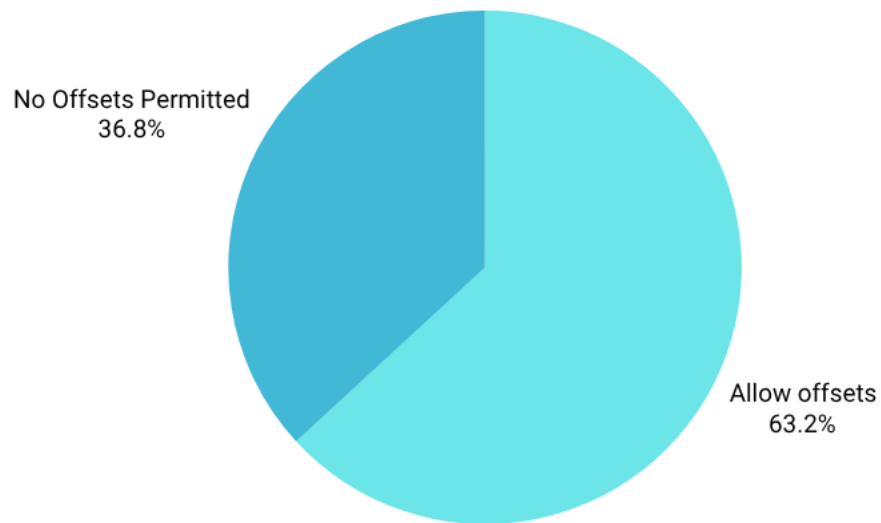
# Article 6 - Carbon pricing synergies

"The Article 6 outcomes from COP 29 open possibilities for greater international cooperation in the future"

24/38

Of ETSs allow the use of offsets, with South Korea being the only one accepting international credits.

Source: ICAP Status Report 2025

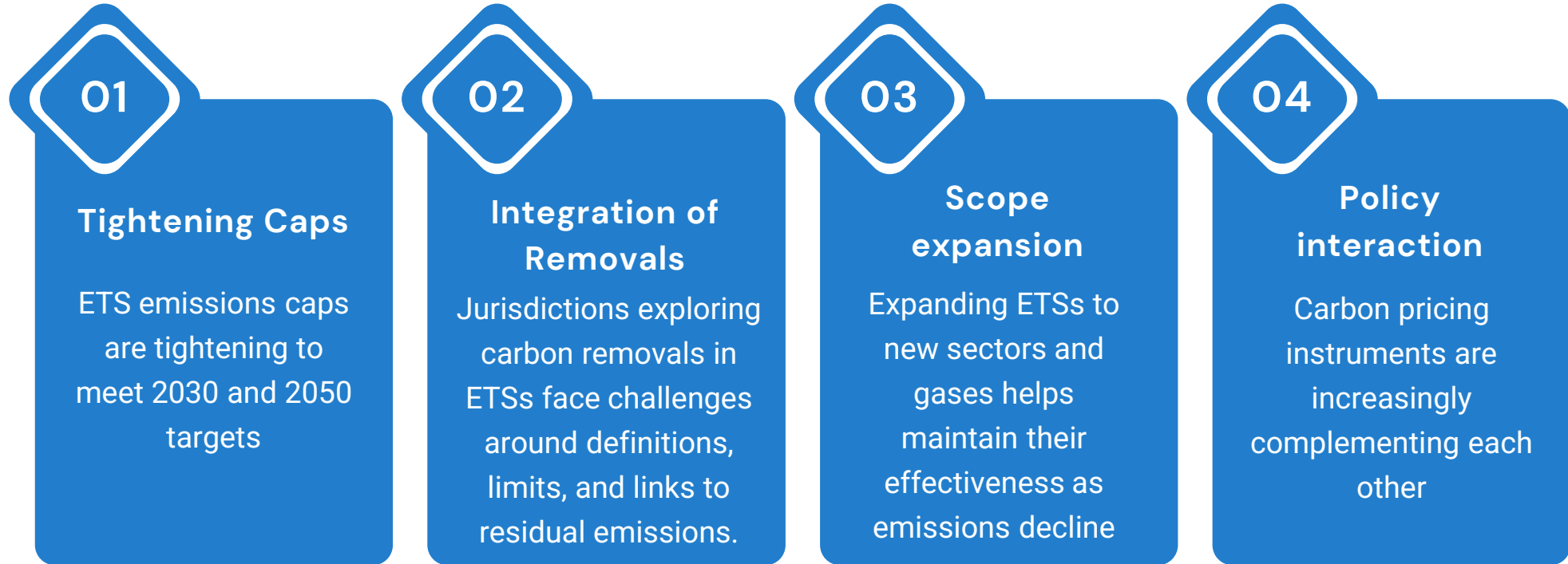


**BRAZIL  
CASE**

**Verified Emissions Reduction/Removal Certificates may be authorized for international transfers under Article 6.**

**Status: Established 2024**

# Future Directions: Making Carbon Pricing Fit for Net-Zero



Source: ICAP Status Report 2025



# **Regional Dialogues on Carbon Pricing (REDiCAP) 2025: Brazilian Emissions Trading System (SBCE)**

**Marina Pittella**  
**Secretariat of Climate, Energy and Environment**  
**Ministry of Foreign Affairs of Brazil**

MINISTÉRIO DAS  
RELAÇÕES  
EXTERIORES



# INTRODUCTION

- SBCE (Law 15.042, December 2024): cap and trade system – emissions caps for regulated sectors.
- SBCE to support the implementation of the National Policy on Climate Change.
- Primary agricultural production is excluded as well as goods and infrastructure linked to these activities on rural properties.
- Brazil established a NDC with goals to reduce emission from 59% to 67% below 2005 levels and reach climate neutrality until 2050.
- The SBCE will provide a pathway to cost-effectively reduce emissions across sectors while promoting technological innovation and investment in decarbonization solutions.



- Two financial assets: Verified Emissions Reduction or Removal Certificates (CRVE) and “Brazilian Emissions Quota” (CBE).
- Maximum limit on total emissions of covered sectors. Regulated entities can trade emission allowances.
- The Brazilian system will incorporate carbon credits from the voluntary market – eligible for conversion in CRVEs.
- Phased implementation approach: SBCE should be operational in 4 to 5 years – market readiness.

# SBCE Phases

01

**Phase 1:**  
**Regulatory development 1-2 years**

02

**Phase 2:**  
**Year 3: regulated entities establish emission monitoring and reporting (MRV)**

03

**Phase 3:**  
**Year 4-5: Regulated entities under reporting and monitoring obligations (no conformity obligation)**

04

**Phase 4:**  
**Implementation of the 1st National Allocation Plan, distribution of CBEs ( free allowances allocation)**

- Entities emitting over 10,000 tCO<sub>2</sub>e must submit annually monitoring plans and annual emissions reports.
- Entities exceeding 25,000 tCO<sub>2</sub>e are additionally required to reconcile emissions with allocated CBEs or Verified Emission Reduction or Removal Certificates (CRVEs).
- Sectoral caps to be defined by the National Allocation Plan, which will also define the overall emissions cap; the allocation of allowances; limits for compensations (maximum allowable percenter of CRVEs; price and market stabilization mechanisms.
- Allocation: 100% of free allocation initially, auctions to be introduced in the initial stage.
- MRV: regulated entities will need to submit a monitoring plan for each compliance period, beyond annual report of verified emissions
- Revenues (allowance auctions and non-compliance fees): at least 15% for the operationalization and maintenance of the SBCE; at least 75% of revenue for the National Fund for Climate Change.

- Governance: Interministerial Climate Change Committee oversees the SBCE. System is operated by a management body, to be established.
- Eligible activities should use methodologies accredited by the SBCE management body and registered in the SBCE Central Registry.
- SBCE acknowledges various removal activities, such as afforestation, reforestation, and carbon capture and storage, as eligible for generating CRVEs.
- Integration removals: SBCE incentivizes investments in negative emissions technologies and nature-based solutions, contributing to Brazil's climate neutrality goals.



- **Synergies with Article 6:**

CRVEs may be eligible for international transfers as ITMOs under Article 6.2 subject to formal authorization by the designated national authority and corresponding adjustments.

- **Socioeconomic and Environmental Safeguards**

The legislation incorporates safeguards to ensure equitable participation and benefit-sharing:

- at least 5% of SBCES revenues for indigenous peoples and traditional communities to compensate them for forest preservation and ecosystem services

- **Indigenous and Traditional Communities:** Entitled to a significant share of carbon credits generated from projects on their territories—50% for conventional projects and 70% for REDD+ initiatives.

# Thank you

**Marina Pittella**

[marina.pitella@itamaraty.gov.br](mailto:marina.pitella@itamaraty.gov.br)

[ncc@itamaraty.gov.br](mailto:ncc@itamaraty.gov.br)

MINISTÉRIO DAS  
RELAÇÕES  
EXTERIORES





ESTADO PLURINACIONAL DE  
**BOLIVIA**  
MINISTERIO DE  
MEDIO AMBIENTE Y AGUA



# BOLIVIA: HEART OF THE AMAZON GUARDIANS OF THE CHIKUITANO FOREST

# ▶▶▶ BOLIVIA IS NOW OPEN TO CARBON MARKETS

CONSTITUTIONAL JUDGMENT 0040/2024

**SUPREME DECREE N° 5264**



*Promotes compliance with and enhance the ambition of the commitments made by the Plurinational State of Bolivia on Climate Change, through the Nationally Determined Contributions (NDC).*

*New legal framework for the implementation of new climate finance mechanisms in Bolivia, such as:*

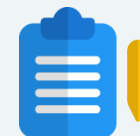
- ✓ **Results-Based Payments (RBP/REDD+).**
- ✓ **Transfer of carbon credits / ITMOs (Internationally Transferred Mitigation Outcomes).**
- ✓ **The issuance of green or thematic sovereign bonds.**
- ✓ **Debt swaps for nature or climate action.**

## THE BOLIVIAN NATIONAL REGISTRY FOR CARBON PROJECTS (RENAPP)

Ministerial Resolution No 066/2025



***Filtering Voluntary Market Initiatives***



***Coordination and Prevention of Double Accounting***



***Facilitating Carbon Trade***



***Monitoring and Verification***



***Attracting Investment and Climate Finance***



# ▶▶▶ UNFCCC ENABLING CRITERIA



## Forest Reference Emission Level (FREL)

The FREL represents the baseline against which countries are evaluated for forest emissions. **(Version 1.0 was communicated in 2023; we currently stand at version 3.0)**



## National Forest Monitoring System (MRV)

This system will enable decision-making based on verified and reported information to the UNFCCC. **(Operational and currently influencing forest sector policy decisions)**



## Safeguards Information System (SIS)

The SIS will provide information on how safeguards are addressed and respected within the country. **(There is a UNDP safeguard diagnosis and a Safeguards National Plan which is the basis for the future SIS)**



## Benefit Distribution Mechanism

Incentives specifically designed to address challenges in forest conservation (Ongoing FPIC)



## REDD+ Action Plan to Combat Deforestation and Degradation

**(The document will be unembargoed august 2025)**





# ▶▶▶ A NEW REGULATORY FRAMEWORK AND UNFCCC ENABLING CRITERIA WILL PROVIDE:

## MEANS TO UPHOLD CONSTITUTIONAL PRINCIPLES

The Central Government assumes control over Emission Reduction Units (UREs) through the **National Registry of Programs and Projects (RENAPP)**, covering both public and private initiatives, national and international, under the framework of **Supreme Decree N° 5264**.



## SOCIAL & ENVIRONMENTAL SAFEGUARDS

Through the upcoming **National Safeguards Information System (SIS)**, the state ensures the protection of Indigenous rights, integrating safeguards to prevent harm to communities and ecosystems during project implementation.



## A POSITIVE BENEFIT DISTRIBUTION MECHANISM

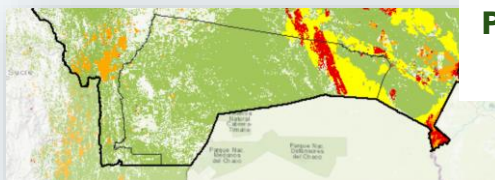
**Co-construction of territorial incentives and investment programs** to eradicate poverty, invest in agroforestry value chains, non-timber forest products, and strengthen capacities for centralized governance.

In addition, ensuring continuous improvement in the state's ability to monitor and review projects, as well as oversee and enable international verifications. These measures guarantee that international communications secure certifications and higher compensations for mitigation actions, aligning outcomes with global climate goals.

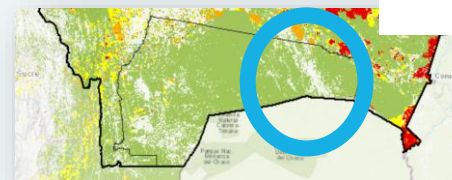


# ▶▶▶ IMPROVEMENT ACTIONS

## GOVERNMENT, AUTONOMOUS INDIGENOUS ORIGINARY OF CHARAGUA IYAMBAE



**PERIOD: 2019 -  
2021**



**YEAR: 2023**

### Deforestation and Forest Degradation

- ✓ 2019-2021 Period: Major fires (high carbon dioxide [CO<sub>2</sub>] emissions).
- ✓ 2023 Management: Fire control and prevention (emissions reduction of approximately 10 million TCO<sub>2</sub>e = carbon credits to be financially offset).
- ✓ Preliminary calculations using the ART-trees standard guarantee that carbon emissions reductions for 2023 would represent at least 10 – 13 Millon high integrity credits.
- ✓ In April 2025, the concept note was submitted to the ART-trees registry for review and subsequent approval.

### BOLIVIA SEEKS TO REGISTER CREDITS

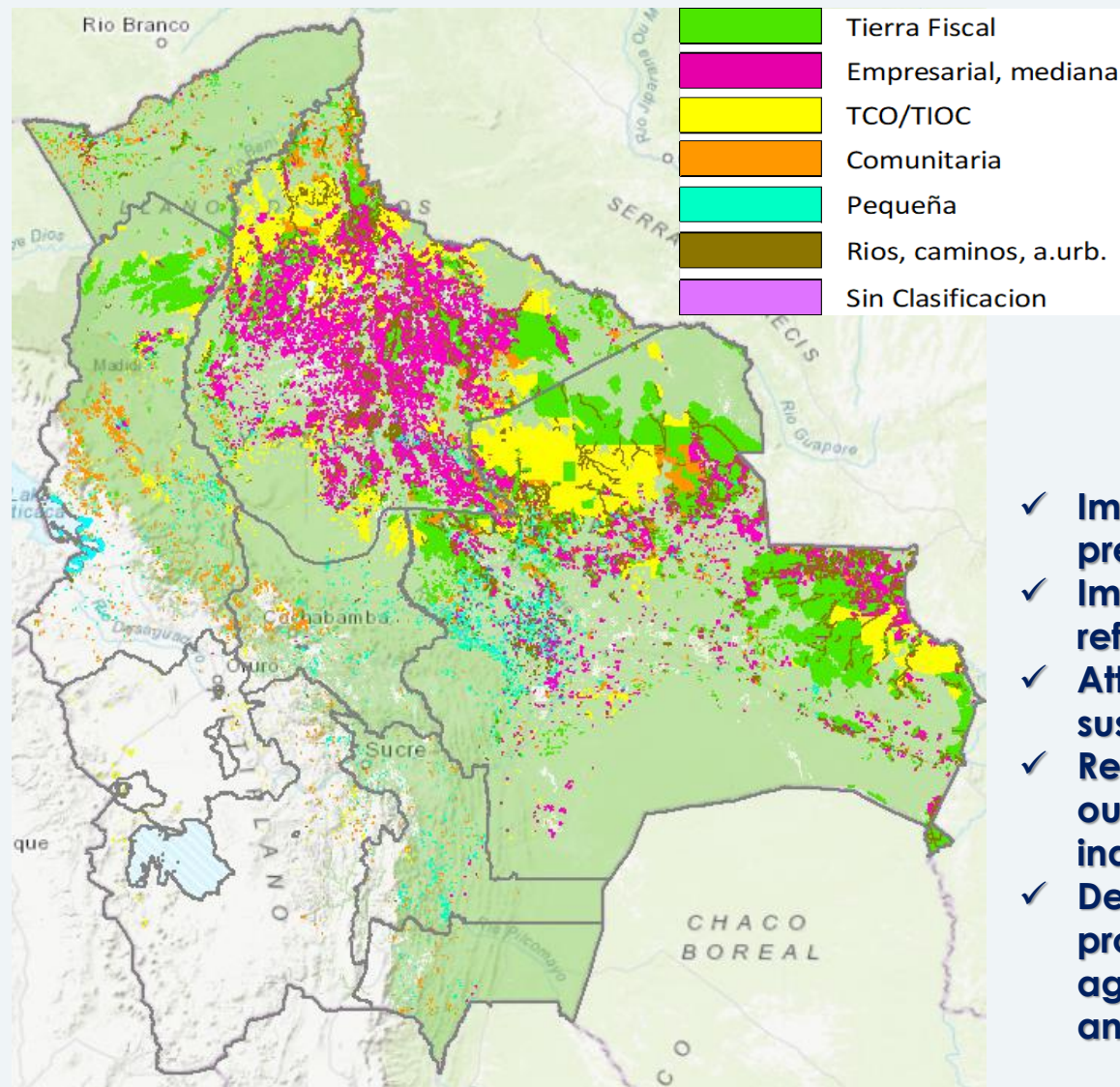
#### AS A RESULT OF 2023 MITIGATION ACTIONS

POSIBLE CREDITS (Charagua mitigation actions)	YEAR
10-13 MILLON HIGH INTEGRITY CREDITS	2023

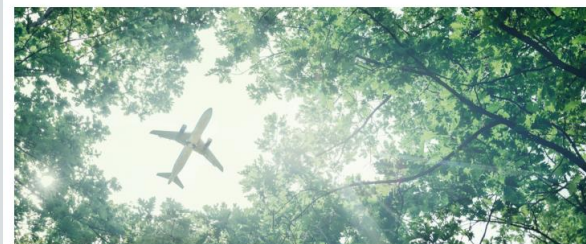
**ONE OF THE FIRST CO-EMMISSIONS OF  
HIGH INTEGRITY CREDITS WITH AN  
AUTONOMOUS INDIGENOUS TERRITORY IN  
THE WORLD**



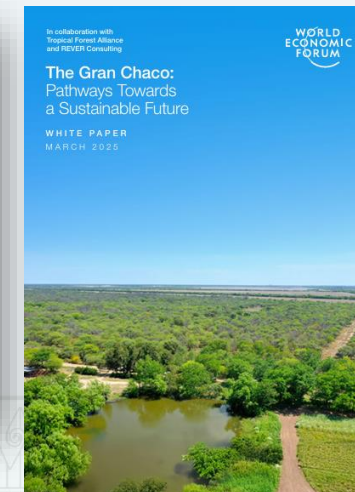
# NEXT PHASE INITIATIVES



Guyana es ejemplo a seguir por el resto del mundo en compensación de emisiones de carbono



La Organización de Aviación Civil Internacional (OACI) celebra el histórico anuncio del Gobierno de Guyana, que ha autorizado unidades de emisión de carbono para su uso en el Plan de compensación y reducción de carbono para la aviación internacional (CORSIA) para el período de cumplimiento 2024-2026.



- ✓ Implementation of the fire prevention plan.
- ✓ Implementation of the reforestation plan.
- ✓ Attracting climate finance and sustainability.
- ✓ Replicate the actions carried out in Charagua in other indigenous territories of Bolivia.
- ✓ Development of programs and projects in the energy, agricultural, industrial, water and solid waste sectors.

Ministerio del Ambiente

**Perú y Singapur firman acuerdo que promoverá proyectos de inversión para reducir emisiones de carbono**

Nota de prensa

Firma estuvo a cargo del ministro del Ambiente, Juan Carlos Castro y su homóloga de Singapur, Grace Fu y significa un importante hito en la estrategia país contra el cambio climático.



1 de abril de 2025 - 1:04 p. m.





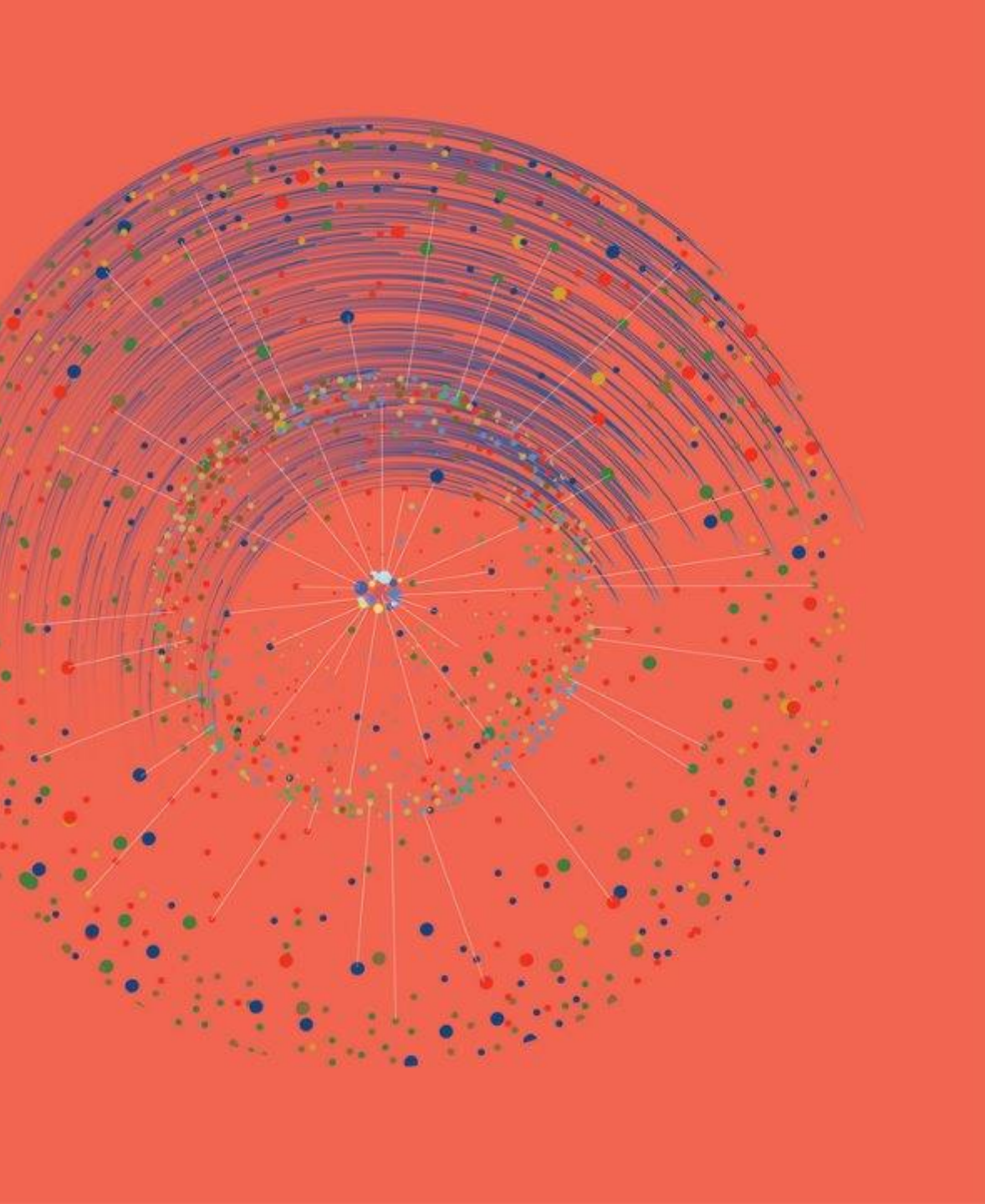
ESTADO PLURINACIONAL DE  
**BOLIVIA**  
MINISTERIO DE  
MEDIO AMBIENTE Y AGUA



**THANKS**







United Nations  
Climate Change



**RCC Latin America**

*Collaboration for Climate Action*

# **Session 3: Regional Insights on Carbon Pricing Instruments**

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22 May 2025

# Regional Insights on CPIs: Experiences and Lessons learned



**Cristina Figueroa**  
Chile



**Angela Rodríguez**  
Colombia



**Javier Martínez**  
Panama



**Andrea Hurtado**  
Mexico



**Mark Sippola**  
California



# Carbon Pricing and Carbon Markets in Chile

Cristina Figueroa

Carbon Pricing and Carbon Markets Coordinator

Ministry of Environment



# LEGAL FRAMEWORK FOR CARBON PRICING AND **CARBON MARKETS**

## NATIONAL INSTRUMENTS

### REGULATED SYSTEM

GREEN TAX AND ITS OFFSETTING  
SYSTEM  
(Tributary Reform)

EMISSION STANDARD AND ITS  
OFFSETTING SYSTEM  
(Art15 LAW 21.455)

### VOLUNTARY SYSTEM

CARBON NEUTRALITY CERTIFICATE  
(Art 30 LAW 21.455)



## INTERNATIONAL INSTRUMENTS

### ARTICLE 6 PARIS AGREEMENT

ART 6.2 COOPERATIVE APPROACH  
(Art15 LAW 21.455)

ART 6.4 PACM  
(Art15 LAW 21.455)

# GREEN TAX IMPLEMENTATION



## KEY CONSIDERATIONS:

- Progressive implementation of the green tax.
- Modification of allocation criteria: change from thermal power to emissions level.
- Coverage close to 30% of GHG emissions, mainly from the energy generation sector.

## CHALLENGES

- Difficulty of updating tax rate to new estimates of Social Cost of Carbon.
- Design should consider frequency of updating or indexing the rate.
- Modification of impact criteria reflects the level of MRV implementation.
- Carbon tax has both environmental and fiscal effects: objectives should be balanced.



# EMISSION STANDARDS AND ITS OFFSETTING SYSTEM

## Demand (-)

Regulated entity



Certificados



## Offer (+)

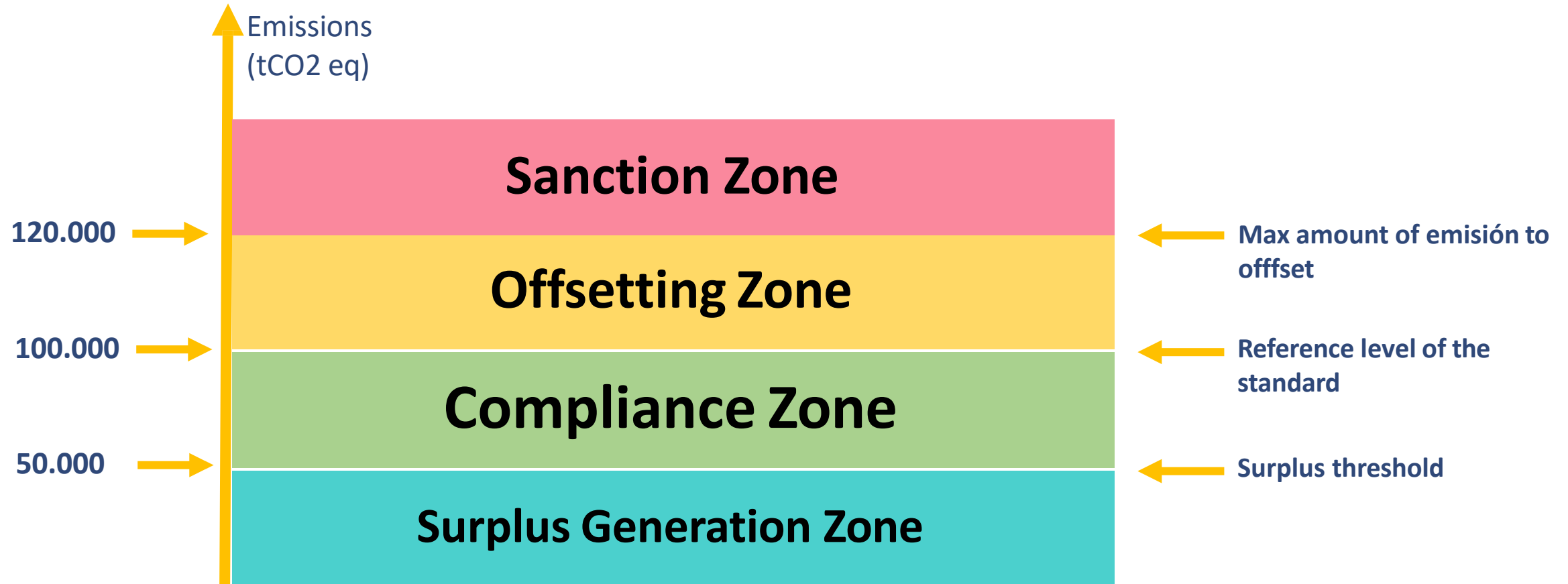
Emission reductions or  
removals certificates

Surplus units

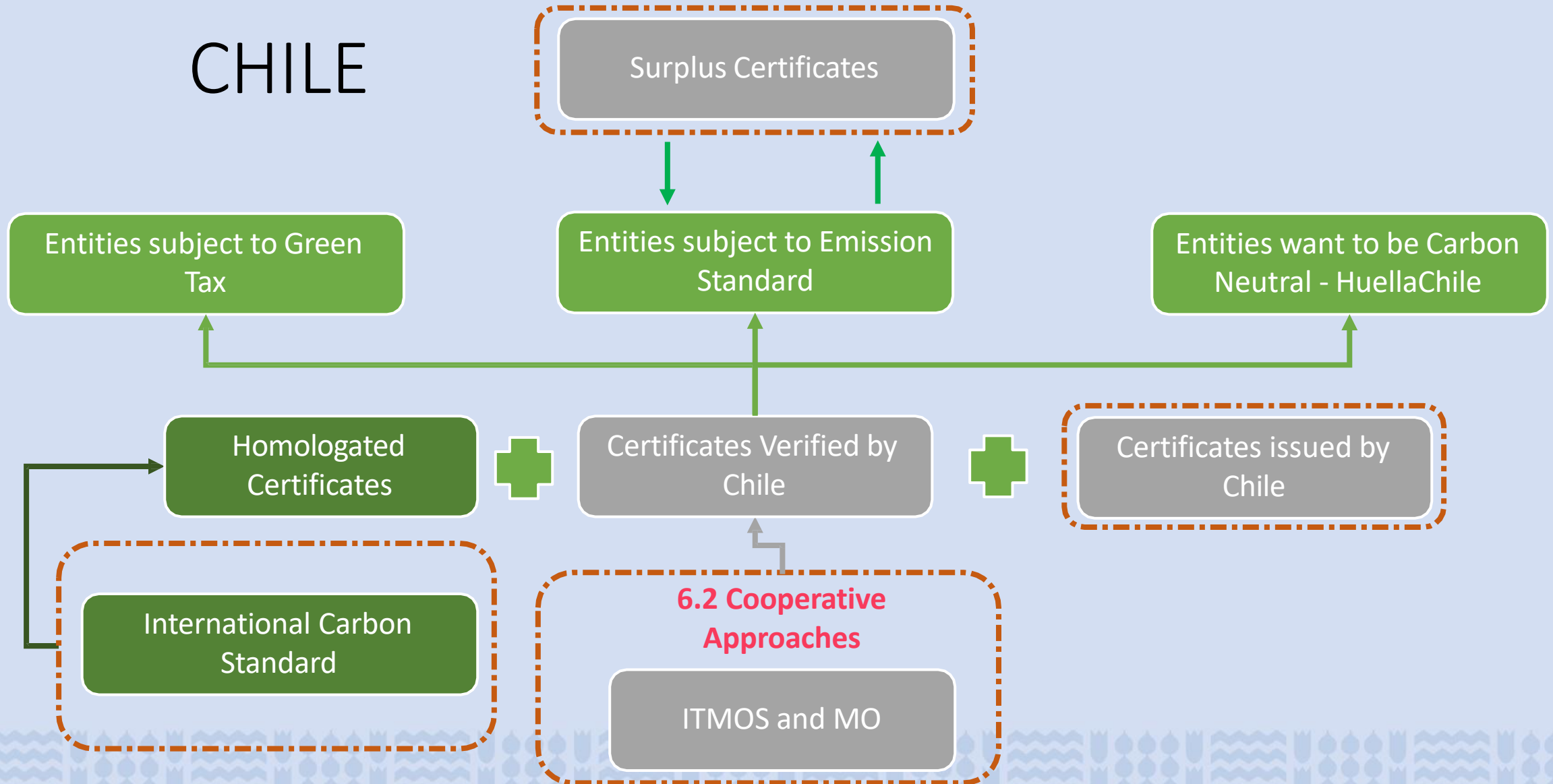
### KEY CONSIDERATIONS:

- Regulation for emission standard development: entities, dynamics and thresholds
- Regulation how to homologate certificates and use certificates to comply with emission standards

# EMISSION STANDARDS AND ITS OFFSETTING SYSTEM



# CARBON MARKETS INSTRUMENTS IN CHILE







# National Carbon Market

May 2025





**Ambiente**



# **Regional Insights on Carbon Pricing Instruments: Colombia's experience and Lessons Learned**



# Content

**1**

Carbon pricing snapshot

**2**

Role of CPI in achieving NDC goals

**3**

Interaction with Article 6

**4**

Challenges and lessons learned

# Carbon Pricing Snapshot



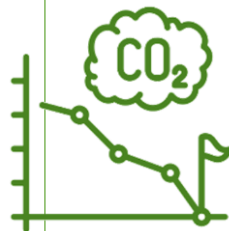
## Carbon Tax

- Coverage  $\approx$  18% of total national emissions
- Fee in 2025 6,3USD/tCO<sub>2</sub>e - Yearly update (inflation +1)
- funds collected are earmarked



## Exemption mechanism (offsetting)

- Optional benefit to partially waive the carbon tax (<50%)
- Upfront offsetting with eligible carbon certificates - social and environmental integrity
- Private funds directed towards mitigation initiatives



## PNCTE - National Tradable Emissions Quota Programme

- Created in Law 1931 of 2018
- Under regulation - General Decree publicly consulted in 2024
- Mandatory Reporting of Emissions (ROE) under regulation - reporting inputs for PNCTE

## Role of CPI in achieving NDC goals

### 4 mitigation main targets

- 148 mitigation action:
  - 32 national, 24 private sector, 89 sub-national, and 3 black carbon

### 30 adaptation targets

- 113 indicators on threat, sensitivity and adaptive capacity
- 6 components: food security, water resources, biodiversity and ecosystem services, human habitat, health and infrastructure

### Means of Implementation

- 5 areas:
  - Planning
  - Education, training and awareness raising
  - Information, science, technology and innovation
  - Financing and economic instruments
  - Capacity building and strengthening

**Carbon Tax:** Cross-cutting measure.  
Mitigation potential: 0,73 MtCO<sub>2</sub>eq

**PNCTE:** Fully  
implemented by 2030



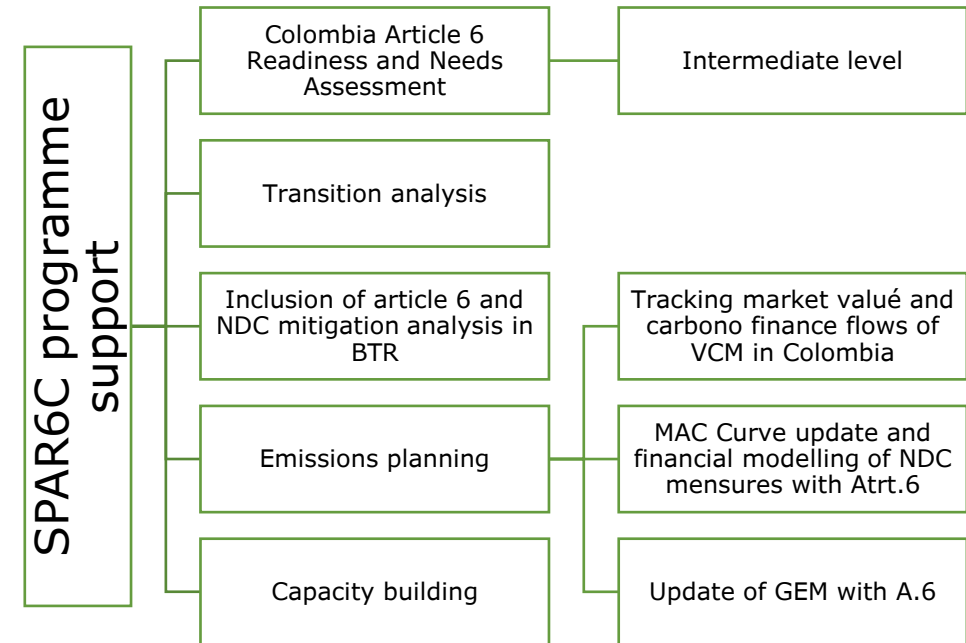
# Article 6 Readiness

Colombia's NDC states intention to participate in Article 6 mechanisms in PA

- Use of cooperative and market-based approaches (Art.6.2) to meet its net-zero deforestation target

Specific national regulations for Article 6 implementation under development

- Country's expertise and a learning curve supports readiness for Article 6 engagement
- stakeholder roles
- eligible activities
- procedures
- Integrity and transparency criteria



# Challenges and lessons learned

## Challenges

- institutional and stakeholder capacity building for **PNCTE 1st phase** implementation.
- Collection of corporate emission inventory data (**ROE in place**).
- Strengthening **monitoring and control** to promote integrity improvements - social and environmental integrity.
- **Sufficient carbon price tariff** for behavioural and economy-wide transformations.
- Mitigation outcomes tracking and recording.

## Lessons learned

- **Robust** mitigation and finance **MRV**.
- Quantification methodologies criteria for **consistency in accounting**.
- **Compliance** monitoring and enforcement points with **inter-institutional articulation**.
- **Strengthen** institutional, regulatory and technological **infrastructure** to promote environmental integrity.



**Ambiente**





# National Carbon Market

May 2025

# How is Panama's National Carbon Market currently structured?





# What is the current status of the National Carbon Market?



**Component #1 - Reduce Your Carbon Footprint Corporate - Carbon operational (4th cycle).**



**Component #2 - National Greenhouse Gas Emissions Compensation System under development.**

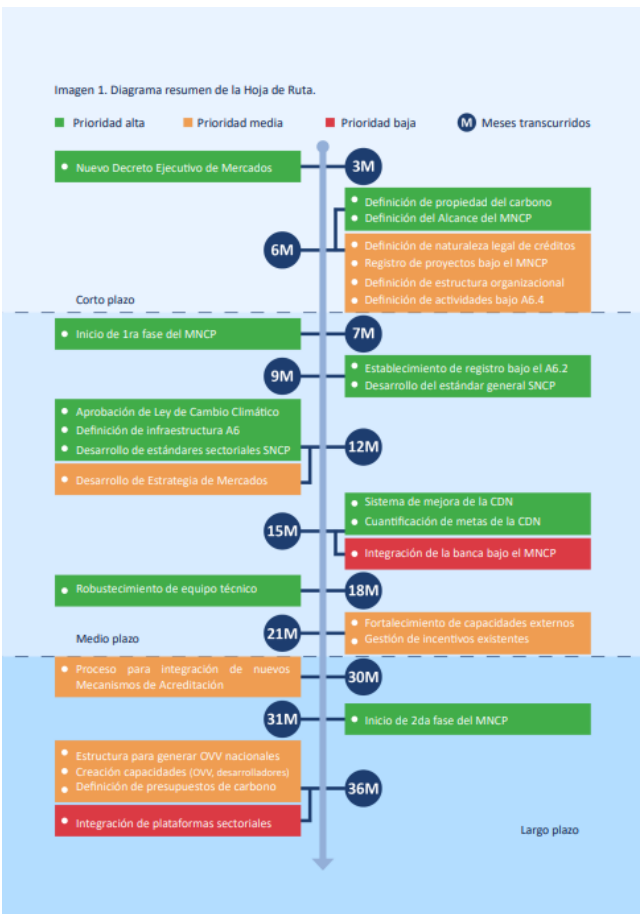
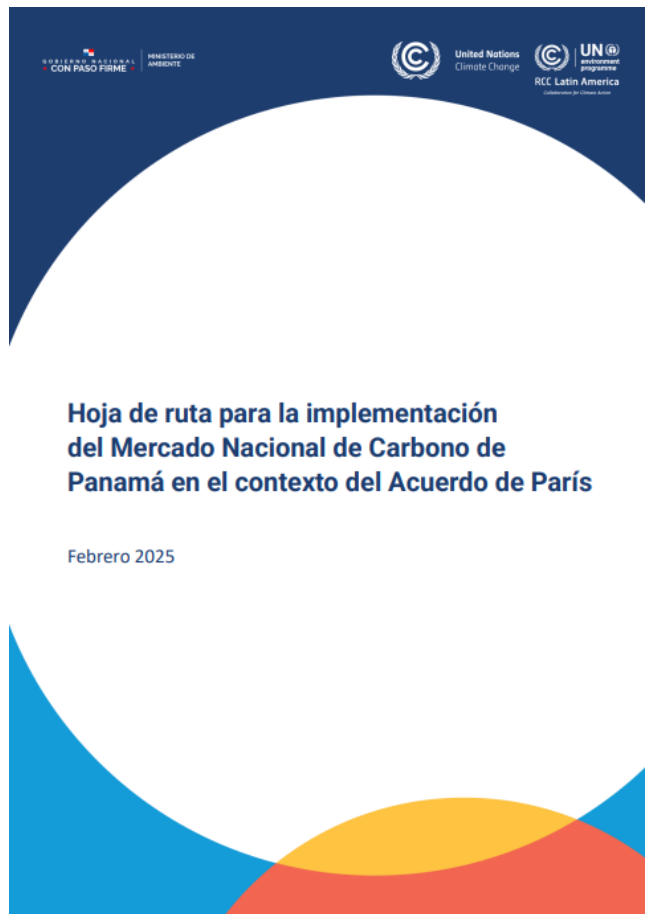
**Progress by subcomponent:**

- **Registry of marketable compensation projects: ready, pending launch under the National Climate Transparency Platform.**
- **Standard with general and sectoral operating rules: in progress**
- **Complementary systems, in progress: Safeguard system, Benefit distribution system, Complaints and grievances system.**



**Component #3 - Panamanian Carbon Exchange, under development.**  
**Latinex-led component. First UNRE sale projected for October 2025.**

# Roadmap of the National Carbon Market



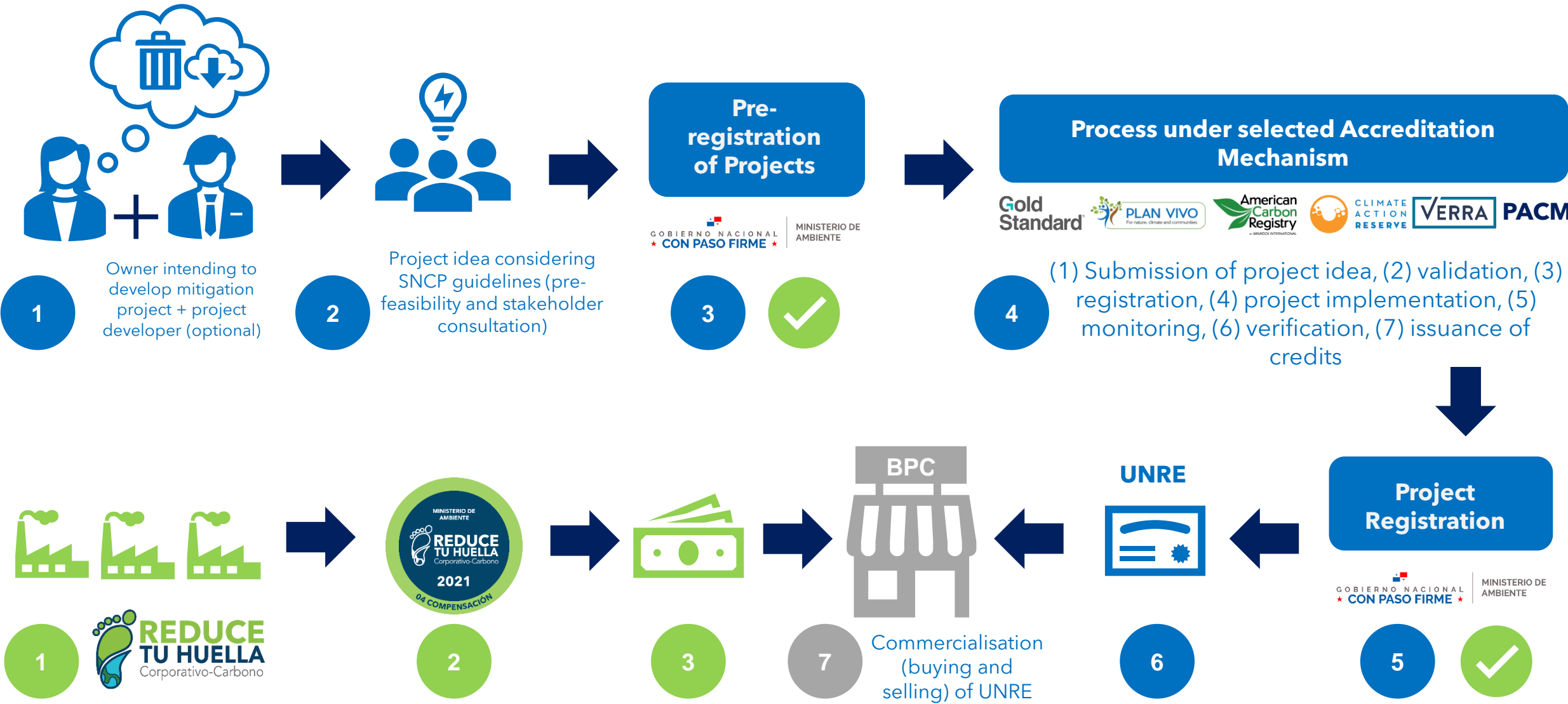
## 3.1. Actividades incluidas en la Hoja de Ruta del MNCP

La Imagen 1, incluida en el resumen ejecutivo, muestra un resumen de las actividades propuestas en esta Hoja de Ruta. La Tabla 9 muestra estas actividades en más detalle, clasificadas según los tres criterios descritos arriba.

Tabla 9. Actividades incluidas en la Hoja de Ruta del MNCP.

Temática	Planes de implementación			
	Corto plazo Menor o = a 6 meses	Medio plazo Mayor a 6 meses y menor o = a 2 años	Largo plazo Greater than or = 2 years	
	Incluye actividades preparatorias para el establecimiento del MNCP	Incluye inicio de operación del MNCP y otras actividades estratégicas	Incluye actividades de mejora y especialización del MNCP	Incluye actividades de mejora y especialización del MNCP
Actividades	Autor	Actividades	Autor	Actividades
S.1.1 Regulaciones	Establecimiento de la propiedad del carbono y el derecho a su goce, uso y disfrute.	Dirección Forestal (DIFON)	Aprobación de Ley Marco de Cambio Climático, incluyendo temática de mercados.	DCC
	Desarrollo de nuevo Decreto Ejecutivo de mercados para unificar conceptos, clarificar estructura y procesos del MNCP.	DCC		Revisión y actualización normativa del MNCP (de ser necesario).
S.1.2 Abordajes estratégicos	Derogación del Decreto Ejecutivo No. 142 de 9 de diciembre de 2021.	DCC		
	Definir naturaleza jurídica y tratamiento de los créditos de carbono como instrumento financiero.	DCC + MEF + Superintendencia de valores		
S.1.3 Cuestiones operativas	Definición de alcance del MNCP y alineación con políticas nacionales e internacionales (CDN, MVC, Artículo 6, CORSIA).	DCC + alto nivel	Definición de registro a utilizar para Artículo 6.2.	DCC
	Facilitar el Registro de Proyectos de Compensación Comercializables.	DCC	Inicio de primera fase del MNCP enfocada en comercialización doméstica.	DCC
	Continúa fase preparatoria del MNCP, enfocada en creación de capacidades, establecimiento de estructura, marco normativo y gobernanza.	DCC	Desarrollo de estándar SNCP con procesos y reglas del sistema.	DCC
			Definición de infraestructura para implementación del Artículo 6.	DCC
			Establecimiento de proceso de mejora de la CDN Panamá	DCC
				Definición de reglas para priorizar nuevos mecanismos de acreditación bajo el MNCP.

# Step-by-step Plan under the National Carbon Market



# Upcoming Milestones of the National Carbon Market



**THANK YOU!**



@miambientepma



@ministeriodeambientepanama



@MiAmbientePma



mercadocarbonopa@miambiente.gob.pa





Gobierno de  
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**Medio Ambiente**

Secretaría de Medio Ambiente y Recursos Naturales

**25**  
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# Carbon Pricing Instruments in México

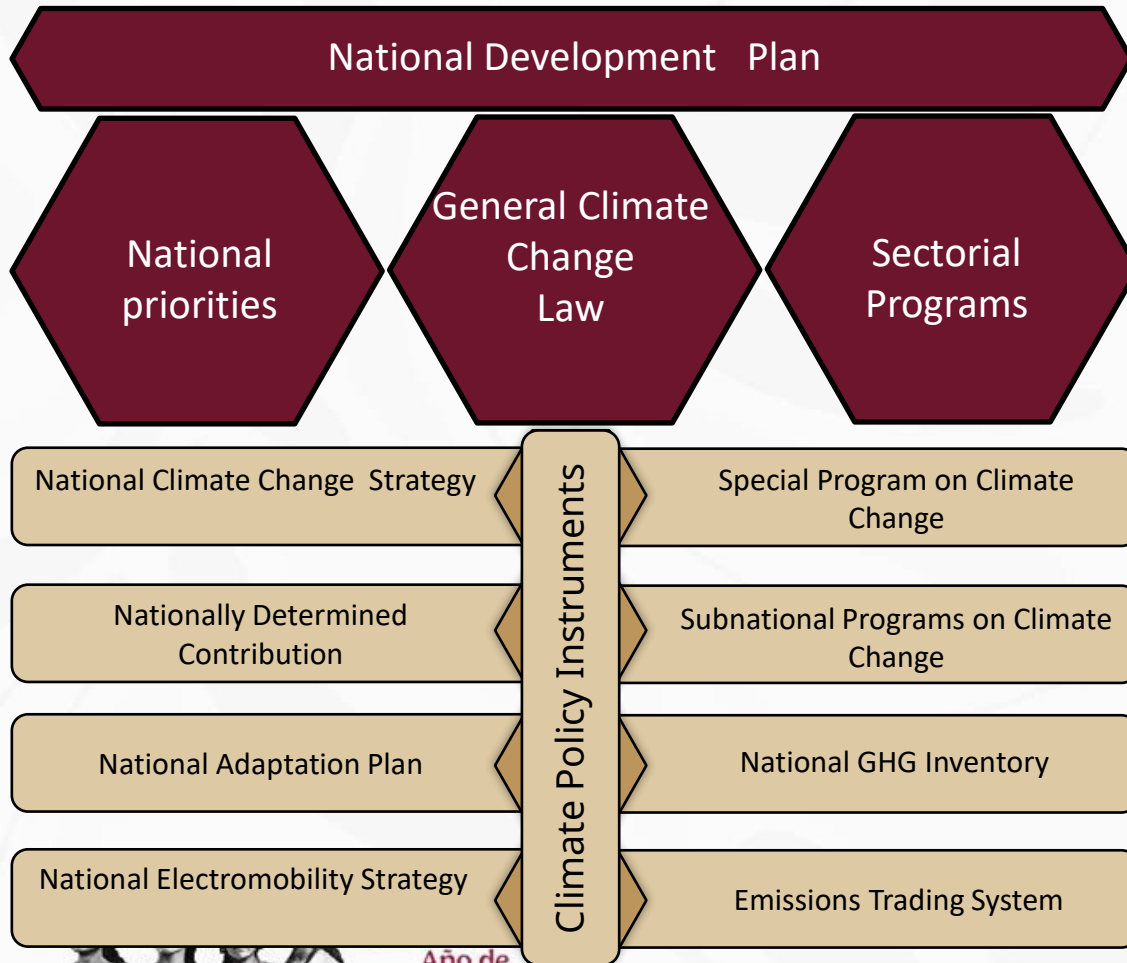
Directorate General for Climate Action Policy  
Ministry of Environment and Natural Resources (SEMARNAT), Mexico



**2025**  
Año de  
**La Mujer  
Indígena**

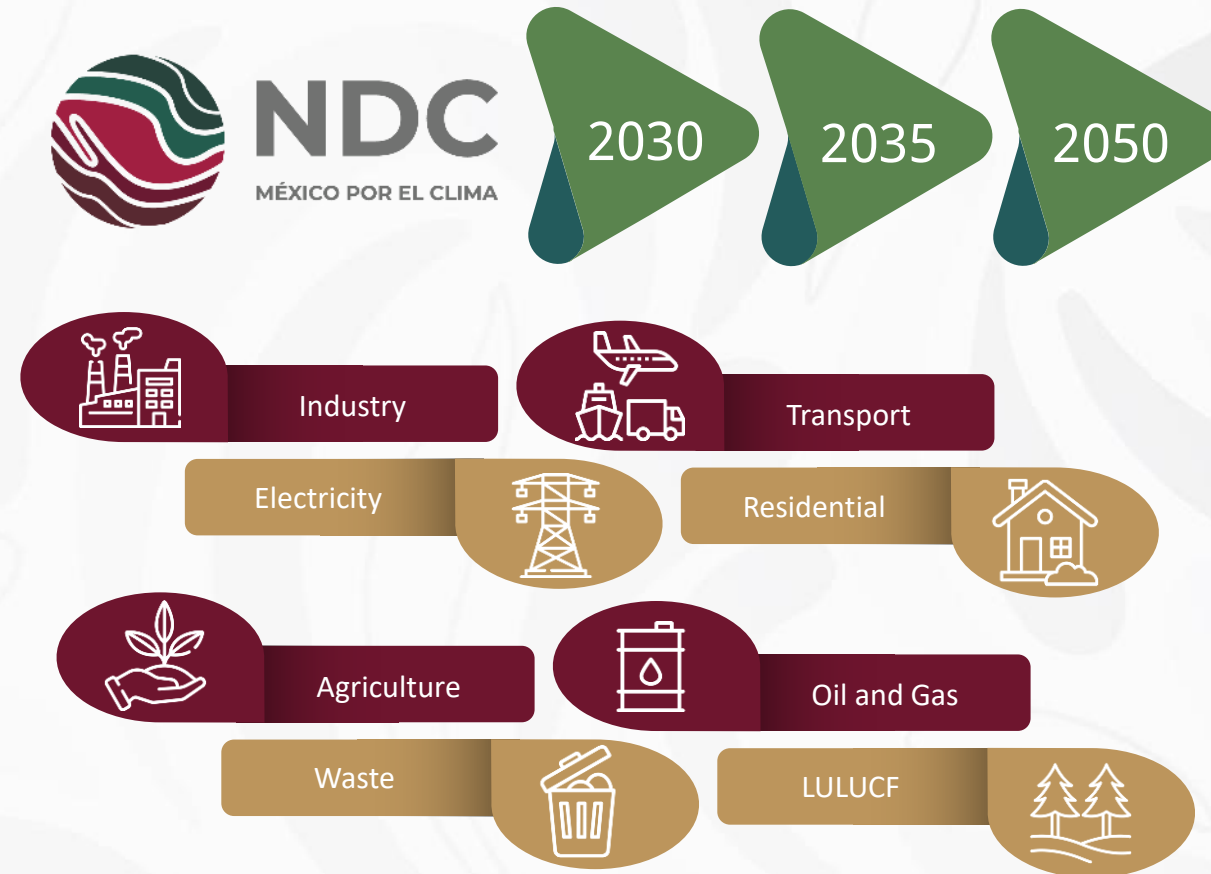
REDiCAP LATAM 2025  
May 2025, Panama

# Climate Change Policy Framework



Año de  
**La Mujer  
Indígena**

## Roadmap to net-zero by mid-century

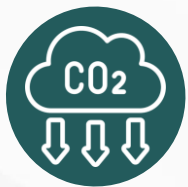


# Carbon Pricing Instruments in Mexico

**Emissions  
Trading  
System**



**Voluntary  
carbon  
market**



**Federal  
carbon tax**

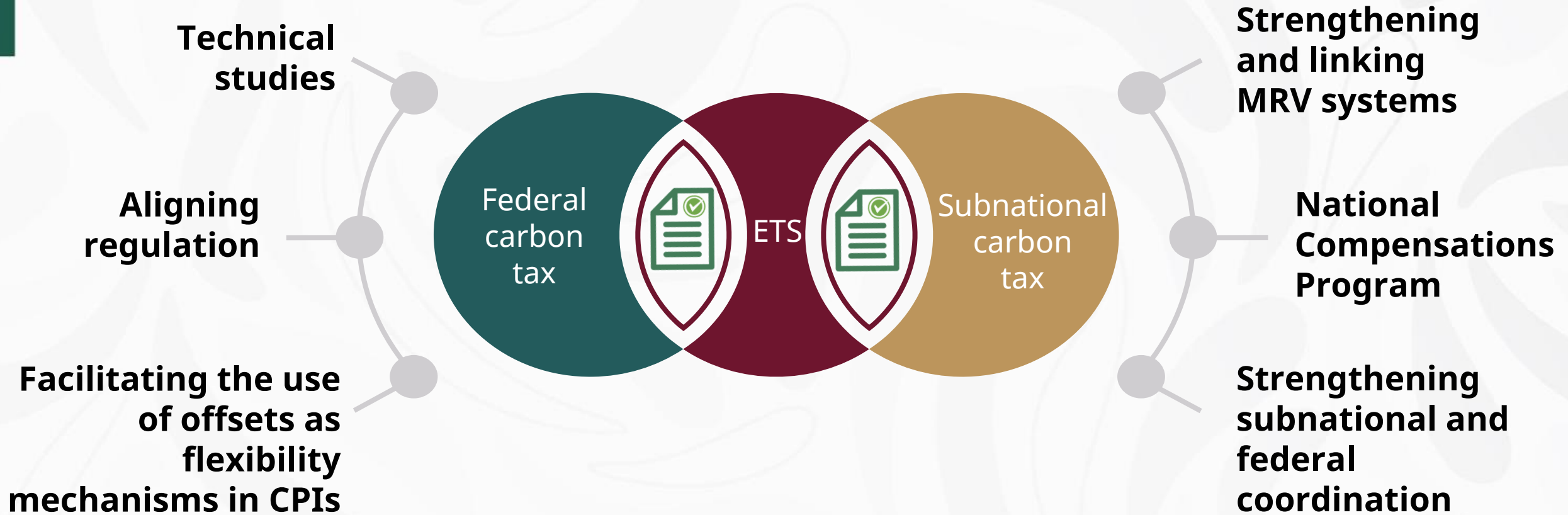


**Subnational  
carbon  
taxes**



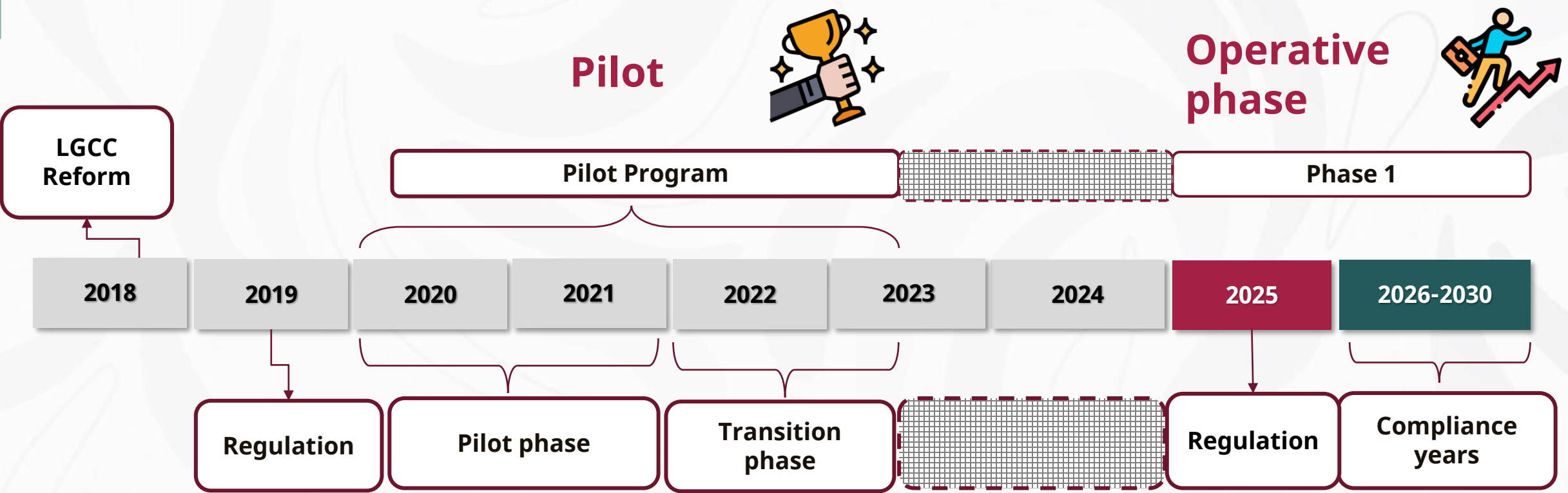
**2025**  
Año de  
La Mujer  
Indígena

## Harmonizing CPI in Mexico



**2025**  
Año de  
La Mujer  
Indígena

# Implementation timeline for the Mexican ETS





# Mexican ETS Pilot Program in numbers



## Mexico

was the first country  
in Latin America to  
implement this  
type of policy  
instrument



# 297

**participants** from the  
energy and industry  
sectors

# 89%

**of participants  
complied with their  
obligation** to  
surrender allowances  
(2021-2024)

# 94%

**participants  
verified** their  
emissions  
(2021-2024)



**2025**  
Año de  
**La Mujer  
Indígena**

# ETS Components



Energy and industry sectors



Emissions covered: direct CO2 emissions from stationary sources



Threshold: 100 thousand tCO2 annually



Pilot Pilot Phase (2020-2021)  
Transition Phase (2022)



**NDC**  
MÉXICO POR EL CLIMA

Cap: Determined by RENE information, NDC & sectorial goals



Consultative Committee of the ETS (COCOSCE)



100% Free allocation (under review)

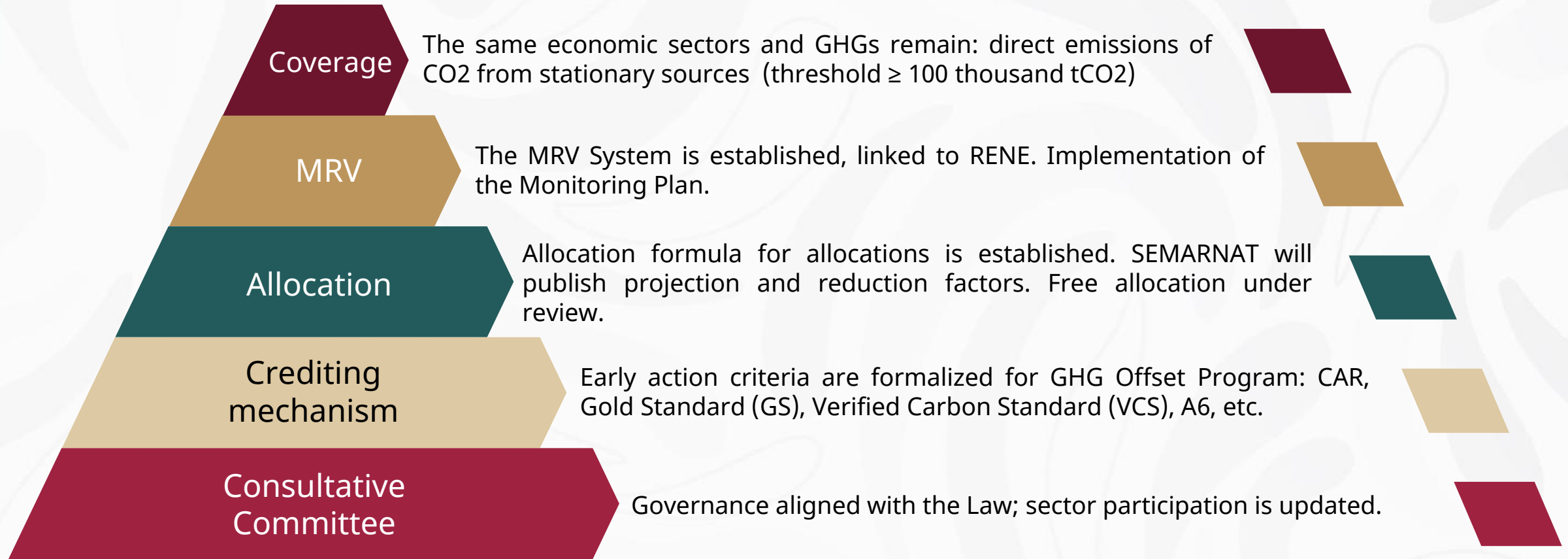


Sanctions: 2x1 Allowances (two allowances for each one that the participant has not surrendered)



**2025**  
Año de  
**La Mujer Indígena**

## Phase 1 of the Mexican ETS



**2025**  
Año de  
**La Mujer  
Indígena**



**2025**  
Año de  
**La Mujer  
Indígena**

# Thank you!



Gobierno de  
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# California Cap-and-Trade Program

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22 MAY 2025

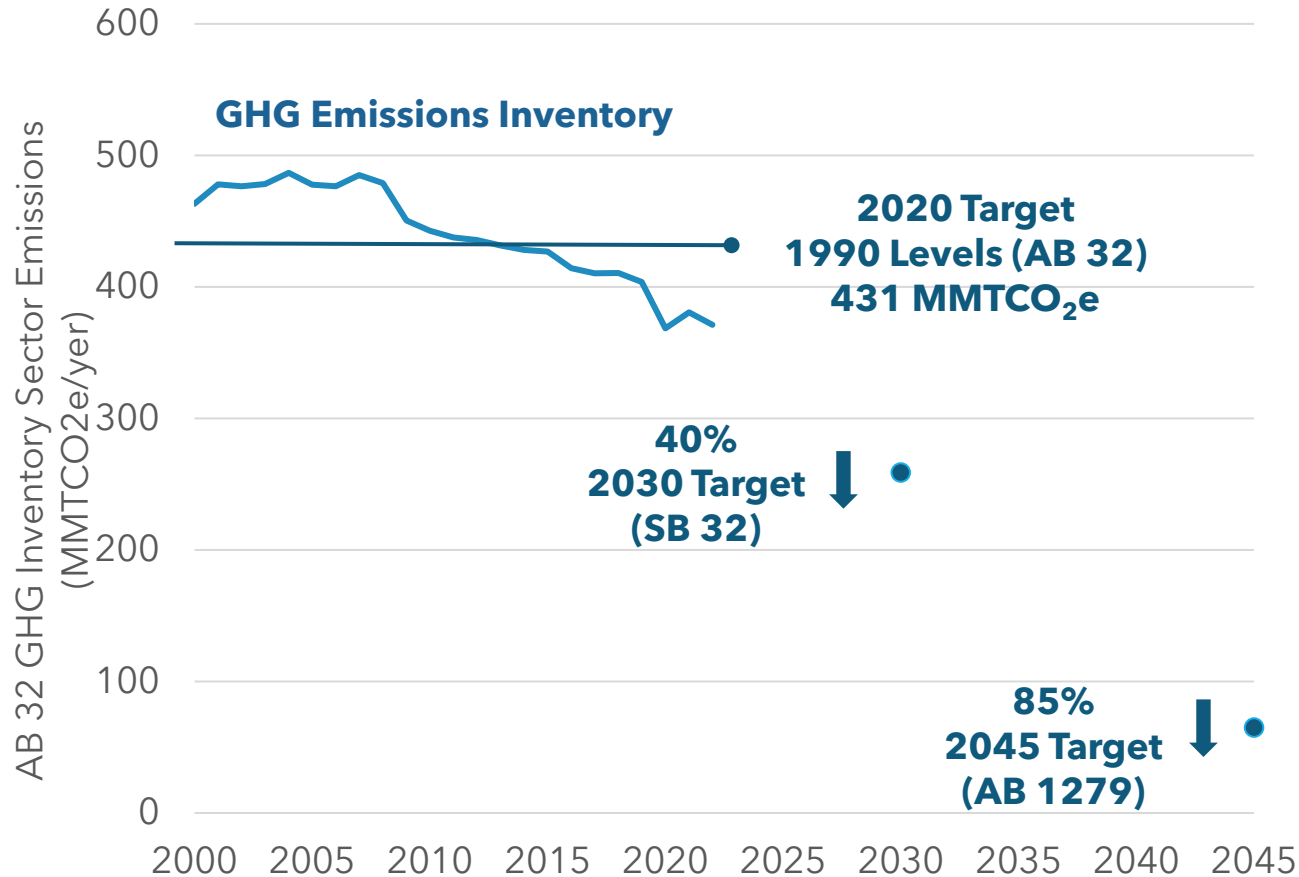
UNFCCC REDiCAP 2025





# California GHG Reduction Targets and Legislation

## *Achieved AB 32 target in 2014*



### Global Warming Solutions Act of 2006 (Assembly Bill 32)

- 2020 Target

### Senate Bill 32 (2016)

- 2030 target

### Assembly Bill 398 (2017)

- Direction on a post-2020 Cap-and-Trade Program

### Assembly Bill 1279 (2022)

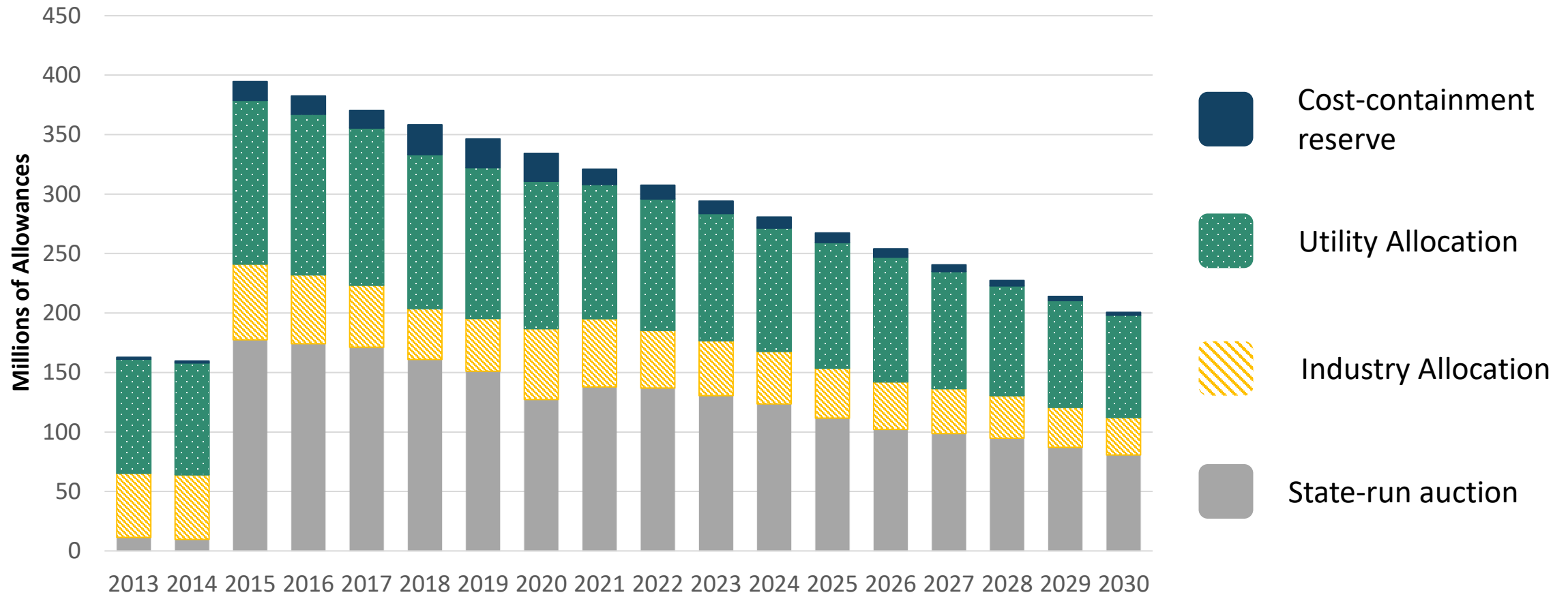
- 2045 Target

# Linkage Between California and Québec

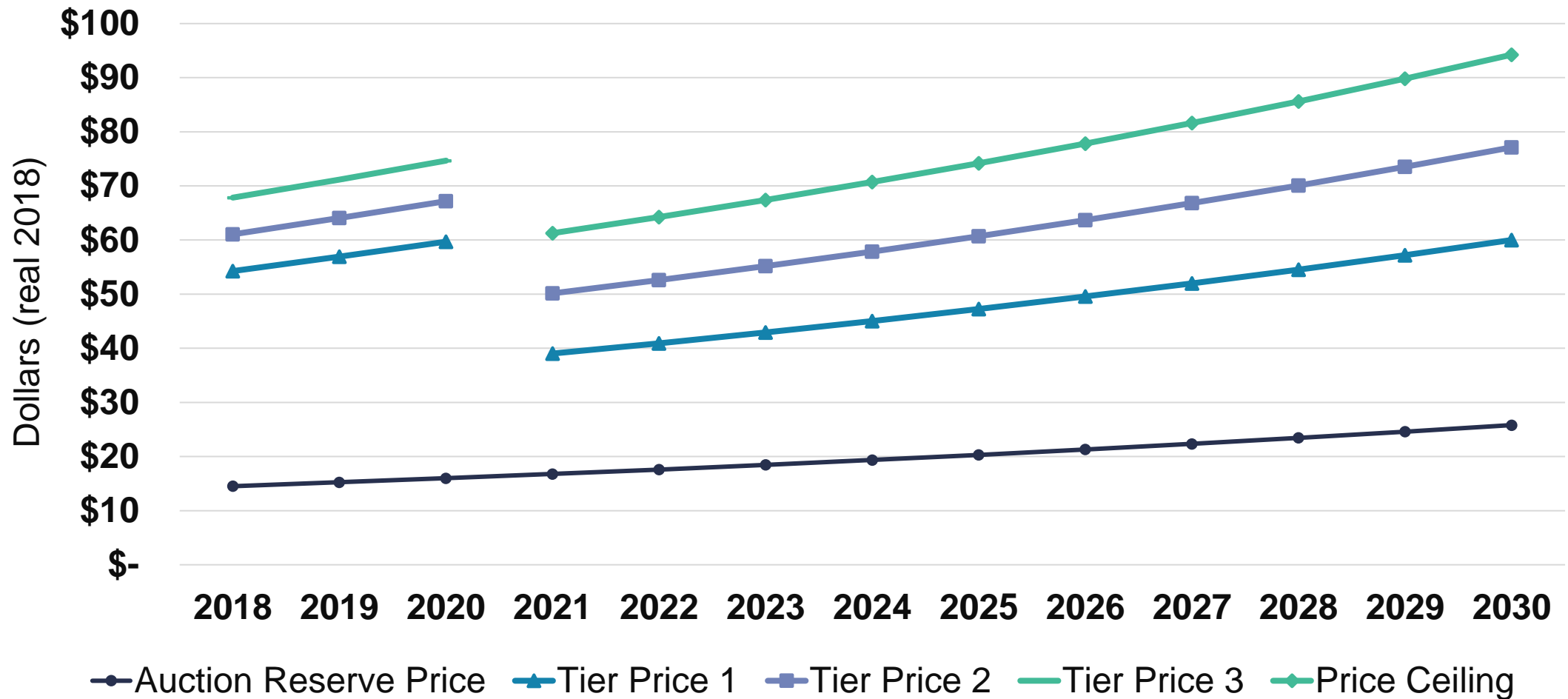
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- Enables the mutual acceptance of compliance instruments issued by another jurisdiction's emissions trading system
- Larger market increases liquidity and provides more opportunities for low-cost emissions reductions
- Requirements:
  - Program is equivalent to or stricter than California's
  - California maintains legal authority of enforcing AB 32
  - Linking jurisdiction has a legally enforceable program
  - Linking imposes no significant liability for California
- Linkage with Québec began on January 1, 2014
- Regular coordination on program implementation across jurisdictions

# Planned Scope Expansion

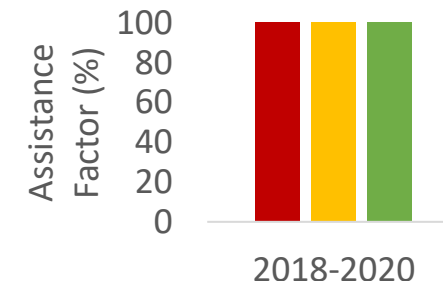
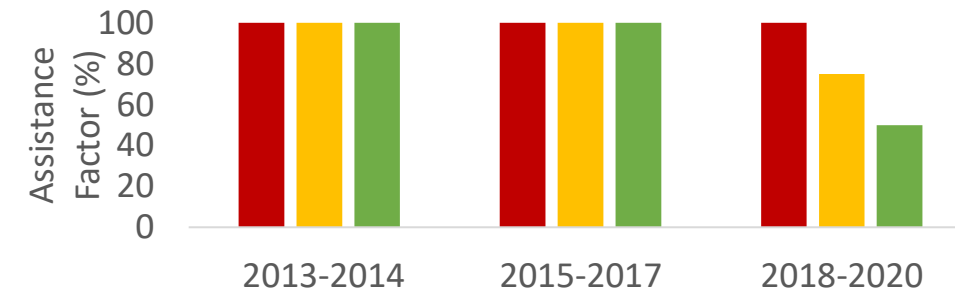
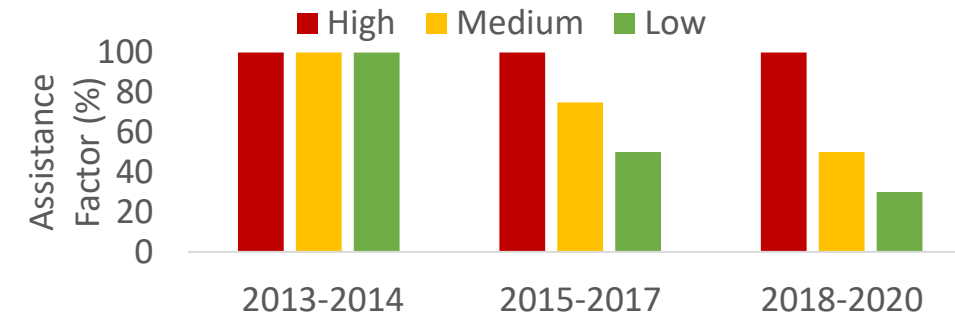


# Changes to Cost-Containment Mechanisms



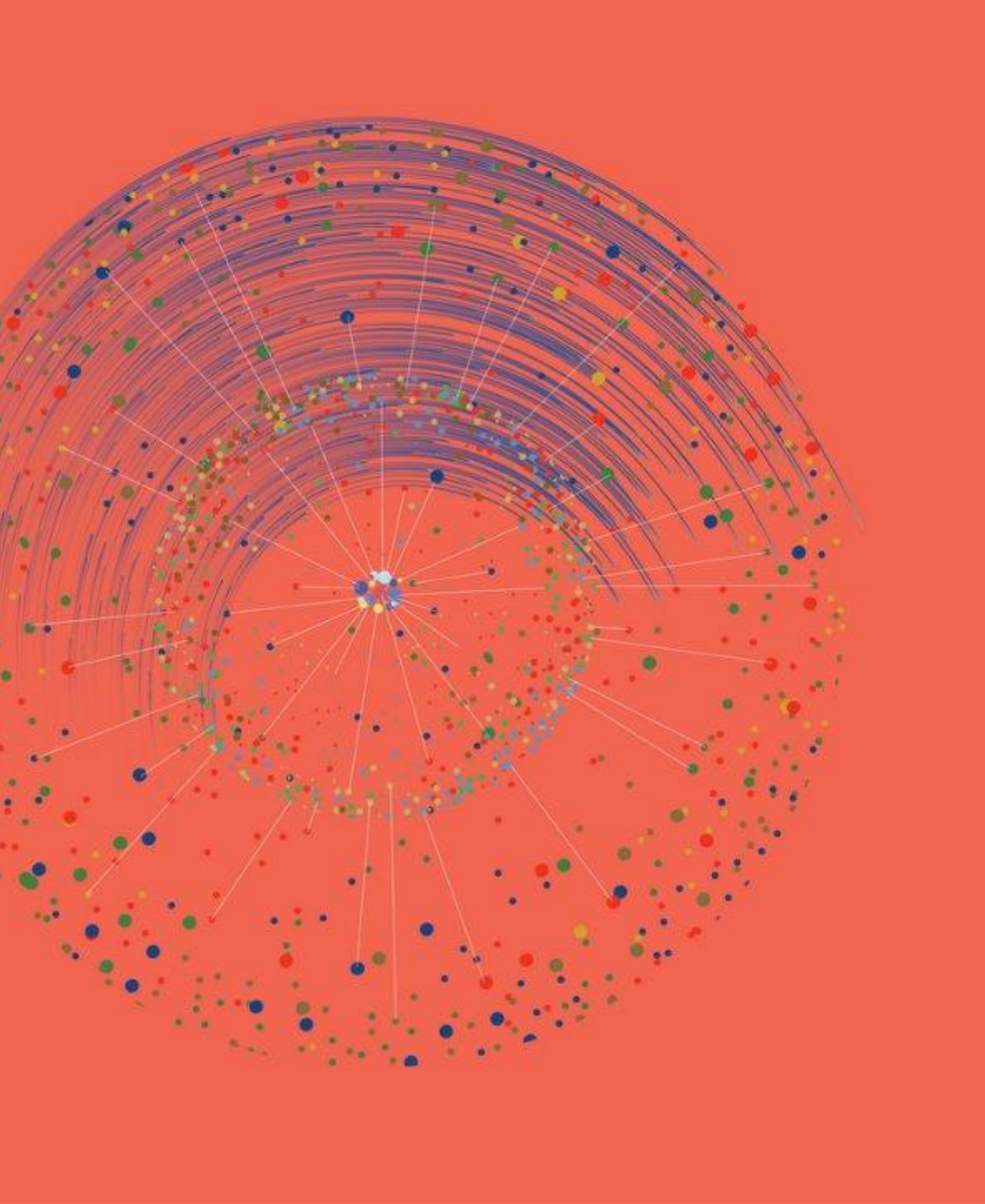
# Changes to Industrial Allocation

- **Initial assistance factors:** set based on leakage risk and intended to decrease over time
- **Amended assistance factors:** amended in 2013 to prioritize minimizing leakage while awaiting results of updated leakage risk assessments
- **Current assistance factors:** amended again in 2018 to 100% for all sectors through 2030 per AB 398









United Nations  
Climate Change



**RCC Latin America**

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# **Session 4: Regional Brainstorming: Challenges and Actionable Solutions**

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22 May 2025

# Findings from REDiCAP Latin America 2024

01.

## Enhancing Fiscal Space

CPIs can internalize emissions costs while generating public revenue

02.

## Aligning Carbon Prices with Global Goals

Misaligned carbon prices must expand in scope and strengthen price signals to meet the 1.5°C target.

03.

## Phasing Out Fossil Fuel Subsidies

Phasing out \$317 billion in subsidies (5.4% of GDP) is crucial to level the playing field for clean energy.

04.

## Addressing Distributional Impacts

CPI adoption can be regressive unless offset by measures such as cash transfers or clean energy subsidies.

05.

## Opportunities for Regional Integration

Linking carbon pricing systems or ETSS across countries could enhance liquidity and regional ambition.

06.

## Capacity Gaps in Implementation

Strengthening MRV systems and addressing sectoral readiness gaps is critical.

07.

## Private Sector Engagement

Clear policy and price stability are key to driving private investment in low-carbon solutions.



# Breakout brainstorming



**Duration:** 15 minutes (discussion) + 10 minutes (reporting, 3 min/group)



**Objective:** Identify barriers, opportunities, and actionable recommendations for CPI implementation.



**Structure:** Participants will be divided into small working groups based on their CPI implementation stage:



## CPI Implementation Stage

- ☐ Under Consideration
- ☐ Under Design
- ☐ Under Implementation



# Breakout brainstorming

## Themes:

- Aligning carbon prices with climate goals
- Enhancing fiscal space
- Phasing out fossil fuel subsidies
- Ensuring equity and social protection
- Fostering regional integration
- Bridging capacity gaps
- Mobilizing private sector investment

## Steps:

1. Select 1 or 2 themes.
2. Appoint a moderator and a rapporteur (takes notes and reports back to the plenary)

## Discuss:

- What barriers to advancing CPIs are you facing, and how are you addressing them?
- Where can regional collaboration and capacity building address barriers and boost impact?

## Report back:

- Main barriers
- Key opportunities
- Actionable recommendations





# Breakout brainstorming: Key Takeaways



**Carlos de Miguel**

Chief of the Sustainable Development and  
Human Settlements Division  
UN ECLAC



# Closing Remarks



**Javier Martínez**  
Panama



**Mark Sippola**  
California



**Taimur Ali Khan**  
Gandapur

**CPA Cochairs**

**UN Climate Change  
Secretariat**

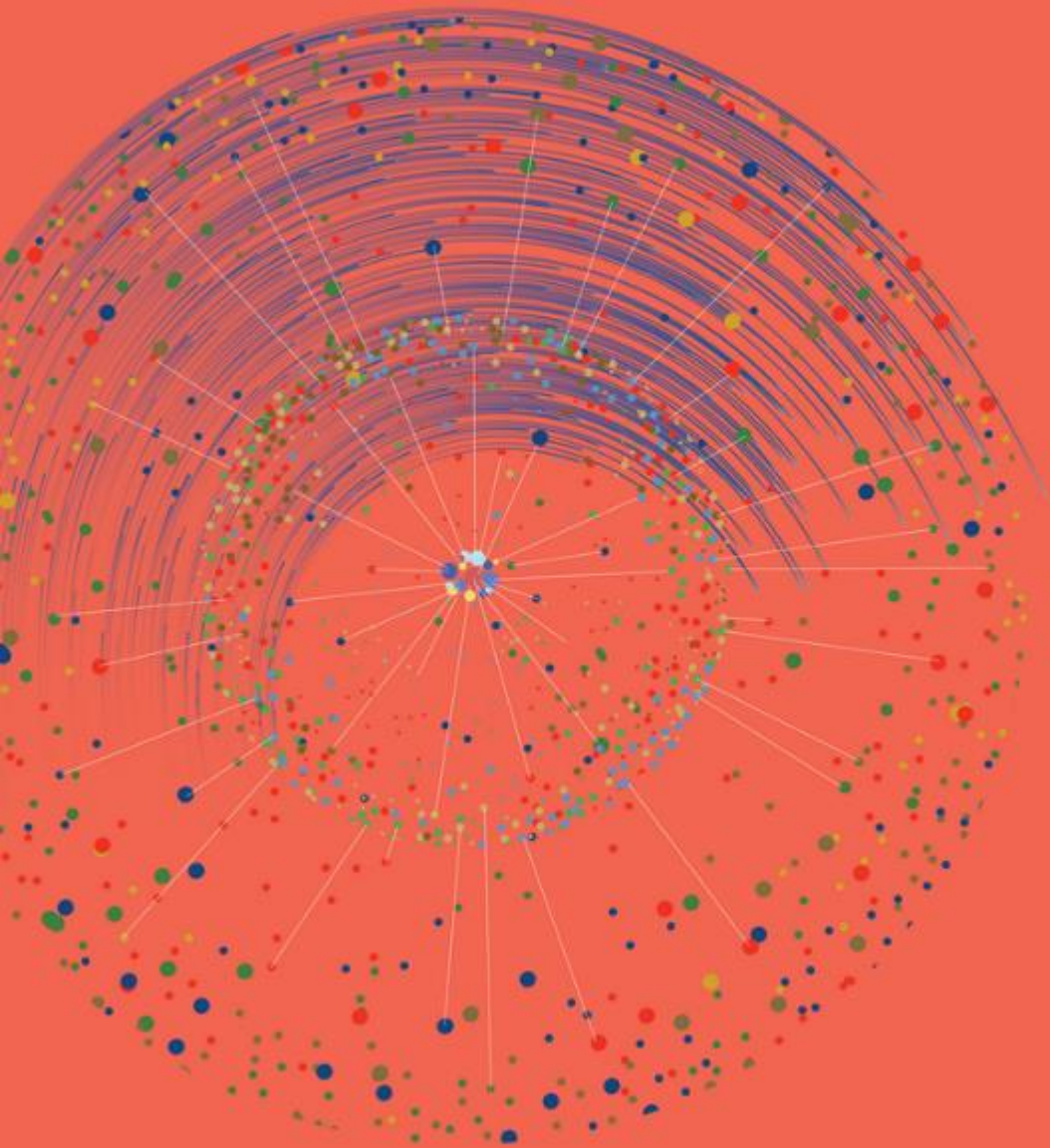


# REDiCAP Survey



Please take a few minutes to  
fill out our closing survey.





## RCC Latin America

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