

The CI-ACA initiative at SB50 Bonn Climate Change Conference

As part of the SB50 Bonn Climate Change Conference, CI-ACA organized with excitement the following side-event:

Considering the adoption of carbon pricing to meet Paris Goals: Experience and way forward



Ms. Julianne Bossé from the Ministry of Environment in Quebec welcomed the attendants and emphasized the importance of providing support for the consideration of carbon pricing, in the frame of implementing the Paris Agreement. The panel was composed by Ariel Yu representing RCC Bangkok, Mbaye Diagne, who is vice chair of the CDM EB, Carlos Ruiz Garvia, the Team Lead in RCC Panama and Nicolas Muller of UNFCCC who presented on behalf of Irfan Tariq, Director General in the Ministry of Climate Change Pakistan.

Subsequently, the crowded venue received four presentations of key results of the first CI-ACA workstream over 2016-2018 and the importance of carbon pricing instrument development:

1. [Cooperative MRV as a foundation for a potential regional carbon market within ASEAN – Speaker: Ariel Yu](#)

Key points: A study took stock of the MRV status-quo for nine ASEAN countries, in particular in conjunction with current plans for carbon pricing. Key findings (i) five ASEAN countries have plans for carbon pricing, with ETS being generally the favored approach; (ii) a regional approach to carbon markets is a potential option; (iii) countries have started to develop different approaches for Monitoring & Reporting GHG emissions at the facility level; (iii) a pathway for alignment/harmonization of MRV as foundation for a potential regional carbon market is proposed.

2. [Study on the Introduction of Carbon Pricing Instruments in Pakistan – Speaker: Nicolas Muller](#)

The CI-ACA work stream supported Pakistan in exploring and analyzing opportunities to introduce carbon pricing instruments as a means of supporting a low-carbon development trajectory while taking into account national development priorities. Carbon pricing could be highly beneficial in terms of sustainable development co-benefits. The most feasible and promising options identified are: (i) in the short term, potentially reshaping the Petroleum Development Levy (PDL) towards a carbon tax; (ii) over the mid-to long term, an Emission Trading System (ETS) would be possible, with around 121 participants by 2023, representing 168 MtCO₂e/year. The results are currently being reviewed at the national level. Potential subsequent steps could include readiness activities.

3. [Presentation: Study on the Introduction of Carbon Pricing in Senegal – Speaker: Mbaye Diagne](#)

A carbon pricing approach can be considered in Senegal. The most feasible option would be a combination of carbon tax and offset on large scale emitters in the power sector, industry and waste sector. Despite its status of LDC and size, Senegal is projected to have from 21 to 26 large scale emitters by 2021. A regional approach could be even considered. Further steps would be needed to assess the impacts of a carbon tax and how to mitigate them.

4. [Presentation: RCC Panama – CI-ACA experiences in Latin America and Caribbean – Speaker: Carlos Ruiz Garvia](#)

An overview was presented of CI-ACA activities in three Latin American countries: Panama, Paraguay and Dominican Republic. In Panama, analysis of the institutional, political and legal framework for the establishment of a GHG registry was conducted. In Dominican Republic a comprehensive study on the potential for introducing carbon pricing at the domestic level was carried out. A capacity building workshop as well as a multi sectoral committee in charge of monitor the development of the study was established.

The Q&A that followed was very engaging and brought very interesting questions. A lot of interest was present for the introduction of a carbon tax in Senegal; how would the current taxation be re-oriented and what are economic implications? Another important Q&A topic was MRV development; what are the key challenges in MRV harmonization in ASEAN countries and what can be the role of private sector involvement?

The CI-ACA team wants to thank all the partners for the successful collaborations on activities, studies and workshops. We thank our donors Quebec, Germany, Norway, Sweden and Switzerland. The initiative is excited to deepen carbon pricing development with current partners and to expand collaboration with new jurisdictions in the second phase of activities (2019-2021).



The full panel. From left to right: Ariel Yu (RCC Bangkok), Mbaye Diagne (CDM EB), Nicolas Muller (UNFCCC), Julienne Bossé (Government of Quebec) and Carlos Ruiz Garcia (RCC Panama).