

Regional updates from Latin America

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International initiatives in the region

- **Carbon Pricing Leadership Coalition (CPLC)**

- Headed by World Bank
- 5 governments from LAC region:
- Modeling of Article 6 potential



Chile
Colombia
Costa Rica
Mexico
Panama

- **Carbon Pricing in the Americas (CPA)**

- Space for discussion and exchange:
 - national + subnational + multilateral
- Carbon pricing instruments across the region
 - ETS
 - Carbon tax
- Defining way forward



Co-Chairs:

Mexico-Canada (2018), handed to
Chile-Canada (2019)

Regional initiatives

- Pacific Alliance

- Exchange of views on reporting GHG emissions, carbon pricing policies, potential for voluntary cooperation under Paris Agreement
- Exploring equivalent MRV practices



- WCI

- California + Québec + Nova Scotia
- Ontario — “Expiry Date” means November 30, 2018.
- Technical interaction with countries from the Latin America region

National initiatives

- **Chile** – **carbon tax** (energy sector)
 - Monitor, report and verify emissions for operators of boilers and turbines > 50 MW
- **Colombia** – **carbon tax** (2016) + **tax compensation** via offsets (2017) from voluntary markets
- **Mexico** – **carbon tax** (2014) + **tax compensation** via CERs from KP-2CP (2018) + **ETS** (2019)
- **Peru** – cooperative approaches (Art 6.2)

National initiatives - Mexico

- Mexico's Emissions Trading System (**ETS**):
 - Covers CO₂ emissions from energy and industry
 - Facilities with annual emissions above **100,000** tCO₂ based on data from National Emissions Registry (RENE)
 - Pilot phase 2020-2021
 - Transitional period 2022
 - Cap to be defined and published by Dec 2019. Reference is sectorial targets in Climate Change Law
 - Free allocation based on historic emissions
 - no economic sanctions (as defined by Law).
 - Three reserves: New participants (10% of cap) + Auctions (5% of cap) + General (5% of cap)
 - Up to 10% offsets from approved / accepted protocols / standards. Government to develop national protocols.
 - Advisory Council with businesses, academia, government and civil society representatives

https://www.dof.gob.mx/nota_detalle.php?codigo=5573934&fecha=01/10/2019