



**WORLD BANK GROUP**  
Climate Change

# *State and Trends of Carbon Pricing*

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**2016**

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# Where do we stand?

## Carbon pricing and the Paris Agreement:

### > INDCs

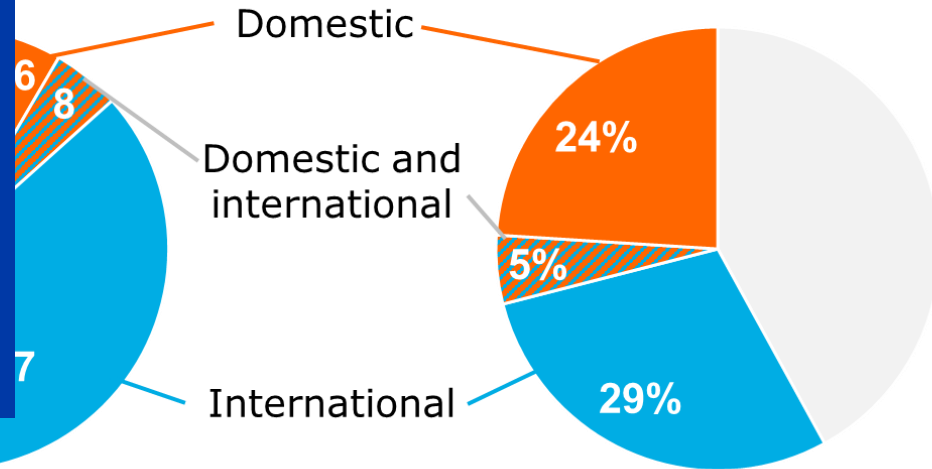
**101 INDCs**

plan or consider using  
carbon pricing

**58%**

of the global GHG emissions  
covered by these INDCs

International cooperation  
through emissions trading:  
- 30% cost savings by 2030  
- 50% by 2050



This includes 3 of the 5 world's largest emitters

### > Article 6

### > Paragraph 136 of the first COP 21 Decision



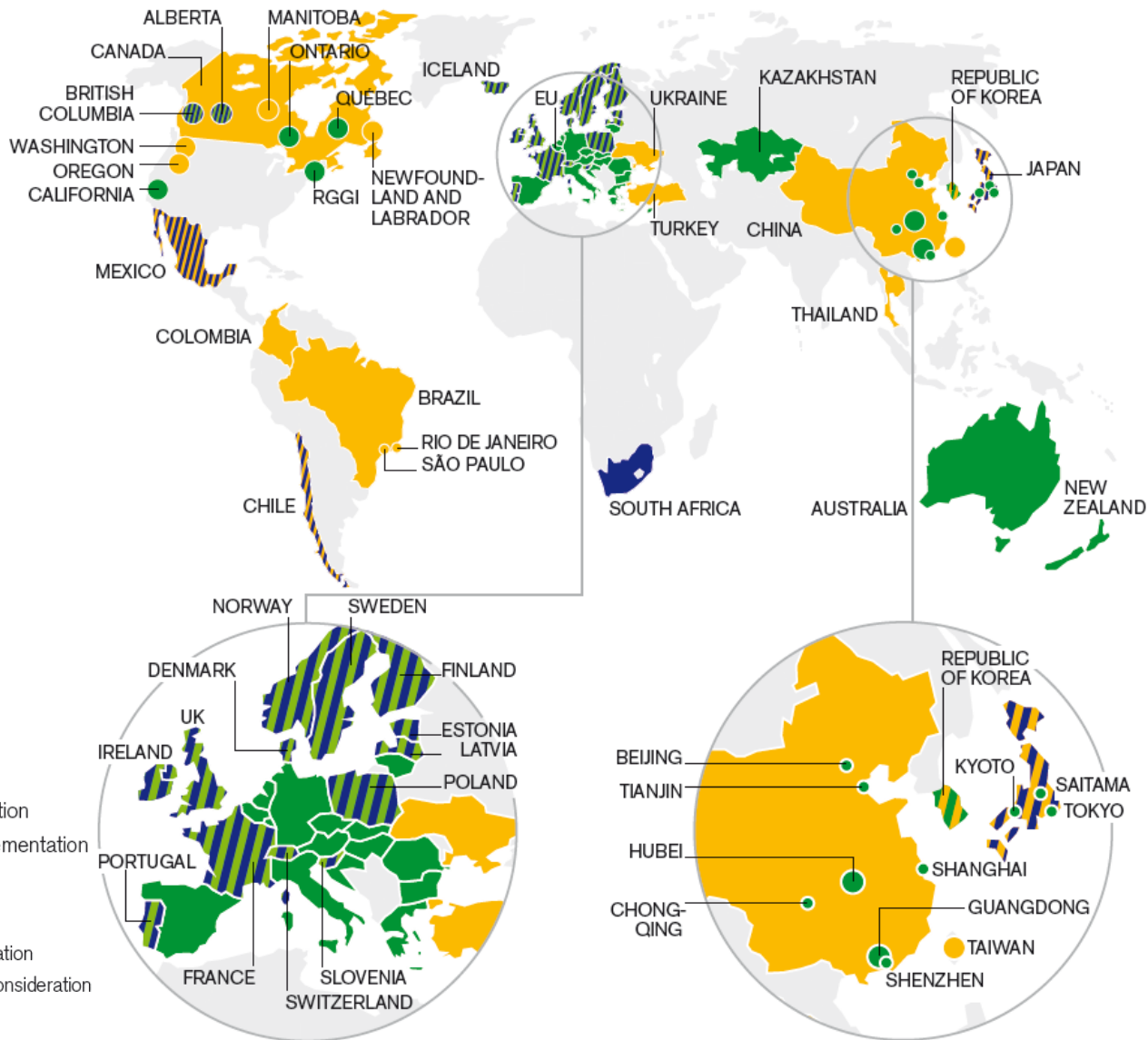
# Where do we stand?

7 out of the largest 10 global economies put a price on carbon

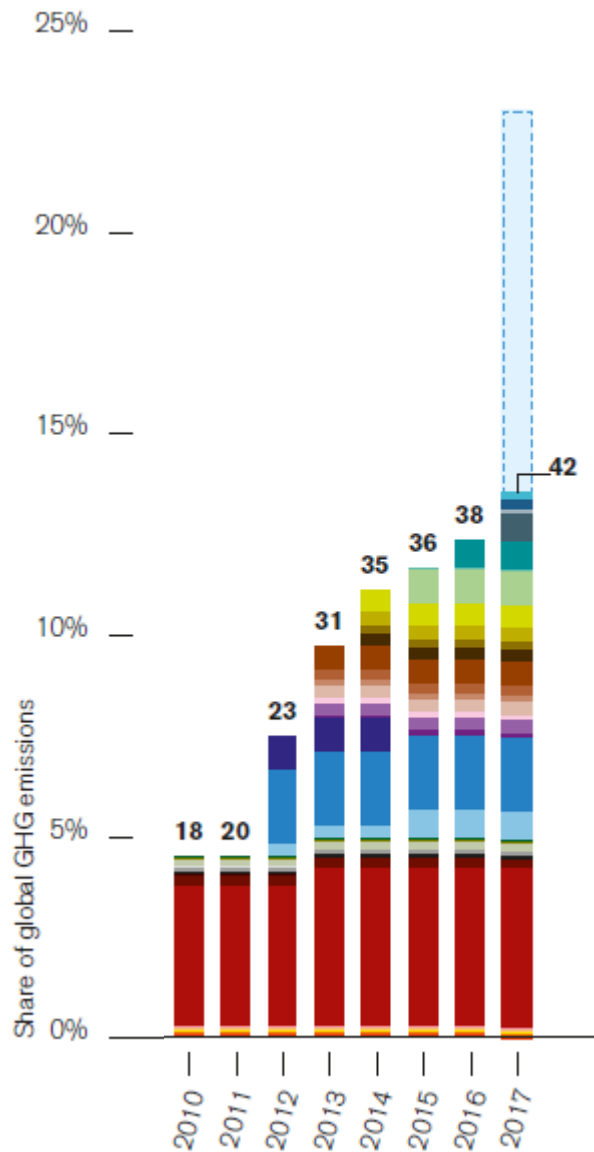
US\$26 billion in revenues

7 GtCO<sub>2</sub>e = 13% global emissions

- 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



# What is coming up?



> Four new carbon pricing initiatives implemented since 2015:

- Korea ETS
- Portugal carbon tax
- BC GGIRCA
- Australia safeguard mechanism

> Looking ahead – in 2017:

- South Africa carbon tax
- Chile carbon tax
- Ontario CaT
- Alberta carbon tax
- China ETS

## A few more facts and trends

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- > Wide range of **prices** but overall low
  - US\$ 1 – 131/tCO<sub>2</sub>e
  - $\frac{3}{4}$  < US\$ 10/tCO<sub>2</sub>e
- > Governments are **broadening and deepening** the use of carbon pricing
  - Policy alignment
- > More jurisdictions are exploring options for **regional** carbon pricing initiatives
- > The use of **internal carbon pricing** is growing
  - > 1,000 companies
  - US\$ 0.3 - 893/tCO<sub>2</sub>e

Stay tuned

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Upcoming

# **Carbon Pricing Dashboard**

# Thank you

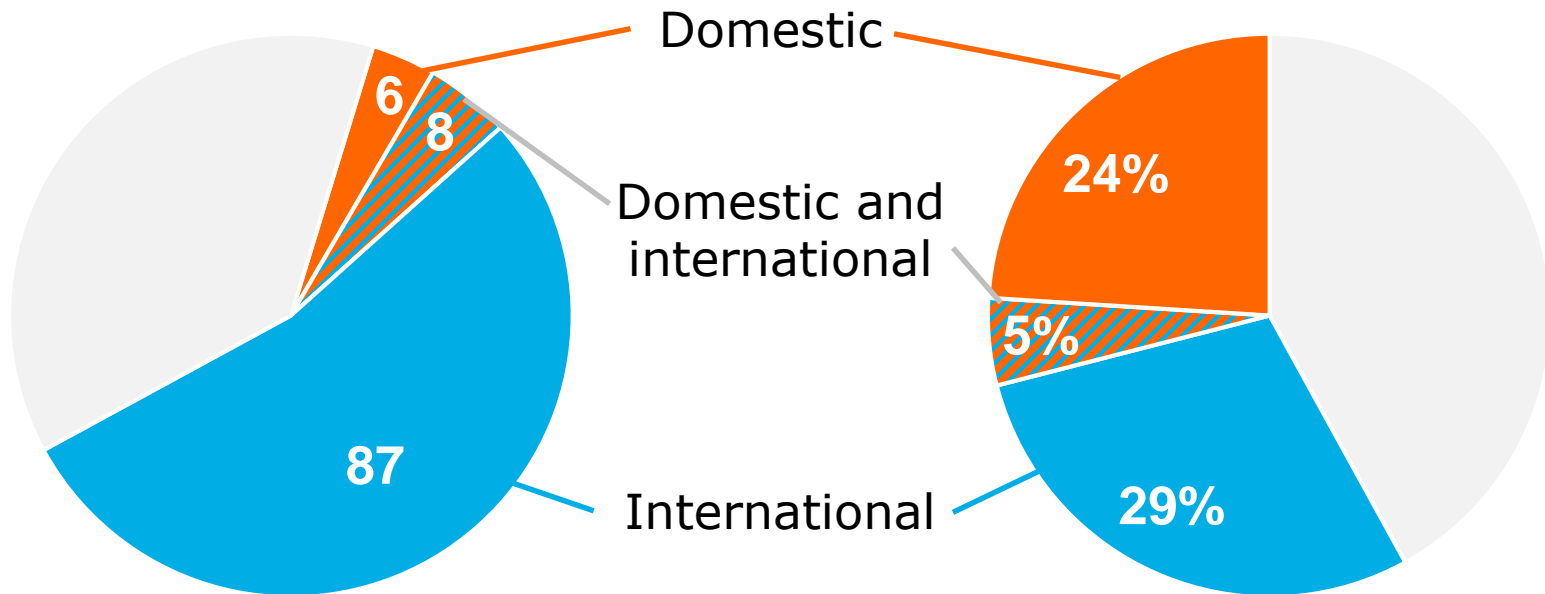


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# Carbon pricing and the Paris Agreement

## 101 INDCs

plan or consider using  
carbon pricing



This includes 3 of the 5 world's largest emitters



## INTERNATIONAL CARBON PRICING INITIATIVES

**101** INDCS

include carbon pricing (domestic and/or international)

**58%**

of global GHG emissions are covered by these INDCs

## REGIONAL, NATIONAL AND SUBNATIONAL CARBON PRICING INITIATIVES

**40** NATIONAL

jurisdictions with carbon pricing initiatives

**24** SUBNATIONAL

**42** CARBON PRICING INITIATIVES

implemented or scheduled for implementation

COVERING ANNUAL GLOBAL GHG EMISSIONS OF

**7 GtCO<sub>2</sub>e = 13%**

PRICES IN THE IMPLEMENTED INITIATIVES

**US\$1-131/tCO<sub>2</sub>e**

75% of the emissions covered are prices <US\$10/tCO<sub>2</sub>e

Carbon pricing revenues raised by governments in 2015 were

**US\$26 billion**

60% increase compared to 2014

Annual value of carbon pricing initiatives in 2016 is just under

**US\$50 billion**

Similar to the 2015 value

## INTERNAL CARBON PRICING INITIATIVES

**OVER 1,200** COMPANIES

are using or planning to use internal carbon pricing in the coming two years

**83%**

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

INTERNAL CORPORATE CARBON PRICES ARE IN THE RANGE OF

**US\$0.3-893/tCO<sub>2</sub>e**