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This activity is part of the European Union Climate Dialogues project (EUCDs)

The role of carbon revenues in financing the climate transition:
Learning from experiences worldwide

Webinar

April 9, 2024

Two sessions to cover different time zones:

- Session 1 (Asia-Pacific): 9:30 – 11:00 CEST ➝ register here
- Session 2 (Americas): 16h30 – 18h00 CEST ➝ register here

Context

Annual climate finance needs are now estimated in the trillions (CPI 2023). Over the past few years, the world has seen climate records breaking and a call for 'dramatic action' to achieve the objectives of the Paris Agreement rising (UN 2023). 2023 is now confirmed as the world's warmest year so far (NOAA 2024), and 2022 as the year when global greenhouse gas (GHG) emissions set a new record and the energy crisis posed additional challenges (UNEP 2023).

Carbon pricing policies can be a source of revenues to finance the climate transition, while supporting the most vulnerable to avoid negative socio-economic consequences. The use of carbon pricing instruments as climate policies has spread around the world, with a notorious increase in the number of carbon taxes and emission trading systems to 74 in 2023 (I4CE 2023), from only half in 2015. Revenues generated by these instruments have also increased overtime, reaching USD 93 billion in 2022 (I4CE 2023), from only USD 9 billion back when the Paris Agreement was adopted.

Yet the polycrisis has complicated the political economy of implementing carbon pricing. With energy prices rising, governments felt pressure to adopt measures to reduce them in the short-term, which added up to fiscal burdens accumulated during the pandemic and worked against carbon pricing policies. At the same time, the urgency of addressing the climate crisis and to bolster government revenues to fill fiscal gaps has made a stronger case for strengthening them (World Bank 2023).

'How to use carbon revenues' has become a crucial question policy makers need to address as part of the design and implementation of carbon pricing policies. Jurisdictions can adopt various approaches to using carbon pricing revenues, and there is no 'one size fits all' solution. Proceeds from carbon pricing instruments can be used in a variety of ways to pursue specific policy objectives. Thus, the choice of how to best use carbon revenues should respond to each jurisdiction's context and priorities, but lessons learned from experiences worldwide can provide helpful guidance.

As part of the EU-funded European Union Climate Dialogues (EUCDs) project, the Institute for Climate Economics (I4CE) organises a **global webinar on how carbon revenues can maximise socio-economic benefits of carbon pricing and accelerate the climate transition.** This activity is the final step of a broader process, with the aim of supporting a switch to a comprehensive perspective on the use of carbon pricing revenues as part of the implementation of low-carbon and climate resilient pathways. The webinar will be the opportunity to discover the findings of an international study carried out by I4CE on this topic, which integrates inputs from two workshops gathering over 200 government officials and experts, and to engage in a constructive discussion with diverse stakeholders on the lessons learned and the way forward.

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Objective: This webinar aims to trigger discussion among policymakers, practitioners, experts, private sector, and civil society about national and subnational practices on the use of carbon revenues, highlighting their role in accelerating ambitious climate action and enhancing acceptability of carbon pricing by benefiting society and the economy.

Target audience: Government officials, international organizations, academia, think tanks, non-governmental and civil society organisations, as well as individual experts, consultants, and professionals interested in learning from and contributing to the discussion.

Format: Open virtual seminar split in two sessions (per time zones), each with two key moments:

- A presentation to introduce the topic through the findings of the report on the use of carbon revenues prepared by I4CE.
- A panel discussion with different thematic focus for each session involving 3-4 speakers (government officials and experts). Guiding questions will be used by the moderator for the panel discussion, and participants will have the opportunity to contribute and ask questions in the Q&A sections.

Agenda

Time	Content	Speaker	
		Session 1 (Asia-Pacific)	Session 2 (Americas)
5’	Welcome and technical details	Louise Kessler, I4CE	Sébastien Postic, I4CE
5’	Introductory remarks	European Commission (DG CLIMA)	
5’	Context setting keynote on the carbon pricing landscape	Stefano De Clara, ICAP	Joseph Pryor, World Bank
20’	**Presentation**: Maximising benefits of carbon pricing through carbon revenue use: Exploring worldwide experiences from the field	Diana Cardenas Monar, I4CE	
35’	**Panel discussion**	• Sharlin Hemraj, Director Environmental and Fuel Taxes, National Treasury, South Africa • Noor Syaifudin, Fiscal Policy Agency, Ministry of Finance of Indonesia • Stefano De Clara, Head of Secretariat at the International Carbon Action Partnership (ICAP)	• Amanda Engel, Strategic Advisor, Tax Policy Unit, Government of British Columbia - Canada • Assia Elgouacem, Acting Head of Tax and Environment Unit, OECD • William Wills, Technical Director, Centro Brasil no Clima • Stefano Carattini, Andrew Young School of Policy Studies, Georgia State University • Juan Pedro Searle, Head of Climate Change, Ministry of Energy, Chile
15’	Q&A	All participants	
5’	Concluding remarks	European Commission (DG CLIMA)	