Getting the message right: how to effectively communicate carbon pricing

10 December 2018 – Room Warmia
UNFCCC Official Side-Event

#CarbonPricing
#COP24
STATE AND TRENDS OF CARBON PRICING

Daniel Besley
World Bank
10 December, 2018
Carbon pricing continues to emerge around the world

46 national and 25 subnational jurisdictions are putting a price on carbon
Carbon pricing – growing share of global emissions

With the Chinese ETS, carbon pricing initiatives would cover about 20 percent of global greenhouse gas (GHG) emissions, up from 15% last year.
While they remain too low, carbon prices in most initiatives are rising. About half of the emissions are now covered by carbon pricing initiatives priced at over US$10/tCO2e compared to one-quarter of emissions covered in 2017.
Carbon pricing revenues are rising.

- 2016: $22 billion
- 2017: $33 billion
Thank you

Daniel Besley
Senior Climate Change Specialist
World Bank
dbesley@worldbank.org
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#CarbonPricing
#COP24
Use of carbon revenues

A central tool to stakeholder’s engagement

Sébastien Postic
An update on the Gilets jaunes

Facebook video « What the hell do you do with the money? »

Violent street protests #1

Violent street protests #2

Facebook call to « Block everything »

1st protests

Moratory on tax increase

Last tax increase: January 2018
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
So where did it go wrong?
**It does not have to end this way!**

<table>
<thead>
<tr>
<th>Country</th>
<th>Scheme</th>
<th>Emission (CO₂)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Québec</td>
<td>ETS</td>
<td>85%</td>
<td>2013</td>
</tr>
<tr>
<td>Sweden</td>
<td>Tax</td>
<td>40%</td>
<td>1991</td>
</tr>
<tr>
<td>Ireland</td>
<td>Tax</td>
<td>40%</td>
<td>2010</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Tax</td>
<td>36%</td>
<td>2008</td>
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</tbody>
</table>
It does not have to end this way!

Green earmarking

(USD 57 per capita)

ETS
85% (CO2)
2013

Tax
40% (CO2)
1991

Tax
40% (CO2)
2010

Tax
36% (CO2)
2008
It does not have to end this way!

Green earmarking
(USD 57 per capita)

Tax reform
(USD 285 per capita)

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85% (CO2)
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FondsVert

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36% (CO2)
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I4CE – Institute for Climate Economics

Sébastien Postic

COP 24 | Katowice, Poland
It does not have to end this way!

**Green earmarking**

*(USD 57 per capita)*

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85% (CO2)

2013

**Tax reform**

*(USD 285 per capita)*

**Tax**

40% (CO2)

1991

**General Budget**

*(USD 110 per capita)*

**Tax**

40% (CO2)

2010

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It does not have to end this way!

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(USD 57 per capita)

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General Budget
(USD 110 per capita)

Direct rebates
(USD 134 per capita)

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40% (CO2)
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Tax
36% (CO2)
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Healthcare Expenditure
8,393 €
Healthcare expenditure per capita
It does not have to end this way!

Green earmarking
(USD 57 per capita)

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(USD 285 per capita)

USD 133 per capita...

General Budget
(USD 110 per capita)

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8,393 €
HEALTHCARE SPENDING PER CAPITA
Sticking to national circumstances & priorities

1. Year of implementation
- Carbon tax since 2013
- Carbon tax between 2008 and 2013
- Carbon tax before 2007
- Emissions Trading Scheme since 2013
- Emissions Trading Scheme between 2008 and 2013
- Emissions Trading Scheme before 2007

2. Revenue uses
- Earmarking
- General budget allocation
- Tax exemptions
- Direct transfers

Source: I4CE - Institute for Climate Economics with data from World Bank, government officials and public information, April 2018
### TAXONOMY OF OPTIONS

<table>
<thead>
<tr>
<th>CRITERIA OF EFFECTIVENESS</th>
<th>Macroeconomic performance</th>
<th>Environmental performance</th>
<th>Political resilience</th>
<th>Communication and transparency</th>
<th>Social inclusiveness</th>
<th>Governance and management</th>
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<tbody>
<tr>
<td><strong>1. General budget</strong></td>
<td>🏤</td>
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<td>📡</td>
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<td>✓</td>
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<td>🙊</td>
<td>✓</td>
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**Intra-government**
### Discussion, discussion, discussion...

#### Taxonomy of Options

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**Intra-government**

**Govt-public**

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Sébastien Postic  COP 24 | Katowice, Poland
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### CRITERIA OF EFFECTIVENESS

- **Build trust** in equity & efficiency
- **Highlight benefits**: climate and non-climate
1. Acceptability is key (and revenue use is fundamental)
Key messages

1. Acceptability is key (and revenue use is fundamental)

2. Not one single successful choice, few intrinsically bad designs
Key messages

1. Acceptability is key (and revenue use is fundamental)
2. Not one single successful choice, few intrinsically bad designs
3. Many different options based on national circumstances and priorities
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2. Not one single successful choice, few intrinsically bad designs
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4. Align climate concerns with economic and/or social efficiency
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5. Two-way communication is key!
**Key messages**

1. Acceptability is key (and revenue use is fundamental)
2. Not one single successful choice, few intrinsically bad designs
3. Many different options based on national circumstances and priorities
4. Align climate concerns with economic and/or social efficiency
5. Two-way communication is key!
6. Full report available Q1 2019
Thank you for your attention

sebastien.postic@i4ce.org
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10 December 2018 – Room Warmia
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#CarbonPricing
#COP24
Communicating Carbon Pricing
Lessons from initial experience

Darragh Conway
Senior legal counsel

Getting The Message Right:
How to Effectively Communicate Carbon Pricing
Monday 10 December 2018
GUIDE TO COMMUNICATING CARBON PRICING

- Guide to communicating Carbon Pricing
- Executive Brief: Communicating Carbon Pricing for Businesses
- Executive Brief: Communicating Carbon Pricing for Governments and Policymakers
Importance of communications

• Key stakeholders becoming supportive advocates early on
• Anticipating opposition
• Broad-based support and valuable feedback on policy
• Durable policy through changes in government
Key findings

• Good communications require good policy
• Visible use of carbon price revenues is often key
• Emphasizing non-climate benefits may be preferable to focusing on climate change
• Good communications are built around values
• Trust is critical
Key findings

Incorporate communications throughout the design of a carbon pricing policy
Steps in developing communications

STEP 1
Preparing for communications design

STEP 2
Identifying audiences

STEP 3
Research

STEP 4
Designing the messages

STEP 5
Explaining how carbon pricing works

STEP 6
Choosing communicators

STEP 7
Integrating communications with policy

STEP 8
Designing a communications campaign
Importance of national circumstances

Develop communications adapted to local needs

<table>
<thead>
<tr>
<th>Highly-polarized environment</th>
<th>Country dependent on domestic fossil fuels</th>
<th>Moderate concern on climate change</th>
</tr>
</thead>
</table>

- In polarized environments, speak across political boundaries
- Language that respects role of fossil fuels
- Language that warns of vulnerability from overdependence
- Combination of climate and other messages (e.g., air quality, clean energy)

Audiences
- "Open audiences" are key
- Audience directly affected by carbon price (e.g., energy industry workers) is important
- Identify primary concerns for different audiences

Integrating communications and policy
- Ensure carbon price does what it says
- Consult affected groups and consider their concerns in policy design
- Aim for multiple positive outcomes (climate and non-climate)
## Case studies

### Australia

- Emissions intensive economy
- Highly organized opposition

**Lessons learned**

- Early and sustained investment in communications required

### California

- Opposition to cap-and-trade from some environmental groups
- Tangible green projects are popular

**Lessons learned**

- Visible revenue use
- Local priorities
Three challenges

<table>
<thead>
<tr>
<th>Challenge 1</th>
<th>Challenge 2</th>
<th>Challenge 3</th>
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</thead>
<tbody>
<tr>
<td>Whether or not to proactively</td>
<td>Whether or not to focus on climate change</td>
<td>Labelling a carbon tax</td>
</tr>
<tr>
<td>communicate carbon pricing</td>
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12 December 2018
## Tested narratives

<table>
<thead>
<tr>
<th>What has worked?</th>
<th>What has been less effective?</th>
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</thead>
<tbody>
<tr>
<td>Perceived fairness</td>
<td>“Putting a price on carbon”</td>
</tr>
<tr>
<td>Balance, sensible approach</td>
<td>Expert consensus</td>
</tr>
<tr>
<td>Shift to clean energy</td>
<td>Threat of climate change</td>
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#COP24
Hon. George Heyman
Minister of Environment and Climate Change Strategy
British Columbia

Katie Sullivan
Managing Director
IETA

Dan Delurey
Advisory Board
Business Climate Leaders

Juan Pedro Searle
Chief of Climate Change Unit
Ministry of Energy
Chile

Florent McIsaac
Economist / Modeller
Agence Française de Développement – AFD
Getting the message right: how to effectively communicate carbon pricing

Thank You!

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