

PMIF Global Knowledge Forum 2023

Implementing domestic carbon pricing: political economy challenges and emerging issues

May 21-22, 2023

Bilbao, Spain

Venue: Bilbao Exhibition Centre (BEC)

Room: Auditorium 1, 4th floor

Address: Azkue Kalea, 1, 48902 Barakaldo, Bizkaia, Spain

The **Partnership for Market Implementation** Facility (PMIF) is a global, multi-donor umbrella program to accelerate decarbonization efforts. It aims to encourage countries to design and deploy carbon pricing policies that align with their local context and sustainable development priorities, as well as catalyze the next generation of international carbon markets.

The annual PMIF Global Knowledge Forum brings together the PMI community - representatives from participant countries, donors, technical and knowledge partners, and other stakeholders - to discuss carbon pricing developments, take stock of progress made in the implementation of PMI program activities, and serve as a platform for exchanging knowledge and lessons learned.

The 2023 edition is jointly hosted with the Government of Canada, convener of the **Global Carbon Pricing Challenge** (GCPC). Rolled out last year at COP-27, the GCPC is calling on all countries to adopt carbon pricing as a central part of their climate strategies, toward a collective goal of covering 60 percent of global emissions by 2030.

With PMI participant countries starting to implement their programs, the PMIF Forum creates space for countries to share their progress, as well as discuss any domestic carbon pricing issues and challenges. The first day sets the scene with updates on key carbon pricing topics. Following this, countries are invited to share their experiences in developing their implementation and readiness support proposals, respectively. The second day continues the knowledge forum, including a structured discussion based around common political economy challenges facing PMI countries drawing on work from an upcoming PMI report on the political economy of carbon pricing.

AGENDA

Day 1

11:00 – 11:15	<p>Opening Remarks</p> <ul style="list-style-type: none"> Hania Dawood, Practice Manager, Climate Finance and Economics, World Bank Judy Meltzer, Director General, Carbon Pricing Bureau, Environment and Climate Change Canada
<p>Session 1. Carbon Pricing in 2023</p> <ul style="list-style-type: none"> This session will discuss major issues surrounding carbon pricing in the past year, from rising energy prices to new carbon pricing instruments coming into operation. Canada will present the Global Carbon Pricing Challenge, which is focused on expanding the use of carbon pricing systems around the world by strengthening existing systems and encouraging the use of new systems. The session will be complemented by an overview of progress made under the PMI country support programs. 	
11:15 – 12:30	<p>State and Trends of Carbon Pricing (10 min)</p> <ul style="list-style-type: none"> Joseph Pryor, PMI Management Unit, World Bank <p>Program Updates</p> <ul style="list-style-type: none"> <i>Partnership for Market Implementation (PMI)</i> (15 min) Venkata Putti, PMI Program Manager, World Bank <i>Global Carbon Pricing Challenge (GCPC)</i> (15 min) Judy Meltzer, Director General, Carbon Pricing Bureau, Environment and Climate Change Canada <p>Discussants</p> <ul style="list-style-type: none"> Kieran McNamara, Head, Environment and Climate Change Unit, International Energy Agency (remote) Pedro Venzon, International Policy Advisor, International Emissions Trading Association David Groves, Lead Climate Change Specialist, World Bank
12:30 – 13:30	<p>Lunch</p> <p>Torre BEC Restaurant (7th floor)</p>

Session 2. Climate Action at the World Bank: the role of carbon pricing and markets

With climate change becoming a mainstream pillar of the World Bank’s work, this session outlines how the World Bank is approaching climate change as part of its Evolution Roadmap. It will also do a deep dive into what this means for the role of carbon pricing and markets, as well as the interrelationships with other policies.

13:30 – 14:30	<p>Presentation (15 mins)</p> <ul style="list-style-type: none"> • Hania Dawood, Manager, Climate Finance and Economics, World Bank <p>Discussants</p> <ul style="list-style-type: none"> • José Andreu, Program Manager, Scaling Climate Action by Lowering Emissions (SCALE), World Bank • Luis Tineo, Manager, Program Manager, Climate Support Facility (CSF), World Bank <p>Comments by PMI Participants</p>
14:30 – 14:45	<p>Coffee break</p>

Session 3. Assessing the role and impact of a carbon price

Countries that are assessing the role of or already implementing a domestic carbon price as part of their broader climate and development strategies will present their programs to discuss common challenges and share insights on their planned programs.

14:45 – 16:15	<p>Presentation</p> <ul style="list-style-type: none"> • Harikumar Gadde, PMI Management Unit, World Bank <p>Panel Discussion</p> <p><i>Moderator:</i> Constanze Haug, Managing Director, Adelphi</p> <ul style="list-style-type: none"> • Nicolas Mueller, Coordinator, Collaborative Instruments for Ambitious Climate Action (Ci-ACA), UNFCCC (remote) • Hadika Jamshaid, Carbon Markets Advisor, Ministry of Climate Change, Pakistan • El Hadji Mbaye Diagne, Director General, Afrique - Énergie – Environnement, Senegal • Joko Prihatno, Directorate General of Climate Change, Ministry of Environment and Forestry, Indonesia
16:15 – 16:30	<p>Recap and close of Day 1</p> <ul style="list-style-type: none"> • Flavia Rosembuj, Senior Climate Finance Specialist, World Bank
	<p>RECEPTION</p> <p>Torre BEC Restaurant (7th floor)</p>

Day 2	
9:00 – 9:15	<p>Introduction</p> <p>Venkata Putti, PMI Program Manager, World Bank</p>
<p>Session 4. Emissions Trading</p> <p>This session focuses on emissions trading schemes (ETS), primary focus of several PMI countries. The International Carbon Action Partnership (ICAP) will offer insights from their 2023 Status Report on ETS. Then the session moves to interventions from various countries, outlining the role of their existing or planned emissions trading systems (ETS) in achieving national climate and sectoral targets.</p>	
9:15 – 10:45	<p>Presentation</p> <ul style="list-style-type: none"> • Stefano De Clara, Head of Secretariat, International Carbon Action Partnership <p>Panel Discussion</p> <p><i>Moderator:</i> Elspeth McGowan, Program Manager (Carbon Pricing), Department of Energy Security and Net Zero, United Kingdom</p> <ul style="list-style-type: none"> • Gloria Sanclemente, Legal Advisor on Carbon Markets, Ministry of Environment and Sustainable Development, Colombia • Haidong Liu, Environmental Development Center of the Ministry of Ecology and Environment, China • Ha Quang Anh, Director of Center of Ozone Layer Protection and Low Carbon Economy Development, Ministry of Natural Resources and Environment, Vietnam
10:45 – 11:00	<p>Coffee break</p>
<p>Session 5. Carbon taxes and levies</p> <p>This session will focus on domestic carbon taxes and levies. Country program presentations from implementing countries and donors will outline their plans to implement or strengthen their carbon taxes. Topics covered range from how it aligns with their broader development and climate strategies, as well as key issues they are seeking to address – from capacity gaps to data and technical challenges.</p>	
11:00 – 12:30	<p>Presentation</p> <ul style="list-style-type: none"> • Simon Black, Fiscal Affairs Department, IMF (remote) <p>Panel Discussion</p> <p><i>Moderator:</i> Rodrigo Pizarro, Environment Directorate, OECD</p> <ul style="list-style-type: none"> • Rui Yun Gan, Senior Manager, Global Partnerships, National Climate Change Secretariat, Singapore • Nirwan Noh, Deputy Chief Economist, Ministry of Finance, Malaysia

	<ul style="list-style-type: none"> • Veli Auvinen, Ministry of Finance, Finland (remote) • Keith Jefferis, Senior Policy Advisor, Ministry of Finance, Botswana (remote)
12:30 – 13:30	Lunch Torre BEC Restaurant (7 th floor)
Session 6. Navigating the political economy of carbon pricing at a country level Carbon pricing is multifaceted and political economy can be central for whether, when, and how it gets implemented. This session will discuss how carbon pricing policies need to balance the interests of the various stakeholders including the configuration of interest groups, institutions to be regulated, and enabling environment, while also being effective at incentivizing emission reductions.	
13:30 – 14:30	Presentation (10 min) <ul style="list-style-type: none"> • Michael Lerner, London School of Economics Panel <i>Moderator:</i> Marcos Castro, PMI Management Unit, World Bank <ul style="list-style-type: none"> • Judy Meltzer, Director General, Carbon Pricing Bureau, Environment and Climate Change Canada • Juan Pedro Searle, Head of Climate Change, Ministry of Energy, Chile • Jan-Willem van de Ven, European Bank for Reconstruction and Development
14:30 – 14:45	Coffee break
Session 6 (cont'd). Carbon pricing and political economy This discussion will move into structured breakout groups with a guided question for each group. Groups will report back for a broader discussion and key takeaways.	
14:45 – 15:45	Breakout groups will discuss one of the following questions: <ol style="list-style-type: none"> 1. <u>Interest groups</u>: Which groups tend to support and oppose carbon pricing in your country? How have these stakeholders attempted to increase acceptance and reduce resistance to carbon pricing? 2. <u>Challenges</u>: Which aspects of carbon pricing have been the most challenging to negotiate in your country? How have these issues been addressed? 3. <u>Communication</u>: Which aspects of communicating, monitoring, and enforcing carbon pricing have been the most difficult for your country? How could these have been done differently? 4. <u>Strategy</u>: Does your country intend to consolidate and strengthen carbon pricing? What strategies or rules has it put in place to achieve this, and what are the potential challenges to doing so?

15:45 – 16:15	Reporting back from breakout groups
Closing session	
16:15 – 16:45	<ul style="list-style-type: none">• Ignacio Sánchez García, Deputy Director of Carbon Markets, Ministry for the Ecological Transition and the Demographic Challenge, Spain• Jennifer Sara, Global Director, Climate Change, World Bank