Carbon Pricing Leadership Coalition -- Plan of Action

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We are reaching a tipping point in political support for Carbon Pricing

**Momentum is building**

- At the **UN Climate Summit**, Carbon Pricing was put back on the map – with a strong showing of support from a wide variety of stakeholders:
  - 74 countries and 23 states, provinces and cities joined over 1,000 businesses and investors in signaling their support for carbon pricing
    - These countries together are responsible for 54% of GHG emissions, 52% of GDP and almost half of the world’s population
  - The WBG co-hosted a high-level session with the UN Global Compact that included 50+ heads of state, 250 CEOs and other leaders focused on carbon pricing
  - The World Bank Group followed this success by launching the **Carbon Pricing Leadership Coalition** at the October 2014 **IMF/World Bank Group Annual Meetings**, which concluded with an invite from finance ministers and CEOs to deepen the public-private dialogue

**A growing chorus of leaders’ voices**

- "The benefits speak for themselves when, alongside an agreed CO₂ reduction roadmap, the market determines the carbon price on the basis of supply and demand. Our country’s positive economic development shows that technological progress and growth can go hand in hand with climate protection."
  - Angela Merkel, Chancellor of Germany

- "If we want to be serious about fighting climate change, there is no way out without putting a price on carbon."
  - Mats Andersson, CEO, AP4

- "We need to fund companies that put sustainability high on the agenda. You cannot be long-term successful unless you have sustainability high on the agenda."
  - Mats Andersson, CEO, AP4

- "Alstom believes CO₂ pricing is essential to incentivize investment in the huge volume of low-carbon investment needed to meet climate change and energy security goals and bring our economies on the path of long-term prosperity."
  - Amy Ericson, President, Alstom USA
Driving political support for action

February – June 2015

- Develop the business case
  - WHY a rising price on carbon?
  - Carbon price scenarios demonstrating the economic case for action

- Develop the evidence base
  - HOW to price carbon effectively
  - Framework for Effective Carbon Pricing

April 2015 – WBG/IMF Spring Meetings

Carbon Pricing Leadership Panel

“We see the economic case for carbon pricing and will work to advance action by sharing successful approaches and making the business case”

- Jim Yong Kim, WBG President
- Heads of government/finance ministers (5)
- CEOs (5)
- Civil society leaders (2)
- International organizations (2)

Indicators of success and tracking progress

- Countries adopt carbon pricing and/or accelerate implementation
- Corporations show public support for carbon pricing/adopt internal carbon pricing

April – October 2015

High-level outreach & engagement:

- Presidents, Governors, Mayors, Finance Ministers; Academic/civil society leaders; Investor and Business CEOs
How to participate

Coalition Partners agree to the following statement:

“We government, business and civil society organizations are collaborating through the Carbon Pricing Leadership Coalition to support policies that lead to a meaningful price on carbon – one that redirects investment commensurate with the scale of the climate challenge.”

Types of Coalition Partners

- **Government Partner:** Governments that agree to explore or accelerate effective carbon pricing within their own jurisdiction and to shape the agenda by sharing experiences
- **Private Sector Partner:** Companies and investors that agree to provide productive input into the design and implementation of effective carbon pricing schemes
- **Strategic Partner:** organizations that shape the Coalition’s strategy and work program by contributing time and resources
- **Knowledge Partner:** academic, civil society or international organizations that agree to contribute research, review content and shape strong knowledge products
The WBG promotes and enables carbon pricing across all stages of development

- Promoting the case and evidence base for carbon pricing
  - Carbon Pricing Leadership Coalition; State and Trends of Carbon Pricing reports

- Planning, design, pilots
  - Innovating and building readiness for carbon pricing
  - Partnership for Market Readiness

- Implementation, scale-up
  - Enabling scale-up of carbon pricing efforts for a meaningful price on carbon
  - Partnership for Market Readiness

- Connectivity, global trade
  - Enabling connectivity of carbon pricing efforts for a long-term, stable price on carbon
  - Networked Carbon Markets
Advancing stakeholder support for carbon pricing

Objective: help governments to gain stakeholder support to design and implement their carbon pricing schemes

Activities:
• Convene business-government dialogues to identify political drivers and barriers to implementation of effective carbon pricing systems
• Collect and share experiences to foster wider political support for policy adoption and accelerated implementation
• Explore provision of fiscal policy guidance in select countries

How Partners can get involved:
• Host consultations with stakeholders on carbon pricing
• Share success stories and lessons learned on gaining political support for carbon pricing
• Explore regional and international linkage of systems via the Networked Carbon Markets initiative
• Join monthly Coalition calls/webinars with private sector to share experiences and perspectives
Pension Funds: One of the Biggest Risks in a Long-Term Investor's Portfolio Is Carbon

Mats Andersson, CEO of the Swedish pension fund AP4, explains how institutional investors are pushing companies to become more sustainable and reduce their greenhouse gas emissions. Read More »

What Is Carbon Pricing?

The phrase “put a price on carbon” has become increasingly common as discussions of how to address climate change move from concern to action. The World Bank Group, business groups, and investors have called on governments and corporations around the world to support carbon pricing to bring down emissions and drive investment into cleaner options.

So what does it mean to put a price on carbon, and why do many government and business leaders support it?