

# **PMI 2025 Knowledge Forum**

**Taking the carbon pricing agenda forward: Experiences of countries implementing domestic carbon pricing instruments**

How has the government ensured that carbon tax revenues effectively address the needs of vulnerable communities affected by both climate change and the energy transition?

What lessons can other countries learn from Colombia's experience in balancing environmental objectives with social equity?

# Carbon tax revenues

**Law 2277 of 2022**

**(Tax reform for equality and social justice)**

**Article 49**

**Specific use of the national carbon tax  
(earmarking carbon tax revenues)**

**from January  
2023**

**80% to**

**Environmental and climate change aspects**

**20% to**

**National Comprehensive Program for the Substitution of Illicit Crops**

## Environmental and climate change aspects

80% to

- ☐ Coastal erosion management
- ☐ Deforestation reduction and monitoring
- ☐ Water conservation
- ☐ Protection, preservation, restoration, and sustainable use of strategic areas and ecosystems through: reforestation and restoration programs, conservation incentives, and Payment for Environmental Services prioritizing **PDET municipalities** where illicit economies are present
- ☐ Promotion and encouragement of the conservation and sustainable use of biodiversity
- ☐ Financing of the climate action goals and measures established in: **Law 2169 of 2021, and Colombia's Nationally Determined Contribution (NDC).**

## **PDET (Programas de Desarrollo con Enfoque Territorial) Territorial-Focused Development Programs**

**The PDETs were regulated by Decree-Law 893 of 2017**

**PDET is a planning and management instrument to implement, as a priority, sectoral plans and programs within the framework of the Comprehensive Rural Reform, focused on:**

- rural development**
- structural transformation of the countryside**

For the implementation of the PDET, 170 municipalities grouped into 16 subregions were prioritized based on the following criteria:

- Poverty levels, particularly extreme poverty and unmet needs
- The degree of impact resulting from the armed conflict
- The weakness of administrative institutions and management capacity
- The presence of illicit crops and other illegitimate economies

- ❑ **PDET territories cover more than 30% of the national territory and are home to strategic ecosystems of the utmost importance**
- ❑ **45% of the PDET area corresponds to National Natural Parks**
- ❑ **These territories have significant ethnic and cultural diversity due to the presence of Afro-Colombian and Indigenous peoples, and peasant communities**

## Law 2169 of 2021 (Climate Change Law) and Colombia's Nationally Determined Contribution (NDC)

- ❑ Climate Change Law promotes the country's low-carbon development by establishing minimum goals and measures in carbon neutrality and climate resilience.
- ❑ Minimum goals and measures in the short, medium, and long term, within the framework of the international commitments assumed by the Republic of Colombia on this matter.
- ❑ This Law includes the goals and measures of the Colombia's Nationally Determined Contribution (NDC) submitted to the UNFCCC, or any updates or replacements.
- ❑ Establishes the pillars of the transition to carbon neutrality, climate resilience, and low-carbon development.

Some pillars of the transition to carbon neutrality, climate resilience, and low-carbon development:

- ✓ **Food security**
- ✓ **Health**
- ✓ **Poverty eradication**
- ✓ **Just transition of the workforce**
- ✓ **Differential characteristics of economic sectors and territories**
- ✓ **Women and population groups with special constitutional protection**
- ✓ **The importance of promoting an economic transition toward carbon neutrality that drives the strengthening of the productive system and its competitiveness in national and international markets**

## National Comprehensive Program for the Substitution of Illicit Crops

20% to

- ☐ The Ministry of Finance and Public Credit transfers the resources to the Colombia in Peace Fund (FCP) referred to in Article 1 of Decree Law 691 of 2017.
- ☐ Projects intended to be implemented in municipalities with Territorial-Focused Development Programs (PDET) will be prioritized.
- ☐ The purpose of the Colombia in Peace Fund (FCP) is to be the primary instrument for the administration, coordination, targeting, and execution of the various sources of funding to carry out the actions necessary for the implementation of the Final Agreement for the Termination of the Conflict and the Construction of a Stable and Lasting Peace.



# Ambiente

