

PMI Colombia

Work Program

Ministry of Environment and Sustainable Development



El ambiente
es de todos

Minambiente

July 7th, 2022

Content

1. Country climate policy context
2. Carbon Pricing landscape
3. Role of the PMI
4. General PMI outline
5. Expected outcome



El ambiente
es de todos

Minambiente

Country climate policy context

to advance on a path towards a low-carbon development and competitive and sustainable economy



2011

Institutional Strategy for the articulation of policies and actions on climate change: raised climate change as a matter of economic and social development, and proposes that the sectors and territories integrate it into their planning processes.

2016

National Climate Change System: set of entities, policies, standards, processes, resources, plans, strategies, instruments, mechanisms, as well as information related to climate change management.

2017

National Policy on Climate Change: climate change management into public and private decisions.

2018

Climate Change Law: instruments for managing climate change and their impacts in territories (population and ecosystems).

2018

Green Growth Policy: promotes the increase in productivity and economic competitiveness while ensuring the sustainable use of natural capital and social inclusion, in a way that is compatible with the climate.

2020

NDC Updating: i) adaptation to climate change, ii) Greenhouse Gases (GHG) mitigation, and iii) Means of Implementation.

2021

Long Term Climate Strategy (E2050): the country will be carbon neutral and resilient to the climate, prioritizing human well-being, with a circular economy, carbon-neutrality, competitiveness, regions and sectors with broad capacities to adapt to climate change, achieved through transformations that promote social inclusion, food security and strengthening governance.

2021

Climate Action Law: minimum goals, measures and articulation schemes to continue driving the country on the path of low-carbon development, climate resilience and carbon neutrality.

Country climate policy context

to advance on a path towards a low-carbon development and competitive and sustainable economy

Nationally Determined Contribution (NDC)

2030

- 51% reduction in emissions compared to BAU in 2030
- Emissions decrease starts between 2027 and 2030
- 148 mitigation measures:
32 national, 89 subnational, 24 by companies, 3 to reduce black carbon
- 30 mitigation goals
- 18 goals on Means of Implementation:
Planning (4), Education, training and awareness (4), Information, science, technology and innovation (6), and Financing and economic instruments (4)

Supported by Climate Action Law (2021)

- 23 additional mitigation measures
- 12 additional mitigation goals
- 1 additional goal on Means of Implementation

Long Term Climate Strategy (E2050)

2050

9 'Bets' to achieve socio-ecological climate resilience in Colombia by 2050

Socio-ecological transition: i. significant increase in ambition, ii. multidimensional transformation, and iii. Consolidation of a climate-resilient future

Carbon Pricing landscape

2016

Carbon Tax

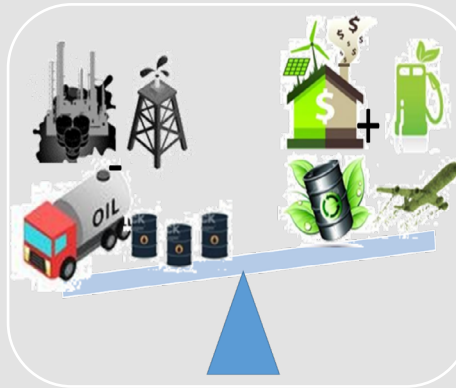


Law 1819 (Tax reform)

Fee for carbon content in
fuels

2017

Carbon Neutrality Mechanism

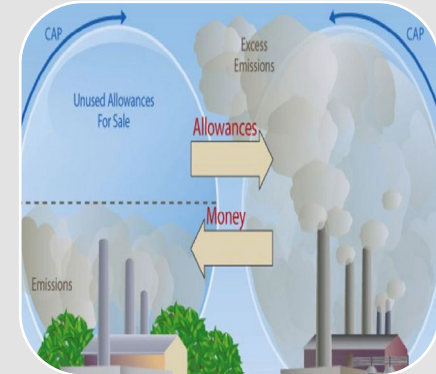


Decree 926

Optional benefit of not paying
the tax when compensation
certificates are acquired to
neutralize fuel emissions

2025

Emissions Trading System



Climate Change Law

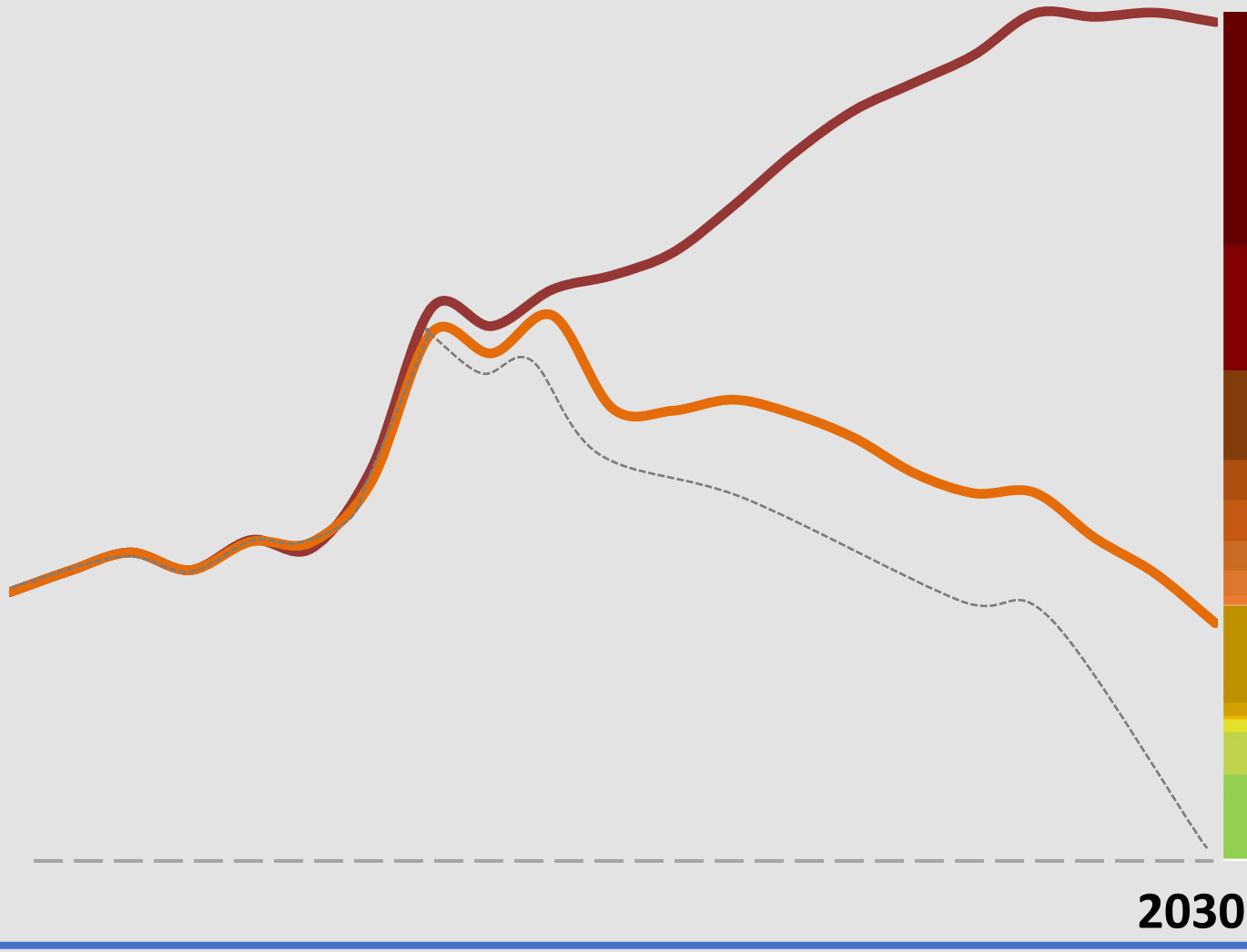
‘Cap and Trade System’



El ambiente
es de todos

Minambiente

Carbon Pricing landscape



345,8 MtCO₂e Reference Scenario



Mitigation initiatives



Carbon pricing

Mitigation due to carbon price signal

Mitigation in other sectors

Revenue use (includes adaptation and information management)

Mobilize additional financial flows and boost investments towards clean technologies

Projects with local and regional environmental co-benefits

Dynamization of the voluntary carbon market

169,4 MtCO₂e (-51%) NDC Goal



El ambiente es de todos

Minambiente

Role of the PMI

PMR support (2017-2020)



General design of the Emissions Trading System

General design of the Mandatory Corporate GHG Reporting Program

ETS Roadmap

Strategy of Communication, Engagement and Capacity for the ETS

Analysis for Colombias's NDC

Country actions (2021-2022)

Communication of the General Design of the Emissions Trading System and the Mandatory Corporate GHG Reporting Program

General regulation of both programs

PMI support (2022/23-2027)



Specific design of Emissions Trading System

Specific design of Mandatory Corporate GHG Reporting Program

Implementation of Communication, Engagement and Capacity Strategy

ETS Piloting

ETS start-up

Role of the PMI

PMI support (2022/23-2027)

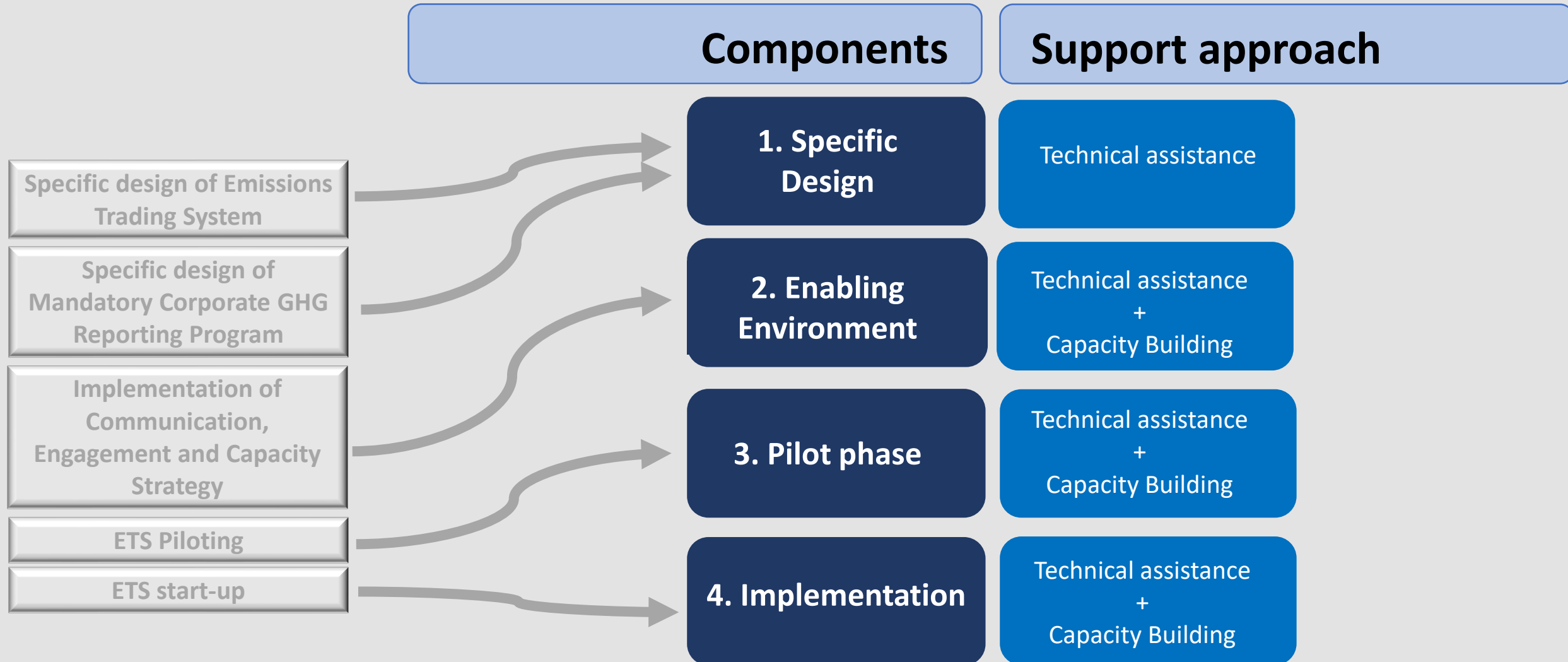


Technical assistance

Technical assistance + Capacity building

Technical assistance + Capacity building

General PMI outline



Expected outcome

Components

Outcomes

1. Specific Design

- Detailed Technical design
- Operational manuals

2. Enabling Environment

- Design of institutional arrangements
- Design of information management
- Execution of Training programs
- Strategy towards cooperative approaches and carbon markets

3. Pilot phase

- Analysis of the operation and results of the Pilot Phase
- Technical inputs for continuous improvement

4. Implementation

- Analysis of the operation and results during the implementation
- Technical inputs for continuous improvement

Just Transition Strategy

Impacts

Contribution to the development of the first phase of the ETS

Contribution to changes in production and consumption patterns

Contribution to Colombia's climate change goals



El ambiente
es de todos

Minambiente



El ambiente
es de todos

Minambiente

THANKS