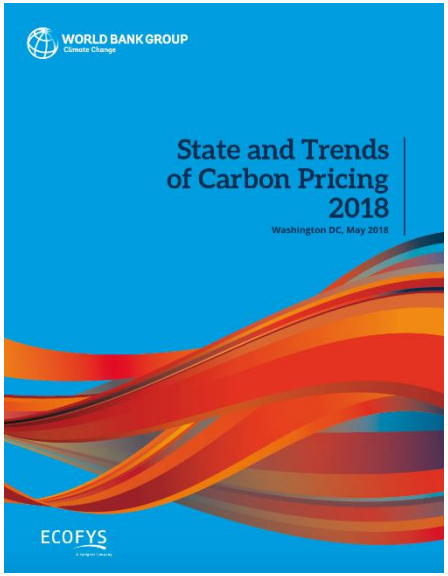
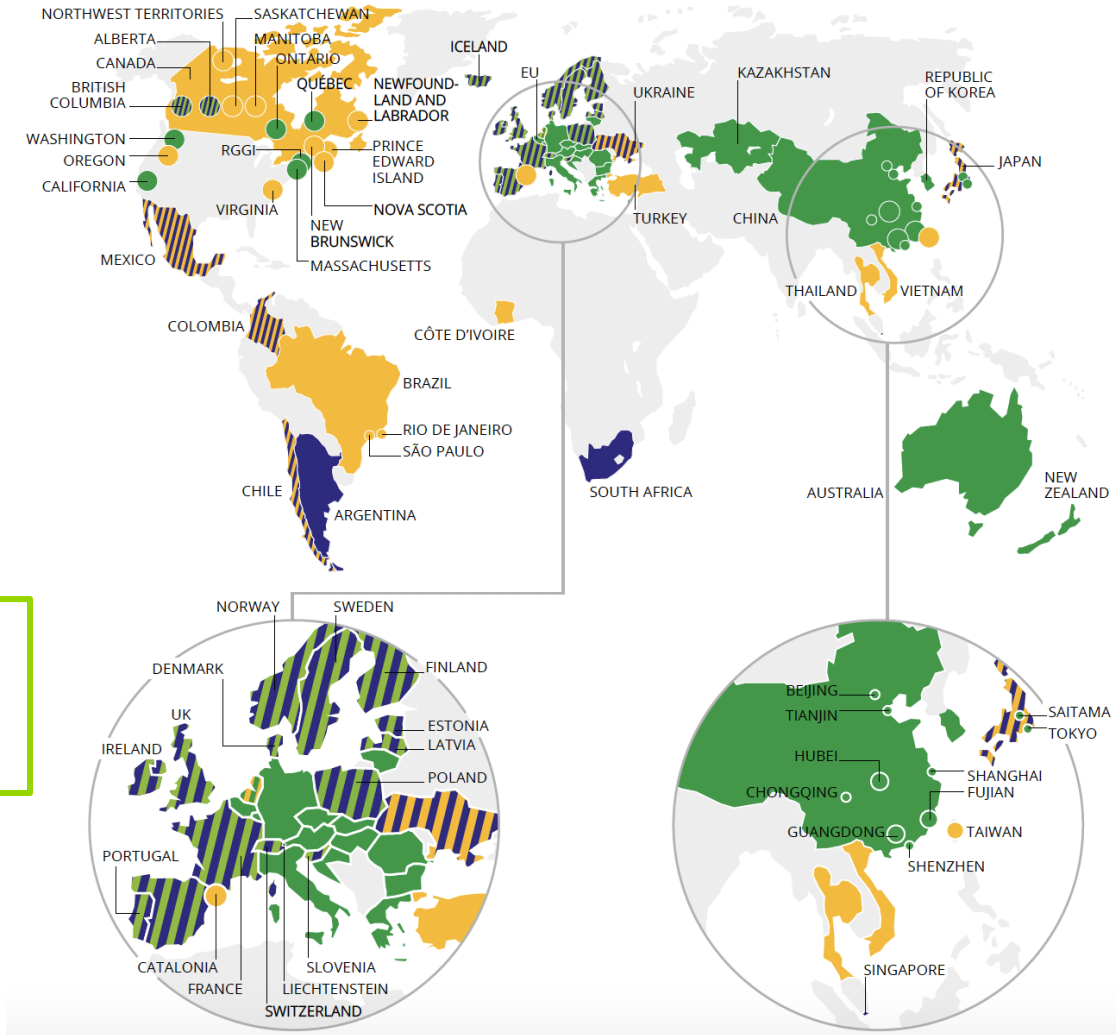
STATE AND TRENDS OF CARBON PRICING

GLOBAL OVERVIEW OF CARBON PRICING



45 national and 25 subnational jurisdictions are putting a price on carbon

- ETS implemented or scheduled for implementation
- Carbon tax implemented or scheduled for implementation
- ETS or carbon tax under consideration
- ETS and carbon tax implemented or scheduled
- Carbon tax implemented or scheduled, ETS under consideration



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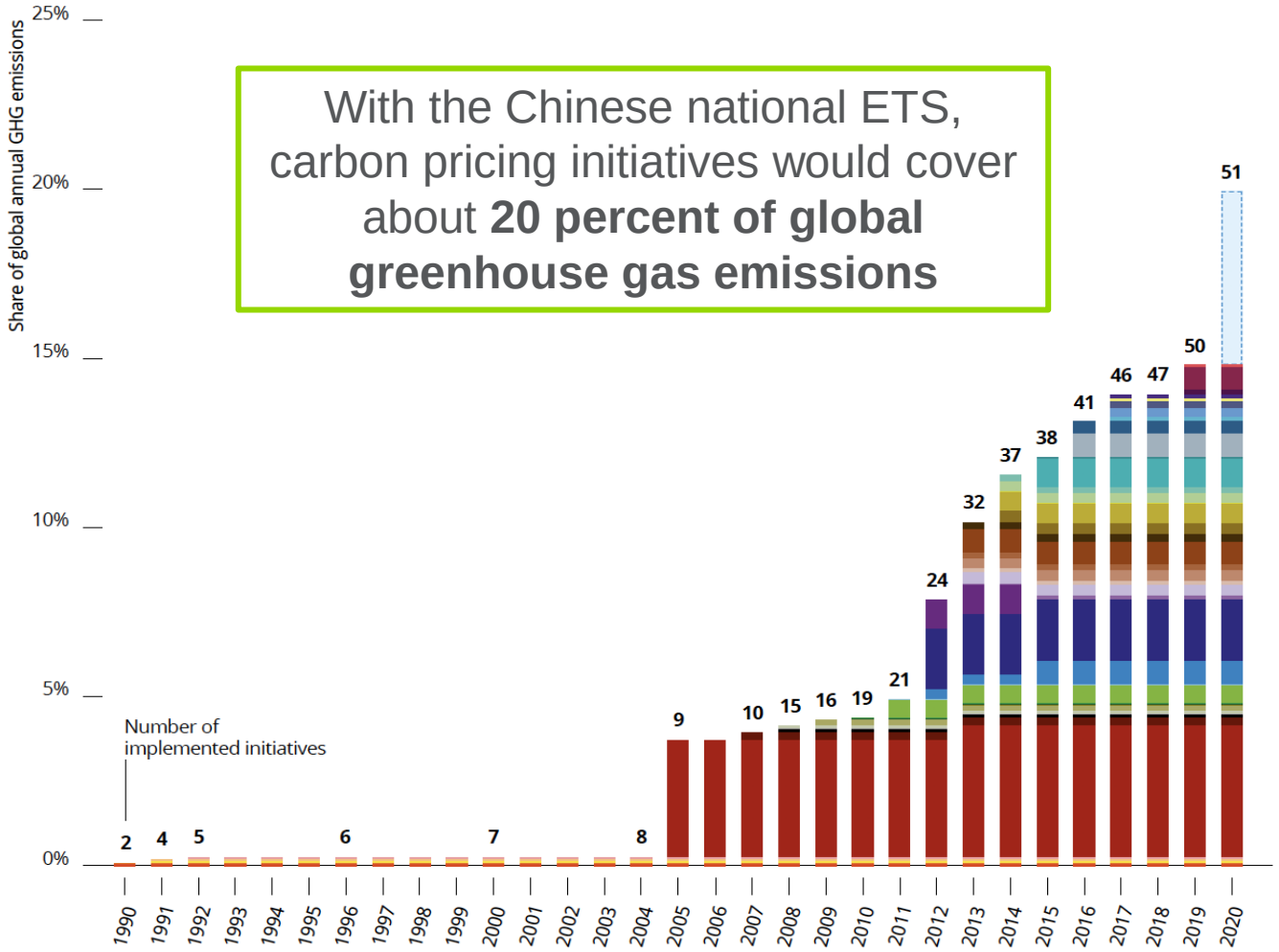
CARBON PRICING HAS GROWN RAPIDLY

With the Chinese national ETS, carbon pricing initiatives would cover about **20 percent of global greenhouse gas emissions**



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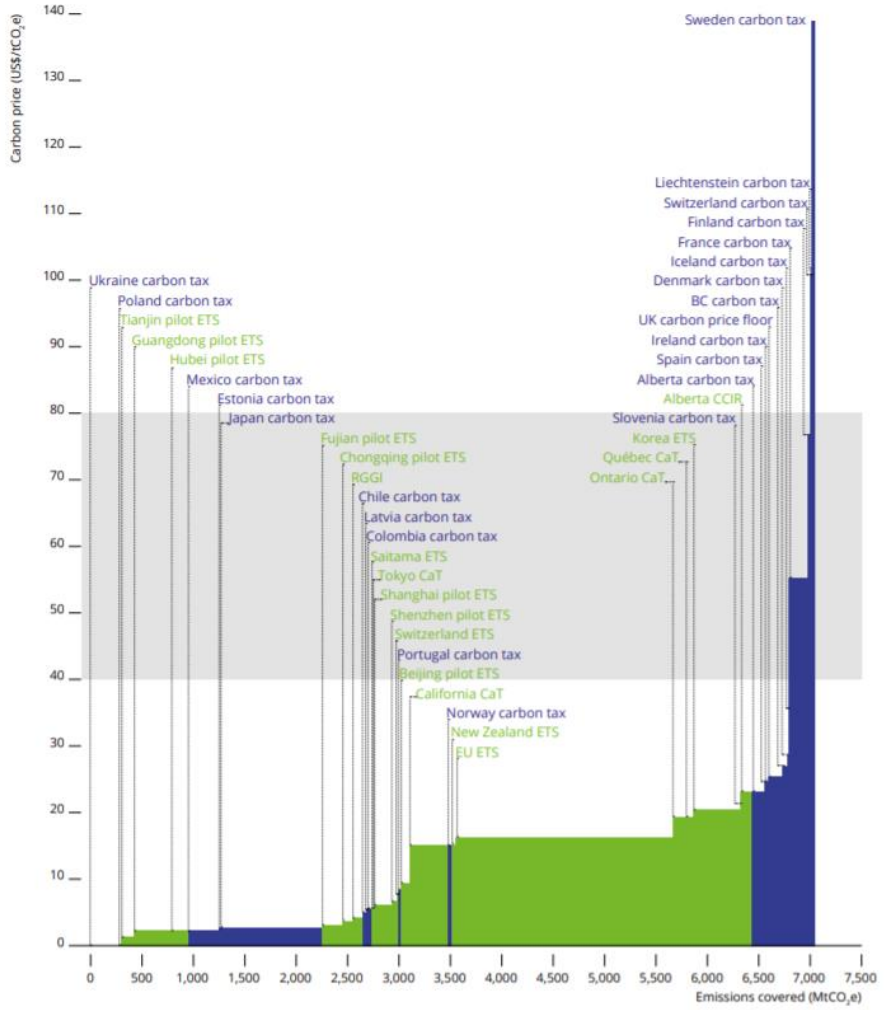
MORE DEVELOPMENTS ON THE WAY



- Carbon prices need to rise to be in line with the ambitions of the Paris Agreement
- Implementation of the Paris Agreement underway:
  - 88 NDCs mention carbon pricing
  - Article 6 mechanisms
- International aviation to implement offsetting system
- International maritime set emission reduction targets

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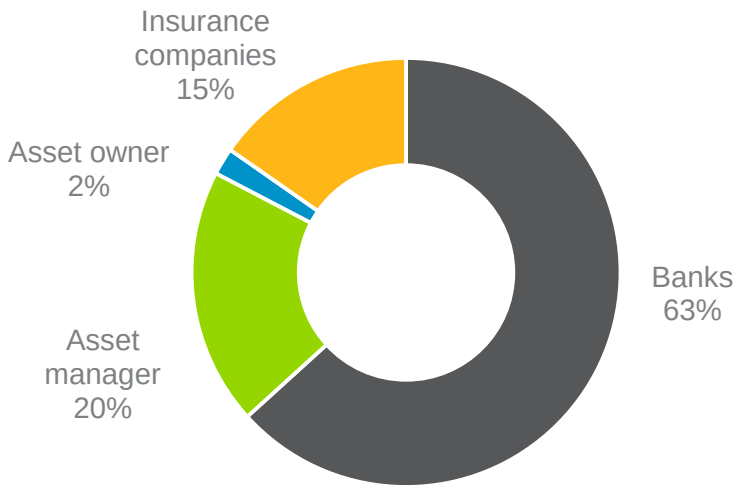
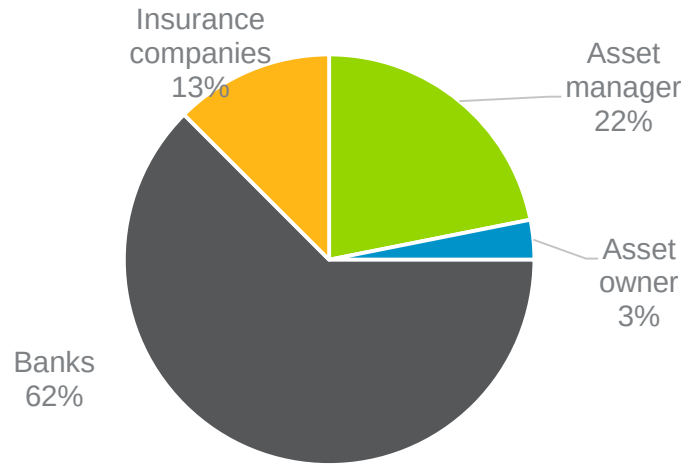
USE OF ICP IN FINANCIAL INSTITUTIONS

- About 1/3 of all financial institutions that responded to CDP, reported that they currently use or plan to use internal carbon pricing by 2019
- Only 7% of them currently applies internal carbon pricing to their financed emissions

Financial Institutions Using / Planning to Use an Internal Carbon Price by 2019



Current Use of Internal Carbon Pricing for Financed Emissions



Source: CDP, 2017

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INTERNAL CARBON PRICING FOR INVESTORS?

Could internal carbon pricing be a potential tool to help financial institutions measure and further incorporate climate change impacts into investment analysis and decision making?

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INTERNAL CARBON PRICING FOR INVESTORS

We invite you to share your thoughts with us!

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