



**Carbon Pricing in the Americas (CPA)
Minutes of the 2023 CPA General Assembly**

Querétaro, Mexico, August 16th, 2023

Attendance (in alphabetical order)

Co-chairs

Panama

Verónica A. González Q.
Javier Martínez
Ana C. Moreno V.
Dorsa Sabet-Rasekh

Québec

Jean-Yves Benoit
Claude Côté
Michèle Fournier
Pierre-Luc Gravel
Philippe Grégoire
Guillaume Huot
Vanessa Jaramillo
Luis M. Soto Uruñuela

Members

British Colombia

Stephan Fortin
Anika Sparling

California

Rachel Gold

Chile

Juan Pedro Searle

Jalisco

Sofía Hernández Morales

Mexico

Marcos Casiano
(CONAFOR)
Eder Larios Guzman
(CONAFOR)

Nova Scotia

Trevor Vandertuin

Pernambuco

Karla Godoy

Querétaro

J. Miguel León Silva
Aideé Morales
Ricardo J. Torres H.
J. Erandi X. Vega Ayala

Rio

Pedro Bittencourt
Raphael Carvalho

Sonora

Diana Durazo

Partners

Carbon Trust

Amanda Luna
Elizabeth Mosqueda

ECLAC

Jimmy Ferrer
Jose Eduardo Sanhueza

ICAP

Victor A. Ortiz Rivera

IETA

Katie Sullivan
Camilo Trujillo

UNEP

Emilia Anselmo

WCI, Inc.

Tonoya Sheth
Greg Tamblyn

World Bank

Joseph D. Callisto Pryor

Observers

Colombia

Ángela R. González

Guanajuato

Alberto Carmona

Guest speakers

EMFF

Patricio Lombardi

Québec

Stéphanie Allard-Gomez

Querétaro

Marco A. Del Prete III

World Bank

Alejandra Mazariegos

Other guests

Agustina Cundari

EMFF

Mayra Berzokski

GIZ México

Juan Carlos Mendoza R.
Maria Fernanda S. Gomez

MexiCO2

Denitza Gonzalez Q.
Eduardo Piquero

RCC

Ana Dominguez Lopez

WRI México

Teresa Tattersfield

1. Keynote addresses

CPA co-chair for North America, Jean-Yves Benoit, from Québec, introduced Marco Antonio Del Prete Tercero, Secretary of Sustainable Development for the State of Querétaro, and Stéphanie Allard-Gomez, General Delegate of Québec in Mexico.

Secretary Del Prete delivered a keynote address in which he warmly welcomed participants and expressed his enthusiasm in having Querétaro host the 2023 CPA General Assembly. He outlined the strong commitment of the State of Querétaro toward the promotion of carbon pricing. He recalled that the decision to design the decarbonation pathway of Querétaro, which dated back to 2019, allowed it to prioritize public investments and rethink its growth model for the region. The State of Querétaro introduced its environmental tax in 2021 and joined the CPA initiative in 2022 to participate in international and regional cooperation on carbon pricing.

General Delegate Allard-Gomez delivered an address outlining the work of Québec's General Delegation in Mexico. She spoke about Québec enduring and fruitful partnership with the Mexican federal government and Mexican states. She emphasized that many relevant collaborations were developed, including the exchange of best practices in the design and implementation of Mexico's emissions trading system and many environmental projects. She also thanked the State of Querétaro for hosting the CPA General Assembly.

2. Welcoming remarks and introductions

Jean-Yves expressed his great satisfaction at witnessing the recent expansion of the CPA. He warmly welcomed Javier Martinez, Head of the Mitigation Department of the Climate Change Directorate of Ministry of the Environment in Panama, who was recently appointed as the CPA's new Latin America and the Caribbean co-chair.

Javier thanked everyone who travelled to attend the CPA 2023 General Assembly in Querétaro and welcomed all participants in person and online. Then he introduced himself and underlined the commitment of Panama to addressing the climate crisis head on. He stated that it was an honor for him to accept the role of co-chair and thanked the Panama and Quebec teams for their hard work.

Icebreaker activity

To break the ice, each member and partner were asked to present their favourite festival in their hometown.

3. Tour de table Part 1: Members and observer governments

Javier invited all members present, in person and virtually, to give a policy update in their jurisdiction and answer the following questions: 1. What are their government's top successes and developments in 2022-2023 regarding carbon pricing? 2. What is their outlook for carbon pricing policy and actions in 2023-2024 in terms of top priorities,

opportunities, and challenges? Subsequently, the governmental observers present, Colombia and Guanajuato, were also invited to answer these questions.

Here are some successes shared by the members that stand out during the discussions:

- New climate plans or legislations, for example in Chile, Guanajuato, Nova Scotia and Querétaro.
- Introduction of carbon pricing regulations, or changes and updates on the existent carbon pricing regulations (for example, decarbonization of the cement sector).
- Memorandum of Understanding on Article 6 with some countries.
- Implementation of PMI projects.

On the challenges and priorities, here are some items the members discussed about:

- Capacity building, implementation, and governance of projects under the Article 6.
- Ensuring social justice in every step on the implementation of the carbon pricing instruments.
- Implementation of the new regulations adopted and the infrastructures that can support those regulations.
- Multiplying incentives and ensuring that the price on carbon is effective.
- Putting in place pilot projects.
- Promoting the voluntary carbon market.

4. Tour de table Part 2: Partners and guests

Jean-Yves invited all partners and guests present, in person and virtually, to present their organisation's updates and answer similar questions as the ones posed to members.

The partners and guests shared their accomplishments for 2023:

- Developing and creating training courses, for example on ETS.
- Continuing to welcome and recruit new members.
- Continuing to support governments and key stakeholders in Latin America in the development of carbon pricing instruments.
- Doing reports about the state of carbon pricing instruments in Latin America and the Caribbean.
- Mapping out the voluntary carbon market projects in Latin America and the Caribbean, to identify challenges and risks for the implementation of Article 6.

They also shared some challenges and priorities, such as:

- Ensuring the integrity and transparency of the voluntary carbon markets.
- Identifying new partners and opportunities to help and support the carbon markets in the Americas.
- Working with the private sector and enhance capacities for engaging/complying with carbon pricing instruments.
- Working with governments on a national and subnational level to design the implementation of carbon pricing instruments.
- Developing regional training courses.

5. World Bank Presentation – State and Trends of Carbon Pricing 2023

Alejandra Mazariegos gave participants an overview of the World Bank’s 2023 State and Trends of Carbon Pricing report that was recently published and focused specifically on recent developments in the Americas. Particularly in Mexico, there has been some movement over the past year with the introduction of carbon taxes at the sub-national level. In the Americas, carbon prices are still below the price level recommended to achieve the Paris Agreement goals, save for Uruguay whose tax only applies to gasoline fuel. On a global scale, it is interesting to note that overall revenues from carbon pricing have increased in recent years, with more revenues stemming from emission trading schemes (ETS) than from carbon taxes, as the price of ETS allowances generally rise faster than carbon taxes.

Three key takeaways from the presentation:

- Carbon markets have shown great resilience in the face of the difficult economic situation worldwide.
- There is growing interest from middle-income jurisdictions in all types of direct carbon pricing.
- There is still a long path ahead. Climate policies and carbon pricing schemes need to increase their ambitions, introduce higher carbon prices, and broaden their coverage.

A question-and-answer session followed the presentation.

6. Lunch break + Visit of the *Archivos históricos*

After lunch, Erandi Vega Ayala from the Querétaro team treated in-person participants with a much-appreciated tour of the Querétaro historical archive building where the general assembly was held.

7. Short quiz: Identifying CPA members

To prepare participants for the afternoon presentations and discussions, Verónica González from Panama led a much-appreciated activity aimed at getting the different CPA member representatives better acquainted with each other.

8. Environmental Markets Fairness Foundation Presentation

Javier introduced Patricio Lombardi, executive director of the Environmental Markets Fairness Foundation. Patricio gave us an overview of the evolution of carbon markets in Latin America. He concluded that carbon prices are not high enough and that we will not collectively reach net zero that way. The engagement of all sectors should be a game changer. He advocated for the adoption of a holistic approach (biodiversity, pollution, and global health in the same equation) to effect real change.

His presentation was followed by a question-and-answer session.

9. CPA Communications

Tonoya Sheth, from WCI, Inc. presented the logo that was adopted by members at the May 30th, 2023, CPA meeting and what it represents. She then presented the CPA's new [Website](#) which will shortly be available to the public in English, French, Portuguese and Spanish, the four languages spoken by CPA member jurisdictions. The Website gives access to several CPA documents such as members profiles, the Glasgow Declaration, the 2023 Action Plan and information on CPA meetings. There is also a contact form to reach out to the Secretariat.

In closing, members and partners were asked to each come up with a word which, best describes the CPA from their point of view. They are:

- Collaboration
- Capacity building
- Exchange
- Experience
- Progress
- Conservation
- Partnership
- Hope
- Future
- Support
- Inspiration
- Home
- Transparency
- Excitement
- Treasure well preserved
- Strengthening of the regions
- Team
- Action
- Unity
- Knowledge
- Leadership

These words will eventually be used on the website.

10. CPA Governance (members and partners only)

New CPA Guidelines

Jean-Yves mentioned that the new proposed CPA guidelines were circulated among members for their comments a few months ago. A final draft was sent to members with the agenda to the General Assembly. Having heard no objection, Jean-Yves declared the new CPA guidelines adopted.

Search for a permanent Secretariat

Jean-Yves underlined the need to find a permanent home for the CPA secretariat currently staffed by Québec and supported by Panama. Discussions have begun and will continue to take place in the coming months with a few NGO's and international organizations to enquire about their interest in hosting the secretariat. Potential donors will also be

approached to provide the necessary funding to keep the secretariat running for the next few years.

Search for new members and partners

Jean-Yves emphasized that the CPA is always open to engage with national and subnational governments from the Americas expressing interest in becoming CPA members, and he mentioned that discussions are ongoing with some that have recently done so. The secretariat is also proactive in reaching out to potential members. The same is true of potential partners willing to share their expertise and resources with members.

CPA activities

Highlights since the 2022 General Assembly of October 17th, 2022, in Rio de Janeiro:

- Two new members have endorsed the Glasgow Declaration and became CPA members in good standing: Pernambuco and Federal District of Brazil.
- Deep-dive discussion on forestry credits.
- Presentation on MRV systems.
- Presentation from the ICVCM.
- Adoption of the logo.
- Finalization of the website.

Events to come:

- New York Climate Week: September 17th to 24th.
- IETA and ICAP are co-organizing the North America Climate Summit (September 19th to 21st).
- COP28: November 30th to December 12th.
- CPA side-event during the COP: Stocktake on efforts to adopt and implement carbon pricing in the Americas.
- Website to be online soon for the public. An email will be sent to members and partners when that becomes official.
- The co-chairs plan to hold 2024 General Assembly in conjunction with an international event on climate change and carbon pricing. To be announced in the first quarter of 2024.
- Possibility of having another face-to-face CPA meeting close to the Latin America Climate Summit hosted by IETA and ICAP.
- The CPA will continue to organize a series of webinars with all members and partners in 2024.
- A deep-dive discussion will be held on Querétaro integrated approach of to fight against climate change and transform its economy in the Fall of 2023.

11. Closing remarks

The co-chairs expressed their satisfaction in meeting so many members and partners in person in Querétaro. They thanked and congratulated the Querétaro and Québec teams for making this event possible. They also thanked MexiCO2 and WCI, Inc. for providing financial support to allow some members to travel to Querétaro, and IETA for the cocktail event.

12. Wrap-up: Announcements and deliverables

- ICAP: Announces the possibility of organizing a training course in Latin America. ICAP also wishes to facilitate and enable a dialogue on the lessons learned, challenges and opportunities of different carbon pricing schemes in the region. It plans to also engage one-on-one with different jurisdictions to learn more about their needs and priorities.
- IETA, ICAP, IDB: Announces the publication, by the end of 2023, of a landscape review of carbon pricing in compliance and voluntary carbon markets that will be focusing on Latin America. Also announces the 2024 publication of a more analytical document (a quasi handbook) on the design and implementation of carbon pricing in the Americas. CPA members will be contacted to learn more about their experiences and challenges.
- IETA: Proposes to do more investigations on the Green Carbon Fund. 118 organisations are receiving money, but only recently has there been money for carbon markets, carbon education, etc.
- IETA: Proposes to help providing a compendium of all the existing and under-development protocols (forestry, agriculture, waste management, refrigeration, landfill, carbon capture).
- Proposal by Panama to have a deep-dive discussion on their forest protocol.
- Proposal to have an update on the EU CBAM in a future CPA call.

Jean-Yves closes the meeting with a proposal to start thinking about developing long-term objectives for the CPA: How can we slowly harmonize and connect with one another? Is there an opportunity to use a common carbon pricing infrastructure? Can we start converging the carbon pricing systems in the Americas?