



Carbon Pricing in the Americas (CPA)

Minutes of the 2024 CPA Annual Meeting – October 24th

Attendance (in alphabetical order)

Co-Chairs

Panama

Javier Martínez

Secretariat

Ana C. Moreno V.

Dorsa Sabet-Rasekh

Québec

Jean-Yves Benoit

Secretariat

Mitêmo Chevalier

Michèle Fournier

Philippe Grégoire

Vanessa Jaramillo

California

Rachel Gold

Mark Sippola

Members

Canada

Katie Gibbs

Chile

Isabella Villanueva

Dominican Republic

Janibel Muñoz

Guanajuato

José Lara

Noemi Verenice Magaña

Ramirez

Sergio Dominguez

Jalisco

Sarahi Muro

México

José Luis Samaniego Leyva

Diana Guzmán

Suriel Islas

Pernambuco

Karla Godoy

Querétaro

Ricardo Torres

Aideé Morales

Observers

Colombia

Ángela Rodríguez

Washington

Joel Creswell

Invited jurisdictions

Aguascalientes

Lizethe Rivera

Nancy Paola Medina de

Loera

Ciudad de México

Oscar Vazquez

Durango

Claudia E. Hernandez E

Guillermo III Orozco

Estado de México

David N Pazos

Guatemala

María Alejandra Salguero

Pérez

Nuevo León

Jesus Javier Perez Sagaon

Tamaulipas

Karl Becker

Humberto Calderón

Partners

Carbon Trust

Amanda Luna

CCAP

Ana Him

ECLAC

Jimmy Ferrer

ICAP-adelphi

Victor Alejandro Ortiz

Santiago Ramirez Niembro

IETA

Camilo Trujillo

RCC – UNFCCC

Ana Domínguez

Laura Lasso de la Vega

UNEP

Ana Dávila

WCI, Inc.

Greg Tamblyn

World Bank

Alejandra Mazariegos

Marlen Goerner

Invited Organizations

GIZ

Juan Carlos Mendoza

Maria Fernanda Suarez

Gonzalo Mendoza

Carla Hudler Schimpf

Natalia de la O Arevalo

Tamara Escartin Rodriguez

MexiCO2

Yulisa Camacho

Denitza González

USAID

Elsa Suarez



1. Agenda

October 24 th Agenda – CPA General Assembly		
Time	Discussion Items	Speaker
10:00	Welcoming remarks	Jean-Yves Benoit and Javier Martinez
10:20	Tour de table Part 1: Members	All Members
12:15	Tour de table Part 2: Partners	All partners
13:00	Presentation: The Future of ETSs.	Victor Ortiz ICAP
15:00	Interactive Activity	All participants
15:15	Presentation: Deep dive about social carbon cost	Jimmy Ferrer ECLAC
16:00	CPA Governance -Introducing the new secretariat -New Co-chairmanship from California	Jean-Yves Benoit and Rachel Gold
17:00	CPA upcoming activities -COP29	Javier Martinez
17:45	2025 schedule	Jean-Yves Benoit Rachel Gold
18:20	Closing remarks	Javier Martinez
18:30	End of General Assembly	

2. Welcoming Remarks

Jean-Yves Benoit, CPA Co-Chair for North America, welcomed members and partners, and extended a warm welcome to the CPA's newest member, the State of Guanajuato and anticipated member State of Aguascalientes, as well as invited Governments and organizations, underscoring CPA's growth and commitment to inclusive dialogue. He introduced the CPA as a vital forum for collaboration, enabling discussions and exchanges focused on leveraging carbon pricing to combat climate change.

3. Keynote Address

Diana Karin Guzmán, Director of Climate Change Mitigation, delivered opening remarks on behalf of the Secretariat of the Environment and Natural Resources of Mexico.

4. Agenda

Javier Martinez, CPA Co-Chair for Latin America, proceeded to present the General Assembly agenda to set the stage for the meeting's proceedings.

5. Members Roundtable

Jean-Yves led the morning session, asking members to introduce themselves and discuss successes, opportunities, and challenges for 2024-2025. Introductions were limited to two minutes and followed alphabetical order.



- California (Rachel Gold):

Developments: California has made progress on consultations for potential amendments to Cap-and-Trade Program to align the Program with California's 2030 and 2045 GHG reduction goals. The state is also working on a focused strategy to curb emissions in the cement sector, a high GHG –emission intensity industry.

- Top Priorities: Next year, California will continue implementing its program and pursue amendments to support progress toward its carbon neutrality goals. Canada (Katie Gibbs):

Developments: The federal government has amended the Output-Based Pricing System Regulations, tightening output-based standards that gradually reduce free allocations. Canada has also expanded its Federal Greenhouse Gas Offset Credit System, adding protocols for refrigeration and forest management.

Top Priorities: Publish draft regulations for capping oil and gas sector GHG emissions, with a goal of finalizing these by 2025. Canada also aims to enhance carbon rebate communications and prepare for the next carbon pricing review in 2026.

- Chile (Isabella Villanueva):

Developments: Chile is advancing its "reforma tributaria verde" to address distortions in the carbon tax and has integrated a 1% carbon tax into its Emissions Trading System (ETS). The country has also established rules under Article 6 for international carbon trading, approved by the Council of Ministers.

Top Priorities: Chile plans to design an ETS specifically for the energy sector, supported by the World Bank's Partnership for Market Implementation. This initiative aims to expand the country's carbon market scope and fine-tune emissions trading mechanisms.

- Dominican Republic (Janibel Muñoz):

Developments: The Dominican Republic has launched the MATS Program under an Article 6.2 agreement with Sweden, sent its first REDD+ results to the Forest Carbon Partnership Facility, and joined the LAC-6 project to enhance regional climate collaboration.

Top Priorities: Strengthening local climate policies (e.g., Climate Change Law), defining institutional roles for each climate instrument, and developing infrastructure to operate Article 6 mechanisms and ETS (national registry, MRV systems, safeguards).

- Guanajuato, Mexico (Noemi Verenice Magaña Ramirez):

Developments: Guanajuato's carbon tax, implemented in June 2023, has generated approximately 49 million pesos, which funded five waste management projects in various municipalities.

Top Priorities: Update program guidelines, increase taxpayer registrations, expand tax base calculations, and improve public understanding of the carbon tax.



- Jalisco, Mexico:

Developments: Jalisco has been active in preparing a carbon tax with technical assistance from the GIZ and has engaged in multiple state-level dialogues on carbon pricing.

Top Priorities: Finalize the design of the carbon tax and implement it upon receiving approval. Jalisco is also focused on establishing robust operational structures for the tax in collaboration with GIZ.

- Mexico (National ETS) (Suriel Islas):

Developments: Mexico's ETS is entering its fifth year. Significant milestones include the fourth emissions verification round and the fifth allowance allocation. SEMARNAT has updated ETS regulations in collaboration with the private sector and developed training on ETS with GIZ.

Top Priorities: January will mark the fifth emissions compliance deadline, with plans for Phase 2 of the ETS aligned with Mexico's NDCs. SEMARNAT aims to streamline emissions tracking and is considering a PMI reapplication as well as to continue GIZ support.

- Panama (Dorsa Sabet-Rasekh):

Developments: Panama has made strides in defining carbon ownership and commercialization processes and carried out various technical discussions throughout the year with California and Quebec. Additionally, have established agreements (MoUs) with accreditation bodies such as Verra, Gold Standard and Climate Action Reserve, and also laid out a national regulatory framework for carbon markets.

Top Priorities: Launching a national project registry as part of its climate framework. Panama is also preparing an Executive Decree to organize carbon market instruments under its Climate Change Law.

- Pernambuco, Brazil (Karla Godoy):

Developments: Pernambuco signed a technical cooperation agreement with Geonoma to establish a jurisdictional emissions reduction system, integrating a MRV framework.

Top Priorities: Strengthen partnerships and move towards a regenerative economic approach, while addressing challenges related to the upcoming federal ETS.

- Quebec (Jean-Yves):

Developments: Quebec held consultations on the Cap-and-Trade System's parameters, successfully launched an industrial decarbonization initiative, and achieved high engagement with over 95% of eligible emitters signing agreements. Quebec has also made significant progress in e-mobility, with 26.2% of new vehicles being electric or hybrids.



Top Priorities: Continue Cap-and-Trade System assessments, pursue regulatory amendments, and work towards linking with Washington State. Quebec will maintain its focus on industrial decarbonization and support projects that drive emissions reductions.

- Queretaro, Mexico (Ricardo Torres):

Developments: In 2023, 11 companies in Queretaro offset their emissions; in 2024, 24 companies are participating. The state has also established a local compensation project, the Sierra Gorda Project, and developed a database of 250 companies for carbon tax compliance.

Top Priorities: Expand local compensation projects and improve compliance with the state's carbon tax, which currently has an average offset cost of 10 USD per ton. Queretaro is also exploring new local initiatives to address demand for offset projects.

6. Invited Governments Roundtable

- Aguascalientes, Mexico (Lizethe Rivera):

Developments: In 2023, the Intergovernmental Climate Change Commission of Aguascalientes was established, with collaborations formed with GIZ-UK PACT-MexicCO2. A 2022 baseline Greenhouse Gas Inventory was completed, showing emissions above the national average, with over 50% from industry.

Top Priorities: Update the Climate Change Law and publish both the State Action Program for Climate Change and the Climate Change Law Regulation. Facilitate carbon credit purchases by local companies.

- Colombia (Ángela Rodríguez):

Developments: The National GHG Emission Reduction Registry (RENARE) was transferred to the Ministry of Environment and Sustainable Development, with hosting on Ministry servers starting October 2024. Since June 2024, RENARE has resumed operations, registering existing projects in a feasibility phase, with updates required for project phase changes.

Top Priorities: Strengthen institutional, regulatory, and technological infrastructure to ensure environmental integrity in carbon markets. Launch the Colombian ETS, the National GHG Emission Trading Quota Program (PNCTE), focusing on detailed design elements like auctioning.

- Colorado, US:

Developments: The industrial and manufacturing crediting program aims for a 20% reduction from 2015 levels by 2030, covering 23% of the sector with 22 facilities currently involved. Facilities must prioritize on-site reductions before participating in the credit market, which has an annual auction.



Top Priorities: Expand the crediting program to the oil and gas sector while maintaining that external entities cannot participate in the market. Facilitate credit trading without collecting transaction funds.

- Durango, Mexico (Claudia E. Hernandez):

Developments: Durango introduced a carbon tax in 2023, refining its implementation to increase public awareness and responsibility. The state's emissions inventory was updated with assistance from the Mario Molina Center.

Top Priorities: Complete the State Climate Action Program and continue improving the effectiveness of the carbon tax.

- Nuevo León, Mexico (Javier Pérez Sagaón):

Developments: Green taxes were implemented to control emissions in the quarrying sector, backed by the State Climate Change Law. Established two key entities: the Intersecretarial Climate Change Commission to prioritize emissions reduction projects, and a USD 40M Decarbonization Fund.

Top Priorities: Address challenges related to nearshoring investments, which account for 75% of recent inflows. Continue dialogue with U.S. border states to create standardized processes for emissions reduction.

- Tamaulipas, Mexico (Humberto Calderon):

Developments: From 2021-2022, Tamaulipas introduced a fee on GHG emissions, generating MXN 80M. This was changed to a formal tax in 2023. The state's 2050 Climate Change Strategy identifies the energy sector as the main emissions source, with 22 million tons annually.

Top Priorities: Host the next Mexican Carbon Forum and continue climate strategy development for long-term sustainability.

- Key Themes Discussed:

Common challenges were discussed, including public communication, the allocation of emission allowances, and alignment with national climate targets:

- Challenges: Public communication, emissions allowances allocation, national climate alignment, and environmental justice.
- ETS and Net-Zero: ETS alignment with net-zero goals, cap reviews, and CCS technologies.
- Compensation and Social Justice: Prioritizing revenue reinvestment in low-income communities.
- Cross-Border Cooperation: Collaborative policies to prevent carbon leakage among neighboring states.
- Climate Commitments: Unified emission inventories, especially for shared regions.
- International Cooperation (Article 6): Chile's legislative compliance preparations for Article 6.



- Carbon Ownership: Carbon credits ownership discussions, moving towards concession-based frameworks. Focus on the case of Panama, where the carbon assets are considered property of the State, like organic mass in forestry.
- NDC Impact: Effects of domestic carbon markets on NDC contributions.
- Pacific Alliance and Voluntary Markets: Coordinated carbon project registration efforts.
- Data Management: Exchange on emissions tracking software and cost-effective solutions.

7. Partners roundtable

After a short break for a group photo, Javier Martinez led the second morning session. Participants introduced themselves and shared key achievements, top priorities for 2024, and challenges for 2024-2025 within a two-minute limit.

- Carbon Trust (Amanda Luna):

Developments: Analyzed Carbon Pricing Instruments (CPIs) in Mexico; enhanced carbon market awareness in Bolivia; supported SEMARNAT on Mexican ETS allocation methods.

Top Priorities: Support Mexico's new administration on ETS priorities, assist LATAM countries in NDC updates, and engage subnational governments in Mexico.

- CCAP (Ana Him):

Developments: Published documents on Article 6 and fair REDD+ agreements; created a guide for the Amazon and Pacific regions and engaged local communities in voluntary carbon markets.

Top Priorities: Complete a comprehensive Article 6 progress report and establish an Article 6 observatory for Latin America.

- ECLAC (Jimmy Ferrer):

Developments: CPA's Carbon Pricing and Article 6 Workshop and REdiCAP, published studies on carbon pricing in Latin America, and supported investment evaluations based on the social cost of carbon through a regional initiative, with technical support to 8 countries in the region.

Top Priorities: Analyze carbon tax effectiveness in LAC, develop a methodology guide to estimate carbon prices, and strengthen capacity-building efforts.

- ICAP (Santiago Ramirez):

Developments: Published a study with WB and IEA on ETSs in the power sector, participated in the CPA Regional Training in Chile; Reception of delegations from Türkiye, China, Indonesia. Launch of a new Allowance Price Explore and launched the "Carbon Market Conversations" podcast.



Top Priorities: Expand workstreams on ETS policies and continue developing the 2025 Status Report.

- IETA (Camilo Trujillo):

Developments: Supported coordination of carbon instruments in the Pacific Alliance and Chile's Article 6 initiatives; involved communities in carbon market strategies.

Top Priorities: Advance Article 6 implementation in Peru and Paraguay, support voluntary markets in Bolivia, and enhance AFOLU and REDD+ policies.

- RCC LATAM (Ana Dominguez):

Developments: Assisted Panama and Guatemala with Article 6 institutional frameworks and published a concept note on Article 6 progress across seven countries.

Top Priorities: Host a regional Article 6 dialogue at COP29, launch the concept document for seven countries.

- WCI Inc. (Greg Tamblyn):

Developments: Expanded services to 1,100 facilities, removed Nova Scotia, and onboarded New York State for 2025.

Top Priorities: Facilitate collaboration between various carbon pricing schemes.

- World Bank (Marlene Groener):

Developments: Published the 2024 State and Trends of Carbon Pricing reports and the PMI report on the Political Economy of Carbon Pricing, along with analyses on ETS in the power sector. Multiple PMI programs are underway in Chile, Colombia, and Panama, with targeted support provided for Belize and Brazil, and ongoing discussions with Mexico. Engaged in regional activities, including the CPA meeting hosted by ECLAC in Chile and the LACS meeting in Cartagena, Colombia.

Top Priorities: Strengthen knowledge-sharing platforms, continue strengthening the Global Knowledge Forum, and support national registries in LATAM, through the CADT Trust initiative.

8. Invited Partners roundtable

- GIZ-Mexico (Juan Carlos Mendoza)

Developments: GIZ-Mexico has provided technical support for the operational development and design of Mexico's Emissions Trading System (ETS) under the "Preparation of an Emissions Trading System for Mexico" (SiCEM) program. This work includes interagency dialogues and training sessions focused on the Monitoring Plan and the Emissions System. Additionally, GIZ has



facilitated international experience exchanges, including events at Cartagena Climate Week and university-led dialogues.

- MexiCO2 (Yulisa Camacho):

Developments: Supported carbon tax implementation in eight Mexican states, with increased coverage to Hidalgo and Coahuila.

Top Priorities: Enhance state-level carbon tax programs, foster engagement with CBAM, and host workshops with private sector involvement.

- USAID (Elsa Suarez):

Developments: Supported community-level carbon credit projects and explored public policy contributions.

Top Priorities: Engage in compliance markets and work toward becoming an official CPA member.

9. Presentation – ETS, Reloaded? Designing Emissions Trading for Net-Zero and Net-Negative Societies

Javier Martinez introduced Victor Ortiz Rivera, a Senior Carbon Markets Expert at the International Action Partnership, who discussed various scenarios for the future of emissions trading systems in jurisdictions aiming for carbon neutrality. Five options were presented, ranging from maintaining positive emissions to completely prohibiting emissions or requiring net-negative offsets. The presentation examined the advantages, challenges, and key considerations for each scenario, including defining residual emissions, integration with other climate policies, and transition mechanisms. Victor emphasized the importance of carefully assessing the technical, economic, and political implications of each option.

After the presentation, Jean-Yves opened for questions or comments from the audience, three key takeaways:

- Introducing removal units in an Emissions Trading System (ETS) could impact prices, but measures like government purchasing and reselling units, or setting minimum prices, could help stabilize costs.
- Cheaper removal units could deter reductions in sectors already regulated under ETS or even incentivize higher emitting practices. In addition to market solutions, command-and-control strategies, such as setting standards/benchmarks, are important to avoid regression.
- While ETS has proven effective in lowering emissions, recent studies highlight that it performs best within a broader policy framework.

10. Keynote Address

Javier Martinez introduced Dr. José Luis Samaniego Leyva, head of Climate Change and Development at Mexico's Secretariat of the Environment and Natural Resources, delivered a keynote address emphasizing the importance of strict legal compliance in implementing Mexico's



ETS. He noted a previously unmade decision to integrate carbon offsets as part of NDC compliance, underscoring that achieving emissions reductions in the energy sector will require offsets to meet national goals. He welcomed the CPA initiative as an important effort to strengthen the Region's climate commitments.

11. Presentation – Carbon Pricing in Latin America and the Caribbean, Technical and policy aspects

Dr. Jimmy Ferrer presented on carbon pricing in Latin America and the Caribbean, emphasizing its critical role in combating climate change and the need to reduce emissions by 43% by 2030. He highlighted the technical and political challenges of implementing carbon taxes and emissions trading systems in the region, as well as the importance of incorporating the social cost of carbon in public investment evaluations. The presentation stressed the need for coordination among ministries and key stakeholders to implement effective policies and channel investments into low-emission sectors.

After the presentation, the floor was opened for questions or comments from the audience:

- Tamaulipas used a Marginal Abatement Cost (MAC) curve to evaluate projects, setting a 35% reduction goal rather than aligning directly with the national target, with a benchmark of \$45 per ton. An exemption was applied to the amount, adjustable as NDC goals evolve.
- The ideal approach is to set a carbon price that internalizes associated costs. Approaching the country's defined targets is also a valid strategy. Adjusting regulations and incentives can enhance investment profitability in climate-related projects.
- The session highlighted two areas for improvement: embedding climate change considerations in financial portfolios and developing methodologies to integrate climate criteria in public investments.
- The Dominican Republic issued its first green bond with private banking support and favorable rates through the Dominican stock exchanges. This initiative opened preferential credit lines for green projects, sending a strong signal to the market.

12. CPA Governance

Javier Martinez introduced California as the new CPA Co-Chair for North America, represented by Mark Sippola. Mark Sippola expressed gratitude for his appointment as CPA Co-Chair, joining Rachel Gold and the California team, and acknowledged Rachel's active role in Mexico City and longstanding connection with the CPA. He thanked former Co-Chair Jean-Yves and the Québec team for their leadership, which, along with support from the Co-Chair in Panama, has driven CPA's growth and success. Looking forward, Mark emphasized the importance of partnerships in tackling global climate challenges and welcomed input from all members as they work collectively toward CPA's mission. Javier joined in thanking Jean-Yves and the Québec team for the work.

Javier announced that adelphi will serve as the new permanent Secretariat of the CPA, with funding from the Government of Canada for the next three years. Víctor Ortiz and Santiago Ramírez from



adelphi shared their vision for the Secretariat, which focuses on facilitating the adoption of carbon pricing mechanisms, promoting information exchange among members, and fostering synergies to ensure efficient resource use.

Rachel Gold then invited members and partners to share input on key priorities where the CPA should concentrate its time and resources. Suggestions included organizing events, providing support for member attendance at these events, and potentially extending support to observers as well.

13. CPA 2024 Q3-Q4 events overview

Javier Martinez mentioned activities planned for 2024, both virtual and in-person meetings:

- Philippe Gregoire from Québec invited attendees to a COP29 side event hosted by Québec and adelphi at the Canada Pavilion.

14. CPA Communications Update

Javier Martinez and Vanessa Jaramillo extended an invitation to all members and partners to provide news and event information to feed the CPA website.

15. 2025 Activities and priorities for the CPA

Rachel Gold requested input on upcoming events related to carbon pricing, including a planned training course tentatively scheduled for April-May. She also asked if this timing would work for most members and noted that additional details, including the location—likely Panama or Chile—would follow.

A quarterly one-hour meeting is planned for March. The Secretariat will reach out to members and partners to identify topics of interest, and a placeholder for a virtual meeting will be sent.

- Members requested that the training course cover Article 6, especially bilateral agreements, and guidance on reflecting Article 6 transactions in national inventories.
- Participants suggested that funding sources should include technical support, with a recommendation to use the CPA as a platform for more in-depth technical exchanges, addressing specific implementation questions as countries are at different stages of carbon pricing development.
- It was suggested that the CPA create a summary document (table/format) showing the different stages of carbon pricing initiatives across the Americas to help members identify suitable partners for technical cooperation.
- Members suggested tracking each country's progress and expertise in carbon pricing to form specialized working groups with structured discussions and protocols, allowing general findings to be shared with the broader CPA group.
- On funding, it was recommended to leverage existing efforts in various countries. Technical studies should include multiple case studies to benefit all CPA members, not just the



receiving country. The benefits of international agreements, such as those with Chile, were highlighted, along with the advantages of international support, as seen in the Dominican Republic's case.

- There was consensus on the importance of confidentiality in technical exchanges. Members agreed on the need for a structured format to share sensitive government data securely, with information reserved for working groups only.
- Members expressed interest in exchanges on technical topics such as corporate emission inventories and CBAM-related product lifecycle analysis. They also noted the importance of institutional frameworks for Article 6 implementation.
- For partner support, it was recommended to identify areas where partners could assist, such as experience-sharing, technical studies, capacity building, and specific instrument design support. Early requests in the year would facilitate timely support from partners.
- It was highlighted the effectiveness of thematic working groups led by individual countries, noting that these groups advance most successfully with national leadership.

16. Closing remarks and wrap-up

In closing, Javier Martinez offered closing remarks, appreciation for participants time, and sent a reminder for upcoming events.