

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The largest droplet is in the bottom right corner, while others are smaller and more numerous in the top left and bottom center areas.

# CARBON PRICING CONSIDERATIONS FOR AFRICAN COUNTRIES

XOLISA NGWADLA

WORLD BANK WEBINAR SERIES

13 NOVEMBER 2019



# TOPICS COVERED

CARBON PRICING AND INSTRUMENTS

STRUCTURE OF AFRICAN ECONOMIES

CHOICE OF AN INSTRUMENT





‘ ... concrete, realistic plans to enhance their nationally determined contributions by 2020, in line with **reducing greenhouse gas emissions by 45 per cent over the next decade**, and to **net zero emissions by 2050 ...**’

‘ ... these plans cannot address mitigation alone: they must show the way toward a **full transformation of economies in line with sustainable development goals...**’

‘... they should not create **winners and losers or add to economic inequality**; they must be fair and create new opportunities and protections for those negatively impacted, in the context of **a just transition.**’

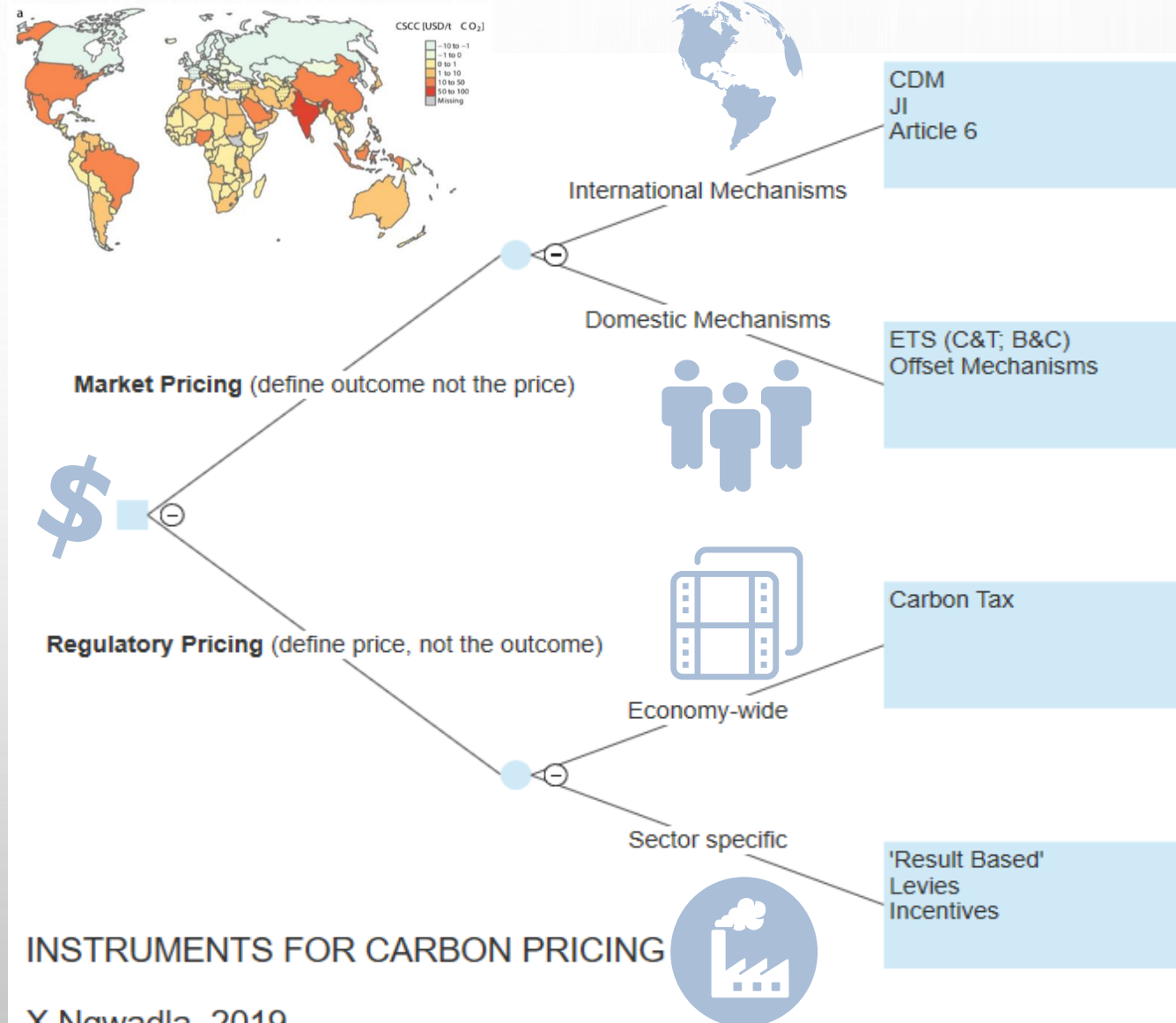
# CARBON PRICING AND INSTRUMENTS

‘ ... carbon pricing is putting an explicit price on carbon...’

‘ ... social cost of carbon estimated at ~\$40 per ton of CO<sub>2</sub> eq by EPA – range Ricke, *et al* 2018

‘... appropriate instruments should be informed by national circumstances ...’

‘ ... government and private sector entities can use a variety of these ...’



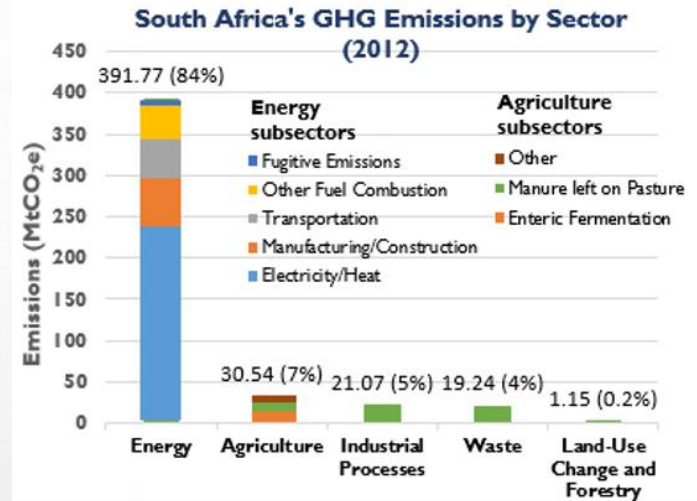
# STRUCTURE OF AFRICAN ECONOMIES

‘ ... primary industry dependent [agriculture, extractives] ...’

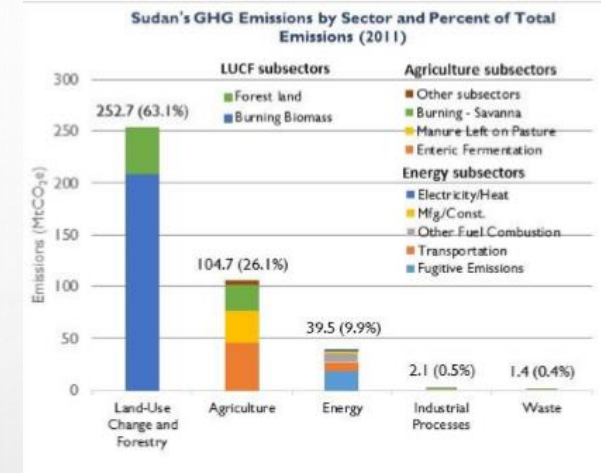
‘ ... undiversified economies [single commodities] ...’

‘... small economies, with limited number of players ...’

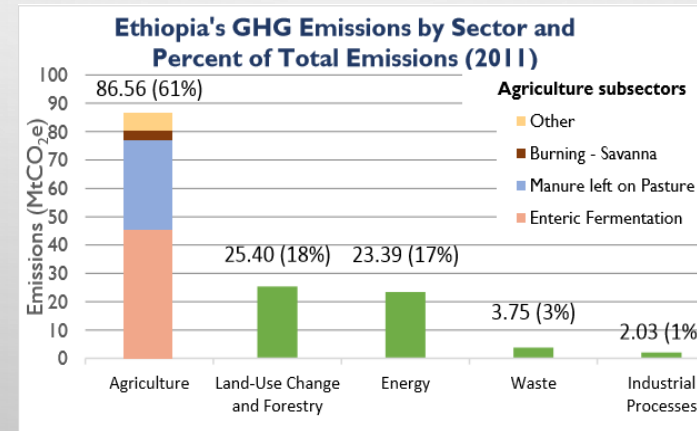
‘ ... energy is primarily a state function ...’



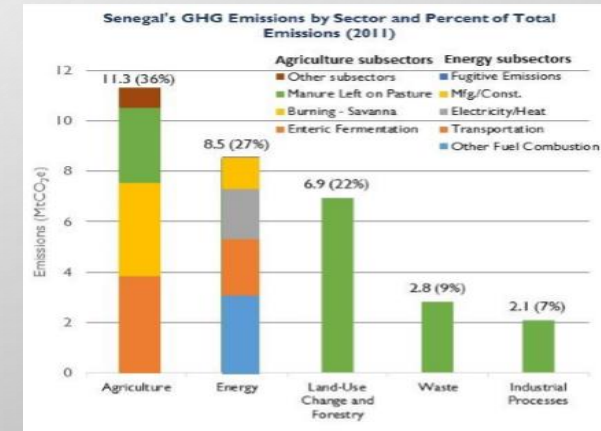
\$350bn



\$117bn



\$81bn



\$17bn

# CHOICE OF AN INSTRUMENT

‘... most African countries focussed on ‘avoiding’ vs ‘reducing emissions’ ...’

‘ ... Stepwise decision making process...’

‘ ... political considerations at the end of the tree ...’

