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\(_2\) 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 ...’
‘… most African countries focussed on ‘avoiding’ vs ‘reducing emissions’ …’

‘ … Stepwise decision making process…’

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