

Colombia

General Information

<p>Summary</p>	<p>Status: ETS under development</p> <p>Jurisdictions: Colombia</p> <p>In 2018, Colombia adopted a law for climate change management which outlines provisions for the establishment of a ‘National Program of Greenhouse Gas Tradable Emission Quotas’ (Programa Nacional de Cupos Transables de Emisión de Gases de Efecto Invernadero [PNCTE]).</p> <p>The law outlines the basic provisions for the PNCTE. The number of allowances will be determined by the Ministry of Environment and Sustainable Development (Minambiente), in line with Colombia’s national mitigation targets. Minambiente is also in charge of allocation, which will take place primarily via auctions. Noncompliance is to be punishable by a fine up to two times the auction price. Auction revenues will be directed to the National Environmental Fund and will be used for GHG reductions and mitigation projects, as well as to manage the information needed for the implementation of the law. The bill also includes crediting provisions: voluntary actions of non-regulated entities that generate GHG emissions reductions or removals could be issued allowances if they are verified, certified, registered in the National Emission Reductions Registry (Registro nacional de reducción de emisiones de GEI - Renare), and eligible for the program.</p> <p>Further regulations are yet to be developed in order to operationalize the PNCTE. With support from the Partnership for Market Readiness, Colombia has tasked several teams to provide technical support on the design of the system; these studies are ongoing and more details on the ETS are expected in the course of 2020. Public discussions on the policy will then follow.</p> <p>The PNCTE will complement other mitigation instruments, such as the country’s existing USD 5 carbon tax and its offsetting program, both of which have been in place since 2017. The 2018 Climate Change Law states that the government may also recognize carbon tax payments as part of the compliance obligation of regulated entities.</p>										
<p>Year in Review</p>	<p>By the end of 2020, it is expected that the design of the ETS and a carbon market simulation course will be completed. The regulation and infrastructure for the system registry is planned to be completed by 2021, with the ETS pilot and platform becoming operational in 2024.</p>										
<p>Overall GHG emissions (excluding LULUCF)</p>	<p>Emissions: 237 MtCO₂e (2014)</p>										
<p>Overall GHG emissions by sector</p>	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>82.5</td> </tr> <tr> <td>Industrial Processes</td> <td>10.5</td> </tr> <tr> <td>Agriculture, Forestry, and Other Land Use</td> <td>129.5</td> </tr> <tr> <td>Waste</td> <td>14.4</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	82.5	Industrial Processes	10.5	Agriculture, Forestry, and Other Land Use	129.5	Waste	14.4
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Overall GHG reduction target	<p>BY 2022:Accumulated reduction of GHG emissions of 36 MtCO₂e, with respect to the national reference scenario, between 2018 and 2022 (aspirational)</p> <p>BY 2030: Reduce GHG emissions by 20% compared to BAU emissions by 2030, or by 30% if international support is provided (NDC)</p>
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.

ETS Size

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading period	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other Systems	No information available yet.
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Other Information

Institutions involved	Ministry of Environment and Sustainable Development; Department of National Planning; Ministry of Mines and Energy; Ministry of Finance; National Climate Change System
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	No information available yet.

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