

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 Ministry of Environment and Sustainable Development (Minambiente) will determine the number of allowances, 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 deemed eligible for the program.</p> <p>Further regulations required to operationalize the PNCTE are yet to be finalized. With support from the Partnership for Market Readiness, Colombia now has the main inputs to inform the technical design of the ETS. These inputs are currently under internal revision. Public discussions on the policy will then follow, as well as the development of the system infrastructure, such as an emissions reporting program. The final regulations for the ETS are expected to be concluded, and a pilot phase expected to start between 2023 and 2024.</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 recognize carbon tax payments as part of the compliance obligation of regulated entities under the PNCTE.</p>				
<p>Year in Review</p>	<p>No information available yet.</p>				
<p>Overall GHG emissions (excluding LULUCF)</p>	<p>Emissions: 150.6 MtCO₂e (2014)</p> <p>Colombia uses the sectors defined in the latest IPCC guidelines (2006 IPCC Guidelines for National Greenhouse Gas Inventories) for the preparation of its inventory, in which the Agriculture and the LULUCF sectors are integrated into “Agriculture, Forestry and Other Land Use.” In an effort to make the display of overall GHG emissions comparable with other jurisdictions, the figure shown here excludes the category “3B Land,” but includes the categories “3A Livestock” and “3C Aggregate sources and non-CO₂ emissions sources on land.</p>				
<p>Overall GHG emissions by sector (in MtCO₂)</p>	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy (82.5)</td> <td>82.5</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy (82.5)	82.5
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Energy (82.5)	82.5				

	Sector Name	MtCO ₂ e
	Industrial Processes (10.5)	10.5
	Agriculture, Forestry, and Other Land Use (43.2)	43.2
	Waste (14.4)	14.4
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, National Development Plan 2018-2022)</p> <p>BY 2023: Determine a carbon budget for the 2020-2030 period (updated NDC)</p> <p>BY 2030: Reduce GHG emissions by 51% compared to BAU emissions by 2030. Reduce black carbon emissions by 40% compared to 2014 (updated NDC)</p>	
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.	

ETS Size

Covered emissions	No information available yet.
GHGs covered	No information available yet.
Sectors and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading periods	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	Ley 1931 de 2018

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