Carbon pricing, effective instrument for local and regional governments

The carbon price

1. Our work
2. The carbon footprint
3. The price
4. Procurement
5. Policy making & design
6. Innovation and cooperation
Purchasing and Tendering
- Notional Discount
- Effective Price

External

Tax
- ETS Levy
- Politically economic price
- ≈ €100

Real

Notional

Cost-benefit analysis
- Accounting
- Policy-making
- Communication
- Full reference price
- 2, €700

Internal

Funds formation + partnerships
- Sustainable investments
- (part of) reference price

Klimaatverbond Nederland
CO₂ pricing as effective instrument

- Carbon price for procurement and selection
- Carbon price for policy making and design
- Carbon price for innovation and mobilisation, internally and externally

Carbon price for national and international policies
CO₂ pricing general questions

Do you have, within your municipality or region, for procurement a clear target set, for CO₂-reduction by 2025 and 2030
Yes
No

Do you use, within procurement, carbon pricing or environmental cost indicators as instrument for selection
Yes
No

Do you have, within your municipality or region, for policy making a clear target set for CO₂-reduction by 2025 and 2030
Yes
No

Do you use in policy making, planning or design, carbon pricing as an instrument
Yes
No
Procurement

For instance in road construction or maintenance

Challenge the market:

- By setting a clear innovative minimum standard: reference project
- Each offer will include an extensive certified footprint (for instance CO2-performance ladder)
- The ‘cut’ in carbon emissions is compared with the reference project
- The gain in carbon emissions is translated into carbon costs and substracted from the offered price
- Competition/selection includes the innovation and results related to reduced carbon emissions
Procurement: questions

Do you use (or would you use) within your municipality for procurement one CO2 price (fixed price for all procurement)
- Yes
- no

What price do you use in procurement for roads/buildings
- 50 – 100 Euro/ton
- 100 – 200 Euro/ton
- 200 – 300 Euro/ton
- 300 – 400 Euro/ton
- More
Procurement (lesson learned)

- Use carbon pricing in the earliest stage possible: planning and design
- Link the methodology with other environmental cost indicators
- Use an effective/efficient price
- Use certified material balance en project calculations
- Involve policy makers and decision makers at the earliest stage possible
- Involve the market, for instance in the form of market consultations at the earliest stage possible
Policy making

A social cost benefit analyses allows downstream emissions, impact on households, mobility, behaviour, to be integrated

True pricing brings in the costs of the climate crisis in policy making
Policy making: questions

Does your municipality/region use social cost benefit analysis as a regular policy instrument, for instance in planning policies for housing and mobility?
- Yes
- No

Does your municipality/region uses, in connection to its policies, a social/environmental impact analysis as instrument, for instance in its strategic planning cycle?
- Yes
- No

If your municipality/region uses social cost benefit analysis and/or impact analysis as a tool, what reference price is given to CO2e
- <100 Euro
- 100 – 200 Euro
- 200 – 300 Euro
- 300 – 400 Euro
- >400 Euro