

Fiscal Instruments for Emissions Reductions: A Dialogue on International Experiences

February 10-11, 2016, Mexico City
Fondo Histórico de Hacienda Antonio Ortiz Mena (Antigua Casa de Moneda)

Day 1, February 10th: Decision-Makers' Workshop

1. Opening and Introduction

- 9:00-09:30 Welcome Coffee & Registration of participants
- Opening Remarks
Martina Klumpp (Head of Department Global and Economic Affairs, Embassy of the Federal Republic of Germany)
- 9:30-10:00 *Miguel Messmacher Linartas (Undersecretary, Ministry of Finance, SHCP)*
Rodolfo Lacy Tamayo (Undersecretary, Ministry for the Environment, SEMARNAT)
- Welcome and Objectives of the Dialogue (*José Castro, Moderator*)

2. Overview on Carbon Tax Development in the World and in Mexico

Fiscal Instruments For Emissions Reductions – Lessons Learnt and Current Developments

- 10:00-11:00 The case for fiscal instruments for climate change and air quality (*Kai Schlegelmilch, Green Budget Germany*)
Global developments and design choices of fiscal instruments (*Kurt van Dender, OECD*)

11:00-11:15 Coffee Break

Fiscal Instruments in the Context of the Paris Climate Change Agreement

- 11:15-12:15 The Mexican Nationally Determined Contributions (*Claudia Octaviano, INECC*)
Choice of (fiscal) instruments for reaching mitigation targets (*Ian Parry, IMF*)

The Mexican Carbon Tax: Status Quo, Opportunities and Challenges

- 12:15-13:15 The Mexican carbon tax: Key achievements and potential challenges of its implementation (*Eduardo Camero, SHCP*)

13:15-14:30 Lunch Break

3. Towards an Effective Carbon Tax Design

Determining Effective Tax Bases and Tax Rates

- 14:30-15:30 Country cases: Addressing sector coverage, competitiveness and carbon leakage (*Mikael Skou Andersen, Aarhus University*)
Country cases: Criteria for defining tax rates (*Kurt van Dender, OECD*)
Case study: South Africa (*Sharlin Hemraj, National Treasury South Africa*)

15:30-15:45 Coffee break

Monitoring Impacts Within and Across State Boundaries

15:45-17:15 Monitoring of impacts and benefits (*Mikael Skou Andersen, Aarhus University*)

Impacts across state boundaries (*Kai Schlegelmilch, Green Budget Germany*)

17:15-18:00 **Wrap up: Conclusions for the Mexican case**

18:00-20:00 **Cocktail reception**

Day 2, February 11th

4. Use of Carbon Tax Revenues

08:30-09:00 Welcome Coffee and Registration

Revenues of carbon taxes

Quantification of carbon tax revenues and different approaches of use (*Kurt van Dender, OECD*)

09:00-11:00 Case Study: United Kingdom (*Mariana Silva, Carbon Trust*)

Panel discussion with experts
(*Mikael Skou Andersen, Aarhus University: Denmark; Kai Schlegelmilch, Green Budget Germany: Germany; Mariana Silva, Carbon Trust: United Kingdom; Luis Miguel Galindo, CEPAL: Latin America*)

11:00-11:30 Coffee Break

5. Integrating the Carbon Tax into the Broader Mexican Climate Policy Context

Integrating Policies: Taxes, tax exemptions and subsidies

11:30-13:00 Subsidies vs. taxes: Harmonizing different policy objectives (*Mikael Skou Andersen, Aarhus University*)

Global dynamics on subsidy phase-out (*Ian Parry, IMF*)

Reflections on policy interactions in Mexico (*Juan Carlos Belausteguigoitia, ITAM*)

13:00-14:30 Lunch Break and Tour of the National Palace

6. Integrating Economic Instruments for Climate and Energy

Integrating Energy and Climate Policies

14:30-16:00 Functioning of the Clean Energy Certificate (CEL) Scheme (*Jesus Serrano, Regulatory Commission on Energy, CRE*)

Reflections on linkages between economic instruments in the energy sector and the carbon tax (*Jennifer Martin, Center for Resource Solutions, CRS*)

European experiences on integration of energy and climate policies (*Kai Schlegelmilch, Green Budget Germany*)

16:00-17:00 **Interactive Wrap-Up and Closing Remarks**