IEA-IETA-EPRI GHG Trading Workshop

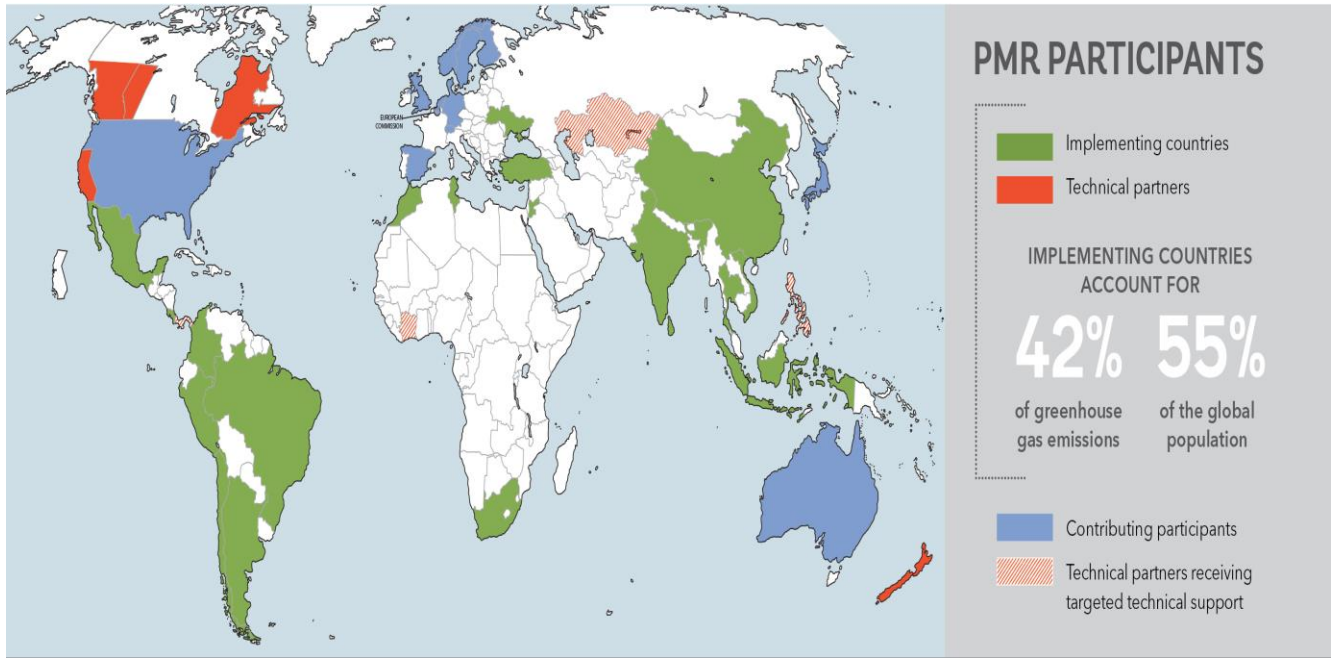
Panel 8: Prospects for international carbon markets: Article 6, CORSIA and pilot co-operative approaches - World Bank's PMR, Climate Warehouse, Climate Market Club and the Partnership for Market Implementation.

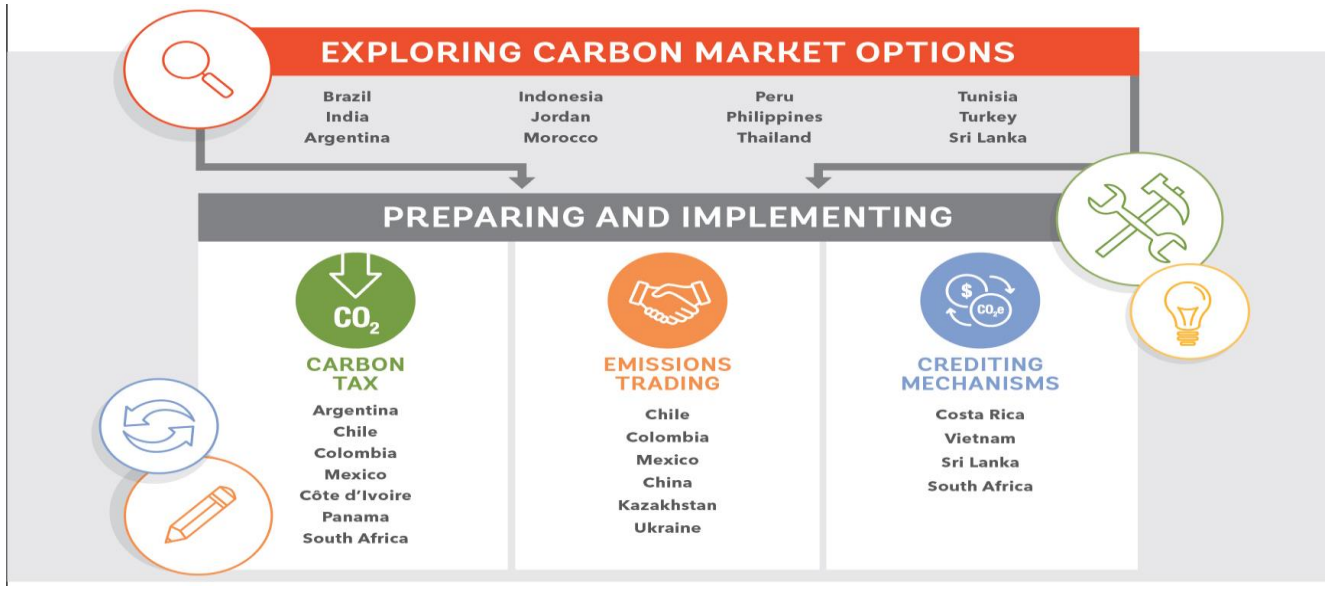
Chandra Shekhar Sinha
Climate Change Group, The World Bank

October 21-23, 2020

WORLD BANK GROUP

Highlights of the PMR Program





- $127million – 13 donors
- 19 Market Readiness Programs; Four Funded Technical Partners
- PMR Assembly – Decision-making and Knowledge-sharing
  - Implementing countries
  - Contributing countries
  - Technical partners
  - Observers
  - Subject experts

- Knowledge management
  - 37 Publications (incl. 6 upcoming)
  - Industry-standard guidebooks (ETS, MRV, Carbon Tax, etc.)
  - States and Trends Report
- Capacity building for over 3500 professionals
  - 22 Assemblies
  - 28 Technical workshops, 8 Regional technical trainings
  - 10 Online courses; 3 South-South Exchanges

The Climate Warehouse program conceptualizes & prototypes products for the next generation of climate markets



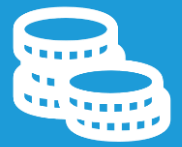
Creating MOs

Generate supply of MOs from WB IDA & IBRD lending operations with mitigation co-benefits



Warehousing MOs

Design connected infrastructure for tracking and recording of MOs - **CLIMATE WAREHOUSE**



Trading MOs

Facilitate demand for and transactions of MOs through design of financial instruments and products

Create **enabling environment**, inform development of **regulatory framework**, **institutional arrangements** and efficient **market infrastructure** and associated **governance arrangements,** including:

- **CLIMATE MARKET CLUB**
- **Approach Papers** on key technical issues related to Article 6
- **Assessment Frameworks** for enhancing comparability

Climate Warehouse information system ecosystem

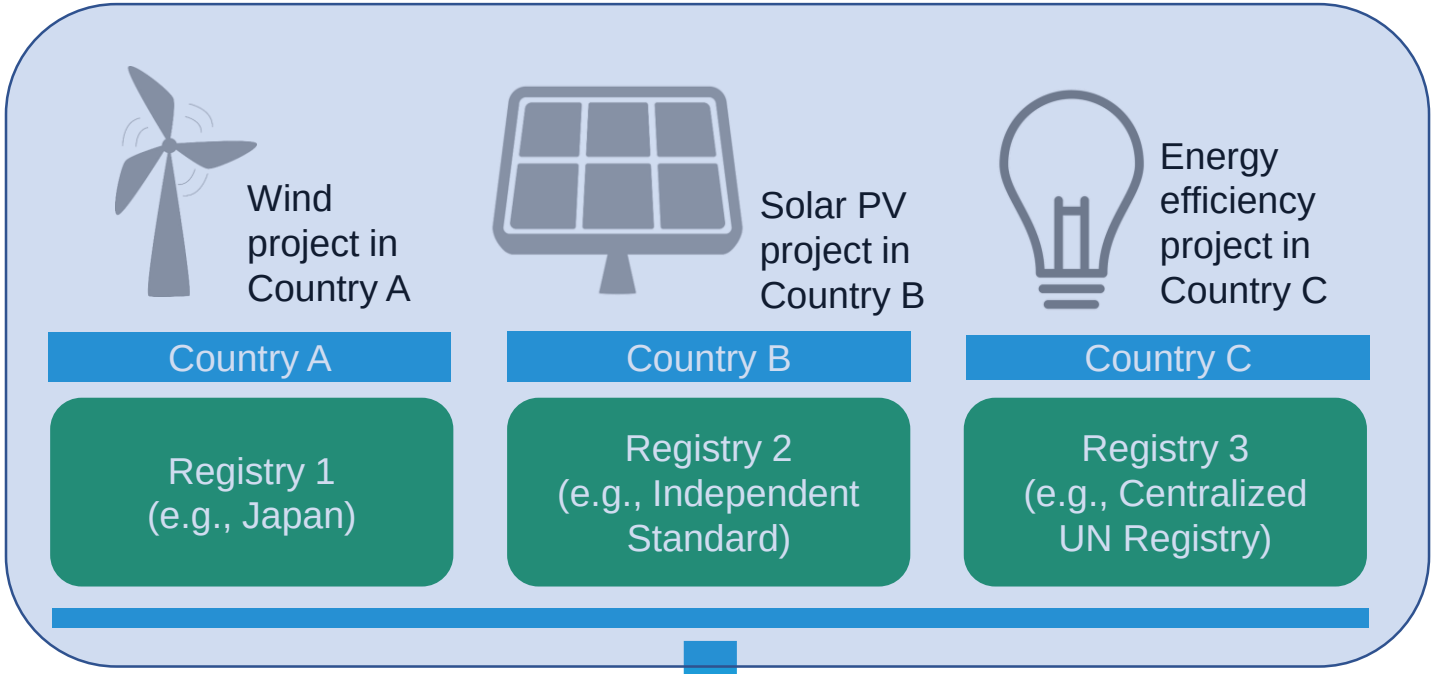
WAREHOUSING MOs

1 **Country-Level Databases**
Reflect pipeline of potential projects

2 **Country or Institutional Databases/ Registries**
Include issued MOs

Emission reductions from identified projects across countries are quantified, MRV'd, and independently assessed

Emission reductions are issued in a country or institutional registry and may move to a different registry



3 **Warehouse**

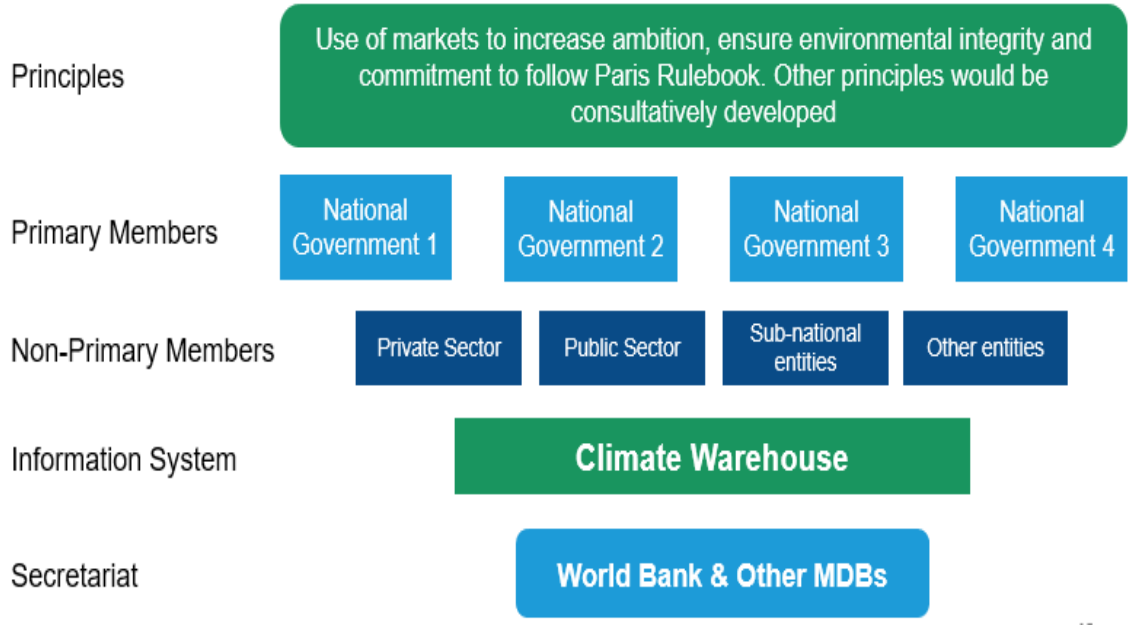
Connects systems to reflect information on all MOs in connected systems

1) Establishes a peer-to-peer communication protocol to connect decentralized systems and mirror public information from existing registries
2) Offers a user interface to allow users to filter MOs by features (e.g., location, scale, tCO2e, etc.)
3) Records status changes of MOs (e.g., use, retirement, transfer)

Climate Warehouse

Climate Market Club for developing piloting modalities for Art 6

A group of governments develop modalities for piloting transfer and use of mitigation outcomes. Interest from **Bangladesh, Bhutan, Chile, Ghana, Japan,** Peru, **Rwanda, Senegal, Singapore, Sweden, Switzerland and** Ukraine.



Mode of Collaboration in the Climate Market Club



Invitations to join sent to 12 countries based on ongoing programs with MDBs and their interest; 10 countries have joined the Club

Club meets virtually every month; Six meetings have taken place till September, 2020; Modalities defined through policy framework for Art 6.2 and Approach Papers – 9 papers under preparation

From Readiness to Implementation: the PARTNERSHIP FOR MARKET IMPLEMENTATION

Support Category 1

Carbon Pricing Implementation Support

Target: Countries with a demonstrated political commitment or an existing carbon pricing system in place
Support package: Strengthening domestic implementation capacity, strengthening legislative and policy review functions, scaling and expanding to new sectors

Support Category 2

Carbon Pricing Readiness Roadmaps

Target: Countries ready for the decision to implement a carbon pricing instrument
Support Package: Early stage activities to determine which instrument to adopt, build stakeholder support for policy infrastructure, e.g. MRV

Support Category 3

Targeted Support

Target: Regional, subnational jurisdictions
Support Package: Harmonization of carbon pricing infrastructure, development of transparent accounting procedures, etc.

Announcement at COP25
December '19

Internal Concept Review
Feb-Mar '20

Administrative Agreement Process
Apr 2020-Jun 2021

PMI Opens for Business
July 2021