INTERNATIONAL FINANCE MECHANISMS TO FACILITATE “SCALING UP”, NAMAs AND SECTOR-BASED PROGRAMMES

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JOËLLE CHASSARD
CARBON FINANCE UNIT
WORLD BANK
WWW.CARBONFINANCE.ORG
Developing Countries are Taking Action

- At least 51 developing countries have formulated mitigation objectives in order to move away from business-as-usual emissions levels
- Nationally Appropriate Mitigation Actions (NAMAs) are emerging as a means to scale up existing mitigation efforts and to provide a wider scope for action at the domestic level
Building a Framework: How to Enable NAMA Implementation

NAMA implementation requires systematic and large-scale capacity building. It requires “readiness” at three levels:

- **Policy**
  - Integrate NAMAs into national development strategies

- **Institutional**
  - Ensure high level of government engagement and responsibility
  - Ensure institutional capacity for managing technical and policy components
  - Assemble critical mass of human resources with technical and policy expertise

- **Technical**
  - Collect and manage data
  - Determine a baseline
  - Set up system for MRV (Monitoring, Reporting, Verification)
Achieving Mitigation Goals Requires Support

- Many developing countries need help for formulating mitigation programs and designing mitigation mechanisms
  - Leveraging best practice from other countries’ experience but also adapting to their country’s particular circumstances

- And as they implement their mitigation programs
  - *Financing* is critical – both its availability and its reach.
Climate Financing Needs

Annual incremental climate costs in developing countries
Estimate consistent with 2°C trajectory

US$ billion (p.a.)

0 100 200 300 400

Actual Funds (2008-2012) Adaptation Mitigation Total Needs

$9b $120b $220b $340b

Climate Financing Needs

INNOVATIVE INTERNATIONAL FINANCE MECHANISMS TO FACILITATE “SCALING-UP”, NAMAs AND SECTOR-BASED PROGRAMMES

Carbon Finance at the World Bank
Mobilizing Climate Finance: Evaluating Sources of Available Financing (G20 request)

Public Sources

- Fiscal instruments for climate: More detailed analysis of environmental effectiveness, costs and incidence, together with ways to improve feasibility
- International maritime & aviation charges: Further evaluation of implications on developing countries, and implementation issues
- Fossil fuel subsidies in developed countries: Up-to-date estimates and insights from case studies for successful reform

Leveraging Private & Multilateral Flows

- Climate-related (private) investment: Updated estimates and latest lessons on public policies and instruments to leverage such flows
- Carbon markets: Updated scenarios of market flows and options for strengthening carbon markets, including through innovative financing
- Multilateral development banks: Innovative avenues to maximize the leveraging capabilities of MDBs to multiply climate financing

INNOVATIVE INTERNATIONAL FINANCE MECHANISMS TO FACILITATE “SCALING-UP”, NAMAS AND SECTOR-BASED PROGRAMMES
Ensuring the Continued Development of Carbon Markets: The Partnership for Market Readiness

**PMR: Shaping the next generation of carbon markets to pilot scaled-up mechanisms and emissions trading**

<table>
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<tr>
<th>What...</th>
<th>Who...</th>
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<tr>
<td>A forum for knowledge sharing and innovation to:</td>
<td>PMR Countries:</td>
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<tr>
<td>◆ Develop “readiness” components (e.g., MRV set up, baseline setting, data collection and management)</td>
<td>◆ Brazil, Chile, China, Colombia Costa Rica, Mexico, Morocco, India, Indonesia, [South Africa,] Thailand, Turkey, Ukraine, Vietnam</td>
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<tr>
<td>◆ Design, pilot, and implement market-based mechanisms to achieve mitigation and development goals</td>
<td>◆ EC, Australia, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, UK and US</td>
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The World Bank provides secretariat and technical support.
Thank you

More information on the World Bank’s role in Carbon Finance is available here:

www.carbonfinance.org