



WORLD BANK GROUP
Climate Change

WBG Carbon Pricing Initiatives: Building and Linking the Next Generation of Carbon Markets

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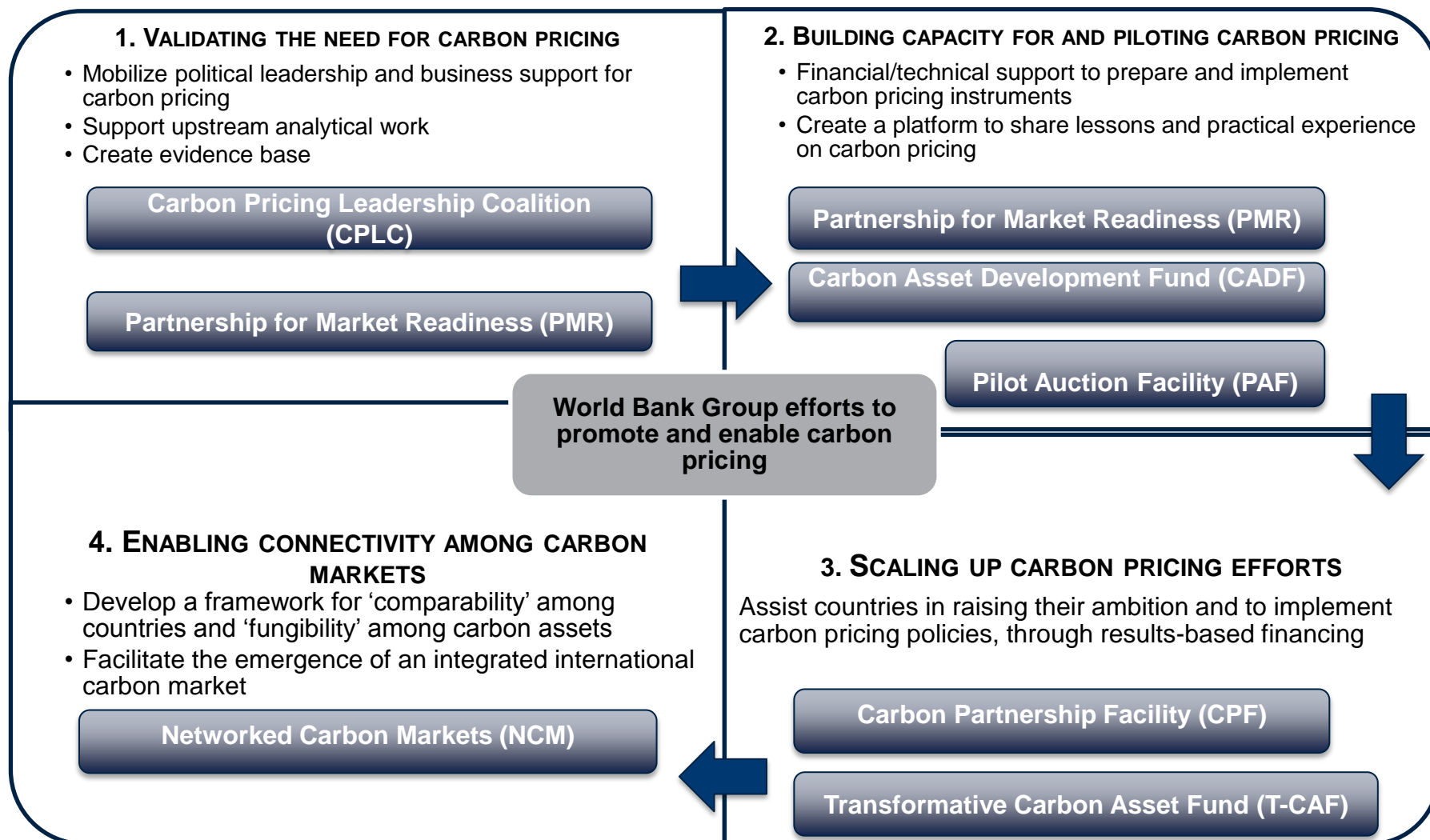
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**PUTTING A PRICE ON CARBON:
EUROPEAN & NORTH AMERICAN
EXPERIENCES AND PATHS FORWARD**

*Towards a Carbon Pricing Club on the Road to
and Through COP21?*

November 9th, 2015 – Washington DC

World Bank Group (WBG) Complementary Efforts to Promote and Enable Carbon Pricing



PMR: Build and Pilot the Next Generation of Carbon Markets

Provides support to countries to design and implement a range of climate change mitigation policies and cost-effective measures – including carbon pricing instruments – in order to scale up GHG mitigation.

Objectives

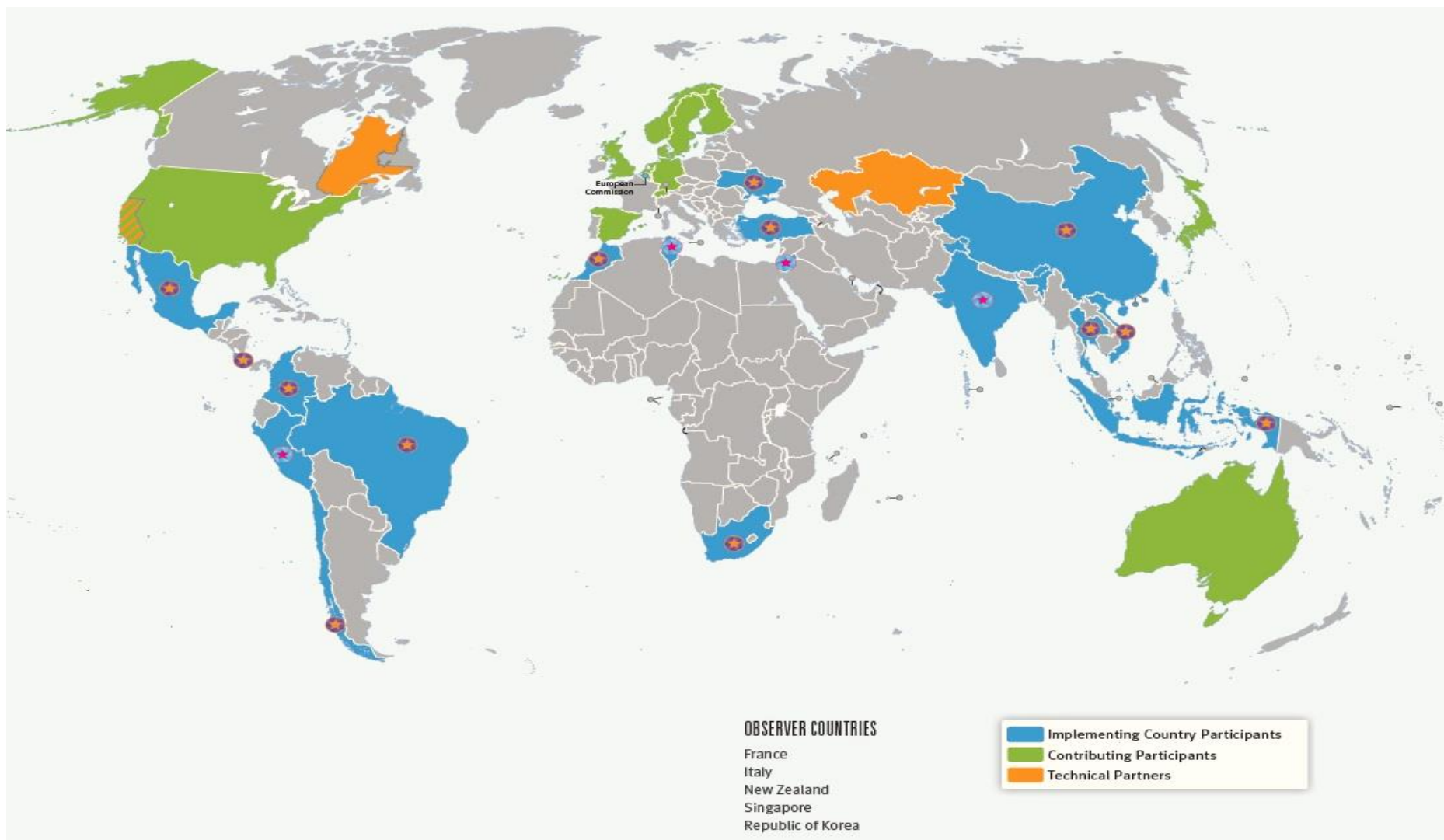
- Provide grant funding to improving technical and institutional “readiness”, including work on GHG registries; Monitoring, Reporting and Verification (MRV) systems, data collection and management tools, and regulatory frameworks
- Support piloting and testing of innovative market instruments (e.g., domestic emissions trading schemes (ETS) or scaled-up crediting mechanisms)
- Provide a platform for technical discussions and knowledge creation, country-to-country exchanges, and collective innovation on new market instruments
- Share lessons learned & best practices among policy makers and practitioners

Participation

- Participants include:
 - 18 developing countries/emerging economies & 13 countries that donate financially

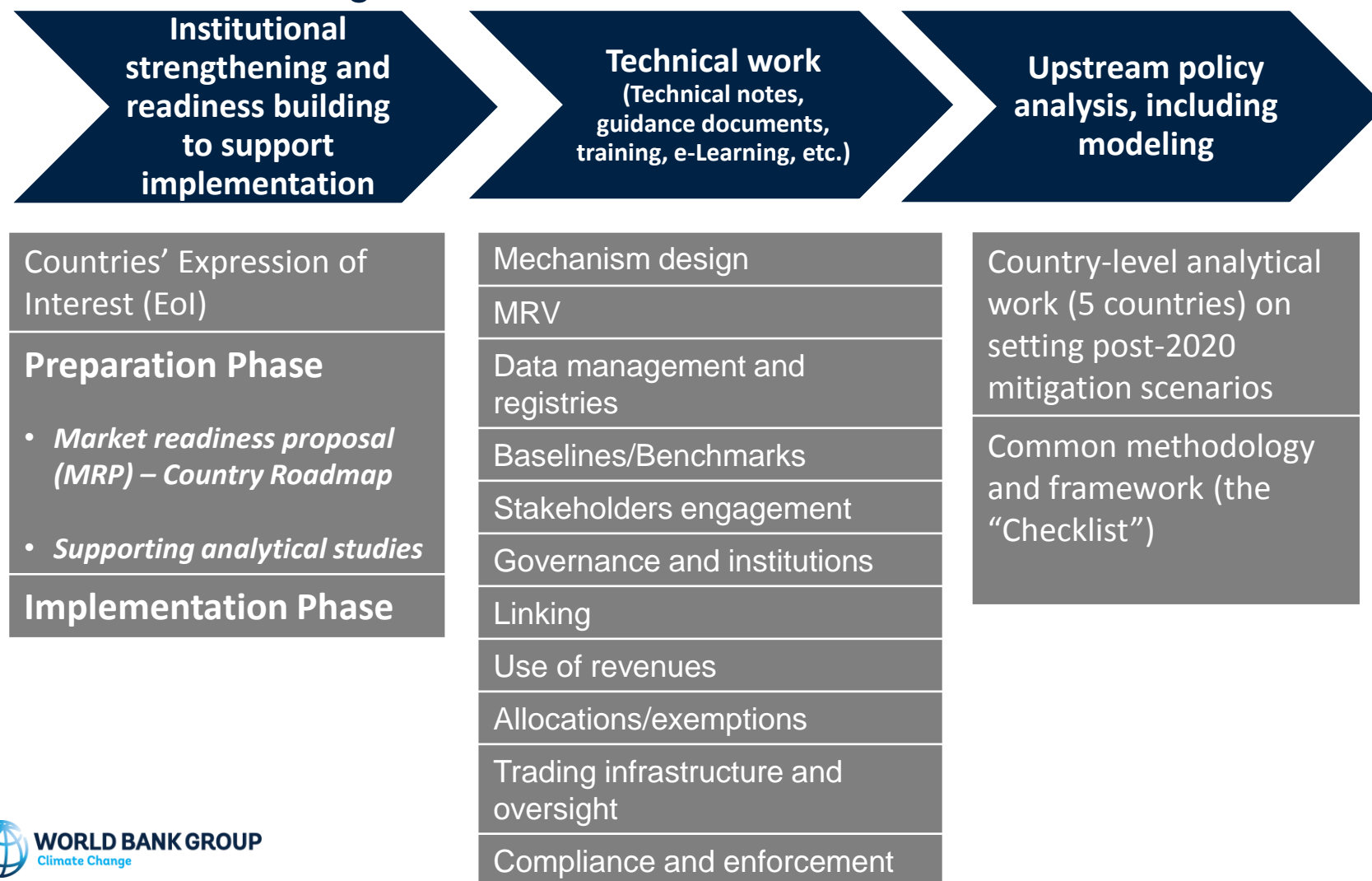


PMR brings together over 30 participants



PMR Scope of Work

Facilitates the choice, design and/or implementation of various policy instruments through:



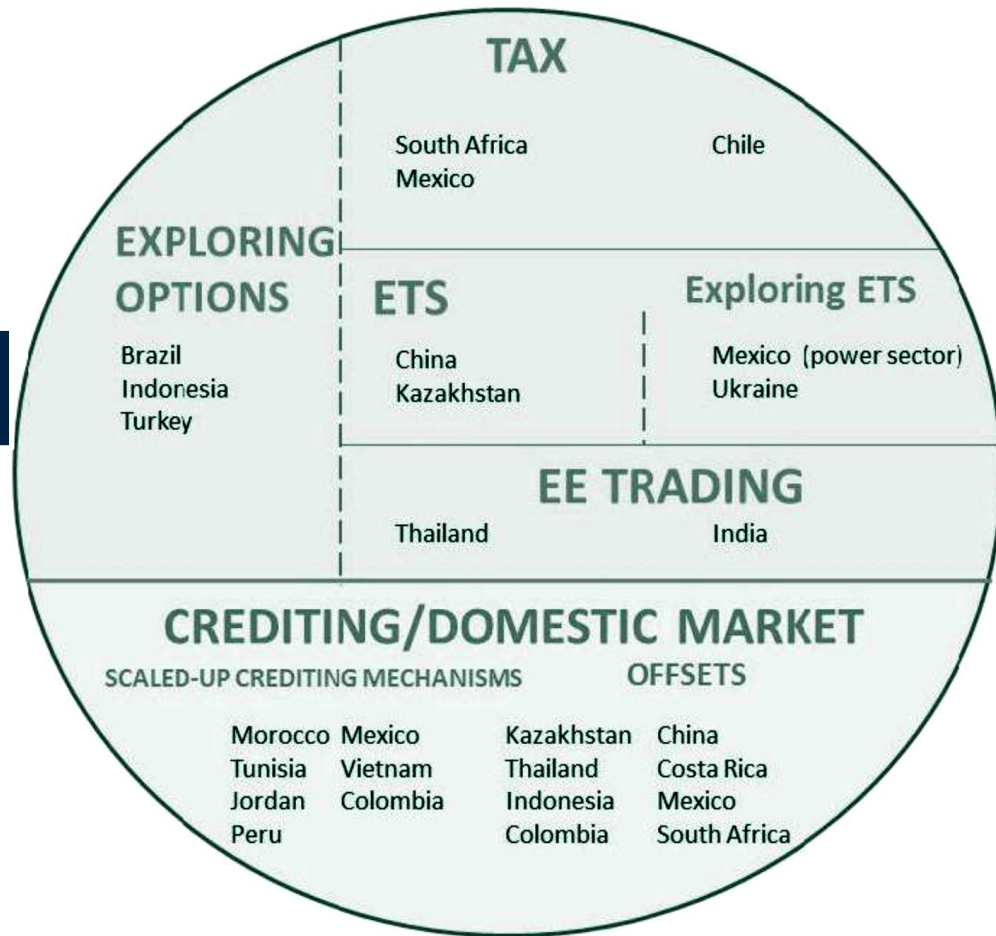
Supporting Countries in Developing Compatible Domestic Market Approaches

Levels of PMR support to countries

Readiness building for facilitating a choice of instruments

Readiness building to facilitate a design of an instrument

Support for actual implementation of ETS, carbon tax or other instruments



The Networked Carbon Markets (NCM) Initiative: Linking the Next Generation of Carbon Markets

Fundamental Assumptions

A linked international carbon market is desirable



Governments and market participants need information about the schemes that they link with and the carbon assets that are imported



Governments should have the sovereignty to act on the information about the schemes that they link with

Key components of the NCM initiative

1

Independent assessment framework to determine the climate change mitigation value of carbon assets and enable their fungibility in the international market.

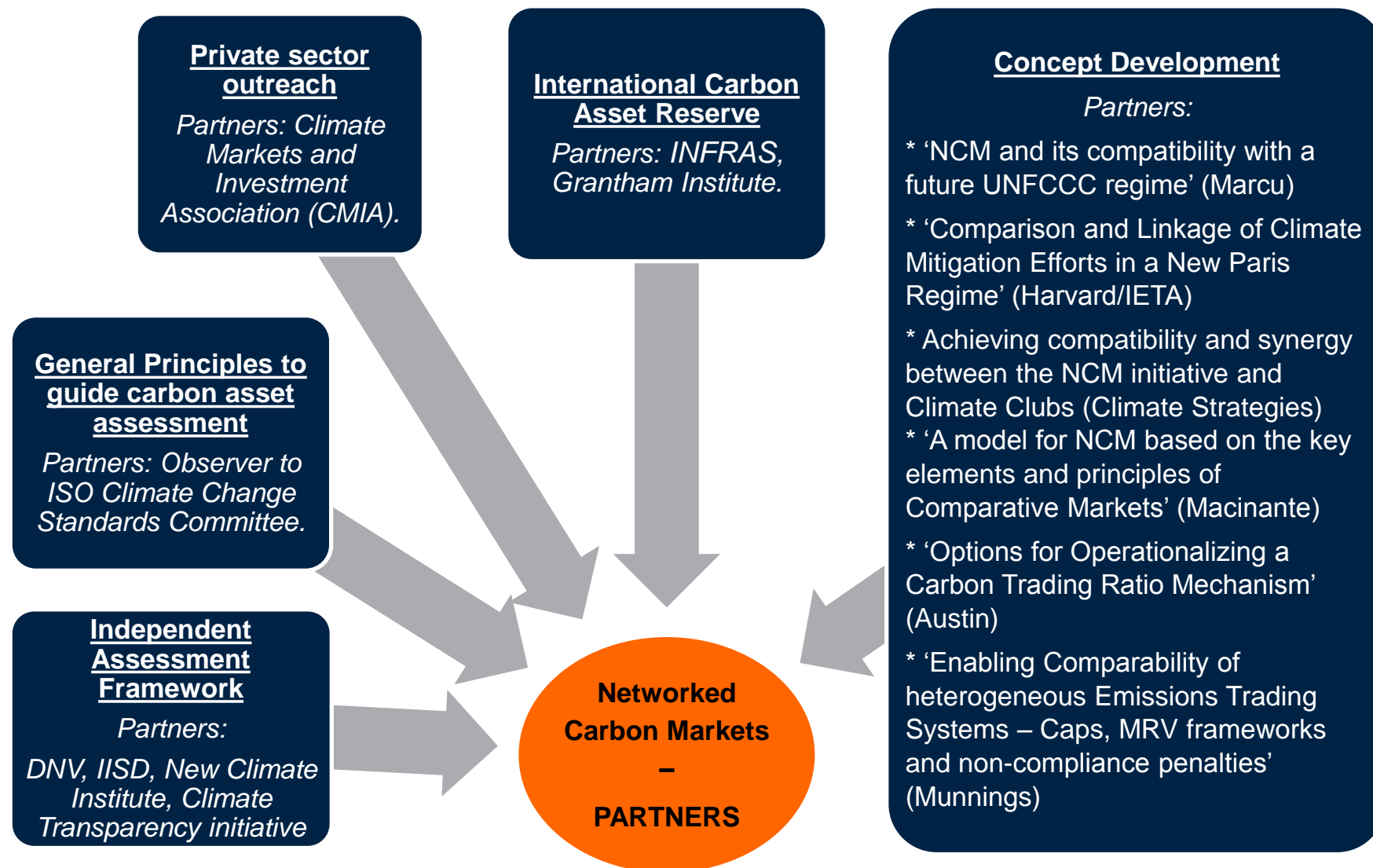
2

International Carbon Asset Reserve to support and facilitate carbon market related functions.

3

International Settlement Platform to track cross-border trades and possible clearing house function.

The Networked Carbon Markets initiative is collaborating with a wide range of partners to progress its technical and analytical work plan



The WBG: A Key Partner to Explore, Inform and Build the Evidence Base for Carbon Clubs

- **Financial and technical support to most countries pursuing market-based approaches**
 - Build capacity in countries
 - Design, pilot, and implement
- **Leveraging WBG operations and convening power**
 - Stakeholder engagement (incl. private sector)
 - Leader-Level Dialogues
- **Thought leadership**
 - Building (new) market-based approaches
 - Connect markets

WE LOOK FORWARD TO CONTINUING OUR COLLABORATION