



WORLD BANK GROUP
Climate Change

Carbon Pricing at the World Bank Group

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The World Bank Group has several initiatives to promote and enable the development of carbon pricing

PROMOTING THE **CASE AND EVIDENCE BASE** FOR CARBON PRICING

e.g., Carbon Pricing Leadership Coalition; State and Trends of Carbon Pricing reports

PLANNING, DESIGN AND PILOTS

Innovating and building readiness for climate action, including carbon pricing instruments

Partnership for Market Readiness;
Pilot Auction Facility

IMPLEMENTATION AND SCALE-UP

Enabling scale-up of climate actions such as carbon pricing mechanisms

Carbon Partnership Facility; Pilot Auction Facility, Partnership for Market Readiness; TCAF

CONNECTIVITY AND GLOBAL TRADE

Enabling connectivity of all types of climate actions, including carbon pricing mechanisms, through internationally connected carbon markets

Networked Carbon Markets Initiative

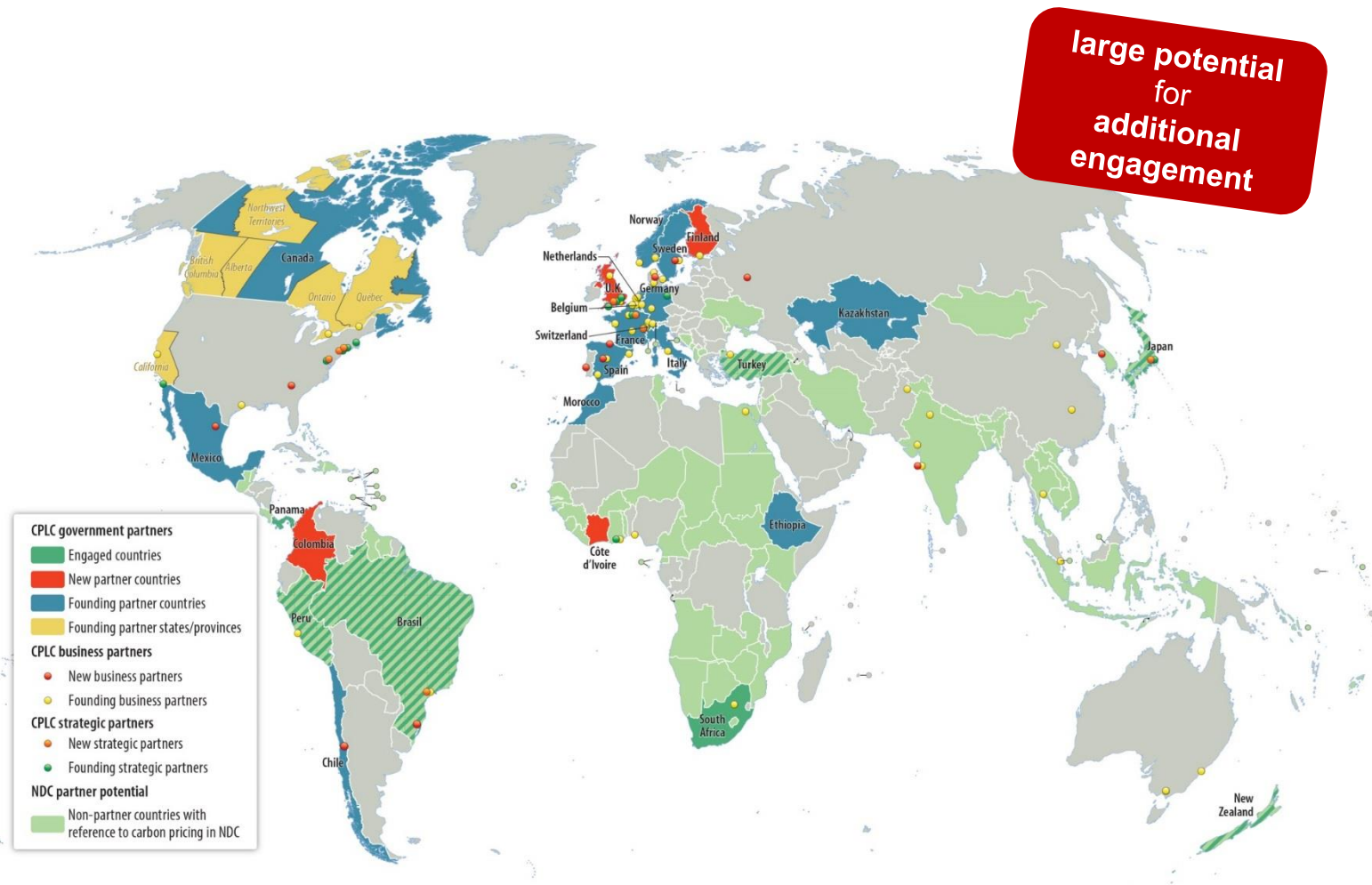
The Carbon Pricing Leadership Coalition (CPLC) is translating support for Carbon Pricing into Action

It is fostering the use of **carbon pricing** as a **cornerstone policy**

through public-private **high-level dialogues**

in a **growing Coalition** of

- 25 governments
- 85+ businesses
- 30+ strategic partners



large potential
for
additional
engagement

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The CPLC is comprised of 3 Working Groups



Global Leaders at the CPLC High Level Assembly in Washington DC on April 15, 2016

Working Group 1:
Building & sharing the evidence base –
e.g., *Principles for Successful Carbon Pricing*

Working Group 2:
Mobilizing business support – through use
of internal carbon pricing and
policy advocacy

Working Group 3:
Convening international, regional and
national leadership dialogues

The CPLC aims to:

“extend, deepen, converge”

carbon pricing around the world

Partnership for Market Readiness (PMR) at a Glance

PMR 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

1. **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
2. **Support piloting and testing of innovative market instruments** (e.g., domestic emissions trading schemes (ETS) or scaled-up crediting mechanisms)
3. **Provide a platform for technical discussions and knowledge creation,** country-to-country exchanges, and collective innovation on new market instruments
4. **Share lessons learned & best practices** among policy makers and practitioners

Participation

- **Participants include +30 countries (>80% global GHG emissions)** incl. 18 developing countries/emerging economies pursuing carbon pricing & 13 countries that donate financially (US\$ 130 million total)



The Networked Carbon Markets (NCM) Initiative

The NCM initiative is a key component of the World Bank Group's long term efforts to promote and enable carbon pricing, alongside other policy instruments. It is based on a recognition that:

- Countries and sectors are making significant progress in developing a broad range of 'bottom-up' approaches to reduce emissions.
- However, since each is being designed individually and using a different rulebook, it has become increasingly complex to measure, understand, compare, and track progress of climate policies, across countries. **Right now, it is like trying to compare apples and oranges.**
- The increasing heterogeneity among countries and sectors, has accelerated the need for a credible, independent and transparent assessment framework to enable comparability of different climate mitigation actions.
- Developing the services and institutions needed to enable comparability and determine the relative value of climate mitigation actions within countries and sectors and between them, is key for informing international linking decisions and facilitating a connected international carbon market.

The end-goal of the NCM initiative is to enable comparability among different climate mitigation actions, for a connected international carbon market.

