



Partnership for Market Implementation

Global Knowledge Forum

21 May 2023

Bilbao, Spain



PARTNERSHIP FOR MARKET IMPLEMENTATION

THEORY OF CHANGE

Guiding vision

A strong price signal on carbon emissions will be introduced across jurisdictions and sectors in the medium to long term.

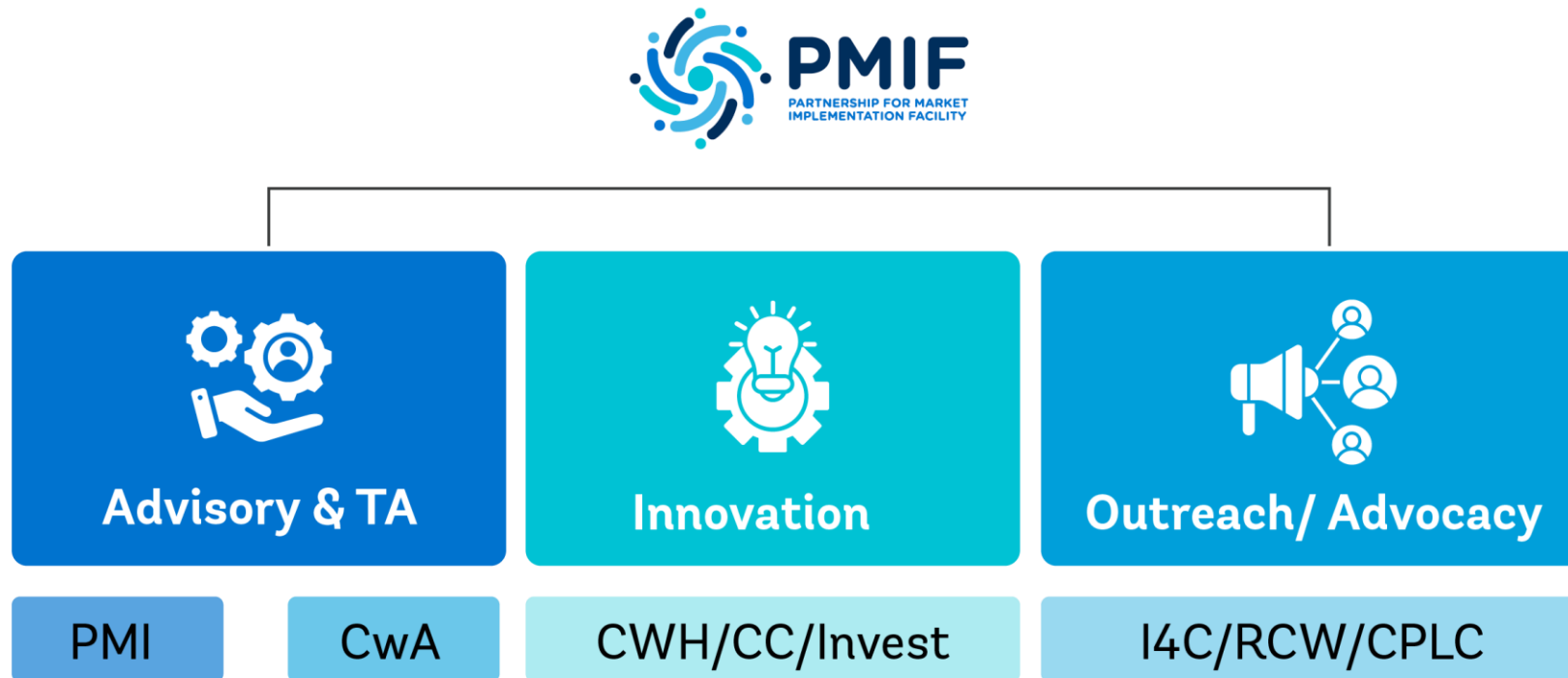
Such a signal will help reduce mitigation costs; improve access to climate finance; and raise climate ambition, making a significant and sustained contribution to global decarbonization.

DEVELOPMENT OBJECTIVE

- Contribute to the acceleration of global decarbonization efforts by:
 - Assisting client countries design and deploy carbon pricing policies/ programs
 - Catalyzing development of the next generation of international carbon markets, and
 - Leveraging climate finance

PROGRAM STRUCTURE

PMI – launched in July 2021 -- is the anchor of the PMIF umbrella that includes many associated initiatives and activities



PMI DONORS



Australia



Canada



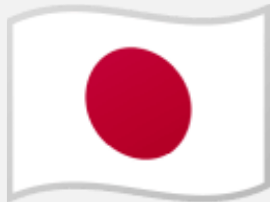
European Commission



Finland



Germany



Japan



Norway



Spain



Sweden

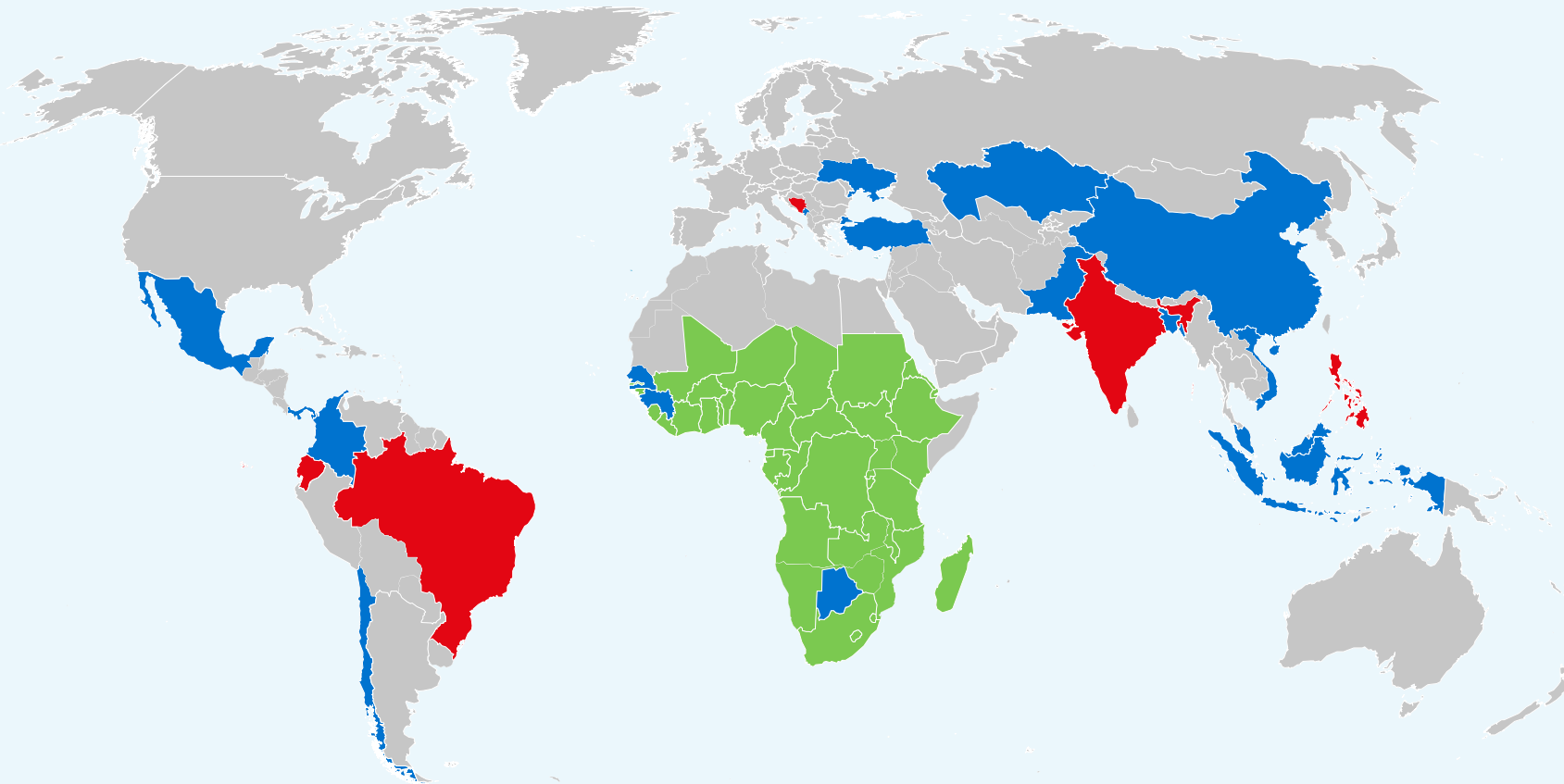


Switzerland



United Kingdom

GLOBAL COVERAGE



PMI COUNTRIES

- Bangladesh
- Botswana
- Chile
- China
- Colombia
- Guinea
- Indonesia
- Kazakhstan
- Malaysia
- Mexico
- Montenegro
- Pakistan
- Panama
- Senegal
- Türkiye
- Ukraine
- Vietnam

JUST IN TIME

- Brazil
- Equador
- Bosnia
- India
- Philippines

SUB-SARHARAN AFRICA

COUNTRY PROGRAM - IMPLEMENTATION

COUNTRY	FOCUS AREA
Chile	<ul style="list-style-type: none">• Roll out carbon offset mechanism• Energy sector cap-and-trade program• National strategy on Article 6
China	<ul style="list-style-type: none">• Broaden and deepen ETS
Colombia	<ul style="list-style-type: none">• Implement ETS
Indonesia	<ul style="list-style-type: none">• Cap-and-trade program in power sector• Domestic crediting scheme• CP instrument mix (carbon tax/ETS) in other sectors
Kazakhstan	<ul style="list-style-type: none">• Strengthen and expand ETS
Mexico	<ul style="list-style-type: none">• Operationalize ETS
Türkiye	<ul style="list-style-type: none">• Implement ETS
Ukraine	<ul style="list-style-type: none">• Design and roll out plan for ETS
Vietnam	<ul style="list-style-type: none">• Implement a pilot crediting program• Implement a pilot ETS in select sectors

COUNTRY PROGRAM - READINESS

COUNTRY	FOCUS AREA
Bangladesh	<ul style="list-style-type: none">• Feasibility of and roadmap for CP options• Participation in international carbon markets
Botswana	<ul style="list-style-type: none">• Readiness support for carbon tax
Guinea	<ul style="list-style-type: none">• Assess feasibility of domestic CP options
Malaysia	<ul style="list-style-type: none">• Pilot carbon tax in selected sectors
Montenegro	<ul style="list-style-type: none">• Feasibility of carbon pricing options• Legislative framework to comply with EU legislation
Pakistan	<ul style="list-style-type: none">• Assess and prepare roadmap for ETS pilot program• Participation in international carbon markets
Panama	<ul style="list-style-type: none">• Develop domestic carbon pricing infrastructure• Pilot domestic voluntary carbon market
Senegal	<ul style="list-style-type: none">• Assess carbon pricing options• Roadmap for implementation of carbon tax• Participation in international carbon markets

OUTPUTS SUMMARY 2021-23

15 out of 17 country proposals approved and implementation process started



Capacity building activities in SSA, EAP and ECA



Eight publications produced; two more to be done by COP28



Two Global Knowledge Forums organized



Results framework developed



Seven technical workshops conducted



REGIONAL PROGRAM – SUB-SAHARAN AFRICA

Policy-Level Capacity Building

Engagement with regional institutions that bring together relevant policymakers/ministries such as West and East African Alliances for Carbon Markets and Climate Finance, UNFCCC RCCs, etc.

Project-Level Capacity Building

Engagement with regional entities responsible for sectoral coordination, such as the West African and Southern African Power Pools

WEST AFRICA

- **Joint workshop with the West African Power Pool (WAPP) in Lome from April 24 – 27 in English and French.**
 - Participants: 19 participants from WAPP's member utilities, 4 participants from the WAPP Secretariat
 - Countries represented: Benin, Burkina Faso, Cote d'Ivoire, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo
 - Speakers: West African Alliance, Ghana EPA, UNFCCC RCC Lome, World Bank, consulting firm (Promethium)
 - Format: In person with separate French and English sessions
 - Topics covered: Basics of carbon markets through practical examples; regional grid emission factor; MRV approaches including digitization; lessons learned from the implementation of the Standardized Crediting Framework in Senegal and Ghana's experience with the development of carbon projects

▪ Virtual workshop (scheduled for May 22–25)

- Participants: WAPP utilities and Ministries of Environment (through RCC Lome and West African Alliance)
- Topics: Institutional arrangements for accessing carbon markets, opportunities for regional harmonization

OTHER REGIONS

- RFP issued for CB initiative with Southern African Power Pool (SAPP)
- Partnership details developed with RCC- UNFCCC and SAPP

NATIONAL TRACK

- Needs have been identified in Rwanda, Uganda, Namibia and working with clients to develop specific activities

JUST-IN-TIME SUPPORT



BRAZIL:
Supporting MRV activities in the energy sector



BOSNIA:
Support for ETS design carrying on; final report expected by year-end

TECHNICAL PROGRAM – CAPACITY BUILDING

Technical Workshops 2022-23

- Global Workshop on Using International Carbon Markets to Achieve NDC Targets
– Kigali, Rwanda; 29-31 March 2023
- National Workshop on Results-based Carbon and Climate Finance
– Hanoi, Vietnam, 27 February – 01 March 2023
- National Workshop on Climate Finance
– Jakarta, Indonesia; 06-07 March 2023
- Technical Workshop on Political Economy of Carbon Pricing
– Bilbao, Spain; 24 May 2023

Training Program

- Emissions Trading Course for Europe and Central Asia Region
– Podgorica, Montenegro; May 08-12, 2023

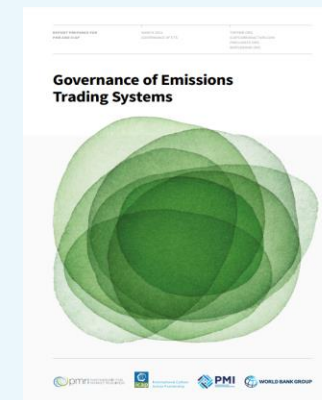
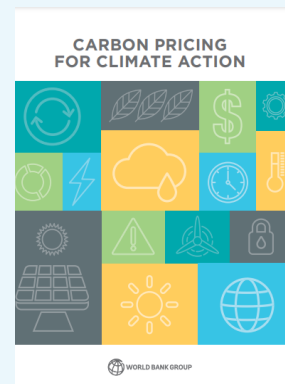
Technical Workshops 2021-22

- PMI Country Support Program
- Implementing CP Instruments
- Just Transition

Global Knowledge Forum

- Carbon Pricing, Markets and Climate Finance
– 04-07 July 2022;
Madrid, Spain
- Implementing domestic carbon pricing: political economy challenges and emerging issues
– 21-22 May 2023; Bilbao, Spain

KNOWLEDGE PRODUCTS



POLITICAL ECONOMY OF CARBON PRICING

To be completed by COP28

PMI; LSE; Adelphi

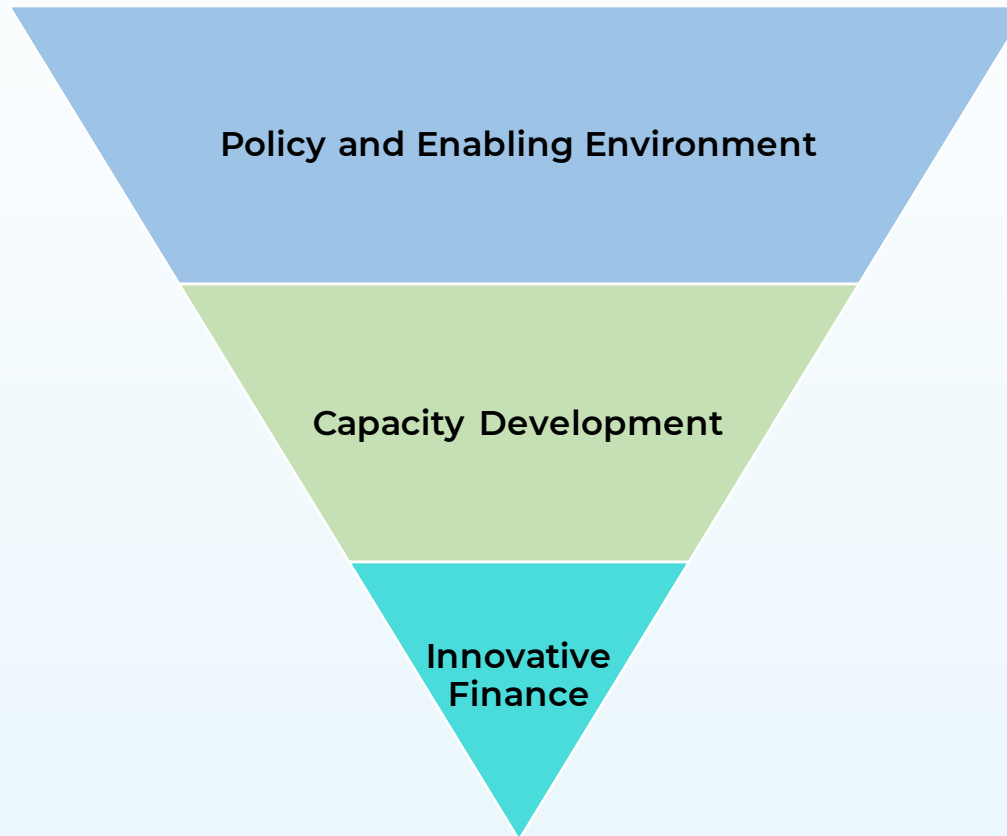
CARBON PRICING IN THE POWER SECTOR

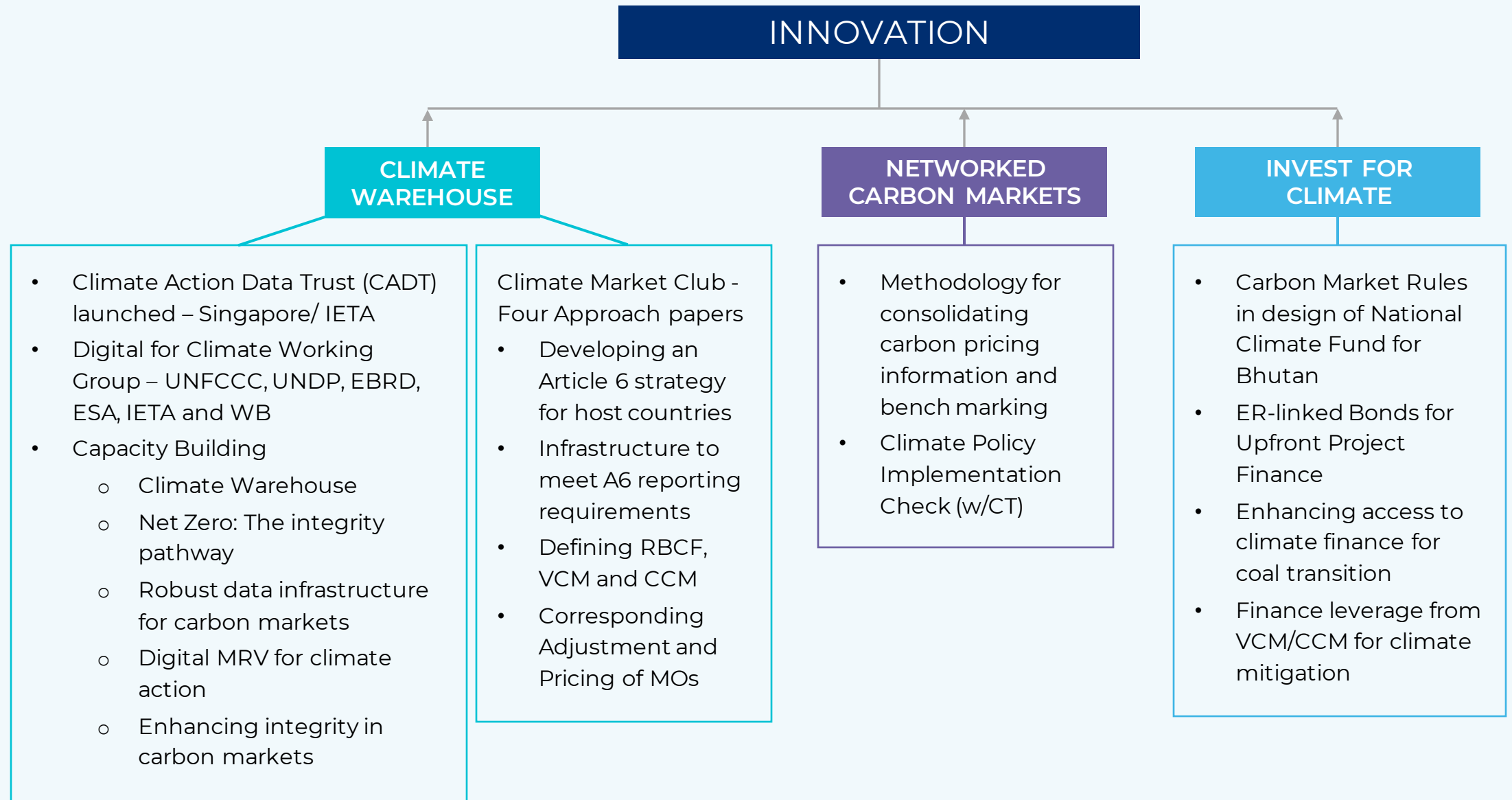
To be completed by COP28

PMI; WB Energy; IEA; ICAP

OBJECTIVE:

Support African FIs and SMEs in accessing climate finance to adopt and scale climate solutions





Activities

- Annual Carbon Pricing Leadership Report (to be released in June)
- Partner calls and weekly news briefs on carbon pricing
- Co-organization of Carbon Markets Plenary at I4C 2023

Internal review of mandate, scope and activities

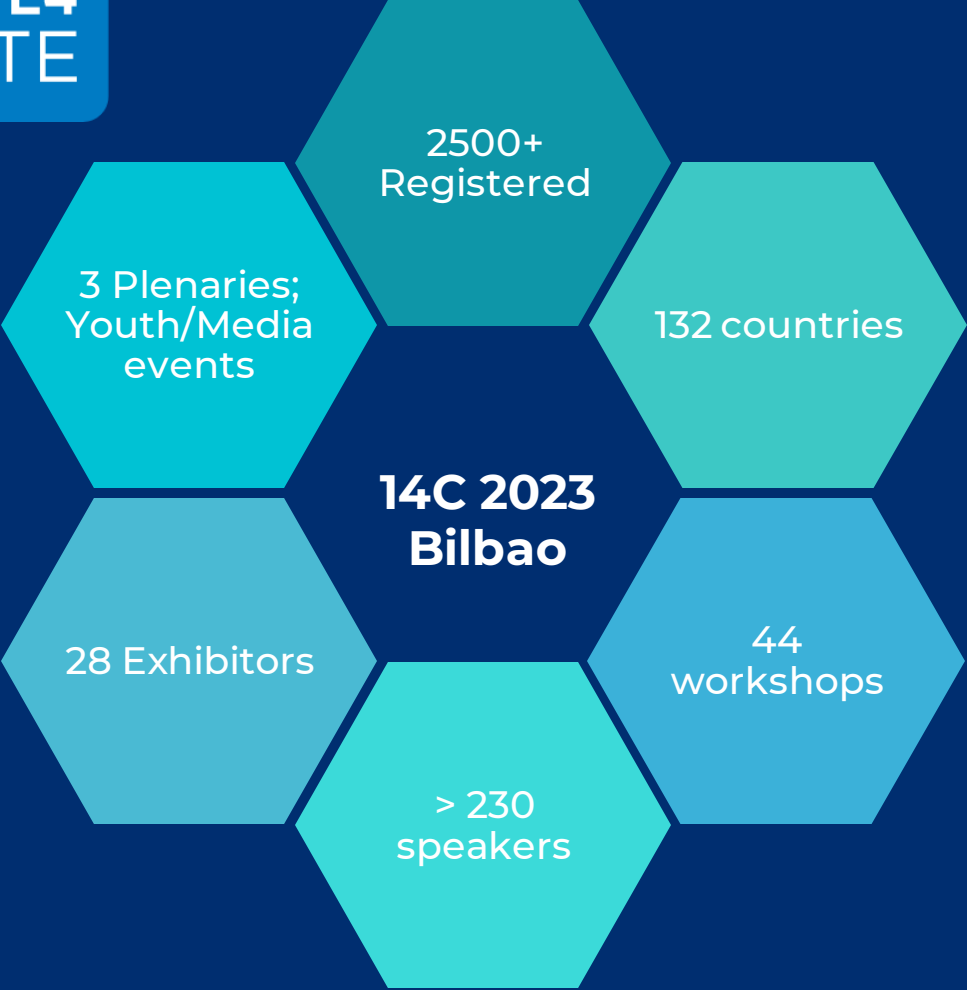
- Evolving context of climate action and momentum around carbon pricing
- Prioritization of implementation over global advocacy
- Emergence of other global initiatives/players around advocacy

Expected outcomes

- Identification of niche areas of focus (e.g. private sector mobilization)
- Potential hosting of Secretariat by CPLC partners (e.g. IETA/EDF)



**2022 I4C had
6500
participants**



REGIONAL CLIMATE WEEKS



- **Santo Domingo, DR**
- **2,600+** registered
- **1,700+** joined in person
- **500+** speakers
- **170** sessions including
 - ✓ **80** Side Events
 - ✓ **26** Affiliated Events
 - ✓ **29** Action Hub Sessions



- **Libreville, Gabon**
- **2,300+** in person
- **1,000+** virtual participants
- **500+** speakers
- **176** sessions including
 - ✓ **85** Side Events
 - ✓ **31** Affiliated Events
 - ✓ **34** Action Hub Events

STRATEGIC PARTNERSHIPS

Spain/Germany
Innovate4Climate

Singapore/IETA
Climate Action
Data Trust

Japan A6
Implementation
Partnership

IETA
Business-PMI

Canada Global
Carbon Pricing
Challenge

IEA/ICAP
Knowledge Work

UNFCCC/UNDP/UNEP
Regional
Climate Weeks

SUMMARY

- 15 of the 17 PMI countries have either begun execution or completed the granting process, representing a significant focus despite countries being in recovery mode from pandemic, etc. At least two new countries will be considered in FY24
- Developments on carbon markets at COP26 and COP27 generated substantive interest as reflected in at least 10 countries (including from SSA) seeking just-in-time support for FY24
- Various capacity building and outreach activities under PMI and other initiatives have supported stakeholders at multiple levels and demonstrated a huge demand for these services.
- The role for innovation such as digitization has become pronounced as countries turn to operationalization of Article 6, developing integrated strategies for dealing with market segments, building infrastructure and aligning policies across carbon pricing/markets and climate finance. Mainstreaming results of innovation to benefit PMI countries will be a focus area going forward.
- Following decisions around Article 6 at successive COPs, several global/regional initiatives have come up, and PMI is working in partnership with many of them.