

Global Knowledge Forum

June 24, 2024



Agenda

- 1 Country Engagement Program
- 2 Global Knowledge Program
- 3 Innovation Program
- 4 Advocacy, Outreach and Partnerships



PMI innovates and supports implementation of carbon pricing and carbon markets along its key pillars



Country capacity building focused on design and implementation of carbon pricing & markets policies

- Advisory support to more than 25 jurisdictions through:
 - **Grants** to support carbon pricing & carbon markets capacity building
 - **Multi-year or small grant targeted** support for upstream work, readiness assessments, design & implementation
 - **Country-level and regional** capacity building

Carbon pricing and markets analytics, technical products and knowledge programs

- **Up-to-date market intelligence:** Annual S&T of Carbon Pricing/Carbon Markets report; carbon pricing dashboard
- **Guidebooks/technical notes** on carbon markets and carbon pricing
- **Learning & knowledge academies:** training, workshops focused on pricing and markets

Catalyzing next generation of carbon markets through innovation and convening

- **Innovation** to support generation of and demand for carbon credits
- **Infrastructure** for carbon markets
- **Convening** of key stakeholders to catalyze the creation of high integrity Paris-aligned carbon markets

Strategic partnerships and flagship climate conferences

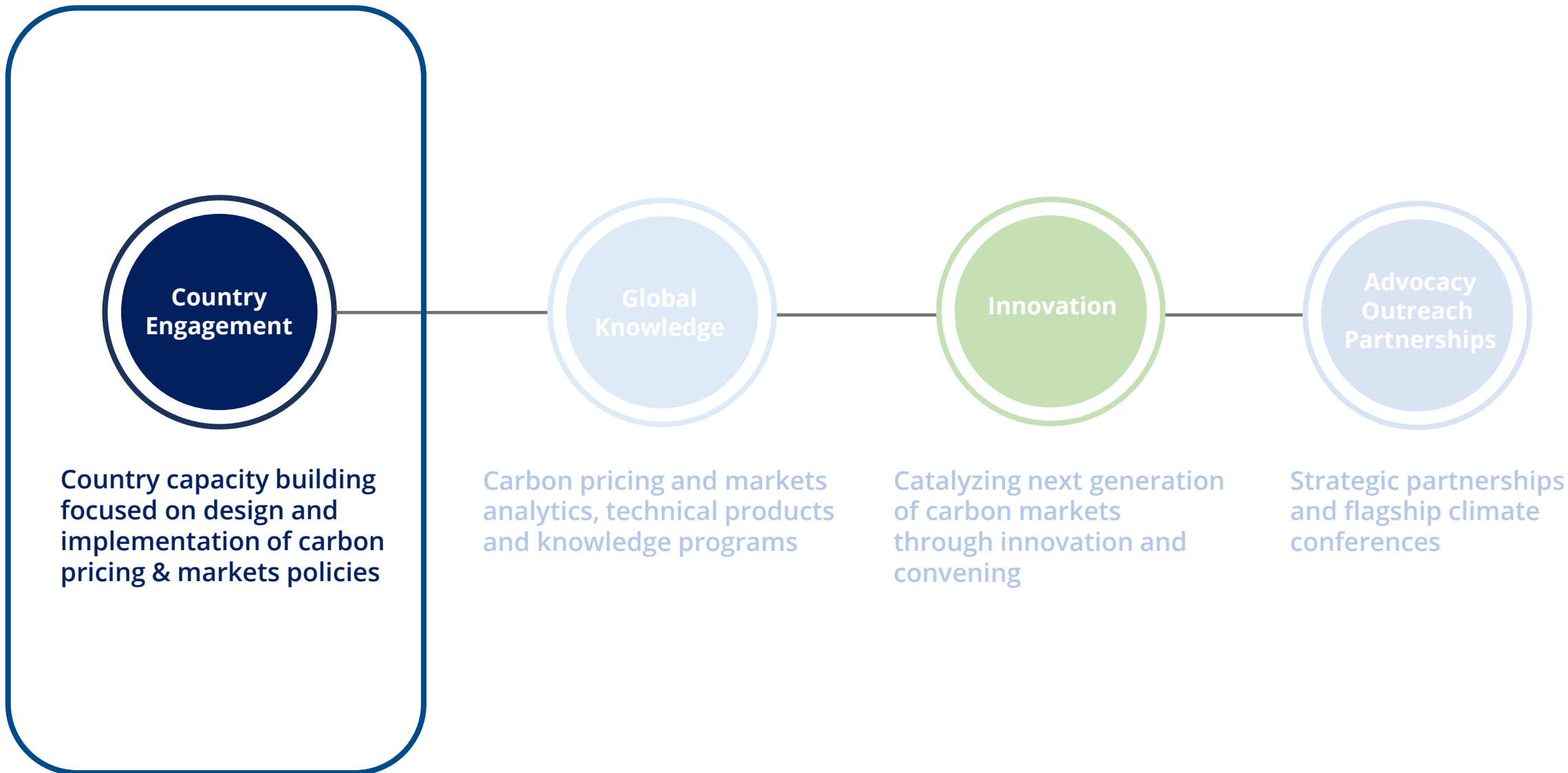
- Innovate4Climate (I4C)
- Regional Climate Weeks (RCWs)
- Carbon Pricing Leadership Coalition (CPLC)
- Knowledge Partners under PMI



PMI FY24 Annual Progress Report

COUNTRY ENGAGEMENT

PMI innovates and supports implementation of carbon pricing and carbon markets along its key pillars



Increasing Global Coverage

PMI COUNTRY PROGRAMS

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

PMI TARGETED SUPPORT

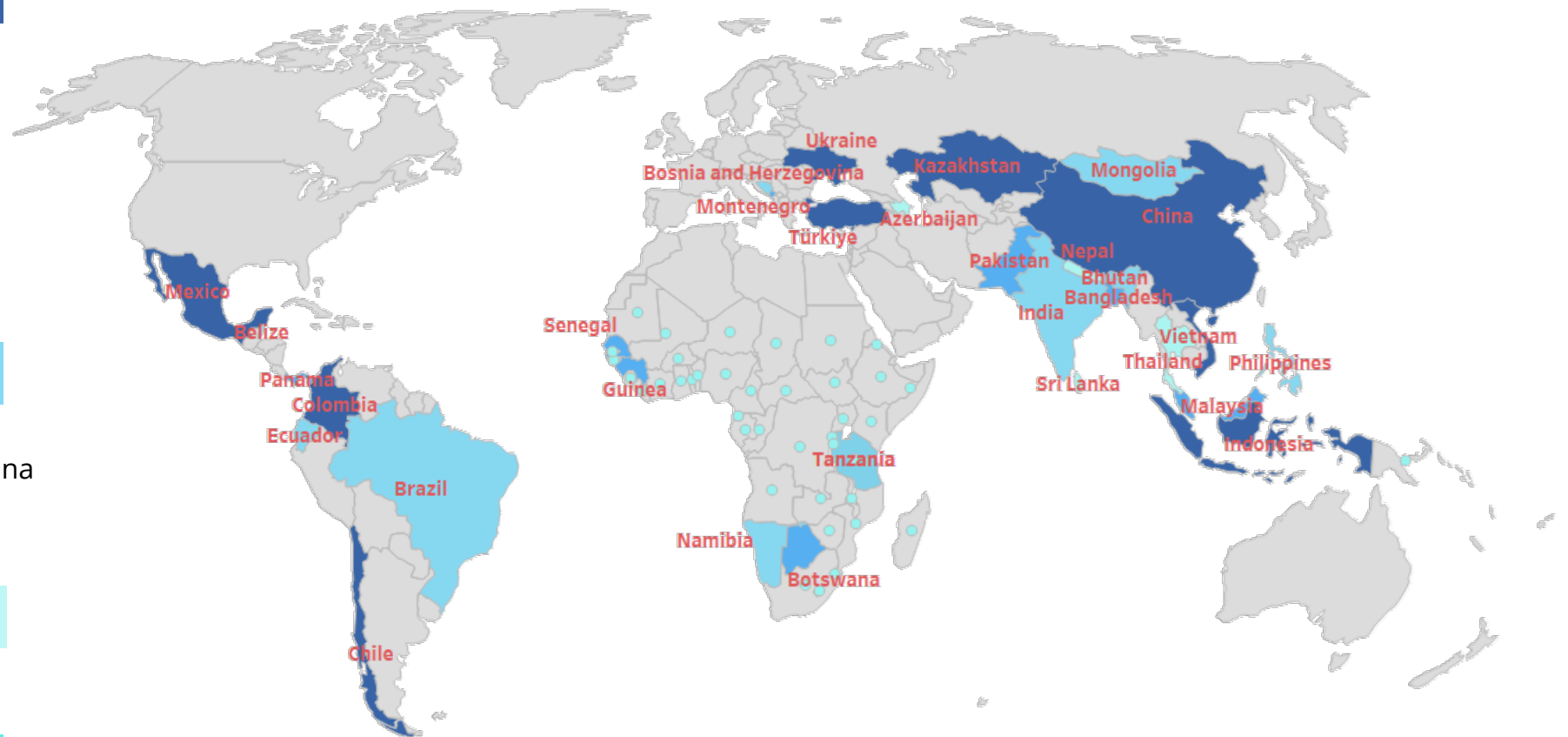
Belize	Brazil
Bhutan	Bosnia and Herzegovina
Ecuador	India
Mongolia	Namibia
Philippines	Tanzania

JIT PENDING FINAL APPROVAL

Azerbaijan	Nepal
Sri Lanka	Thailand

REGIONAL PROGRAMS

Sub-Saharan Africa
Pacific Islands (PNG)



■ WI: Implementation Support	● WIII: Regional Programs
■ WII: Readiness Support	■ Pipeline
■ WIII: JIT Support	

32 countries in total are supported through the
PMI Country Program OF WHICH



22 countries are supported on the design, piloting, and implementation of
Domestic carbon pricing instruments



22 countries are supported on building an enabling environment for
International carbon markets



25 countries are supported to design and deploy
Carbon market infrastructure

A year of strong country program implementation: Solid progress on implementation of domestic carbon pricing and international carbon markets country engagements

13

PMI country programs operational (under windows 1 & 2)

- Out of 17 approved Readiness Support/Implementation Support Plans (RSP/ISP)

6

Window 1 grant agreements with PMI recipient countries finalized and signed in FY24

- Pending: Vietnam, China

7

Window 2 Bank-executed grants have been legally established and started disbursements

- Pending: Mexico, Botswana

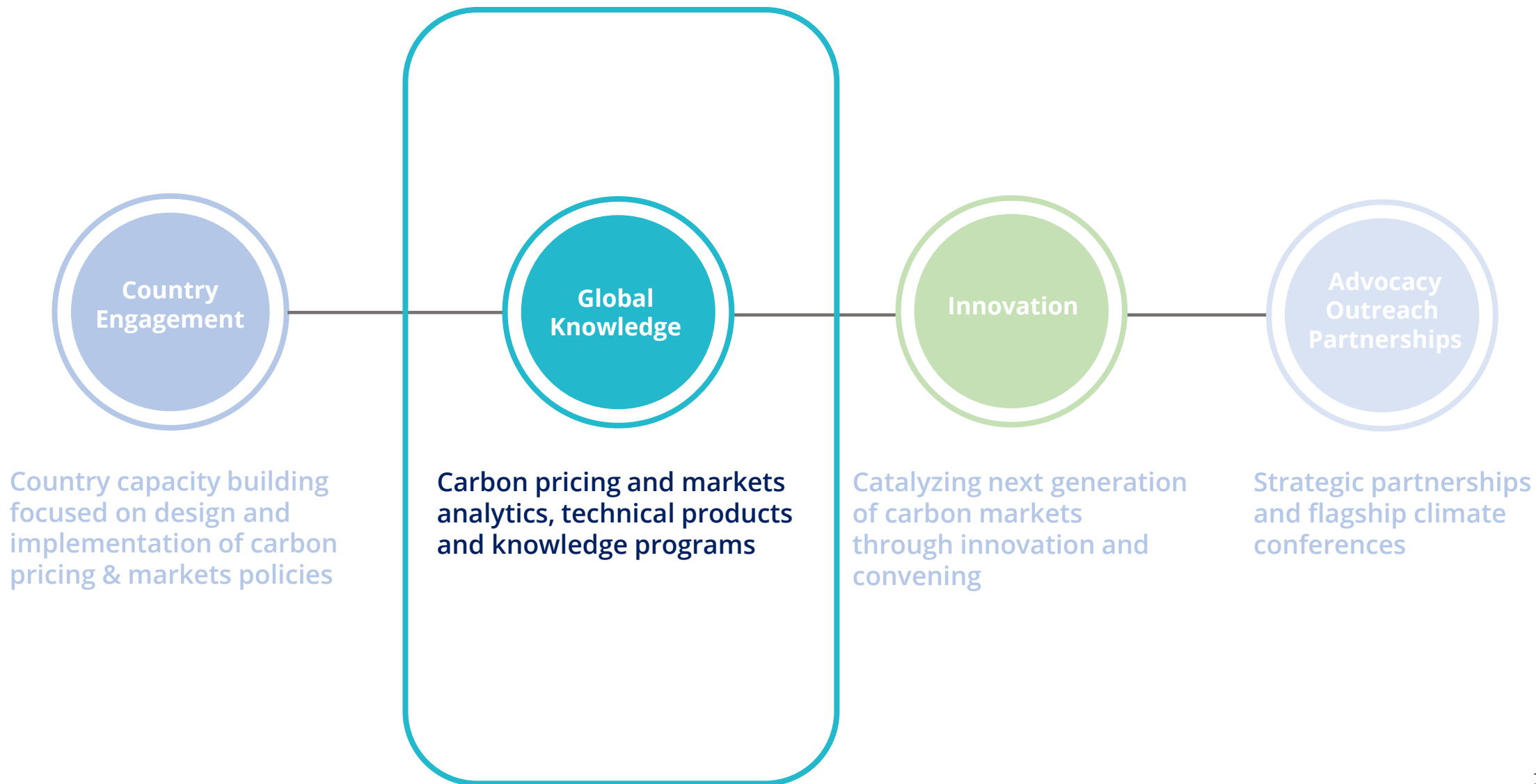
Demand for small grant targeted support on the rise

- We started the year with one targeted activity under implementation and 3 proposals in the pipeline; this FY so far 12 small JIT grants have been allocated, 3 proposals are pending final approval (Thailand, Sri Lanka, Nepal), and many more in the pipeline.



GLOBAL KNOWLEDGE

PMI innovates and supports implementation of carbon pricing and carbon markets along its key pillars





Data analysis and trends

- State and Trends of Carbon Pricing 2024
- State and Trends of International Carbon Markets 2023
- Carbon Pricing Dashboard



Focused guidebooks, technical notes and reports

- Carbon Pricing in the Power Sector
- Political Economy of Carbon Pricing



Knowledge academies & learning

- Global Knowledge Forum
- Regional ETS Training (for EAP region, Bangkok)
- Carbon Markets 101: Resource material to support capacity building of stakeholders

State & Trends of Carbon Pricing Carbon Pricing Dashboard



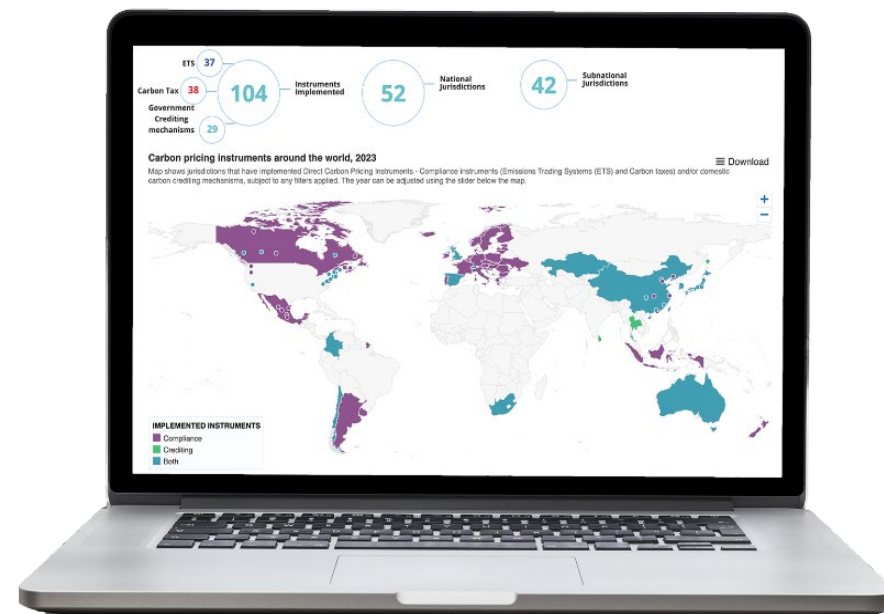
State and Trends of Carbon Pricing Series

- State and Trends of Carbon Pricing 2024 (launched May 2024)
- **New!** State and Trends of International Carbon Markets (Nov 2023)



Carbon Pricing Dashboard

- Launched with new user interface (May 2024)



carbonpricingdashboard.worldbank.org

KEY KNOWLEDGE PRODUCTS

01

Carbon Pricing in the Power Sector

Status: Finalized (design: June/July 2024); Launch - I4C, Sept 2024
Partners: WB Energy/ESMAP; IEA and ICAP
Supported by: Ricardo-AEA

02

Political Economy of Carbon Pricing

Status: Finalized (design: July 2024); Launch (I4C, Sept 2024)
Supported by: LSE and Adelphi

03

Carbon Pricing and Climate Policy Mix

Status: To be finalized (Sept 2024);
Supported by: SQ Consulting

KEY KNOWLEDGE PRODUCTS

04

Future Proof MRV

- Status: Establishing a working group on national MRV systems and international compatibility (incl. EU's CBAM) is under progress.; opportunities to coordinate with OECD identified
- Supported by: Procurement process ongoing ; expected to complete by July 2024

05

Carbon Pricing and International Maritime Organization

- Status: Work initiated; report expected for October 2024
- Supported by: WB Maritime Transportation Group

Learning and Knowledge Academies

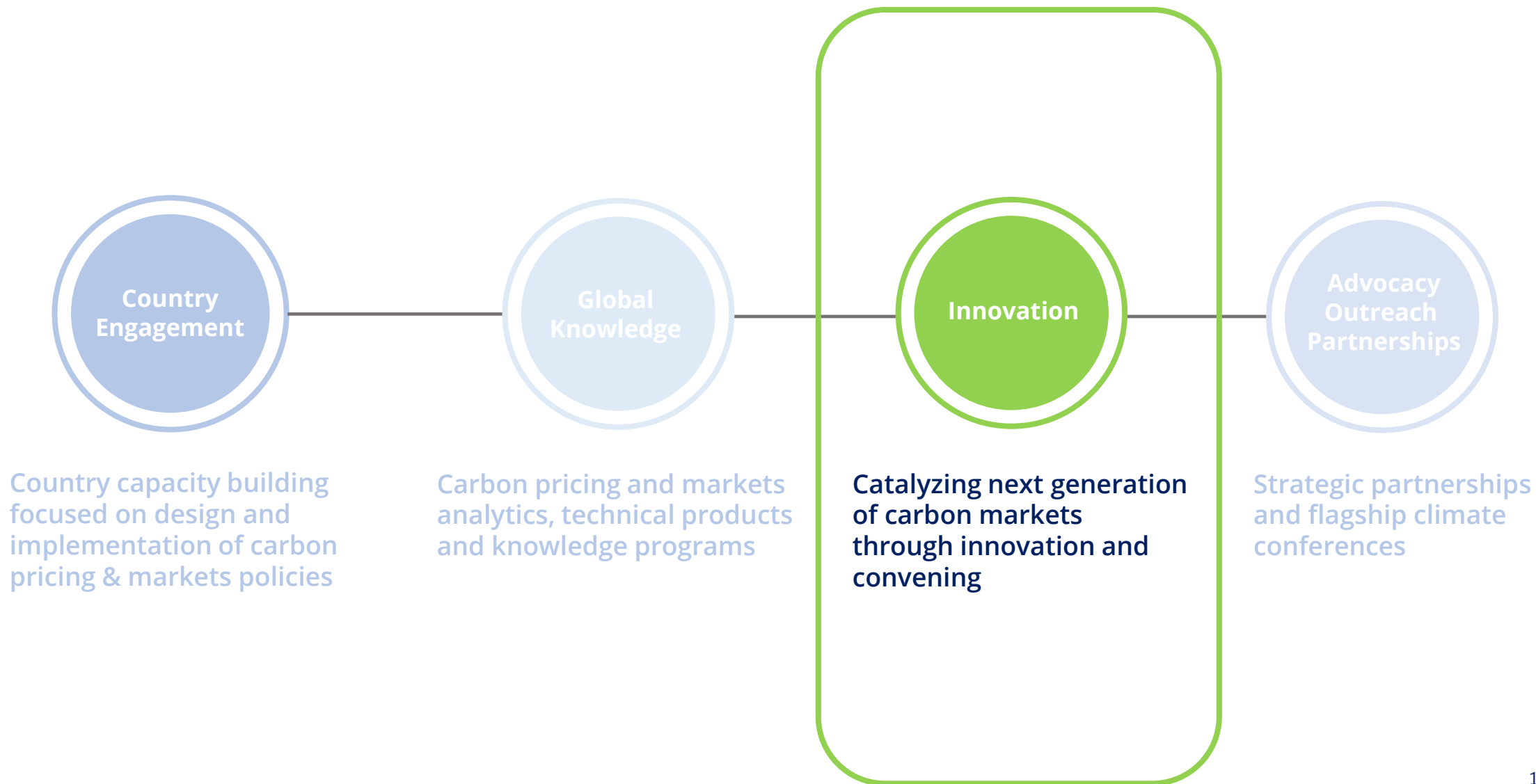


- PMI Global Knowledge Forum
- Asia-Pacific Regional capacity building on ETS, jointly with ICAP; Bangkok, Thailand
- Carbon Markets 101: for various stakeholders on basics of carbon markets

Participated in 50+ virtual global / regional / country events / webinars to showcase PMI work and disseminate PMI experiences

INNOVATION

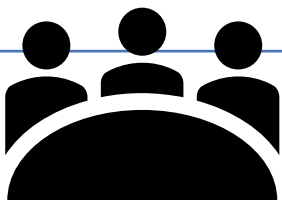
PMI innovates and supports implementation of carbon pricing and carbon markets along its key pillars



World Bank Group Engagement Roadmap: Shaping sound and trusted global carbon markets

Convening Key Stakeholders in the ecosystem

- Integrity Initiatives
- Independent Standards
- Ratings Agencies
- Validation & Verification Bodies
- Infrastructure providers
- Philanthropies
- Private Sector
- Regulators
- Indigenous Peoples and Local Communities



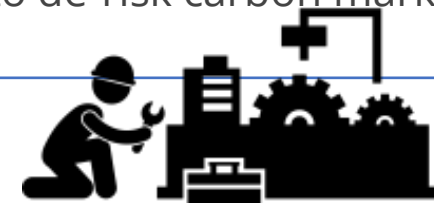
To tackle the most critical bottlenecks facing carbon markets

- Inadequate narrative on the value proposition of carbon markets for developing countries.
- Absence of a robust country policy framework for the generation, transfer, and use of carbon credits.
- Weak financial and market integrity
- High investment risks



To collectively deliver by COP29

- Blueprint** for countries to implement high-integrity carbon markets, including:
- ✓ Country Policy Framework template
 - ✓ Principles for Financial and Markets Integrity
 - ✓ Guidelines for safe and interoperable market infrastructure
 - ✓ Innovative financial products to de-risk carbon markets



Innovation pillar supports unlocking High Integrity Carbon Markets



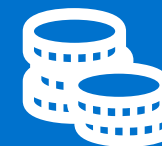
Supply

Generate supply of carbon credits from World Bank lending operations with mitigation co-benefits



Infrastructure

Supporting end-to-end digital ecosystem with project level MRV design, registry support, linkages to CAD Trust

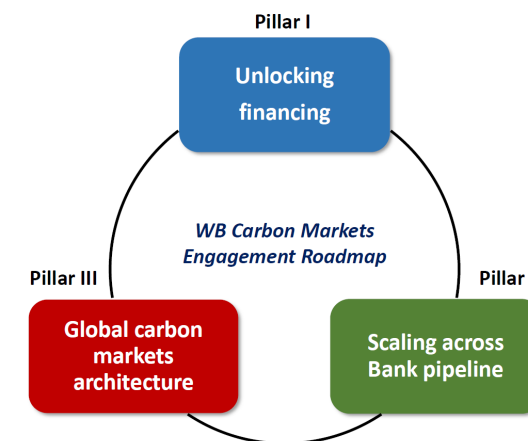


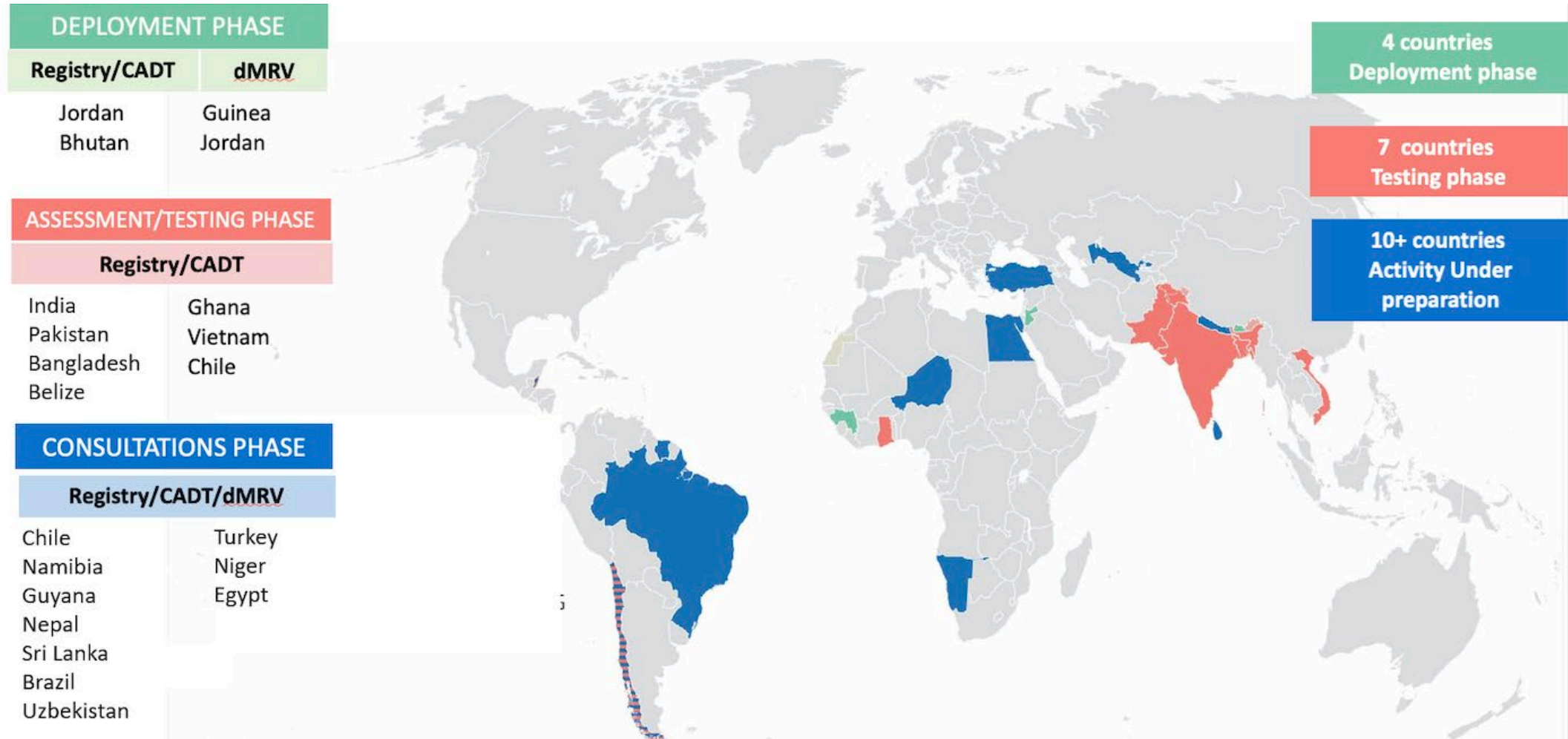
Demand

Facilitate demand for and transactions of carbon credits through design of financial instruments, products and demand pooling

Enabling Environment & Global Architecture

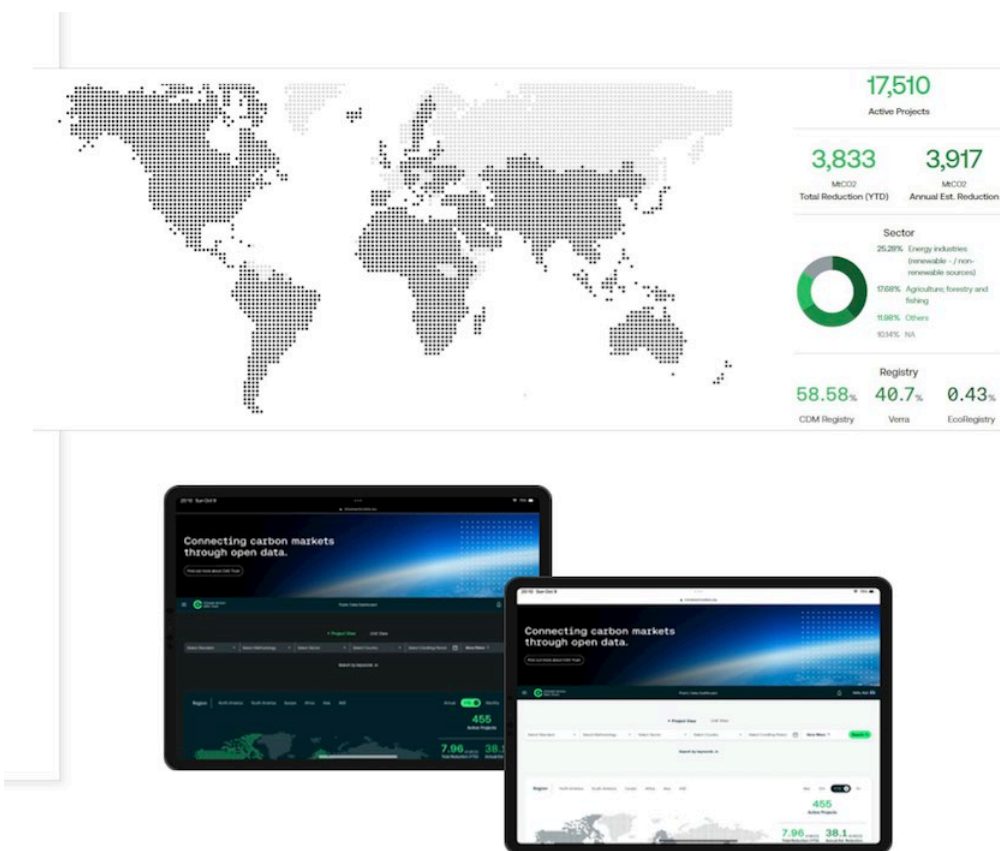
- **Convening key stakeholders** and working with partners to catalyze high-integrity carbon markets
- **Inform development** of regulatory and institutional framework and governance arrangements
- **WBG Carbon Markets Engagement Roadmap** launched at COP28 to unlock the most critical bottlenecks for a trusted global carbon market





- Users can now search and use carbon markets data from key registries: **Verra, CDM, GCC, BioCarbon Standard, Government of Bhutan.**
- Aggregated and harmonized data on CAD-Trust: more transparent carbon markets that pave the way for integrity checks.
- CAD Trust Governance Council: Singapore, UK, Senegal, Bhutan, Chile, Japan, ACR, Verra, GCC, GS.
- CAD Trust and WB currently accelerating onboarding of countries to integrate their registries to CAD Trust and broadcast their project and carbon credit data.

CAD Trust Dashboard: <https://data.climateactiondata.org/>



Launch of the Carbon Action Forum

Addressing Transaction Level Challenges

The Carbon Action Forum, launched at COP28, is a group of entities (“Members”) engaged or planning to engage in carbon markets in the capacity of a buyer or seller. The objective is to bring together market participants to identify transaction-level challenges and co-develop solutions that can help scale carbon markets.

Structure

Initial Anchor

- Gov’t of Singapore

Members

- Market participants (investors, buyers, developers, sellers)
- Meet monthly to co-develop solutions for jointly agreed priorities – lack of demand, regulatory uncertainty, overall narrative

World Bank

- Hosts the virtual Secretariat
- Convenes and supports consultative process
- Meets initial costs of establishing the Forum
- Brings together diverse participants to ensure broad representation and contribute to technical approaches, solutions, documents, etc. upon request

Goals

- Build a common understanding among potential buyers and sellers in carbon markets.
- Provide a strong demand signal to incentivize high quality carbon credits.
- Work towards ensuring alignment with the guidance issued by international entities related to participation in carbon markets.

Key Deliverables

- Development of an overall narrative on the value proposition of carbon markets
- Concept development and operationalization of the Carbon Integrity Fund as a mechanism for pooling demand
- Discussion on defining a solution/approach for ensuring supply-side integrity to take place

Climate Market Club

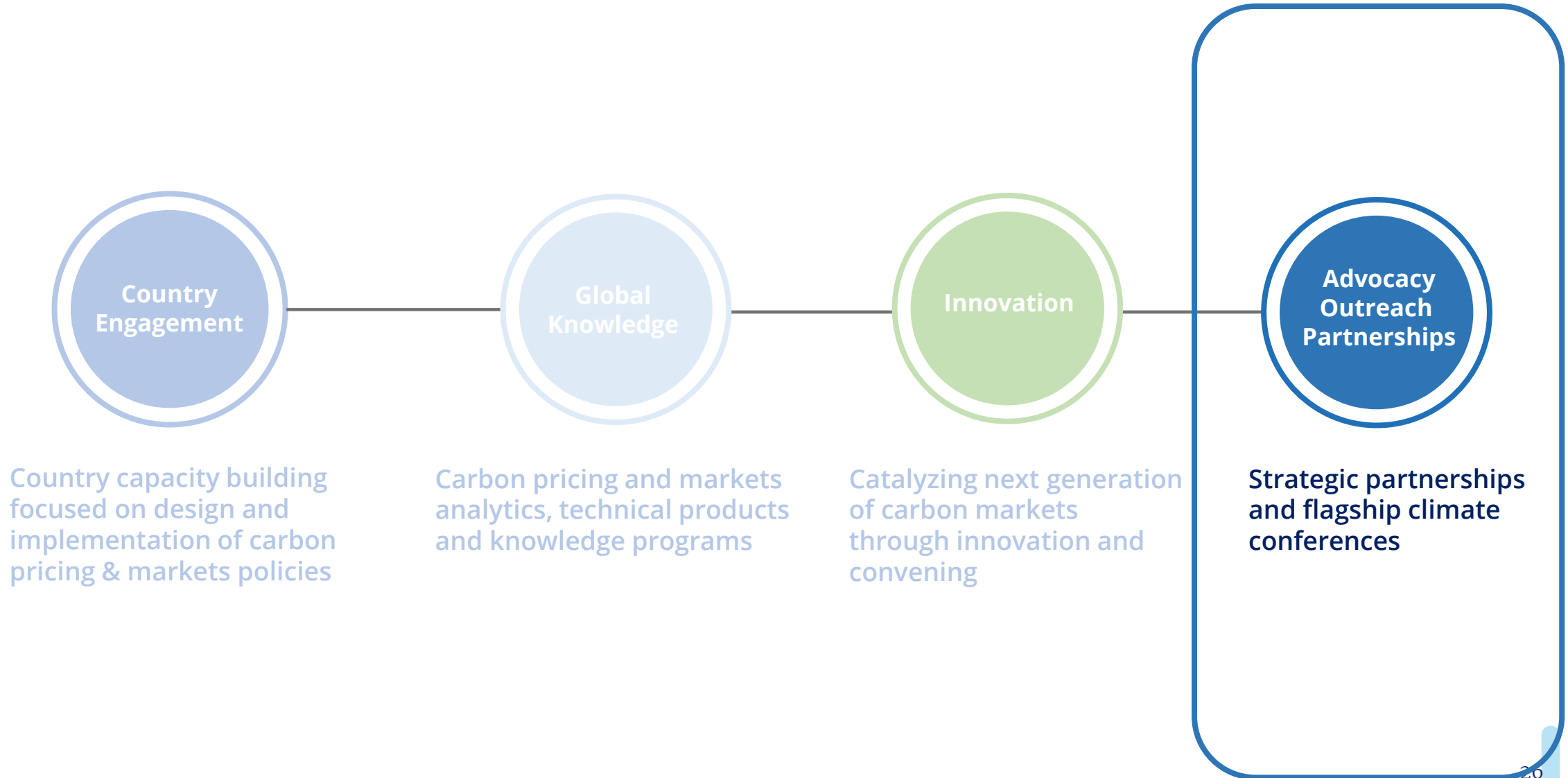
Addressing Operationalization Challenges

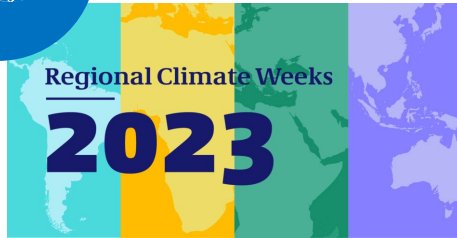
- Group of 15 country governments that co-develop policy-level solutions for operationalizing carbon markets through meetings with the MDB Working Group on Article 6 serving as the virtual Secretariat
- Published 2 Approach Papers this FY (in addition to 8 published previously) reflecting the discussions and developments at the UNFCCC/SB meetings:
 - [Considerations for CDM Methodology Concepts to Article 6.2 Mechanism](#)
 - [Considerations for Additionality Concepts to Article 6.2 Approaches](#)

**Translation of 4 approach papers to Spanish under progress*
- In collaboration with Voluntary Carbon Markets Integrity Initiative (VCMI), currently developing an approach paper on **carbon markets strategy for host countries**
- The **Country Policy Framework** Approach Paper being updated to include the voluntary carbon markets aspect and add provisions related to financial and market integrity
- Key topics discussed through the Club included:
 - Voluntary carbon markets developments and carbon market outlook
 - COP28 debrief regarding Article 6 and voluntary carbon markets
 - International Organization of Securities Commissions (IOSCO) and Commodity Futures Trading Commission (CFTC)'s recent guidance related to ensuring financial and market integrity of voluntary carbon markets

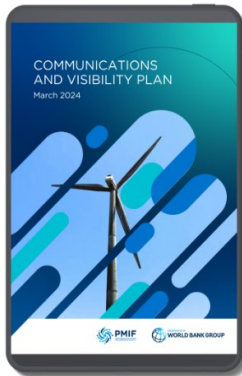
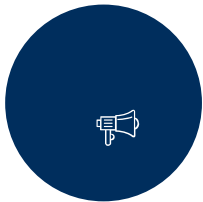
ADVOCACY, OUTREACH & PARTNERSHIPS

PMI innovates and supports implementation of carbon pricing and carbon markets along its key pillars





Contributed to 4 **Regional Climate Weeks** (Africa, MENA, LAC, Asia Pacific) with overall over 20,000 participants & led design and delivery of 70+ affiliated and side events on priority topics



Communications & Visibility Plan with stakeholder mapping and branding strategy endorsed



CARBON PRICING LEADERSHIP COALITION

CPLC strategy assessment in progress with recommendations for the next phase



Planning for **I4C 2024** in Berlin underway; renewed focus on carbon markets and pricing & developing partnership model for future events

We have identified and engaged with a wide range of stakeholders and partners with a view to address fragmentation in the carbon market and carbon pricing cooperation landscape.

We started by collaborating with the following partners to bring technical expertise and knowledge generated by countries, subnational jurisdictions and organizations.

Knowledge Partners:

- United Nations Climate Change (UNFCCC)
- International Energy Agency (IEA)
- International Emissions Trading Association (IETA)
- International Carbon Action Partnership (ICAP)
- Global Green Growth Institute (GGGI)
- Singapore's National Climate Change Secretariat (NCCS)
- Korea Energy Agency (KEA)
- Japan Article 6 Implementation Partnership (A6IP)
- Québec's Ministry of the Environment and the Fight against Climate Change

Additionally:

- United Nations Development Programme (UNDP)
- United Nations Environment Programme (UNEP)



Thank YOU for your support!

Donor Partners



Australia



Switzerland



**European
Commission**



Finland



Germany



Japan



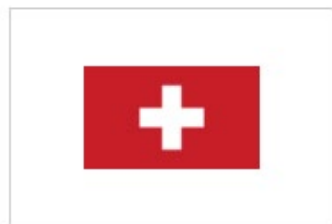
Norway



Spain



Sweden



Switzerland



United Kingdom



About THE PMI






The Partnership for Market Implementation (PMI) is an umbrella trust fund managed by the World Bank to help accelerate global decarbonization efforts. It was launched in 2021 and is supported by 11 global donors: Australia, Canada, the European Commission, Finland, Germany, Japan, Norway, Spain, Sweden, Switzerland, and the United Kingdom.

pmiclimat@worldbank.org







ANNEX – ADDITIONAL INFORMATION ON COUNTRY ENGAGEMENT





Window 1: Implementation Support

Country	Scope of PMI Work	Carbon Pricing Developments 2023-24	FY 24 milestones
 Chile	Operationalizing domestic offsetting mechanism, evaluating energy sector ETS, supporting national policy for Article 6.	Roll-out offsetting mechanism for carbon tax, first credits used against tax obligations in 2024.	Grant signed and countersigned. PIU operational.
 China	Improving carbon pricing policies and national ETS, legislative process acceleration, analytical support on carbon tax, domestic voluntary carbon markets, and CBAM, institutional capacity enhancement.	Released implementation plan for carbon accounting system improvement, updated allowance allocation plan for thermal generators, relaunched the national voluntary carbon market, and initiated consultations for national ETS expansion.	Grant allocated, ongoing Bank due diligence to prepare grant signature
 Colombia	Finalizing ETS regulation; rollout of greenhouse gas (GHG) emissions reporting platform; designing ETS IT infrastructure; capacity building.	High political priority for ETS rollout. Pilot planned to initiate in 2025. Adjustments to existing carbon tax including coal, 100% of tax revenues used for ecosystem and land-use projects in line with climate commitments.	Grant signed and countersigned. PIU operational.
 Indonesia	Enhancing institutional capacity for carbon pricing, technical components for policy analysis, institutional strengthening, ETS design, coordination, establishment of Carbon House and Carbon Exchange	Ministerial regulations defining domestic carbon crediting rules, power sector ETS progress.	Grant signed and countersigned. PIU operational.
 Kazakhstan	Strengthening ETS, expanding to new sectors/GHGs, stakeholder engagement, supporting updated NDC targets, stakeholder engagement and Just Transition.	New national allocation plan for 2022-2025 approved, cap set for 2023.	Grant signed and countersigned. PIU to be operationalized.





Window 1: Implementation Support

Country	Scope of PMI Work	Carbon Pricing Developments 2023-24	FY 24 milestones reached
Mexico 	Originally support for ETS operational phase. Subsequently proposal to phase activities, starting with assessment of options to coordinate different carbon pricing instruments in the country	Carbon tax applied in multiple states; ETS rules and guidelines for the operational phase are currently delayed; reports of government draft regulatory framework for a national voluntary carbon market.	Full-fledged proposal on hold. Completion of TORs for targeted support to be pursued with incoming Administration
Türkiye 	Finalizing ETS design, supporting pilot launch, roadmap for Article 6 mechanisms, capacity building, considerations for domestic crediting and carbon tax.	Emphasis on ETS implementation, Medium-Term Program aligning with NDC and EU Directive, working on a registry strategy for the ETS, domestic crediting and international trade.	Grant signed and countersigned. PIU operational.
Ukraine 	Support the ETS policy development process: assessing ETS draft law and ETS design; providing operationalization advice, stakeholder consultations.	Work remains impacted by Russia's invasion, technical work and engagement continue, measurement, reporting, and verification (MRV) requirements suspended.	Phase 1 approved – Bank-executed activities ongoing
Vietnam 	Developing and implementing national crediting program (NCP) and national ETS.	Roadmap for ETS implementation outlined, emissions reporting requirements for facilities established; consideration to revise Decree 6 to provide a framework for participation in Article 6 and voluntary carbon markets.	Grant package approved by Bank; to be counter-signed by GoV by July 2024.







Window 2: Readiness Support

Country	Scope of PMI Work	Carbon Pricing Developments 2023-24	FY 24 milestones
Bangladesh 	Readiness support for international carbon credit trading, market infrastructure development, policy framework, MRV and registry assessment, national carbon pricing policy, capacity-building, communication strategy.	Engagement in readiness activities for international carbon trading (VCM and Article 6).	Under implementation
Botswana 	MRV system, macroeconomic modeling, distributional impacts assessment, stakeholder consultations.	Initiation of readiness activities and preliminary discussions on role of carbon pricing in context of upcoming Country Climate and Development Report.	Revision of scope of work agreed with administration; updated proposal to be submitted
Guinea 	Designing a carbon price signal instrument for mining sector, regulatory and institutional infrastructure for Article 6, just transition, capacity building.	Launch of consulting assignment on Infrastructure, MRV, and design of CPI; Inception, multi-stakeholder; and technical validation workshops; Agreement on timeline for deployment of e-MRV system and confirmation of broad design elements for the CPI; Draft report on infrastructure needs and gaps	Under implementation
Malaysia 	Readiness support across carbon pricing assessment, MRV and registry, crediting, capacity building, communication strategy.	Design of carbon pricing in preliminary stage, launch of Bursa Carbon Exchange in December 2022. State of Sarawak has passed legislation for the introduction of carbon pricing policies to support the achievement of net zero by 2050.	Under implementation







Window 2: Readiness Support

Country	Scope of PMI Work	Carbon Pricing Developments 2023-24	FY 24 milestones
Montenegro 	Impact assessment of carbon pricing implementation, analytical work to support enhancement of the carbon pricing policy and legal regulatory framework, communications strategy, technical assistance to stakeholders and key actors.	Government decision to update the Law on Protection against Negative Impacts of Climate Change, purchase of ETS allowances from market stabilization reserve, creating public funds for implementation of climate mitigation projects.	Phase 1 reports (carbon pricing impact on overall economy and in electricity sector; offset scheme in the forestry sector) are finalized.
Pakistan 	Readiness support for international carbon credit trading, market infrastructure development, policy framework, MRV and registry assessment, national carbon pricing policy, capacity building, communication strategy.	Engagement in readiness activities for international carbon trading (voluntary carbon market and Article 6), including piloting of emission reduction credits (ERCs) registry prototypes.	Approved; to be operationalized.
Panama 	Implementation support for the institutional arrangements of Panama's national carbon market, mitigation instrument development, capacity building, legal and technical foundations for energy sector instruments.	Climate Change Framework bill presentation, agreements with standards for technical exchanges, virtual markets' module development.	BETF: under implementation. RETF signed and countersigned
Senegal 	Roadmap for operationalization of carbon tax, regulatory and institutional infrastructure for Article 6, just transition, capacity building.	CPAT modelling of carbon tax impact, draft analysis for review and stakeholder consultations; Draft operational manual for Art. 6, review and stakeholder consultation and validation workshop; Launch of consulting assignment for MRV.	Under implementation




Window 3: Small Grant Targeted Support

Country	Scope	Status
Azerbaijan 	<ul style="list-style-type: none"> Total carbon pricing assessment, assessing existing carbon price incentives; CBAM impact assessment and recommendations report Development of Art 6 national policy framework & governance arrangements 	<ul style="list-style-type: none"> Technical proposal received and under discussion with counterparts & Bank team. Implementation in FY25.
Belize 	<ul style="list-style-type: none"> Needs assessment on infrastructure and institutional arrangements for carbon markets with focus on Blue Carbon. 	<ul style="list-style-type: none"> Presentation of readiness assessment to Belize counterparts & stakeholders in May 2024; Final report: summer 2024
Bhutan 	<ul style="list-style-type: none"> Governance framework for registry and BCF. Developing Bhutan's carbon markets policy framework. Carbon Markets Strategy. 	<ul style="list-style-type: none"> Proposal approved Implementation: FY24/25
Bosnia and Herzegovina 	<ul style="list-style-type: none"> Modeling and macroeconomic impact assessment of different cap options for national ETS. Design options based on European Union (EU) ETS design. 	<ul style="list-style-type: none"> Final assessment reports discussed with counterparts.
Brazil 	<ul style="list-style-type: none"> ETS development roadmap and design support. 	<ul style="list-style-type: none"> Proposal approved. Implementation: FY24/25 Completed updated ETS modelling Currently developing ETS implementation roadmap
Ecuador 	<ul style="list-style-type: none"> Carbon footprint program and compensation mechanism. 	<ul style="list-style-type: none"> Proposal being reassessed with new government.

Window 3: Small Grant Targeted Support

Country	Scope	Status
<p>India</p> 	<ul style="list-style-type: none"> • Design of carbon market registry infrastructure. • Assessment of market stability mechanism and design options for the domestic carbon crediting scheme (CCS). 	<ul style="list-style-type: none"> • Proposal approved • Implementation in FY24
<p>Mongolia</p> 	<ul style="list-style-type: none"> • Assessment on carbon markets readiness and infrastructure needs • Stakeholder and initiative mapping • Roadmap for accessing to international carbon markets • A deep-dive on forestry sector and nature-based solutions 	<ul style="list-style-type: none"> • Proposal approved • Scoping study ToR released • Implementation in FY25
<p>Namibia</p> 	<ul style="list-style-type: none"> • Support carbon market governance and infrastructure. • Advice on maximizing revenue from environmental attributes of new technologies like green hydrogen, including carbon markets. 	<ul style="list-style-type: none"> • Proposal approved • Implementation in FY24/25
<p>Nepal</p> 	<ul style="list-style-type: none"> • Development of Host Country Strategy for international carbon markets • Scoping, training and piloting of carbon credit registry system 	<ul style="list-style-type: none"> • Technical proposal received and under discussion with counterparts & Bank team. • Implementation in FY25.
<p>Papua New Guinea</p> 	<ul style="list-style-type: none"> • Identify concrete policy, institutional and infrastructure gaps and areas in which PNG would require additional support for participating in international carbon markets. • Facilitate country stakeholder consultations, capacity building and roadmap development. 	<ul style="list-style-type: none"> • Proposal approved • Implementation in FY24/25
<p>Philippines</p> 	<ul style="list-style-type: none"> • Targeted technical support for the assessment and design options of planned national ETS. 	<ul style="list-style-type: none"> • Proposal approved • Implementation in FY24

Window 3: Small Grant Targeted Support

Country	Scope	Status
<p>Sri Lanka</p> 	<ul style="list-style-type: none"> • Development of Host Country Strategy for international carbon markets • Scoping, training and piloting of carbon credit registry system 	<ul style="list-style-type: none"> • Technical proposal received and under discussion with counterparts & Bank team. • Implementation in FY25.
<p>Tanzania</p> 	<ul style="list-style-type: none"> • Implementation roadmap for an integrated MRV system for carbon markets. • Support enabling environment for carbon markets including governance and capacity building. 	<ul style="list-style-type: none"> • Proposal approved • Implementation in FY24/25
<p>Thailand</p> 	<ul style="list-style-type: none"> • Economy-wide analysis of impacts of carbon pricing • Assessment of feasible carbon pricing instruments options 	<ul style="list-style-type: none"> • Technical proposal received and under discussion with counterparts & Bank team. • Implementation in FY25.



Flavia Rosembuj
Program Manager

Management Unit



Marcos Castro
Program & Operations Lead



Hari Gadde
Technical Lead



Marlen Goerner
Donor Relations & Operations Support



Panida Srithong
Budget Support



Anushree Shetty
Budget & Operations Support

Outreach and communication



Peter Schierl-Montfort

Innovation



Sandhya Srinivasan

State and Trends & Carbon Pricing Hub



Joe Pryor

Infrastructure



Gemma Torras

Compact with Africa Green Business Fund



Laurent Granier

