

The role of Article 6 of the Paris Agreement in the implementation of NDC and expectations for JCM:

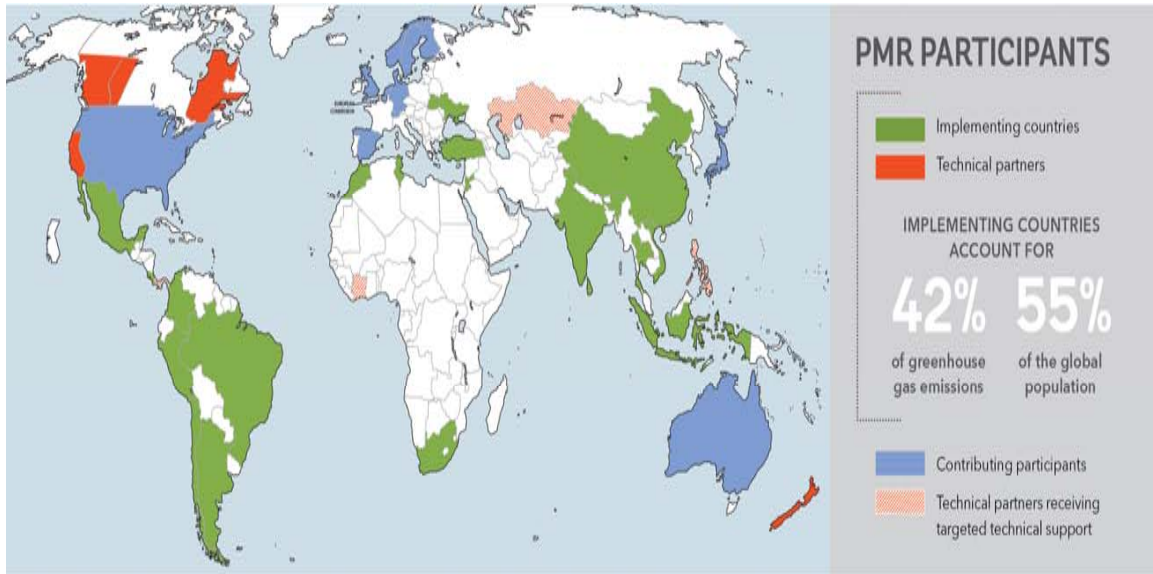
World Bank Initiatives Focusing on Capacity Building - PMR, Climate Warehouse, Climate Market Club and the Partnership for Market Implementation.

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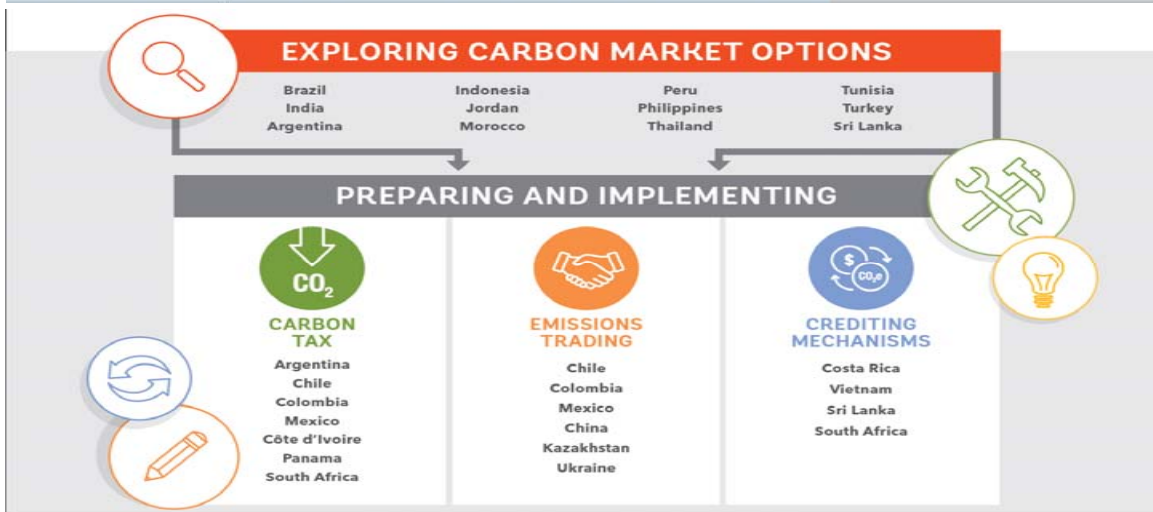
February 16, 2021



Highlights of the PMR Program



- \$127million – 13 donors
- 19 Market Readiness Programs; Four Funded Technical Partners
- PMR Assembly – Decision-making and Knowledge-sharing
 - Implementing countries
 - Contributing countries
 - Technical partners
 - Observers
 - Subject experts



- Knowledge management
 - 37 Publications (incl. 6 upcoming)
 - Industry-standard guidebooks (ETS, MRV, Carbon Tax, etc.)
 - States and Trends Report
- Capacity building for over 3500 professionals
 - 22 Assemblies
 - 28 Technical workshops, 8 Regional technical trainings
 - 10 Online courses; 3 South-South Exchanges

The Climate Warehouse program conceptualizes & prototypes products for the next generation of climate markets



Creating MOs

Generate supply of MOs from WB IDA & IBRD lending operations with mitigation co-benefits



Warehousing MOs

Design connected infrastructure for tracking and recording of MOs -

CLIMATE WAREHOUSE



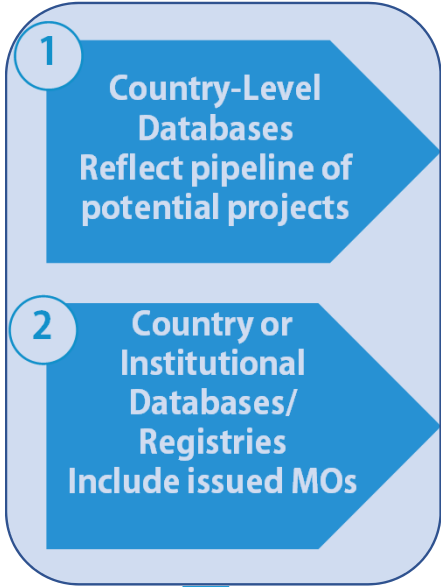
Trading MOs

Facilitate demand for and transactions of MOs through design of financial instruments and products

Create **enabling environment**, inform development of **regulatory framework**, **institutional arrangements** and efficient **market infrastructure** and associated **governance arrangements**, including:

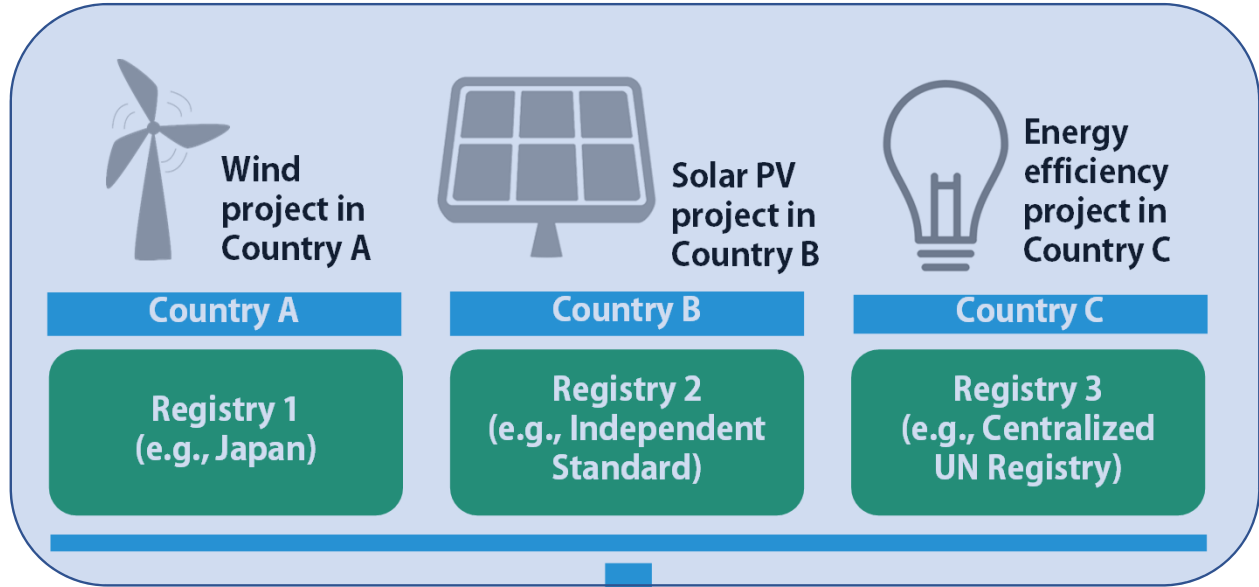
- **CLIMATE MARKET CLUB**
- **Approach Papers** on key technical issues related to Article 6
- **Assessment Frameworks** for enhancing comparability

Climate Warehouse information system ecosystem



Emission reductions from identified projects across countries are quantified, MRV'd, and independently assessed

Emission reductions are issued in a country or institutional registry and may move to a different registry



- 1) Establishes a peer-to-peer communication protocol to connect decentralized systems and mirror public information from existing registries
- 2) Offers a user interface to allow users to filter MOs by features (e.g., location, scale, tCO2e, etc.)
- 3) Records status changes of MOs (e.g., use, retirement, transfer)



Climate Market Club for developing piloting modalities for Art 6

Climate Market Club for Coordinated Action

A group of governments develop modalities for piloting transfer and use of mitigation outcomes. Interest from **Bangladesh, Bhutan, Chile, Ghana, Japan, Kazakhstan, Peru, Rwanda, Senegal, Singapore, Sweden, Switzerland and Ukraine** with implementing (non-sovereign) partners nominated by country members (**GGGI, KIIK, Temasek** as of February 2021)



Invitations to join will be sent to 15 countries based on ongoing programs with MDBs and their interest; 13 countries have joined the Club. 3 non-primary members nominated.

Mode of Collaboration in the Climate Market Club



Non-Exclusive Participation



No legal status of, or recourse to the Club



Members meet own costs



No confidential information



IPR retained by Members that develop material



Withdrawal through written notice



Principles may be amended by Members



Initial period of 2 years

Club meets virtually every month; Ten meetings have taken place as of February 2021; Modalities defined through policy framework for Art 6.2 and Approach Papers – 9 papers under preparation

From Readiness to Implementation: the PARTNERSHIP FOR MARKET IMPLEMENTATION

Support Category 1	Support Category 2	Support Category 3
<p><u>Carbon Pricing Implementation Support</u></p> <p>Target: Countries with a demonstrated political commitment or an existing carbon pricing system in place</p> <p>Support package: Strengthening domestic implementation capacity, strengthening legislative and policy review functions, scaling and expanding to new sectors</p>	<p><u>Carbon Pricing Readiness Roadmaps</u></p> <p>Target: Countries ready for the decision to implement a carbon pricing instrument</p> <p>Support Package: Early stage activities to determine which instrument to adopt, build stakeholder support for policy infrastructure, e.g. MRV</p>	<p><u>Targeted Support</u></p> <p>Target: Regional, subnational jurisdictions</p> <p>Support Package: Harmonization of carbon pricing infrastructure, development of transparent accounting procedures, etc.</p>

