

Regional Carbon Markets Engagements

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Context

- The Paris Agreement and country NDCs set the direction for increasing climate action in countries, requiring significant financing and capacity building needs.
- Carbon markets and carbon pricing offer the opportunity to increase the resources mobilized from the private sector, reduce the burden of NDC implementation and increase global ambition.
- Several countries in different regions, notably Africa, Pacific and Caribbean, have shown interest in support from the World Bank managed Partnership for Market Implementation Facility (PMIF) and in engaging on carbon pricing and carbon markets. In addition, regional entities such as the West African and Southern African Power Pools have also shown interest.
- A programmatic engagement is proposed to provide capacity building, knowledge sharing, and piloting at the country level and disseminate lessons through regional entities.
- The objective of the program is to build capacity, harmonize carbon markets infrastructure, and facilitate the adoption of innovative tools and approaches.
- The program considers the specific needs of the regions and countries engaged and utilizes the World Bank supported tools, systems and frameworks to maximize the impact and optimize resources.

Partnership for Market Implementation

- **PMI**, launched at COP25 Madrid, builds on a decade of carbon pricing readiness experience gained from the PMR. PMR supported readiness roadmaps for 23 countries, built the capacity of over 3000 technical professionals, and produced and disseminated a vast body of knowledge on carbon pricing and markets, all of which acts as a foundation for PMI.
- **PMI Objectives:**
 - **Support** participant countries/jurisdictions in the implementation of carbon pricing instruments needed for GHG mitigation and NDC implementation
 - **Develop** the knowledge base on carbon pricing instruments and facilitate information exchange through technical discussions and knowledge dissemination
 - **Assist** countries to identify and implement best practice approaches and, where relevant, achieve compatibility in design to support the development and linking of international carbon markets
 - **Encourage** international and national cooperation, and inform the domestic and global policy discussions on GHG mitigation by sharing lessons learned and providing a platform for collective innovation on carbon pricing instruments

Partnership for Market Implementation

Window 1



Implementation Support

- **Target:** Countries with demonstrated political commitment to carbon pricing or an existing carbon pricing system
- **Support package:** Strengthening domestic implementation capacity, strengthening legislative and policy review functions, scaling and expanding to new sectors, etc.

Window 2



Readiness Roadmaps

- **Target:** New countries committing to implement a carbon pricing instrument
- **Support Package:** Early-stage activities to determine which instrument to adopt, build stakeholder support for policy infrastructure, assess co-benefits.

Window 3



Targeted Support

- **Target:** Regional, subnational jurisdictions
- **Support Package:** Harmonization of carbon pricing infrastructure, adoption of innovative tools, development of transparent accounting procedures, etc.

Support under the PMI Regional Engagement

REGIONAL



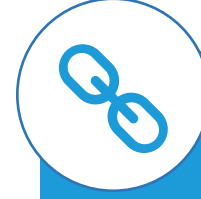
Regional Institutions

Leverage the regional entities like UNFCCC RCCs, West African and East African Alliances for Carbon Markets and Climate Finance for coordination.



Knowledge sharing

Sharing lessons and experience from country experiences, and capacity building workshops on carbon pricing to benefit all the member states in the region.



Infrastructure Support

Developing options for harmonized MRV at the regional level; pilot dMRV and assist with registry systems.



International Carbon Markets

Elements of an institutional framework for participation in international markets that can be coordinated at the regional level to reduce the required level of effort at the country level.

NATIONAL



Needs Assessment

Use tools such as the Carbon Pricing Assessment Tool, CPI Guidebook, and Mitigation Action Assessment Protocol to assess the role of carbon pricing and markets.



Capacity Building

Capacity building workshops and facilitated e-courses building on the knowledge base developed under the Partnership for Market Readiness (PMR).



Piloting

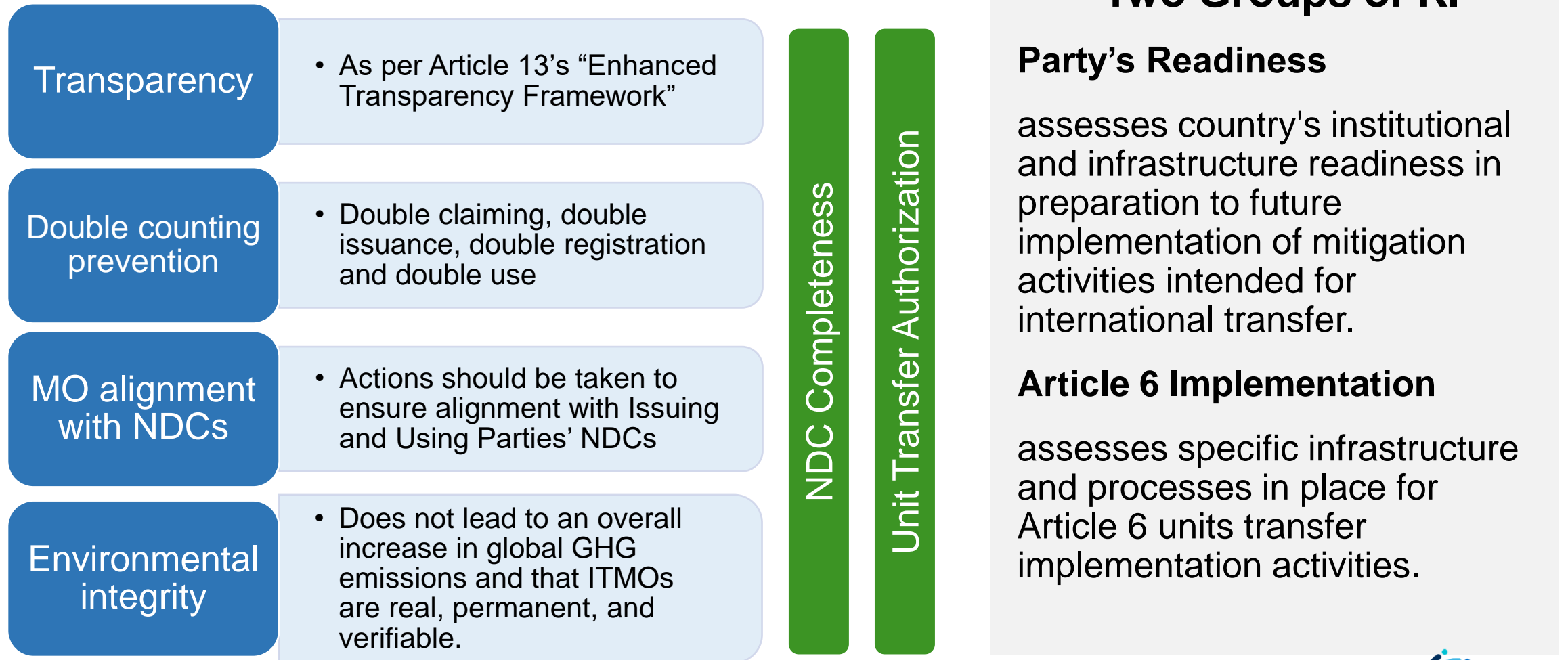
Inputs to piloting for monitoring, reporting, and verification (MRV) to facilitate the development of information systems for carbon markets and customize registry systems



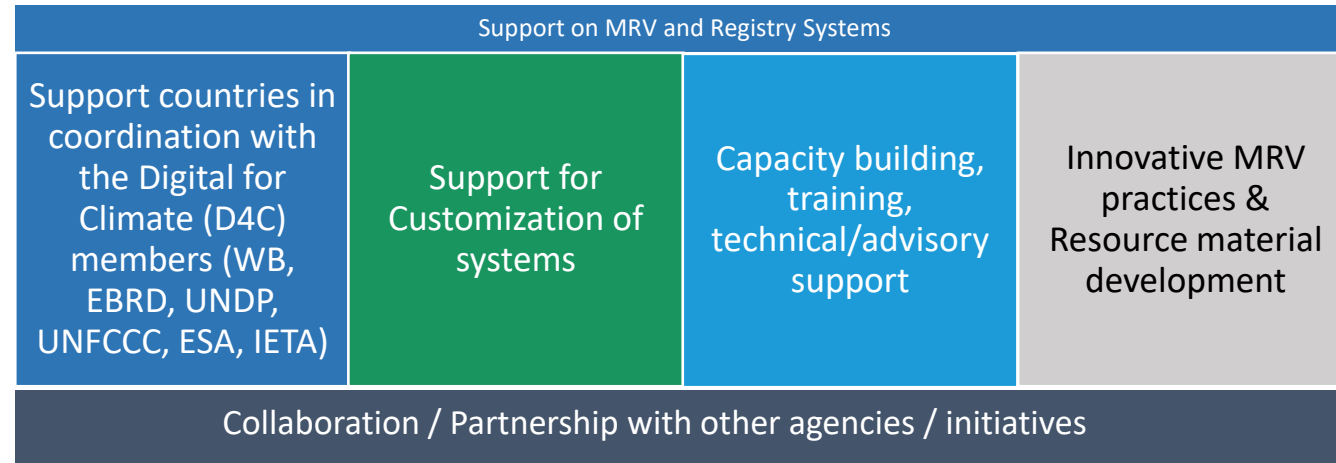
International Carbon Markets

Inputs for developing a domestic institutional framework for participation in international carbon markets to build familiarity and practical experience with carbon pricing.

International Transfer Readiness Support



Harmonizing MRV and supporting with registry systems



- Exploring options for harmonized MRV at the regional level
- Piloting digital MRV
- Knowledge sharing on MRV practices
- The initiative will be coordinated through the Partnership for Market Implementation (<https://pmicclimate.org/>)

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

For more information, please visit
www.pmiclimate.org

For questions or comments, please contact:
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