

Supporting developing countries to enhance climate action and increase ambition

World Bank's new climate initiatives



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Positive momentum for climate action, but challenges remain

Bottom-up Approach



The Paris Agreement introduced a bottom-up approach to address climate change through individual country commitments

Below 2°C Goal



Pledges made under
NDCs only cover about
1/3rd of the emission
reductions needed to
be on a least-cost
pathway to stay below
2°C

High Financing Needs



Achieving NDC goals will require massive international and national sources of climate finance

Need for Leverage



Public finance is limited and needs to be leveraged intelligently to attract private capital



VISION

ENHANCE GLOBAL AMBITION THROUGH CLIMATE MARKETS



Mobilize capital for resilient & low carbon growth by connecting climate markets



INVESTMENT SERVICES

Mobilize public and private capital. Create initial market liquidity:

- Create initial demand for transfers of climate assets
- Generate supply of climate assets

KNOWLEDGE SERVICES

Develop concepts and methodologies around:

- Asset creation and exchange
- Market regulation and institutional frameworks
- Financial products
- Market solutions for adaptation

Thought leadership on market intelligence

CAPACITY BUILDING

- Build countries' readiness and infrastructure to generate and transfer climate assets
- Support low-carbon development policies and instruments
- Strengthen and harmonize clients' NDCs

ADVOCACY SERVICES

- Understand stakeholders' expectations
- Partner with key/interested stakeholders
- Build consensus and awareness on key design elements



Transformative Carbon Asset Facility (TCAF)



- Piloting various approaches under the Paris Agreement, including sectoral, policy and jurisdictional crediting
- Deep engagement with host country governments to support NDC implementation
- Inform international negotiations and rulebook development
- 6 contributing countries; \$210 M

Builds on work of the Carbon Partnership Facility



- Development of innovative crediting approaches (POAs to new crediting instruments)
- \$140 M



Carbon Initiative for Development (Ci-Dev)



- Private sector-driven projects in low-income countries
- Support of innovative and transformative business models
- Carbonplus assets: energy access for direct beneficiaries in the communities yields range of sustainable development cobenefits
- Buying pre- and post-2020 ERs
- 3 participants; 10 programs in 8 countries
- \$125 M



Partnership for Market Readiness



PMR supports countries to assess and implement carbon pricing systems through 3 work programs

Country Program

- Through grant funding, support countries to prepare for carbon pricing instruments, e.g.
 - Develop the building blocks
 - Strengthen institutional capacity
 - > Stakeholder engagement

Technical Work Program

- Support on issues that are common across countries.
 - Facilitate experience and knowledge sharing
 - Develop practical guidance on common issues
 - Identify good practice and common standards

Policy Analysis Work Program

- Support to determine post-2020 mitigation scenarios and identify packages of effective and cost-efficient policies.
 - Modelling the impact of policy options
 - Assessing the interaction of different policies.



Quick Facts

36

national and subnational jurisdictions, and the European Commission 19

implementing country participants

13

contributing participants

4

technical partners

\$127

million in total capitalization 16

road maps for carbon pricing readiness

\$71.5

million allocated to governments to support readiness activities 19

technical notes produced 50+

knowledge exchanges hosted







Thank you!



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