



**THE WORLD BANK**  
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# INDIA'S MARKET READINESS PROPOSAL

## Project Implementation Status

24<sup>th</sup> October 2018

Buenos Aires, Argentina

# Objectives

- **To explore and pilot new market based mechanisms (MBMs) in Waste and MSME sectors**
- **To establish an integrated data management and registry for India's GHG emissions**

# Background

**Approval of India's Market Readiness Proposal (MRP): March 2017**

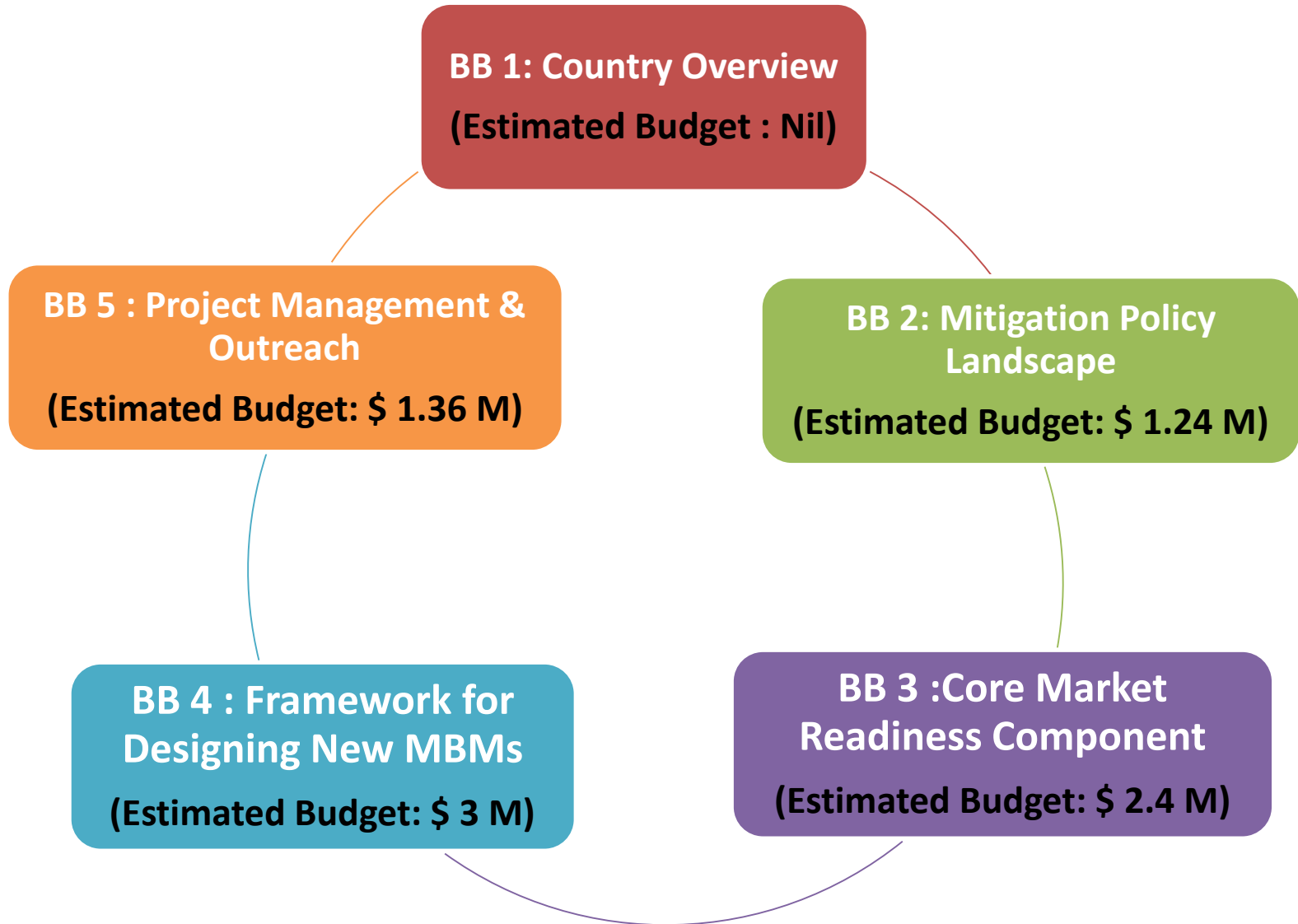
**Total Grant to Government of India: US\$ 8 million**

**Implementing Agencies:** Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India (US\$ 5 million) and The World Bank (US\$ 3 million)

**Grant Effectiveness and Closing Date: 05/09/2017- 06/30/2020**

**Total Expenditure till date: USD 900k funding committed; USD 150k funding disbursed**

# Building Blocks



# Achievements

## BB 1: Country Overview provides a Framework for Climate Action in India

### Paris Agreement

Paris Agreement on climate change was adopted under UNFCCC in 2015

India ratified the Paris Agreement on 2nd October 2016 and it entered into force on 4th November 2016

### Nation Action Plan on Climate Change

Eight National Missions, 4 new proposed (Health, Coasts, Wind and Waste to Energy)- The national missions are being revised in light of new scientific evidence and evolving climate change realities in post 2020 period

### Nationally Determined Contributions

India's NDC lays down 8 targets for 2021- 2030 of which 3 are quantitative

- Reduce emissions intensity of GDP by 33-35 % by 2030 over 2005 level
- Achieve 40 % cumulative electric power installed capacity from non-fossil fuel source
- Create additional carbon sink of 2.5 - 3 bn tonnes of CO2 eq. through additional forest and tree cover

Other 5 NDC goals are on (i) sustainable lifestyles (ii) climate friendly growth path (iii) climate change adaptation (iv) climate change finance (v) capacity building and technology

### Institutional Framework

- PM's Council on Climate Change chaired by Hon'ble Prime Minister
- Executive Committee on Climate Change chaired by Pr. Secretary to PM - monitor actions

### WASTE and MSME identified as priority sectors for piloting MBM

STATUS

COMPLETED

## BB 2 : Mitigation Policy Landscape

### Key tasks :

- **Assess the readiness** of the MSW and MSMEs sector for MBMs including policy and regulatory frameworks
- **Develop an optimum policy package to support scaling up of existing policies & programmes**
- **Design an MBM** for GHG reduction
- Develop a **roadmap** for **piloting** the new MBM

**Consultant Engagement is Completed**

**Submission of Inception Report is Completed**

**First round of Stakeholder Consultations Completed**

**The final report to be submitted to MoEFCC by January 2019**

A study to test voluntary carbon market for ushering in “green credit” is proposed to be commissioned soon.

STATUS

UNDER IMPLEMENTATION

## BB 3 : Core Market Readiness Component

Design of national Meta-registry to serve dual purposes of data management and transaction registry in India

### **Key tasks :**

- Systems Need Assessment
- Functional System Specification
- Technical System Assessment
- Software development
- Systems deployment and capacity building

**Consultant Engagement is Completed**

**First round of Stakeholder Consultations Completed**

**The final report to be submitted to MoEFCC by January 2019**

STATUS

UNDER IMPLEMENTATION

## BB 4 : Framework for Designing New MBMs

Outputs from the ongoing work under the Component 2 will be considered

### Key tasks :

- Designing new MBM taking cognizance of the existing regulatory framework and laws and proposing amendments
- Piloting the new MBM in select geographical locations
- Linking of various domestic markets such as PAT and REC

STATUS

TO BE INITIATED



## BB 5 : Project Management and Outreach

- WB STC (1) has been hired in New Delhi, to directly support the Ministry of Environment, Forest and Climate Change in everyday coordination of the project
- An inter-ministerial Project Steering Committee (PSC) has been constituted to oversee project implementation . The first meeting to be convened shortly
- A PMU is being constituted at MoEFCC to provide technical support and coordinate project implementation
- An action plan for awareness creation and capacity building is under preparation
- A budget head in the Climate Change Division, MoEFCC has been created in CFY to initiate project activities

**Project Management and Outreach is an on-going activity**

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# Minor revisions to the scope

- India's MRP proposal provides an indicative list of project activities to be undertaken
- In view of evolving climate change realities and national priorities some activities have become redundant and additional ones are being proposed
- The new proposed activities are aligned to the approved MRP document

## BB 2: Mitigation Policy Landscape

- Activities 2.1, 2.2 and 2.3 (w.r.t PAT, REC and NCEF) are no longer relevant under the project as these are now being undertaken by the respective Ministries using their own resources



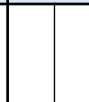
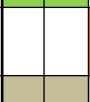
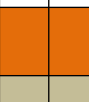

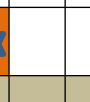
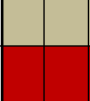
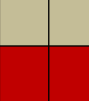
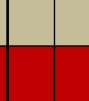
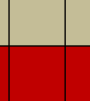
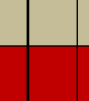





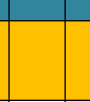
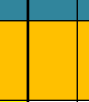

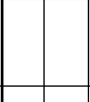
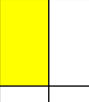
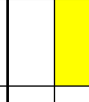

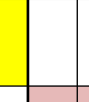
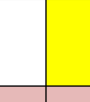
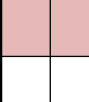
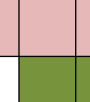
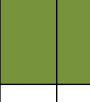
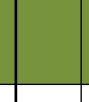



## BB 4: Framework for Designing New MBMs

- Activities 4.1, 4.2 and 4.3 (w.r.t PAT, REC and reviving CDM) are not required in the current context as the current focus is on the MSME and Waste sectors and CDM matters are under negotiation

## Additional Activities

- Activities such as study on green credits, regulatory framework is in the pipeline

# Action Plan (6 months)

Tasks	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Signing US\$ 5 m Grant Agreement						
Setting-up of PMU at MoEFCC						
Roadmap for MSME & Waste						
Study for Design of national meta-registry						
Study on Green Credits						
Study on Policy Frameworks						
Stakeholder Consultations						
Selection of pilot sites						
Selection of Implementing partners						
Launch of Pilots						

# Challenges

- Design and suitability of market mechanism in the Indian Context
- Needs assessment considering wide stakeholder expectations is critical
- Achieving stakeholder buy-in on design aspects of a suitable MBI is challenging and takes time

**Thank you**