

# EBRD CARBON MARKET SUPPORT IN EUROPE AND CENTRAL ASIA

## Climate Markets

- Meet emission reduction targets cost efficiently
- Enabling risk management to foster uptake of ambitious NDCs
- Encourage international co-operation
- Facilitate robust MRV and accounting
- Sustainable mobilisation of private sector investments by carbon revenues

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# THE MARKET IS AT THE BEGINNING OF GROWTH OVER THE NEXT DECADE



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EU's proposal for a **carbon border mechanisms** puts pressure on other countries to invest in putting in place industrial decarbonisation policies



**Increased demand from airlines** – linked not only to anticipated CORSIA demand but also from airlines making additional voluntary commitments



The **pressure to act on climate change builds**, and companies, in particular in the 'hard to abate' sectors, must adequately prepare for **carbon transitional risks**



The number of corporations and governments pledging to deliver **net-zero emissions by 2050** has more than doubled in the past year.



**COVID-19** has been a wake up call for climate action - Scaling carbon markets is critical to help raise the trillions necessary for a **green, just recovery**



Mark Carney's **Task Force on Scaling the Voluntary Carbon Market** is galvanizing further industry level collaboration



The EU Green New Deal and its **Fit-for-55** package including a planned **EU ETS overhaul** builds massive momentum for climate action



Markets can help countries raise green ambition by **lowering cost of hitting mitigation targets** when communicating new or updated NDCs

# EBRD'S ROLES IN CARBON MARKET DEVELOPMENT (I)

## INTEGRATING CLIMATE FINANCE AND CARBON MARKETS



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### Policy Dialogue

Advise countries on carbon market developments e.g. Kazakhstan, Turkey, Uzbekistan

Provide expertise on climate markets in policy dialogues on long-term strategies, sector-based roadmaps and NDCs

Co-operation with international stakeholders, such as the J-MDB WG on Article 6, TF-SVCM\*

### Development of Tools, Guidance and Standards

EBRD Member J-MDB Secretariat Climate Markets Club

Co-operate on the design of assessment tools like MAAP

Focus on Digitalized MRV to reduce costs

### Supporting Transactions systemic change through policy dialogue and investment programmes at scale

GCF co-funded EBRD RE facility in Kazakhstan → policy support for Kazakh Emissions Trading Scheme

MIDSEFF in Turkey, which incl. policy support for CORSIA in relation to domestic carbon projects

GCF High Impact Programme for Industry which integrates carbon market elements in the climate governance support

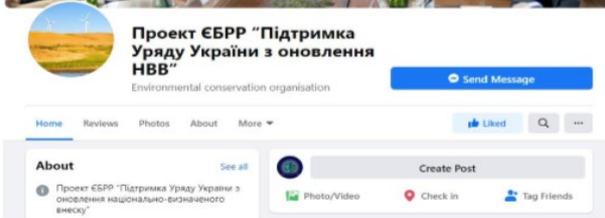
*\*Task Force for Scaling Voluntary Carbon Markets*

# EBRD'S ROLES IN CARBON MARKET DEVELOPMENT (II)

## INTEGRATING CARBON MARKETS IN NDCs



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- NDC Support Programme provides assistance to EBRD countries of operations in the development and implementation of national climate strategies

### Example of Ukraine



- Modelling of GHG Emissions Pathways at National and Sectoral Level
- Defining scenarios at different levels of ambition



- Impact of ITMO transfers under Article 6 is considered
- Clarification of policies and legislations necessary to accommodate carbon budgets



- Role of carbon markets in achieving the climate targets

### Creation of an enabling environment for Carbon Markets

New EBRD report provides recommendations for how **Southern and Eastern Mediterranean (SEMED) countries** could lay the foundation for domestic carbon market activity incl.

- Removing energy subsidies,
- developing robust MRV systems and
- establishing regulations on transparent NDC accounting systems.

# EBRD'S CARBON MARKET ENGAGEMENT (III)

## SUPPORTING CARBON MARKET DEVELOPMENT

### Kazakhstan – carbon market policy dialogue

Part of GCF-EBRD Kazakhstan Renewables Framework

Development of **carbon market strategy** based on analysis of **Kaz ETS** with key policy recommendations toward a sustainable **RES market**, addressing:

- **Environmental integrity** of the Kaz ETS and domestic carbon offset credits through analysing and recommending best practices in carbon accounting.
- **Market liquidity** of Kaz ETS allowances and domestic carbon offset credits by recommending policies improved domestic carbon market functioning.
- **International opportunities** for the Kazakh carbon market including routes to market for carbon assets under Paris Agreement and CORSIA.



### Uzbekistan – carbon market scoping study

Support with identification of strategy and roadmap to develop and implement **carbon market instruments** in Uzbekistan

Application should enable Uzbekistan to **increase ambition in subsequent NDCs**

Project includes:

- Review **carbon market options**
- Economic **modelling of abatement options**;
- Identification of **roadmap** for implementation of carbon market instruments
- **Consultation** with key stakeholders on project results



THANK YOU!



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