



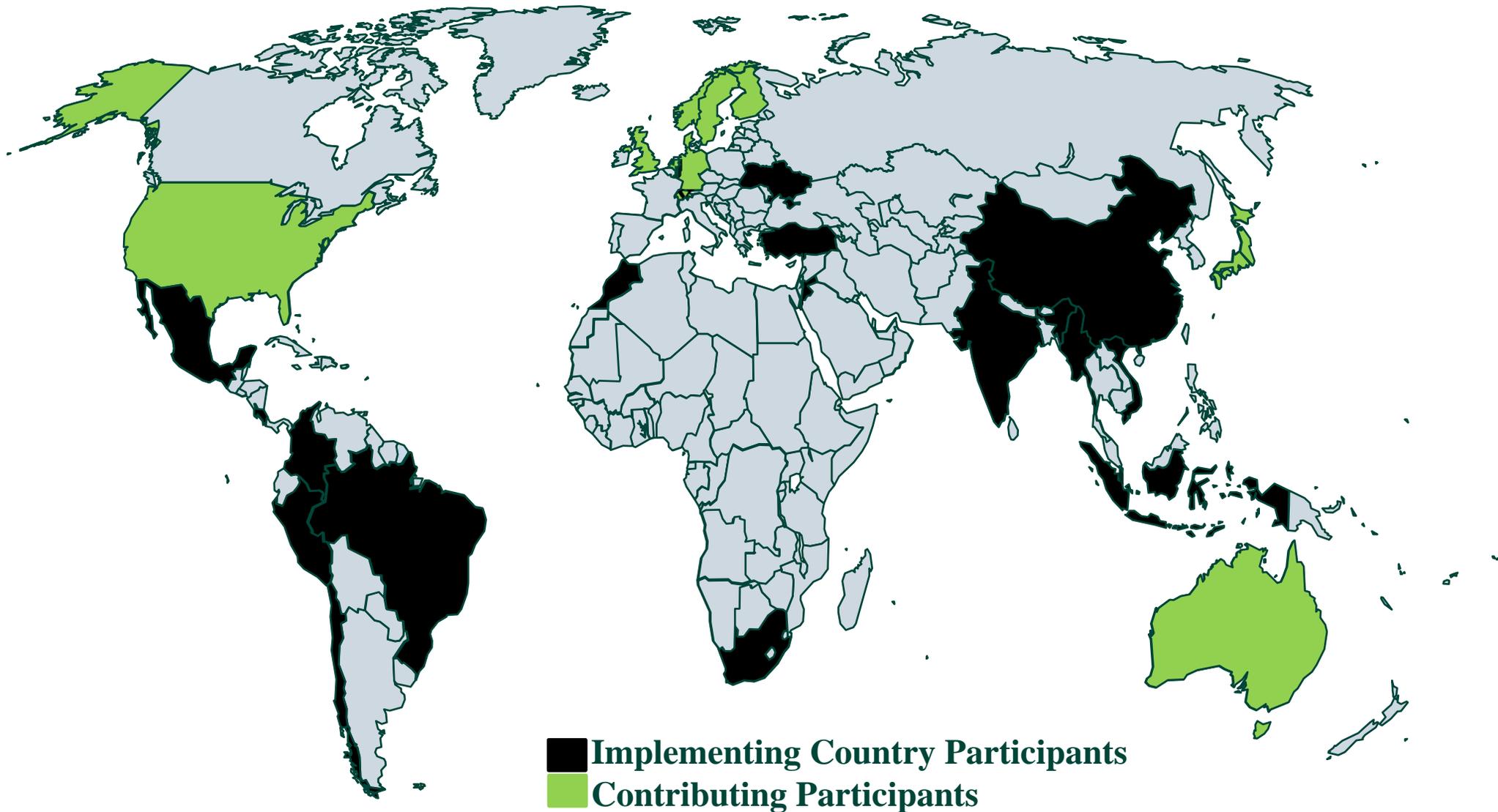
PARTNERSHIP FOR MARKET READINESS:

**SUPPORTING EMERGING ECONOMIES TO PURSUE MARKET-BASED APPROACHES TO
LOW CARBON DEVELOPMENT**

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PMR: Pricing Carbon and Preparing for Future Global Market



- Member countries include major economies and key market players
- PMR supports building the ground for a range of market-based instruments including emissions trading and scaled-up crediting

Implementing Country Participants

Brazil	Indonesia	Thailand
Chile	Jordan	Turkey
China	Mexico	Ukraine
Colombia	Morocco	Vietnam
Costa Rica	Peru	
India	South Africa	

Contributing Country Participants (US\$120 million mobilized)

Australia	Netherlands
Denmark	Norway
European Commission	Spain
Finland	Sweden
Germany	Switzerland
Japan	United Kingdom
	United States

- ◆ **Observer countries: South Korea, New Zealand, Kazakhstan, Singapore, Italy, and Poland**

◆ Domestic emissions trading schemes

- China, South Korea and Kazakhstan
- Chile, Turkey and Ukraine (at early stage of exploring)

◆ Carbon taxes

- South Africa
- Colombia (at the stage of analyzing implications)

◆ Sectoral crediting programs (e.g., industrial sector, power sector, waste management, transport)

- Mexico, Peru, Morocco, Jordan, Vietnam, Colombia

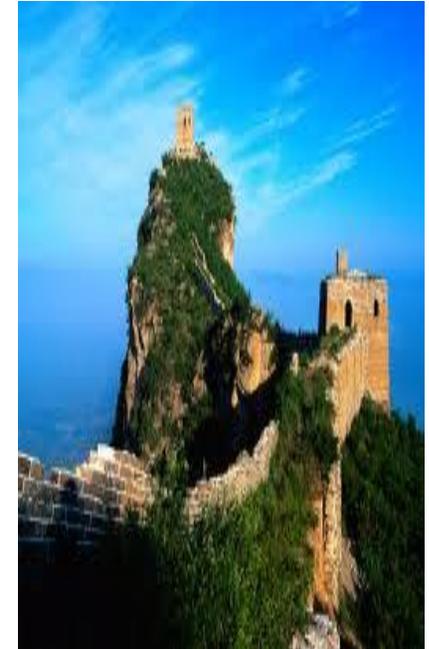
◆ “Readiness” focus

- Brazil, India and Indonesia

- ◆ Many countries, for the first time, have pledged mitigation actions under the UNFCCC and integrated their pledges into domestic plans
- ◆ Countries are building transparent policy frameworks and identifying options to mitigate emissions at scale and in a cost-effective manner
- ◆ Previous market experiences provide valuable lessons
- ◆ There is a strong desire to share information and learn from one another to shape the next generation of carbon markets

China is Emerging as a Global Leader on Climate Change and Carbon Market

- ◆ A nation-wide emissions trading scheme (ETS) would be a central piece of China's climate policy to pursue green growth and low carbon development
 - Shenzhen launched the first ETS pilot in June, to be followed by six other cities/provinces
 - A nationwide ETS is expected to be launched around 2016/2017
- ◆ China is changing the landscape of the global carbon market
 - If China is successful, a carbon market at the global scale would emerge to deliver a global price on carbon, drive low carbon investment and innovation
- ◆ PMR is supporting China to :
 - Design a comprehensive national scheme
 - Conduct policy analysis and strengthen technical institutional capacity



Most countries are still at an early stage of policy formulation; building readiness is critical and takes time

- ◆ **Policy mapping and analytical work** (e.g., interaction with EE and RE policies) is critical for countries to understand the implications of various instruments
- ◆ **Integrating analytical work into the decision-making process** is important:
 - The PMR can play a role to help countries organize, consult, analyze implications (through modeling), and build ownership in support of a market instrument
- ◆ **Building readiness capacities** (“no-regret measures”) -- data management, MRV, registry, baseline setting -- provides a foundation for implementation, regardless of the choice of instrument



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- ◆ Carbon markets are fragmented

But →

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- ◆ The emergence of different domestic markets is a sign of progress and confidence in market-based approaches
- ◆ Importance of building a Credible, Consistent and Compatible system (a “Three Cs System”) across countries
- ◆ The PMR facilitates the emergence of global integrated carbon markets

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- ◆ The lack of action on climate change rolls back decades of development
- ◆ Pricing carbon through cost effective instruments is an important means to ramp up efforts on mitigation



Thank You

FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS
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