

Japan–World Bank Collaboration on Carbon Pricing and JCM

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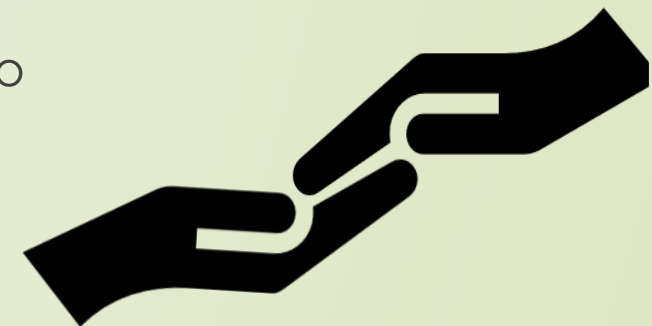
WBG role in carbon pricing

BUILD CASE AND EVIDENCE BASE THROUGH ADVOCACY, CAPACITY BUILDING, KNOWLEDGE DISSEMINATION, INNOVATIVE INSTRUMENTS AND PILOTING



WB-Japan Collaboration

- ❑ Japan has been a contributor to the Partnership for Market Readiness (PMR)
- ❑ Japan has been a member of Carbon Pricing Leadership Coalition (CPLC)
- ❑ The MOU announced by MOE-J at the Asia Pacific Climate Week in Bangkok in September 2019. The overall objective is to collaborate on Japan's Joint Crediting Mechanism (JCM) to support future carbon markets
- ❑ This is sought to be achieved through
 - ❑ Support to the Partnership for Market Implementation (PMI), successor to the PMR focusing on implementation of carbon pricing instruments
 - ❑ **Formal announcement at COP25 on 10 December**
 - ❑ Participation in CPLC's high level advocacy activities
 - ❑ **Leadership Dialogue at COP25, 10 December**
 - ❑ Participation in WB's Innovate4Climate global flagship event on climate action
 - ❑ **May 26-28, Barcelona, Spain**
 - ❑ Working on methods/instruments to help operationalize Article 6
 - ❑ Climate Warehouse



PMI Goals and 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 dissemination of knowledge products
- **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

2025 CCAP Target:

10-20 new countries achieve readiness;

5-10 countries begin implementation

PMI Scope and Coverage



- ❑ **Carbon Pricing Implementation Support**
- ❑ **Target:** Countries with a demonstrated political commitment or an existing carbon pricing system in place
- ❑ **Support package:** Strengthening domestic implementation capacity, strengthening legislative and policy review functions, scaling and expanding to new sectors



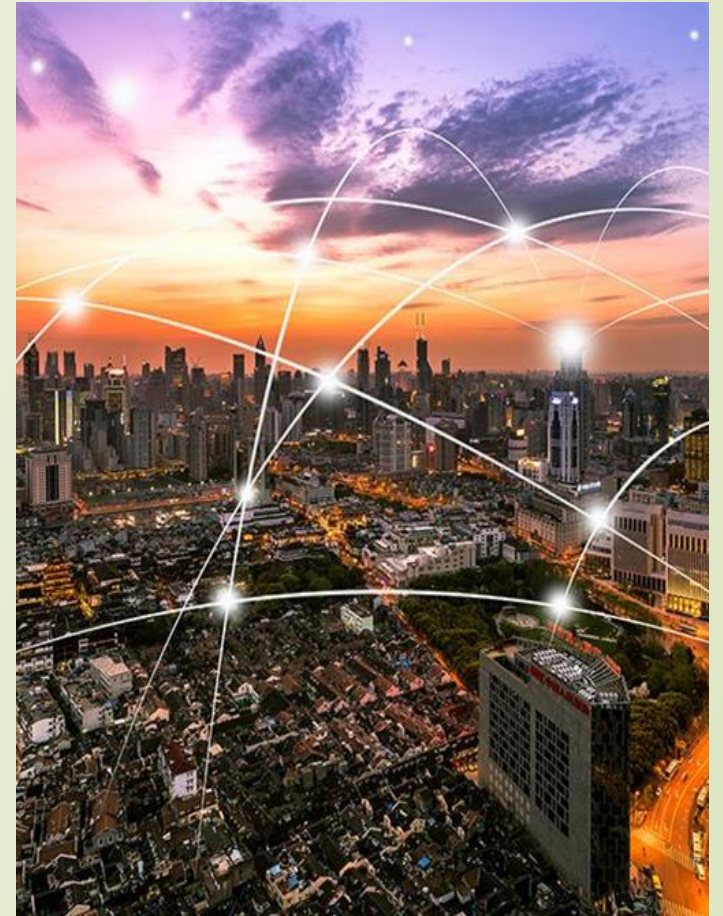
- ❑ **Carbon Pricing Readiness Roadmaps**
- ❑ **Target:** Countries ready for the decision to implement a carbon pricing instrument
- ❑ **Support Package:** Early stage activities to determine which instrument to adopt, build stakeholder support for policy infrastructure, e.g. MRV



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

Climate Warehouse

- ❑ JCM team participated in a simulation in October 2019 to connect with an internal blockchain-based meta-registry system developed by the World Bank's ITSTI Lab.
- ❑ JCM collaborating on two bilateral activities
 - ❑ Bangladesh is exploring the role of registry systems and institutional and governance framework for Article 6, building on its past experience with CDM and JCM.
 - ❑ Kenya is working to build its own capacity to develop renewable energy projects by liaising with Japanese partners. An Inter-Ministerial Technical Working Group on Article 6 is working to define the role of climate markets in NDC building on the country's experience and learning from CDM and JCM.





 **Thank You!**