



Carbon Finance

AT THE WORLD BANK



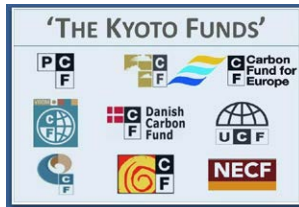
Newsletter

October 2014

Our Initiatives



BioCarbon Fund



State and Trends
of Carbon Pricing
2014

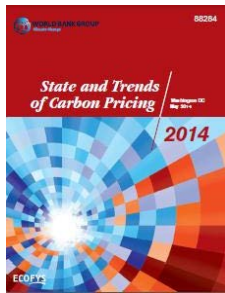
Who supports carbon pricing? 73 countries and 1,000 companies!

The World Bank Group announced a growing list of government and business supporters of carbon pricing, considered one of the most effective ways to bring down greenhouse gas emissions. 73 countries and 11 states and provinces - together responsible for 54% of global greenhouse gas emissions and 52% of GDP - joined 11 cities and over 1,000 businesses and investors in signaling their support for carbon pricing through a series of initiatives being announced at the **UN Secretary-General's Climate Leadership Summit** on Sept 23.

Read more on the World Bank [climate website](#), watch the [animation](#) on carbon pricing around the world, and [read](#) what business and government supporters from Germany to Vietnam are saying about their support for carbon pricing.

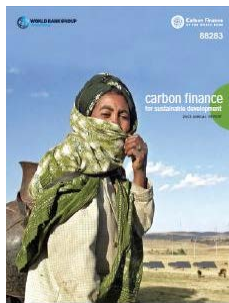
[Feature story](#)

[Blog posts from business and government leaders](#)



This year's State and Trends report focused on carbon pricing instruments

Annual Report



The annual report covers progress of our carbon finance initiatives in 2013

Carbon Partnership Facility

CPF Coordinator Rick Zechter blogs on the role of the Facility to innovate in scaling up carbon crediting programs to promote sustainable, low-carbon economic growth.

[Blog](#)

Meet our new managers!



\$50 m pledged to new Pilot: Using auctions to lower emissions



The World Bank Group just announced the design of the new **Pilot Auction Facility for Methane and Climate Change Mitigation** (PAF), an innovative instrument that will use auctions to support projects that reduce emissions by guaranteeing

a floor price on their carbon credits.

The facility has a target capitalization of \$100 million, with pledges from Germany (up to Eur 15m), Sweden (\$15 m) and the United States (\$15 m) to date.

In its first phase, the facility will focus on projects that reduce methane, possibly from landfill, animal waste, and wastewater. Buyers will bid to receive a tradable put option for a guaranteed price on each carbon credit from methane emission reductions.

[Feature story](#)

[Blog](#)

PMR support recognized by Chile's Bachelet at UN Summit



In a speech by Chile's President Bachelet at the UN Climate Summit, she mentioned PMR's support of Chile's work on a carbon tax:

*"In our recent tax reform, we have established a tax on CO₂ emissions from stationary sources that exceed 50 MW of thermal power generation capacity, which constitutes a pioneering mechanism in our region. Also, with support from the **Partnership for Market Readiness of the World Bank**, we will assess other carbon pricing instruments that the country will be needing in the future."*



Vikram Widge Manager, Climate and Carbon Finance



Neeraj Prasad Manager, Knowledge and Partnerships

Getting Climate Finance Flowing



Funds to Protect Forests

The World Bank Group stands behind the commitments of the [New York Declaration on Forests](#) at the UN Climate Summit, and through its forest and climate funds is working with twelve countries on large-scale action to protect forests.



Germany, Norway, and the UK pledged to fund up to 20 more large-scale programs through the [FCPF](#) and the [BioCarbon Fund](#), as well as bilaterally. Norway also pledged up to \$150 million until 2020 for the development of a deforestation-free agriculture sector in Liberia, channeled through the BioCarbon Fund.

The BioCarbon Fund is developing public-private partnerships to scale up finance and impact through zero-deforestation commodity supply chains. In New York, David MacLennan, Cargill's CEO, announced the foundation of a new initiative with the BioCarbon Fund in Zambia working with cotton farmers to develop smarter land use practices.

Moving forward on ETS in China

In September, the [IFC](#) engaged with the China Emission Exchange (CEEX) at a seminar on innovation of carbon allowance trading products in Shenzhen.



A Steering Committee for the China Emissions Trading Scheme Program (China ETS) was established with representatives from IFC, National Development and Reform Commission, National Center for Climate Change Strategy and International Cooperation, China Securities and Regulatory Commission, China CDM Fund, China Banking Regulatory Commission, China Futures Margin Monitoring Center, Shanghai Pudong Development Bank, Industrial Bank, and Petro-China International (London) Co.

Ci-Dev project proposals

The [Carbon Initiative for Development](#) is a \$100 million carbon fund and a \$25 million technical assistance (TA) facility with a pipeline of 15 household energy access projects, including 4





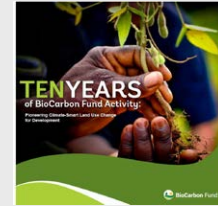
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projects in cookstoves, 4 in off-grid renewable energy, 3 in biogas, 3 grid extensions, and 1 in water purification. Ci-Dev continues to look for innovative projects in which results-based payments can help to add value. Please email ci-dev@worldbankgroup.org to propose a project that has not yet been submitted.

Celebrating 10 Years of the BioCarbon Fund

In August, the BioCarbon Fund, which works in 16 countries on more than 25 projects, celebrated its 10 year anniversary. The BioCF has paved the way for land-based carbon innovation and has been at the heart of linking carbon finance and sustainable land use. It has created new revenue streams and bettered the lives of rural communities by providing social and environmental benefits.



See the BioCF [anniversary booklet](#) with our experiences on the ground and their impacts.

Video See how carbon credits help Kenyan farmers manage their land better as rainfall becomes more erratic. They now produce more food, live better, and help the climate.

Forest Carbon Partnership Facility



With about 13 million hectares of forests lost each year, contributing to ~12 percent of annual global greenhouse gas emissions, combating deforestation is vital. At the 17th meeting of the [FCPF](#) in Lima, Peru, participants demonstrated that innovative climate finance models can help protect forests and mitigate climate change.

Feature story

Partnership for Market Readiness update

At the end of May, about 80 government representatives from more than 30 countries held the [9th Assembly of the Partnership for Market Readiness \(PMR\)](#) to discuss various domestic policy instruments that put a price on carbon, such as emissions trading systems, carbon taxes and payments for emission reductions.

PMR Workshops and Training

Talking with the private sector: Preparing for carbon pricing policies

The PMR, in partnership with IETA, organized a half-day public event in May which brought together the business community and governments to share their views and experiences on preparing for carbon pricing policies.

Blog

Carbon taxes and opportunities

In May, the PMR organized a technical meeting on the opportunities, views and challenges of implementing a carbon tax.

MRV and carbon pricing

In partnership with the Climate-KIC Research Programme on MRV, the PMR organized a workshop in June dedicated to MRV procedures and practices in carbon pricing mechanisms, "*MRVing Under Existing and Developing Pricing Mechanisms.*"

MRV training in Turkey

In September, the PMR organized a regional training on MRV in Turkey, providing expert advice and country-to-country exchanges on methods and infrastructures used to monitor, report, and verify greenhouse gas emissions at national and facility levels.

[More on PMR Technical Trainings](#)



Our mission is to catalyze climate action by enabling payment mechanisms for measurable results through public-private partnerships and markets.

For more information, visit our website at www.worldbank.org/climatefinance