



ANNUAL REPORT 2016–2017

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FOREWORD



The international treaty on climate change, widely known as the Paris Agreement, marked a historic breakthrough when it entered into force in November 2016. The international community joined hands to move forward with an ambitious plan to limit global temperature increases to 1.5 degree Celsius. As countries around the world come together to combat climate change, the Carbon Finance Assist (CF-Assist) Trust Fund is well positioned to assist developing countries in their transition toward low-carbon development and the implementation of their Nationally Determined Contributions (NDCs).

This year the CF-Assist has delivered capacity-building programs through technical assistance and project support for implementing NDCs, low-carbon development and climate finance options in developing countries. We have worked with Ethiopia and Vietnam on climate policy and carbon pricing; Malawi and South Africa on low-carbon development; Mozambique, Zimbabwe and Vietnam on NDC implementation; Zimbabwe on climate finance readiness; Mexico on developing a strategy to access the Green Climate Fund; and more.

The CF-Assist Trust Fund is focused on providing complementary capacity-building services that address

the evolving climate change action agenda. One of the CF-Assist Trust Fund's key efforts is translating knowledge into learning. This year the CF-Assist Trust Fund launched e-learning courses on Measuring, Reporting and Verification (MRV) and Results-Based Climate Finance (RBCF) that help guide clients on how to design and implement greenhouse gas reporting programs and understand RBCF approaches to mobilize climate finance. Broadening its Innovative Knowledge Solutions program, the CF-Assist Trust Fund also piloted Bite-Sized Learning programs. These are short, substantive videos on emissions trading schemes, carbon pricing and NDCs. As this report goes to production, the CF-Assist Trust Fund team is preparing for the English-language version of its Massive Open Online Course—"From Climate Science to Action."

Looking ahead, the CF-Assist Trust Fund's support to the Carbon Pricing Leadership Coalition (CPLC) will continue to bring government and the private sector together to develop effective and efficient carbon-pricing schemes. Also, collaborating with the Partnership for Market Readiness and the CPLC, the CF-Assist Trust Fund supports the Networked Carbon Markets Initiative in the development of innovative tools, services and institutional frameworks to support carbon-market linkages post-Paris.

We would like to take this opportunity to thank our donors—the Netherlands, Spain and Switzerland for their continued trust and support which allow us to address the ever-growing demand for capacity building and to deliver our successful programs.

A handwritten signature in black ink that reads "James Close". The signature is fluid and cursive, with a period at the end.

James Close
Director, Climate Change
The World Bank Group



MISSION

The Carbon Finance-Assist (CF-Assist) Trust Fund is a multi-donor, World Bank Group (WBG)-executed trust fund that responds to the demands of client countries embarking on a low-carbon, climate transition in advancing their national sustainable development goals. It aims to strengthen the capacity of countries by providing technical assistance, customized knowledge and capacity-building solutions through the WBG's new and emerging operations and in coordination with development partners.

Since its inception in 2005, the CF-Assist Trust Fund has trained more than 55,000 participants in client countries to enhance their knowledge, skills and institutional capacity to design and implement climate change mitigation activities. Overall, more than 340 projects and programs have been identified and supported through the CF-Assist Trust Fund, as well as 25 low-carbon development draft plans and one national climate change investment plan. Furthermore, the CF-Assist Trust Fund has invested in innovative knowledge platforms with evolving content on climate finance and

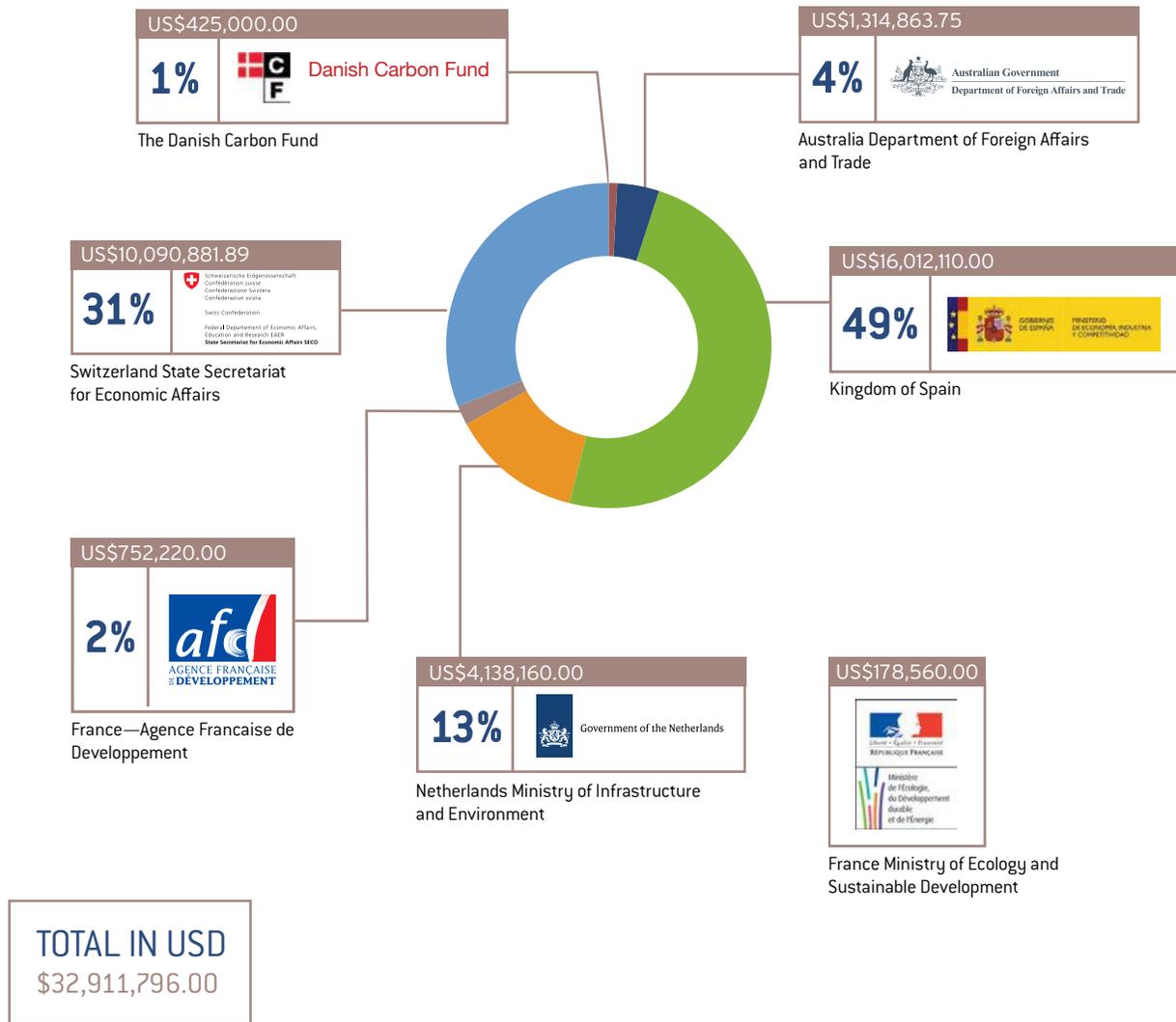
policy. These e-learning programs and platforms are linked to more than US\$1.2 billion of WBG financing through funds and instruments spread across various initiatives, and they enable those initiatives to scale-up existing activities, grow their project portfolios and reach new clients.

APPROACHES

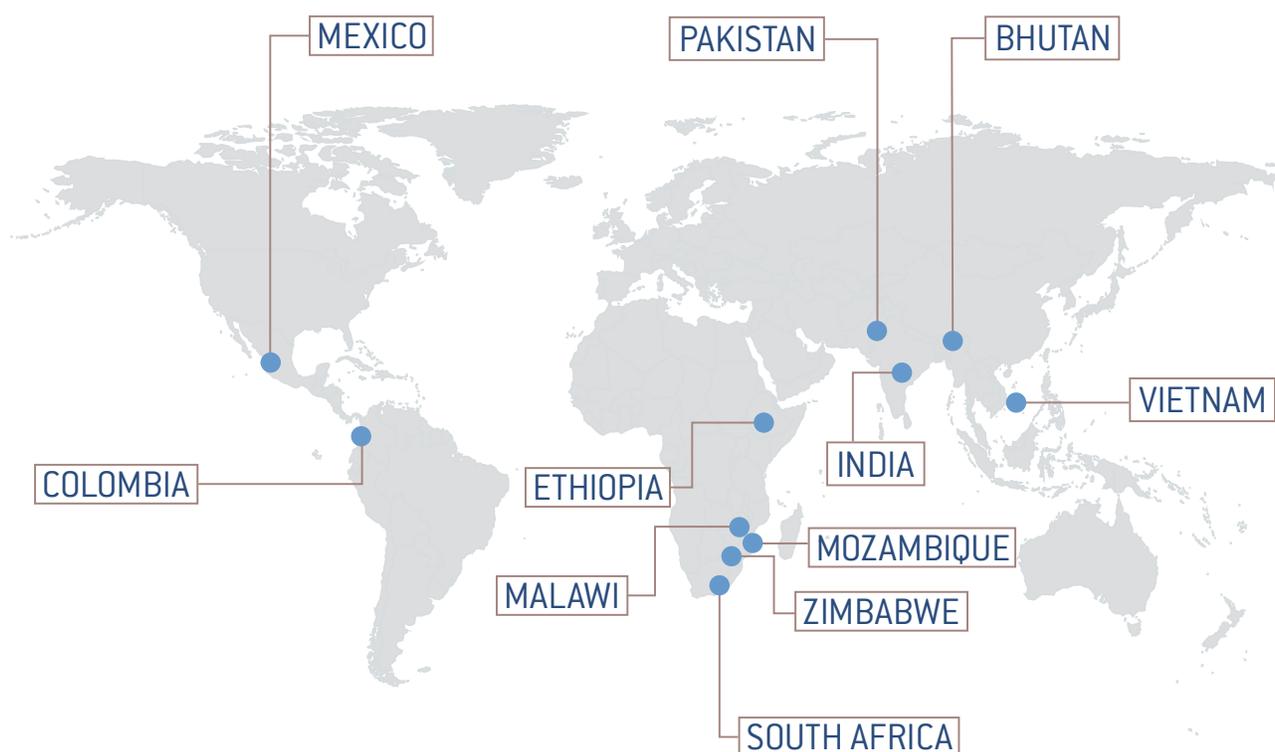
- Climate Analytics and Advisory Services
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FUNDING

CF-ASSIST DONOR CONTRIBUTIONS SINCE 2005



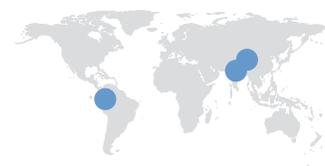
CLIMATE ANALYTICS AND ADVISORY SERVICES



The CF-Assist Trust Fund strengthens the capacity of developing countries to understand, integrate and develop low-carbon initiatives in a way that is consistent with countries' NDC, sustainable development priorities and climate-action strategies. Country support programs focus on the identification of transformational

policy packages and the enhancement of national capacity to plan for, access, deliver and monitor climate finance. In this capacity, CF-Assist Trust fund currently works in Bhutan, Colombia, Ethiopia, India, Malawi, Mexico, Mozambique, Pakistan, South Africa, Vietnam and Zimbabwe.

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BHUTAN & INDIA

HYDROPOWER AGREEMENTS



India, through its NDC, has committed to generate more than 40 percent of its electricity from non-fossil fuel sources by 2030. This challenging goal can be partially met through cooperation with neighboring countries. For example, India can use internationally transferred mitigation outcomes from hydropower in Bhutan (or Nepal) toward its NDC.

This CF-Assist Trust Fund program will:

- Design a mechanism to promote sustainable development and ensure environmental integrity and transparency;
- Define governance and accounting principles that will avoid double counting;
- Design a mitigation outcome transfer mechanism that ensures environmental integrity and transparency;
- Design governance and institutional arrangements for the mitigation outcome transfer; and
- Facilitate stakeholder consultations.

COLOMBIA

AIR POLLUTION AND GREENHOUSE GAS EMISSIONS POLICY



The Metropolitan Area of the Aburrá Valley in Colombia requested analytical support from the World Bank Group for a carbon-pricing pilot project in Medellín, the country's second largest city. The project, linked to the Colombia Partnership for Market Readiness and the second Colombia Green Growth Program, aims to improve the understanding and use of economic instruments for improving air quality and reducing greenhouse gas (GHG) emissions at national and subnational levels.

This CF-Assist Trust Fund program is currently:

- Developing a methodology for designing and implementing pricing policies to control criteria air contaminants and GHG emissions;
- Applying the methodological framework, including analytics and stakeholder consultations, to selected jurisdictions;
- Convening a South-South-North knowledge exchange to share relevant experiences with other regions that face similar air quality challenges and have implemented similar economic instruments to control air pollution and GHG emissions; and
- Promoting the methodological framework and facilitating its adoption in national and subnational regions facing similar challenges.



ETHIOPIA

CARBON PRICING



As a member of the High Level Panel on Carbon Pricing, Ethiopia's prime minister expressed interest in the use and promotion of all policy instruments and public investment schemes, including carbon pricing, that are found to be effective, fair and efficient in preventing dangerous climate change. The Government of Ethiopia commissioned a study, with the support of the World Bank Group (WBG), on the role and possible forms of carbon-pricing policies in Ethiopia—these policies might also be applicable to similar low-income developing countries. This work is being developed as one of the deliverables for the WBG's programmatic advisory services to Ethiopia's Climate Resilient Green Economy Initiative.

This CF-Assist Trust Fund program has:

- Created a research partnership with the Ethiopian Development Research Institute and the Environment and Climate Research Center and conducted an early assessment of the economic and social effects of carbon pricing in Ethiopia for phase I of the grant study;
- Developed a detailed methodology for Phase 2 of the study;
- Held a workshop to discuss and validate the technical approach of the study;
- Hosted a workshop centered on reviewing the preliminary results of the Phase I study and introducing the methodology of Phase 2; and
- Supported capacity building.

MALAWI

LOW-CARBON DEVELOPMENT



The World Bank Group, in partnership with the African Development Bank, is assisting the Government of Malawi in developing an investment plan for climate change and NDC Implementation. Malawi's investment plan, which will integrate climate resilience into core development planning, should set the course for an ambitious and strategic vision that will allow the country to attract funding on an ongoing basis and put it on a low-carbon, climate-resilient trajectory in the face of a changing climate.

This CF-Assist Trust Fund program will:

- Enhance learning and knowledge sharing on investment planning, access and delivery of climate finance into low-carbon resilient development—at country, regional and international levels.



MEXICO

GREEN CLIMATE FUND FINANCING



The Government of Mexico, recognizing the need to leverage private, public and international financial resources to achieve its ambitious climate change mitigation goals, has requested technical assistance to help it overcome challenges related to insufficient financial resources, particularly as falling global oil prices have prompted substantial fiscal austerity measures.

This CF-Assist Trust Fund program has:

- Developed an operational manual with the Mexican government that the National Designated Authority will use for the selection and evaluation of funding proposals for the Green Climate Fund (GCF);
- Developed brochures and infographics for the general public on the GCF that describe its purpose, mission, processes and operational policies—including criteria and eligibility requirements defined by the Government of Mexico;
- Hosted the workshop “Accessing Finance Through the GCF”; and
- Supported capacity-building and knowledge exchange.

“The World Bank, with CF-Assist Trust Fund support, has the convening power to bring together all sustainable development counterparts, which has never happened before.”

—Mexico Country Management Unit

MOZAMBIQUE

CLIMATE FINANCE READINESS



Mozambique recently developed a national climate-change adaptation and mitigation strategy to increase economic and social resilience, reduce climate risks and promote a low-carbon economy. As it works on improvements to electricity production, transportation, land use and waste disposal and treatment, the country requested support from the World Bank Group to enhance its capacity to access climate finance, improve its greenhouse gas emissions inventories and analyze a set of suitable policies and measures that will enable NDC implementation.

This CF-Assist Trust Fund program will:

- Help government entities develop a strategy to access climate finance from a variety of sources; and
- Advance the country’s NDC goals by projecting future emissions and assessing the cost and mitigation potential of a suite of policy options in electricity production, transportation, land use, forestry and solid waste disposal and treatment.



PAKISTAN

CLIMATE CHANGE POLICY



Still in its early stages, this CF-Assist Trust Fund program will support the Government of Pakistan in implementing its national climate change policies, including its NDC. It will also facilitate World Bank Group engagement with Pakistan on climate change to help the country deliver on regional and corporate climate-change commitments.

This CF-Assist Trust Fund program will:

- Conduct an analysis of energy sector reform and assess related climate co-benefits;
- Assess potential actions to promote energy efficiency, renewable energy and demand-side management;
- Assess potential policy actions to promote the use of natural gas; and
- Support provinces as they integrate climate-change objectives into their development programs to capture the economic benefits of resilience.

SOUTH AFRICA

LOW-CARBON FINANCE



The South African National Treasury submitted a request to the World Bank Group seeking assistance to identify options to mobilize private-sector finance to support low-carbon investments. This CF-Assist Trust Fund program will help the South African government develop a better sense of where and how to propose and implement large-scale energy efficiency projects, how to catalyze private-sector finance to support energy-efficiency investments and how to shift to a low-carbon economy.

This CF-Assist Trust Fund program will:

- Assess the demand for energy efficiency and low-carbon investments in heavy industry;
- Research financial resources to support reductions in energy- and carbon-intensity in South Africa's industrial base; and
- Identify options for leveraging public resources to catalyze private-sector finance to support energy efficiency and low-carbon investments.



VIETNAM

MITIGATION POLICY ANALYSIS



Through its NDC and related programs, the Government of Vietnam has defined what it wishes to accomplish in mitigating greenhouse gas emissions within its climate change and green growth development goals in various sectors. The World Bank Group has been supporting Vietnam's implementation of priority actions and this CF-Assist Trust Fund program will enhance the government's capacity and provide strategic support on how to achieve its mitigation goals.

This CF-Assist Trust Fund program:

- Has conducted a Marginal Abatement Cost (MAC) curve analysis of current and planned policy actions in priority areas for NDC mitigation targets;
- Will conduct a political economy analysis of constraints, barriers and risks of climate change policies identified by the MAC curve analysis; and
- Will support the government's preparation of and capacity building for the implementation of the country's NDC.

ZIMBABWE

CLIMATE FINANCE



In the context of the Zimbabwe Climate Change Technical Assistance Program, this CF-Assist Trust Fund program aims to support the country in building capacity for implementation of its NDC, as well as support its ability to access climate financing from new sources, including the Green Climate Fund (GCF). Through the creation of a low-carbon development strategy, the country will develop a pipeline of bankable projects in line with its climate-change strategies, plans and policies, involving the private sector where applicable.

This CF-Assist Trust Fund program has:

- Provided training on the GCF, its approach, project approval cycle and access modalities;
- Supported the Infrastructure Development Bank of Zimbabwe in attaining its accreditation to the GCF; and
- Supported NDC implementation through strategy, analysis, measurement, reporting, verification and communications.



RESULTS-BASED CLIMATE FINANCE KNOWLEDGE AND ADVISORY SERVICES PROGRAM

After the Paris Agreement, results-based approaches for financing climate action have come into focus again in international development discussions. Governments are looking for ways to put a price on carbon, improve aid effectiveness, advance institutional capacity, improve transparency, increase ownership of implemented programs and improve monitoring capacity in order to ensure long-term sustainability of initiatives. Additionally, the significant amounts of climate finance that are

expected to become available in a post-2015 development scenario will need effective disbursement mechanisms, notably ones that can integrate public- and private-finance flows. Based on experiences using Results-Based Climate Finance (RBCF) components in Official Development Assistance energy and carbon development initiatives, we've seen that Results-Based Climate Finance has the potential to help provide solutions.

This CF-Assist Trust Fund program is currently:

- Developing e-learning and technical assistance materials on RBCF;
- Providing client countries, as well as relevant development staff, with an understanding of the principles and applicability of RBCF;
- Illustrating how RBCF can be applied in different contexts and explaining its specific challenges and constraints;
- Advancing results-based approaches in climate finance within donor and climate-finance communities;
- Working to improve recognition of RBCF under the United Nations Framework Convention on Climate Change beyond reducing emissions from deforestation and forest degradation, or REDD+; and
- Working to provide lessons learned on RBCF and outline areas for further RBCF applications and potential pilot activities.

HIGHLIGHT

In 2016 the CF-Assist Trust Fund developed two modules of the RBCF e-learning course "Introduction to Results-Based Climate Finance," and a pilot was delivered in November 2016. The course received excellent feedback from participants and two additional modules are planned for 2017. The CF-Assist Trust Fund also contributed to the development of the RBCF study "Results-Based Climate Finance Initiative Mapping, Outlining and Assessment," which will be launched at the WBG's Innovate4Climate Finance and Markets Week in May 2017.

CLIMATE KNOWLEDGE FORA



The CF-Assist Trust Fund offers a discrete space for private- and public-sector actors to connect and collaborate on climate finance, as well as policies and measures that incentivize financial support from international and domestic sources. Our annual conferences contribute to post-Conference of the

Parties (post-Paris Agreement) efforts to meet climate goals that complement newly launched Sustainable Development Goals at the national level. These fora provide an opportunity for capacity building in designing carbon-pricing policies and planning investments that will support countries' NDCs.

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INNOVATE4CLIMATE

FINANCE AND MARKETS WEEK (I4C)



2015 saw momentous leaps in global development and climate finance. By including climate action in the broader sustainable development agenda, the 2030 Agenda for Sustainable Development and the Paris Agreement set the direction for shaping the global climate-finance landscape. Because climate change is a threat to the World Bank Group's (WBG) core mission of ending extreme poverty and building shared prosperity around the world, it is essential for the WBG to tackle climate and development in an integrated way by leveraging these new agreements and using the most effective financing instruments.

With this purview, the CF-Assist Trust Fund, together with its partners, is launching the **Innovate4Climate Finance and Markets Week (I4C)** event series, which will continue the CF-Assist Trust Fund's leadership role in climate finance by building on the strong legacy of the Carbon Expo—the leading event for carbon finance since 2003. The I4C is a platform for a new global dialogue among governments, multilateral banks, businesses, and banking and finance leaders focused on shaping the next generation of climate

finance and policy instruments to unlock the necessary trillions of dollars and the business-friendly environment needed for investing in climate action. I4C events will cover a broad range of climate-finance topics, including mitigation, adaptation and climate-resilient development, in a global context. The event series is designed to foster the development of innovative financing approaches to support low-carbon, transformational, climate-resilient development pathways and help developing countries to implement their NDCs.

The WBG will launch the Innovate4Climate event series in Barcelona in May 2017, with a conference, numerous workshops and side events, and an exhibition area, all built around six thematic streams:

1. Scaling-up NDCs,
2. Carbon markets,
3. De-risking investments,
4. Climate-resilient development,
5. Green growth policies, and
6. Metrics and tools.

Knowledge-focused sessions will feature deep-dive workshops and technical how-to tutorials, in-depth case studies, and interactive sessions with cutting-edge knowledge and capacity-building opportunities for climate finance professionals. Innovation-focused sessions will include nearly 30 workshops around the six thematic streams. Regional topics, business opportunities, and new trends and financial instruments will be presented by leading organizations in the field, offering reliable information on current states and trends of climate finance and markets and excellent networking opportunities. High-level panel discussions, keynote addresses, dialogues and interviews, with deep insights into current and future climate finance and market landscapes will make this a truly remarkable event. Investors, policy makers, business leaders, innovators and entrepreneurs will discuss solutions for accelerating climate-focused investments and scaling-up national climate strategies, mobilizing and accessing green finance, and building the next generation of markets through the innovative use of technology and tools. The marketplace will offer a dynamic environment for many private- and public-sector key players and first movers to showcase their activities and foster climate business.

REACH

More than 1,000 delegates are expected to participate in I4C 2017 in Barcelona. Special attention is given to ensuring representation of client country governments and the private sector. The event was promoted at COP22 and other international events in 2016 and 2017. Several WBG carbon funds are organizing their annual meetings during the event, and marketing and communication specialists and external vendors and partners are focusing on increasing the impact of the event.

Program objectives include:

- Continuation of the climate change agenda outline to best serve the 2030 Agenda for Sustainable Development and the Paris Agreement, and the WBG's client countries;
- Establishing the I4C as a "must attend" and "one-stop-shop" event for cutting-edge information, knowledge, networking and business development in climate finance and development; and
- Maintaining and expanding the leadership role of the World Bank Group within global climate and development finance work in the post-2015 development landscape.



AFRICA CARBON FORUM

The Eighth Africa Carbon Forum (ACF) took place in Kigali, Rwanda, in June 2016. Together with the Nairobi Framework Partnership (NFP), the CF-Assist Trust Fund is helping to create a platform to help African countries access the emerging carbon markets of the Clean Development Mechanism and to engage policy makers in conversations about climate finance, policy, technology, best practices and lessons learned tailored to the emerging needs of African countries.

The eighth edition of the ACF was dedicated to “Promoting Cooperative Climate Action in Africa.” The conference had a record number of 500 participants, predominantly from the Africa region. High-level speakers included ministers from Rwanda, Kenya, Uganda and

Zambia and representatives of the African Development Bank, United Nations Framework on Climate Change, United Nations Development Programme and other key partner organizations. The ACF program included a series of high-level, solutions-focused dialogues, plenaries, technical sessions and in-depth training sessions. Discussions focused on the latest in climate policy, climate finance, market instruments and climate-resilient landscapes. Participants shared knowledge and explored other strategies and avenues for collaboration in the context of Sustainable Development Goals and the new NDCs that were endorsed in Paris. The CF-Assist Trust Fund supported countries that attended the ACF to gain critical knowledge about climate finance.

Program objectives include:

- Providing a platform for African policymakers and practitioners to discuss the latest developments related to climate change policy, carbon pricing and finance;
- Sharing knowledge on innovative solutions in the context of NDCs and other strategies; and
- Exploring possibilities for collaboration on regional and global climate change initiatives.

“We can only overcome our challenges if we support one another and collaborate. I encourage all governments to find ways to work together, either by sharing financial resources, through technology transfer or exchanging know-how. We still have much to learn and a long way to go, but I am sure the sessions on climate finance here at the Africa Carbon Forum will accelerate the implementation of national climate action plans.”

— Dr. Vincent Biruta,
Rwandan Minister for Natural Resources



THE LATIN AMERICAN AND CARIBBEAN CARBON FORUM

The Latin American and Caribbean Carbon Forum (LACCF) also delivered through the Nairobi Framework Partnership (NFP), supports developing countries in preparing and implementing their plans to address climate change and their NDCs under the Paris Climate Change Agreement. The first post-COP21 LACCF focused on the implementation of the Paris Agreement, particularly on the ways in which carbon pricing and carbon markets can help to deliver countries' climate pledges and serve as sources of funding for projects.



The 10th annual LACCF was held in Panama City in September 2016, and was recognized as among the most successful LACCF by all the co-organizers and the host government. World Bank Group teams contributed to sessions on climate action, carbon pricing and carbon markets and development. There was strong leadership from the organizers and strong support from the host government. Following the success achieved in Panama, the next edition of the LACCF will be hosted by Mexico with great interest expressed and attendance conformed by senior representatives from the region.

Program objectives include:

- Bringing together main stakeholders in climate change mitigation and carbon markets;
- Promoting a discussion and exchange of experiences among stakeholders and providing participants with the latest developments regarding emissions trading schemes, low-emissions development and the future of carbon markets;
- Facilitating debates around international and national climate-change mitigation policies to promote GHG-emissions reductions; and
- Finding ways to encourage a higher volume of low-carbon investments in Latin American and the Caribbean.

“This LACCF was very important for Panama and the region because we have planned to be able to use carbon market mechanisms to finance the implementation our NDCs.”

—Rosilena Lindo
Climate Change Director, Ministerio del Ambiente, Panamá



GLOBAL CAPACITY-BUILDING AND INNOVATIVE KNOWLEDGE SOLUTIONS

The CF-Assist Trust Fund supports the democratization of knowledge through a new generation of innovative and impactful online capacity-building products, including self-paced, World Bank Group-facilitated and open-access e-learning courses. The CF-Assist Trust Fund, in partnership with the WBG’s Online Learning Campus, is able to share innovative climate finance and

pricing solutions. The results have been very positive: citizens, policy-makers, and development practitioners from around the world have come together on these platforms to learn and share, often providing feedback that they feel inspired to spread the word about climate-change science and action and that they feel optimistic that individuals can make a difference.

CF-Assist’s unique learning tools include:

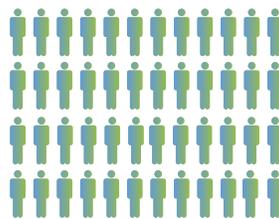
- **Bite-sized learning:** These focused learning opportunities enumerate the emerging trends in climate-change action, but require a minimal amount of time on the learner’s part.
- **E-courses:** Containing several hours of cutting-edge instruction and well-informed discussion from expert sources, these free courses on everything from climate finance to climate policy instruments are available as both facilitated and self-paced.

- **Massive Open Online Courses (MOOCs):** These free four-week interactive courses are for global learning and discussion around climate-change science and action. Their immersive online experiences include video talks, readings, downloadable resources, quizzes, peer-reviewed assessments, online discussion forums, social media and live broadcasted panels with experts.



29

Number of online knowledge products created by the CF-Assist Trust Fund



17,969+

Number of online learners from May 2016–May 2017



125

Number of countries e-learning participants come from

BITE-SIZE LEARNING

This fiscal year witnessed the launch of yet another innovative online learning solution—bite-sized learning. These short but substantive learning videos include:

- “From Climate Science to Action: Regional Impacts,”
- “FASTER Principles for Successful Carbon Pricing,”
- “The NDC Platform: Unveiling the Nationally Determined Contributions,” and
- “Emissions Trading in Practice.”

E-COURSES

Additionally, two new facilitated courses were launched:

- “Designing MRV Systems for Entry-Level GHG Emissions, co-developed with the World Resources Institute” (478 participants), and
- “Introduction to Results Based Climate Finance” (306 participants).

And old course updated:

- Our “Climate Finance” course was revamped to incorporate the Paris Agreement and recent developments from COP22 (802 participants).

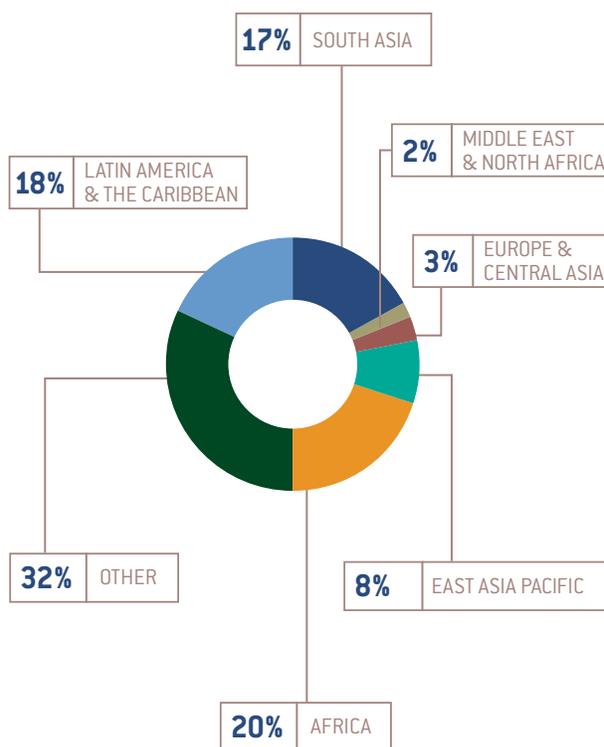
MOOC

2016 saw the launch of the second Spanish Massive Open Online Course: “Bajemos la Temperatura: De la Ciencia Climática a la Acción”—with a live panel discussion with experts at the Latin American and Caribbean Climate Forum, in September 2016 in Panama City.

Highlights:

- CF-Assist Trust Fund supported MOOCs have reached people in **71 countries**.
- **52 percent** of participants in the last course were from **South America**, with greatest country participation from Mexico, Colombia, Peru, Venezuela and Bolivia.
- Nearly **45 percent** of participants in that same course were **female**.
- For the latest launch of the course, there were 5,147 posts on the course discussion board - conversation is critical!

COURSE PARTICIPANTS BY REGION



“Thanks a lot. I am grateful. I shall be on the lookout for opportunities to deploy the knowledge acquired in the course of the program and to help my country, and the world, promote low-emission development, especially in the transport and logistics sector—my area of core competence.”

—Joshua
 2016 e-learning participant



NETWORKED CARBON MARKETS INITIATIVE

Under the Paris Agreement, market- and price-based mechanisms are proliferating, and mitigation actions are becoming increasingly diverse. Against this backdrop, the Networked Carbon Markets (NCM) Initiative seeks to enhance the transparency, comparability and potential exchangeability of programs and policies with mitigation outcomes through liquid, scalable and internationally connected climate markets. In the short term, the NCM Initiative strives to support country design and the implementation of robust mitigation actions. In the medium term, NCM aims to increase the comparability and linkage of mitigation outcomes within a country and between countries on a bilateral basis. And in the long term, the initiative attempts to expand the scope to a regional or multilateral basis.

The NCM Initiative is a thought leadership platform that is partnering with complementary carbon-pricing and markets teams, such as the Partnership for Market Readiness (PMR) and the Carbon Pricing Leadership Coalition (CPLC), to develop innovative tools, services and institutional frameworks to support carbon-market linkages post Paris. To advance political support, the NCM Initiative is working closely with CPLC to bring together governments and business leaders to address key issues and challenges related to carbon-market linkage through joint outreach and analytical work. Beyond a political agenda, the NCM Initiative is also working with PMR to build countries' technical capacities for linking, including capacity in Mexico and India.

COUNTRY FOCUS:

In 2016 and 2017, the NCM partnered with a range of expert groups and governments to apply the World Bank Group's Mitigation Action Assessment Protocol (MAAP) to a diverse set of mitigation actions from different countries, such as Ecuador, Mexico, Peru and Thailand. To date, the MAAP has been applied to more than 100 programs globally, including the Low Carbon City Development Program, Renewable Energy Program, Energy Efficiency Program, Joint Crediting Mechanism Projects and Nationally Appropriate Mitigation Actions. Moving forward, NCM aims to apply the MAAP to 1,000 programs globally in order to support the development of more robust and ambitious mitigation actions, enhance the transparency and comparability of heterogeneous mitigation actions and ultimately scale-up international cooperation post Paris.

MODERNIZING SYSTEMS:

The bottom-up nature of the Paris Agreement presents new challenges for carbon markets, including heterogeneity of carbon assets, scalability, double counting, diversity in linking arrangements and variations in transaction types. Against this backdrop, NCM and PMR initiated a project in January 2017 to explore how new technologies such as blockchain can respond to the technical limitations of current practices in data collection, processing and transaction. At the same time, NCM is developing a MAAP online interface, to be launched at Innovate4Climate in Barcelona in May 2017, with the

purpose of providing a user-friendly interface to record data and expand user access.

DATA ANALYSIS:

The effectiveness of any international linking arrangements will depend on the transparency of the process and accountability of domestic institutions and structures. As a result, the NCM Initiative, along with Climate Works Foundation and Stiftung Mercator, are providing seed funding to Climate Transparency—a consortium of expert groups from developed and developing countries that aim to jointly improve the impact, reach and quality of climate-assessment indices and frameworks. As of March 2017, Climate Transparency has identified nine technical partners, including a range of well-regarded national and international institutions, such as the Energy Research Institute in China, the Energy and Resources Institute in India, Centro Clima in Mexico and the New Climate Institute in Germany.

CONCEPT DEVELOPMENT:

As an innovation platform, the NCM is continually identifying opportunities to receive feedback and input on its concepts and products. As of March 2017, the NCM Initiative has partnered with more than 35 private and public institutions to develop more than 15 joint knowledge products and 25 national and international outreach events.



Program objectives include:

- To prompt a global discussion about the post-2020 services and institutions needed to support robust, transparent and comparable climate actions that address domestic needs and circumstances. In doing so, the NCM Initiative seeks to contribute to connecting country priorities with the global climate-change agenda; and
- Collaboratively develop a blueprint for services and institutional frameworks to support a connected international carbon market that is liquid and delivers climate-smart financing efficiently.

“The NCM Initiative is working in partnership with many to help make voluntary cooperation approaches workable by establishing the basis to make them comparable and fundable. Lessons learned from NCM will contribute to new, innovative approaches to deliver climate finance in an effective way.”

—Vikram Widge,
Manager, Climate Finance,
International Finance Corporation



CF-ASSIST LOOKING AHEAD

Moving into the second half of 2017 and 2018, the CF-Assist Trust Fund will continue to strengthen its work in providing capacity-building and technical assistance for developing countries to help them on a path toward meeting their NDCs. Through global knowledge fora, technical assistance and engagement with government and the private sector, the CF-Assist Trust Fund is dedicated to turning climate plans into actions and helping countries develop policy, technology and financing solutions. CF-Assist Trust Fund's work on innovative knowledge solutions will accelerate with the development of cutting-edge learning tools around climate policy, results-based climate finance (RBCF) and carbon pricing. Bite-sized, quick learning on climate-change mitigation and adaptation, and carbon markets and carbon pricing will help countries meet climate goals.

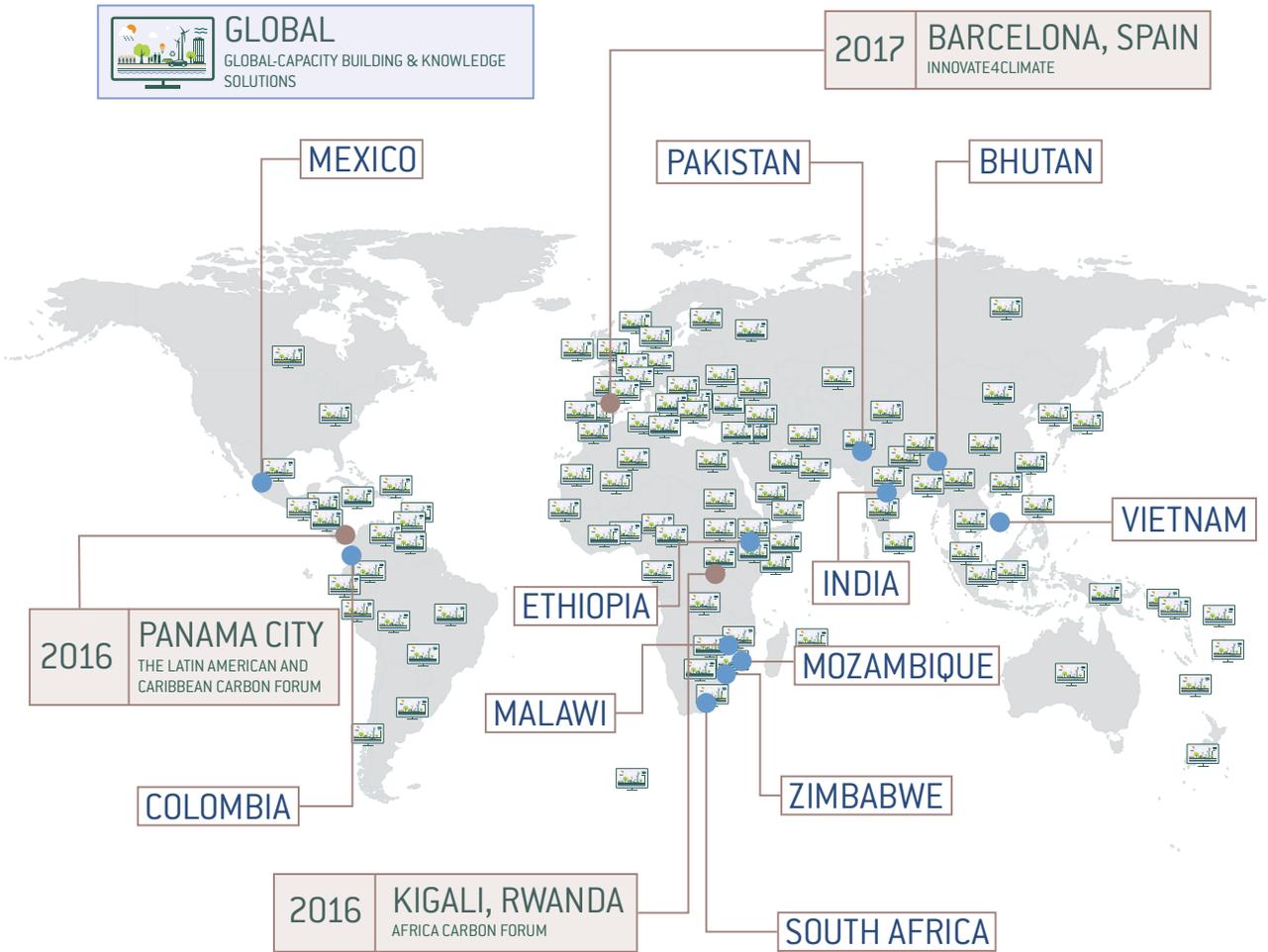
The CF-Assist Trust Fund's primary efforts in the years ahead will strategically support the World Bank Group's post-Paris climate policy and markets and finance strategy. The CF-Assist Trust Fund hopes to inform developing countries on the evolution of markets and policy instruments in the context of the Paris Agreement and leverage private-sector finance that will enable fulfillment of NDCs.

The CF-Assist Trust Fund will also support the Carbon Pricing Leadership Coalition (CPLC). Launched during COP21 in Paris in 2015, the CPLC brings together governments, businesses and NGOs that are advocating for fair, effective and efficient carbon-pricing schemes. There are already 40 countries and 23 cities around the world implementing carbon-pricing initiatives, and the need for more information, capacity building, and tools related to carbon-pricing is growing. Infused with a generous grant from the Kingdom of the Netherlands, and through knowledge products and public-private dialogues at domestic, regional and international levels, the CF-Assist Trust Fund is working closely with CPLC leadership to double the coverage of greenhouse gas emissions via carbon pricing by 2020.

In a constantly evolving environment, the CF-Assist Trust Fund will be the leading voice for maintaining a dynamic dialogue among the program's constituency, providing updates on the latest developments on WBG financial instruments and receiving feedback from potential beneficiaries. The CF-Assist Trust Fund will also work to identify synergies with and disseminate other innovative work, such as developments on Article 6 of the Paris Agreement and the use of auctions to attract fresh financial resources to mitigation efforts.



CF-ASSIST AROUND THE WORLD







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