



Destination Green

ICAO Symposium on Aviation and Climate Change, "Destination Green", 14 – 16 May 2013

State and trends of carbon pricing initiatives around the world

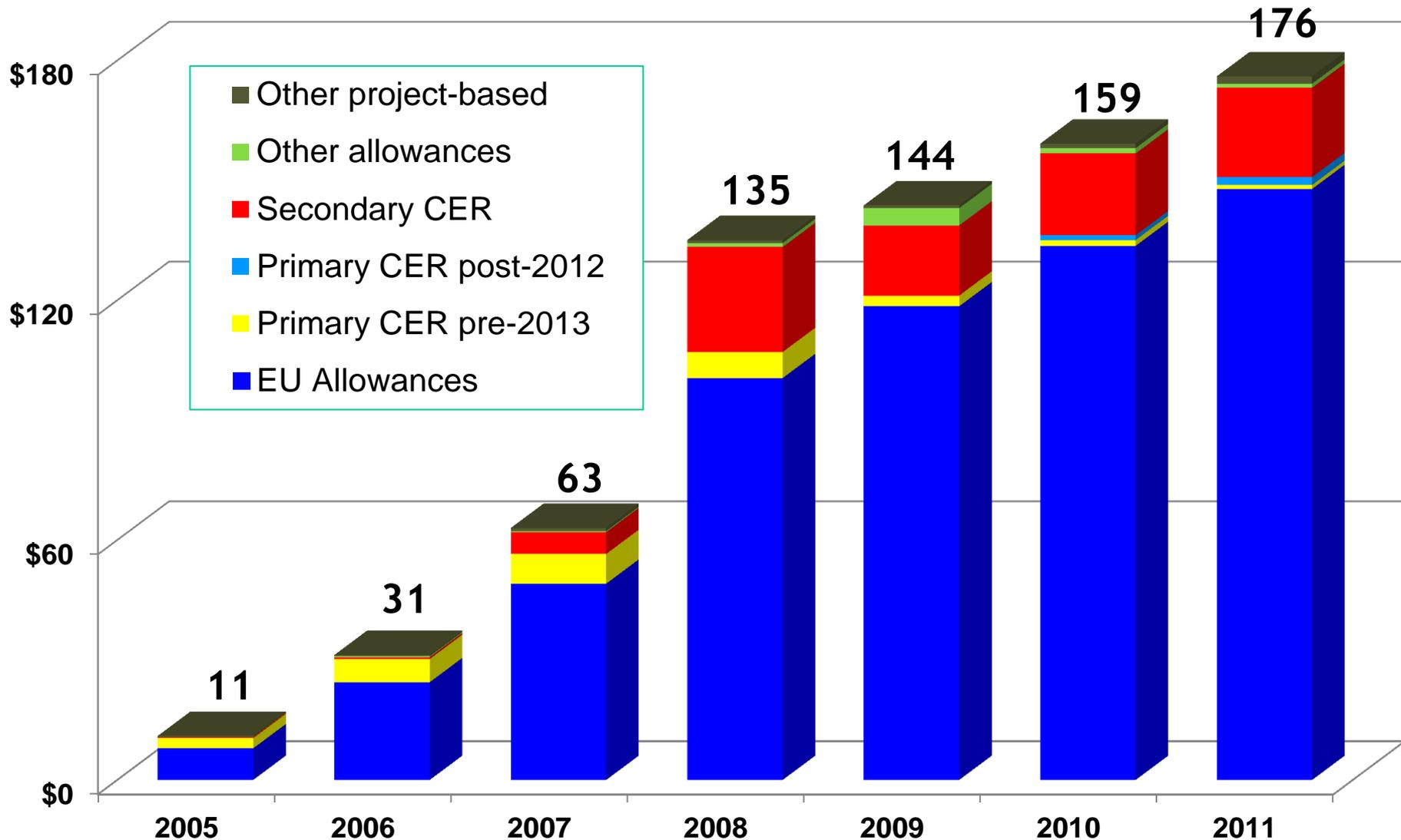
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World Bank

Steady increase of global market value

(in Billion US\$)



EU and other markets increasing value

(in Billion US\$)

post-2012
CDM
2.0

+63%

New Zealand

0.4

+249%

N. America

0.5

-18%

Secondary
CDM + JI
23.1

+12%

EU ETS Allowances
147.8

+11%

pre-2013 CDM

1.0

-32%

JI

0.3

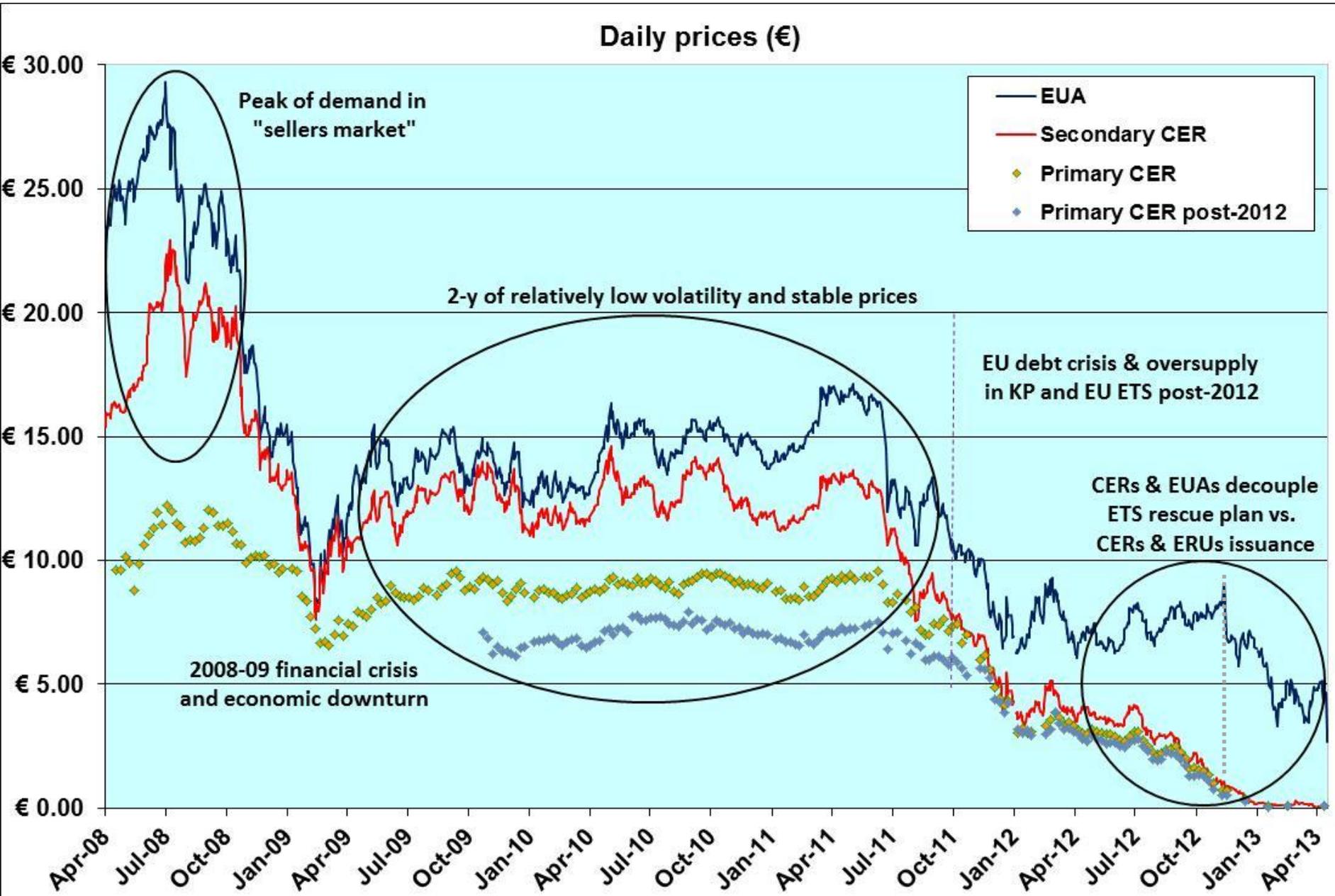
-36%

AAU

0.3

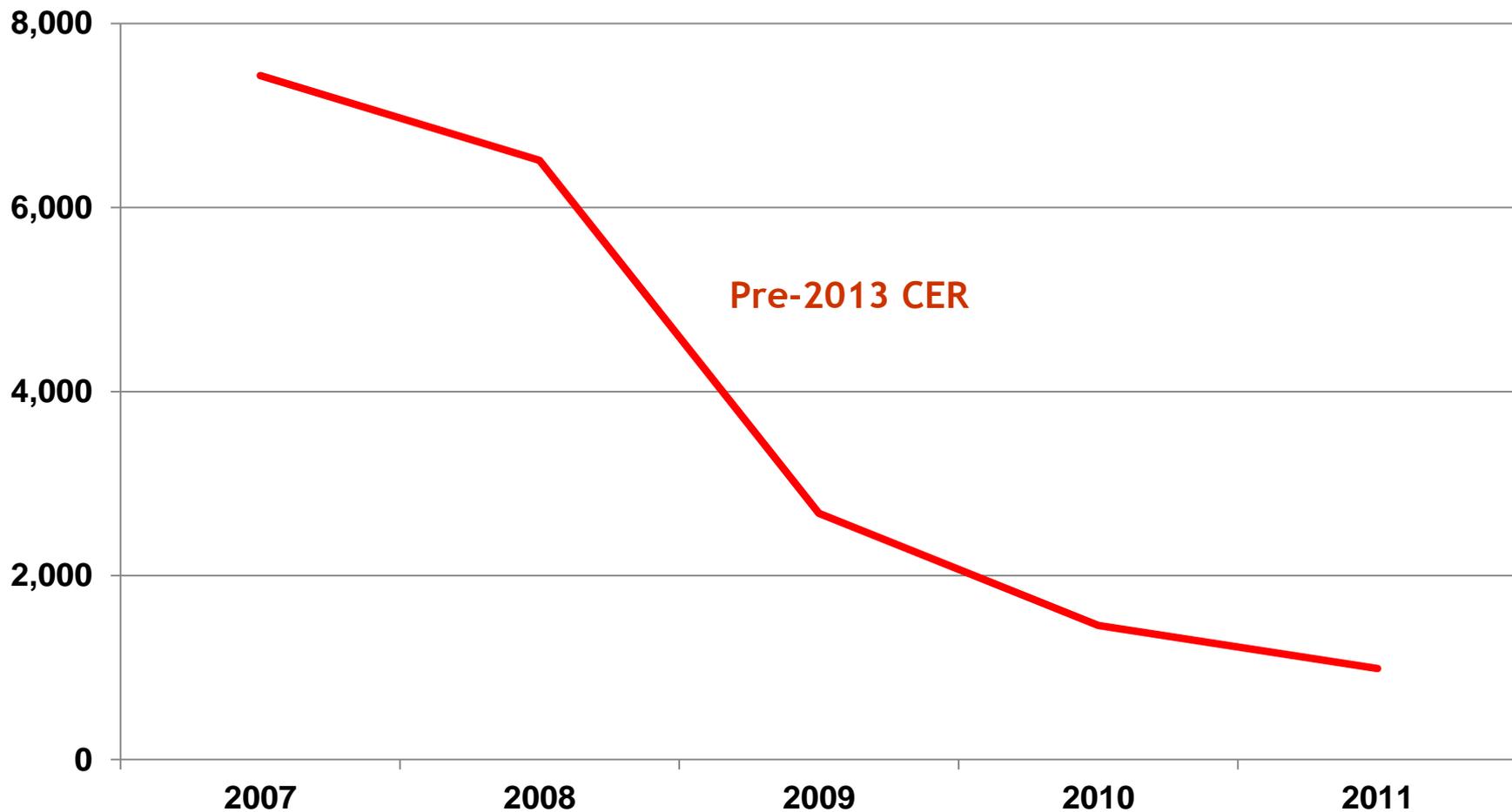
-49%

f(price) = macro-economic scenario & asset risk profile

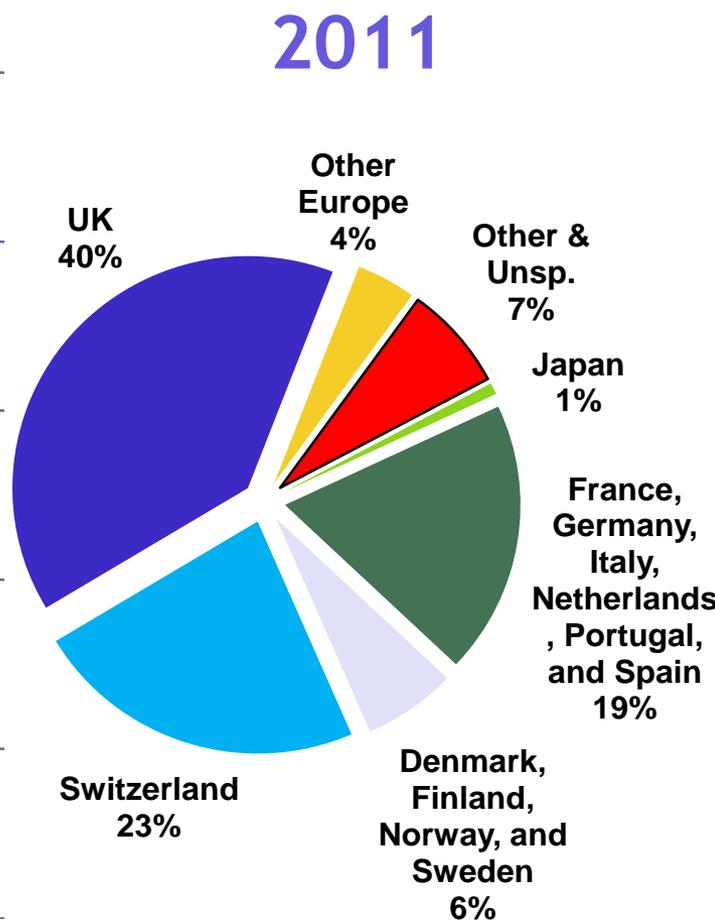
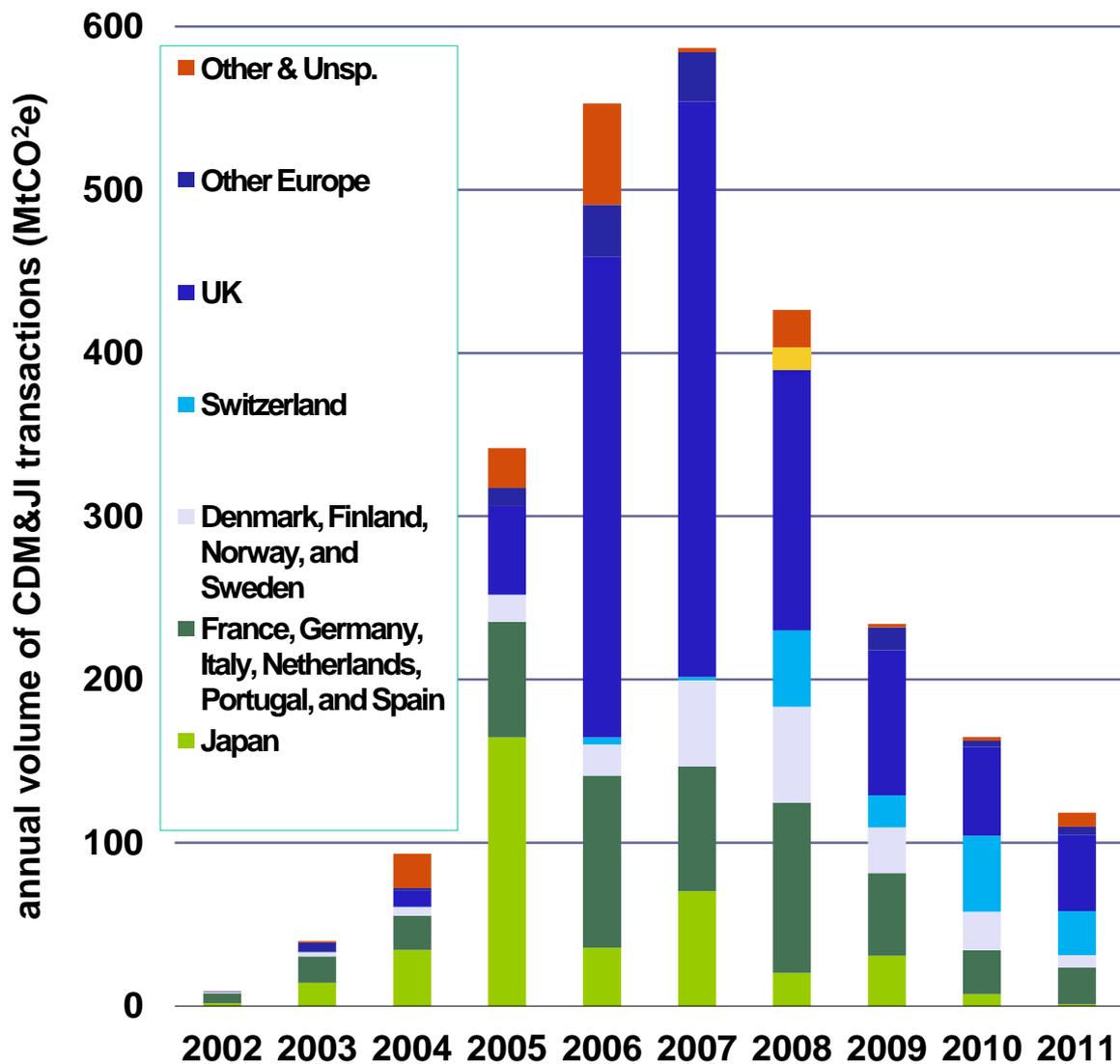


Contraction of the CDM market

Pre-2013 market values (US\$ million)



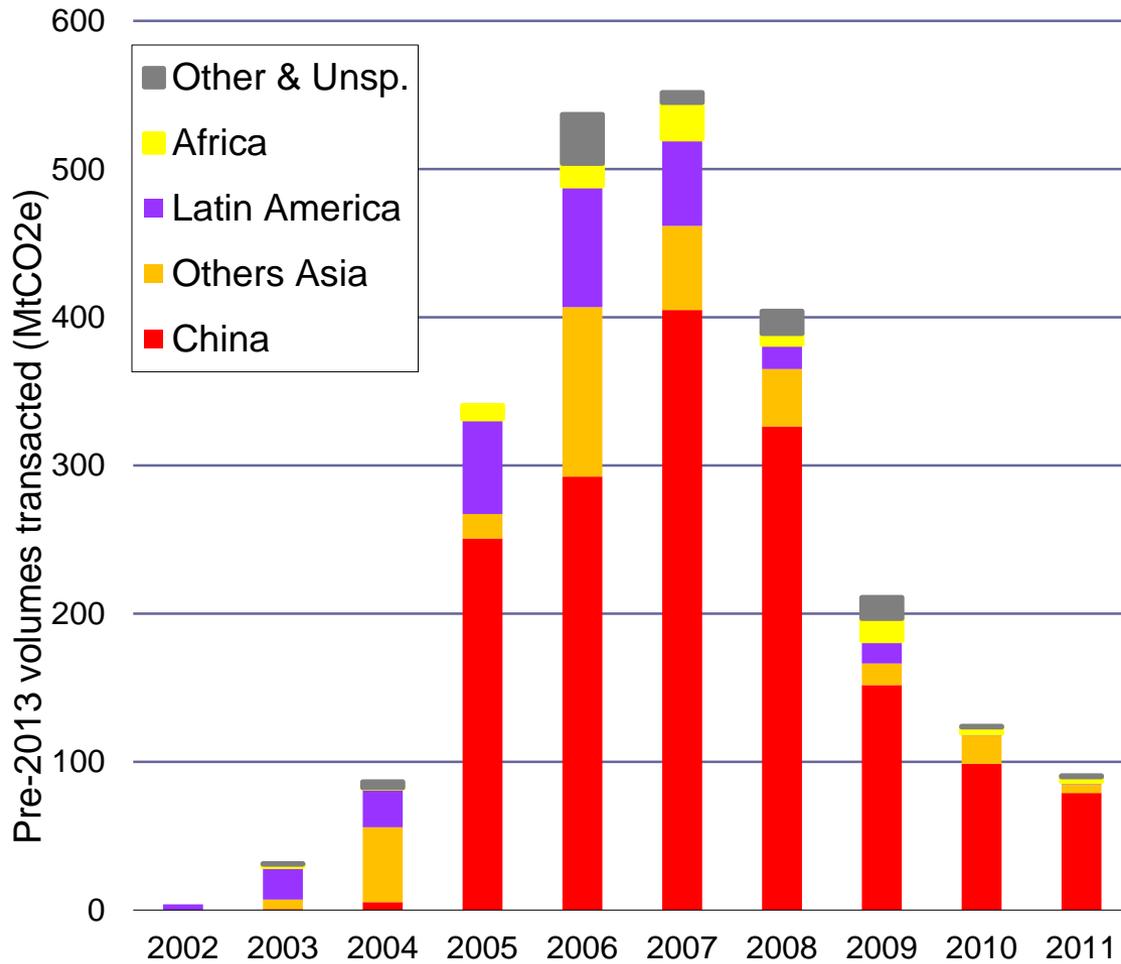
CDM & JI Buyers (pre-2013)



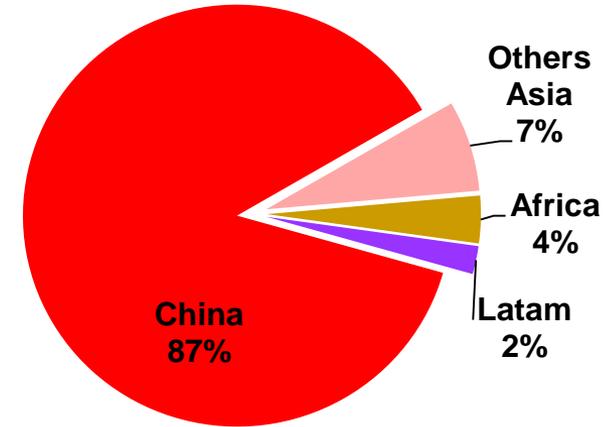
Other Europe includes Ireland, Austria, Belgium, Luxembourg, Iceland and Greece.

Other and Unsp. include s USA, Australia, Canada, New Zealand, Rep. of Korea, and others unspecified.

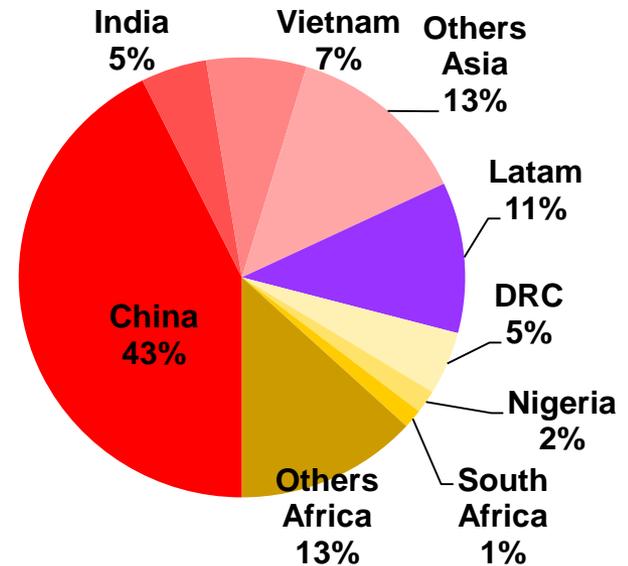
Who's selling



Pre-2013

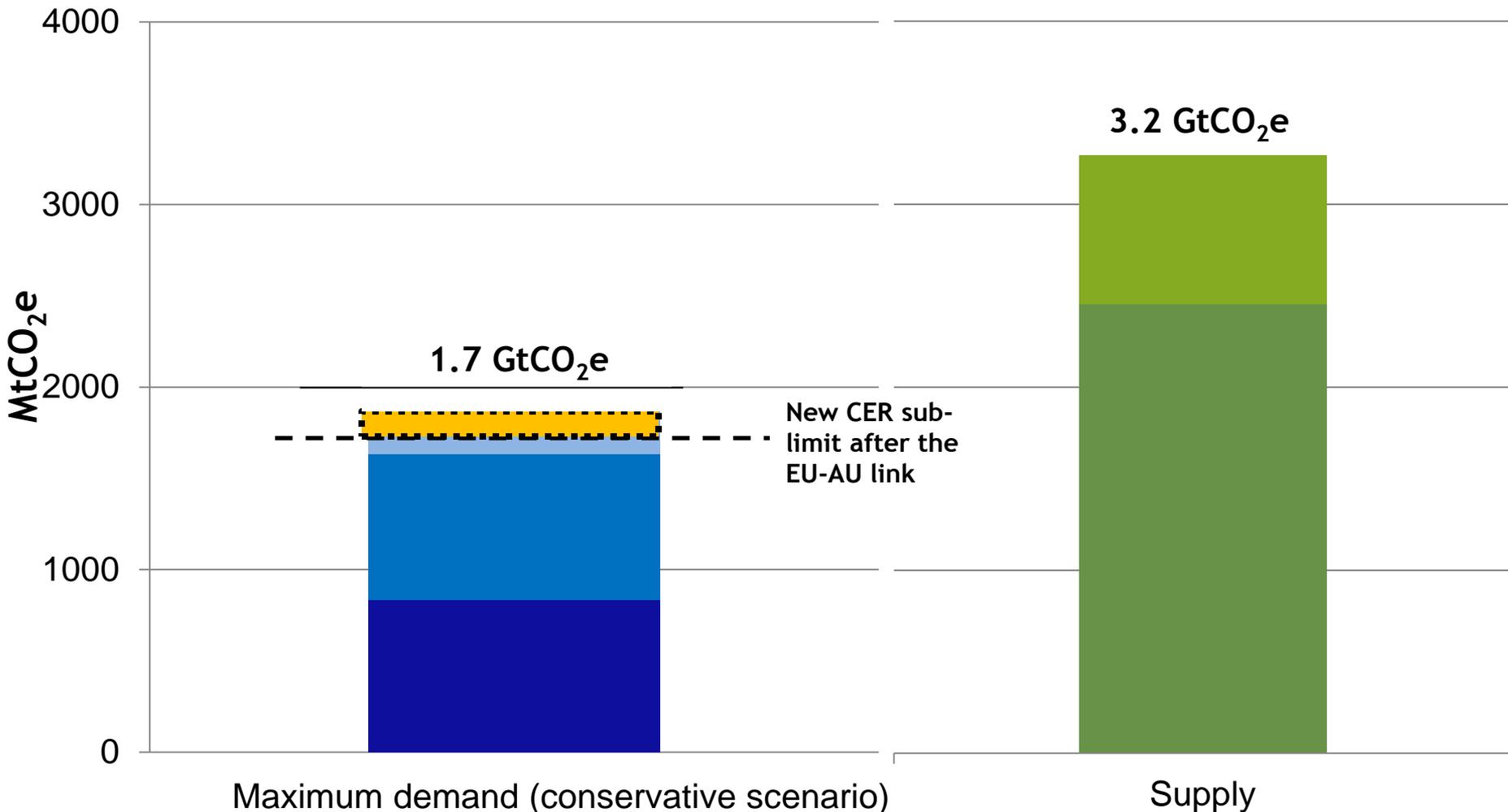


Post-2012



Market projections indicate constrained demand over 2013-20

Other Annex B** Australia EU gov* EU ETS CDM others CDM ETS-eligible

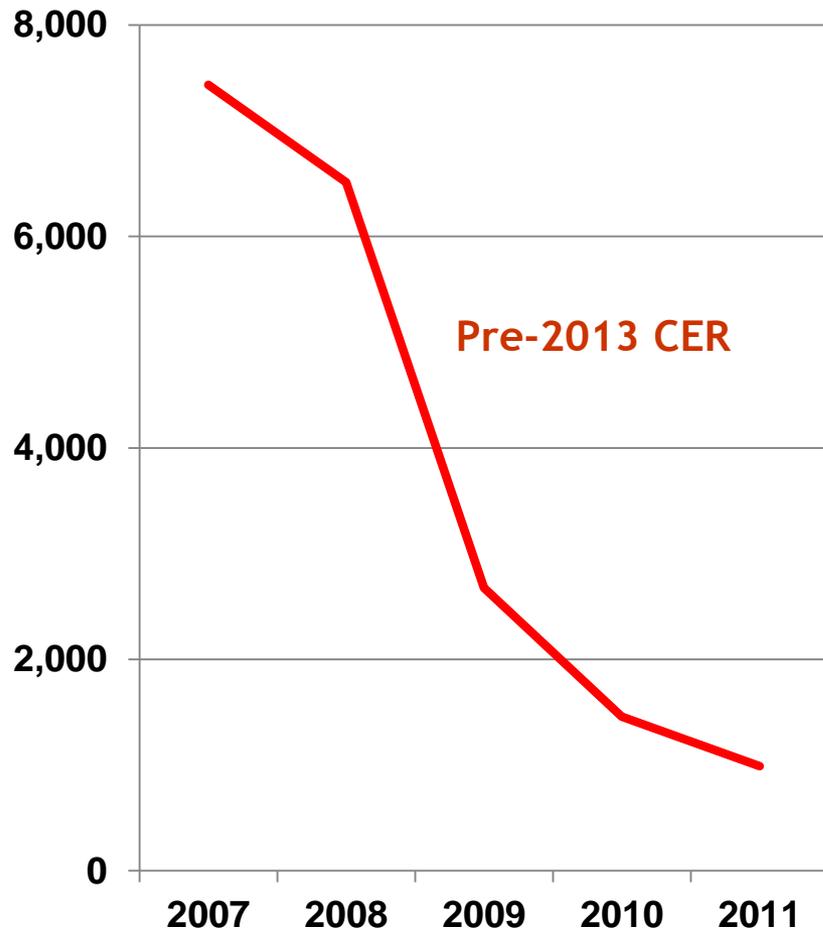


*Including Iceland, Liechtenstein, and Norway

** Including New Zealand, North America, and Switzerland

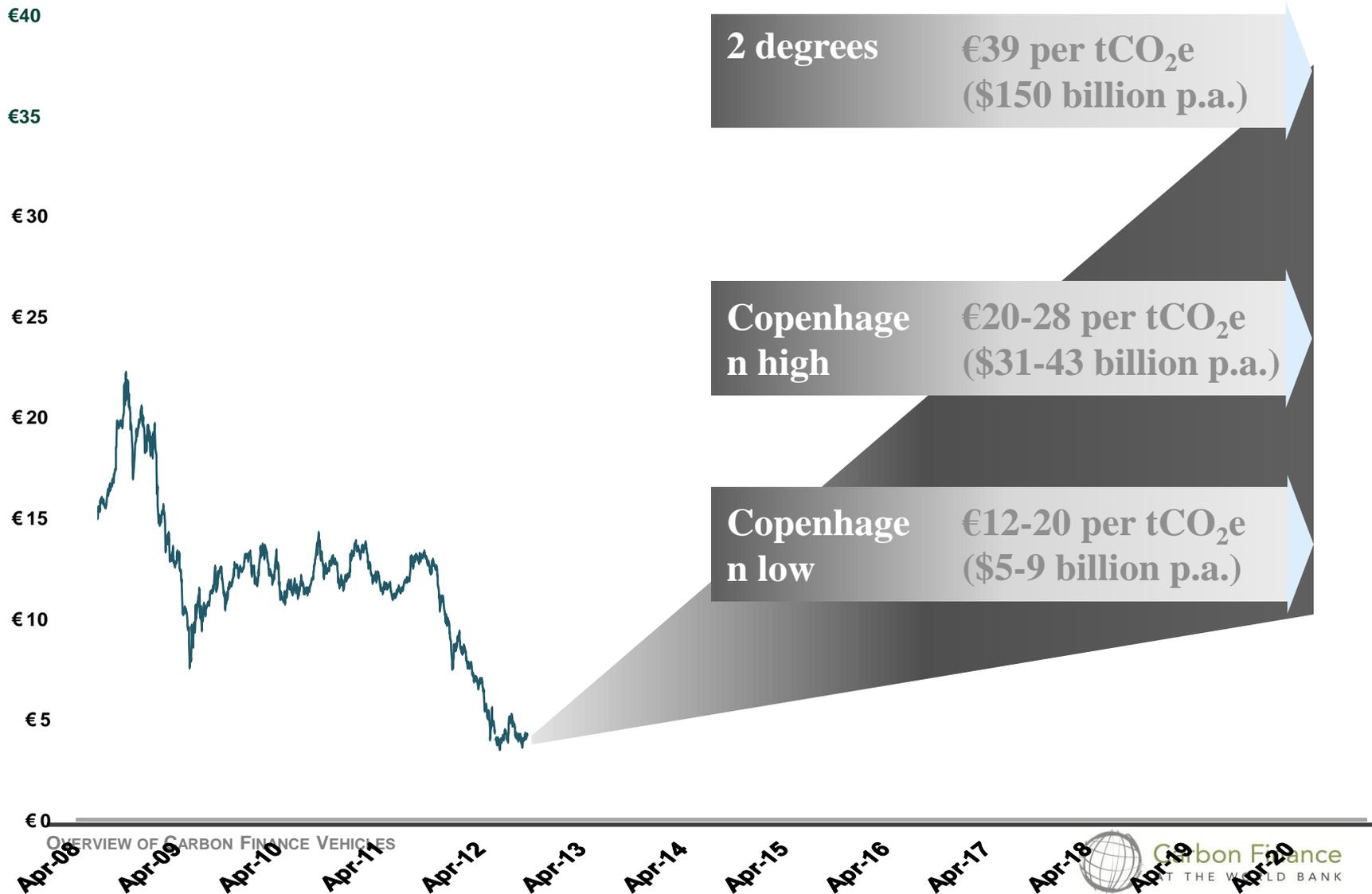
Remarkable cumulative numbers

Pre-2013 and post-2012
market values (US\$ million)



- 1.06 bln CERs & ERUs already surrendered by EU ETS installations
- ... equivalent to the annual emissions of AU and SA combined
- Cumulative pCERs transacted equals 2.4 bln CERs in 2002-11
- ... larger than annual EU ETS emissions
- ... and 80% of Kyoto's total targets (~3 bln tCO₂e over 2008-12)
- ERPAs reach US\$28 bln (and will support about US\$150 bln in low-carbon investments, mostly from private sector) ...

Where Next for Carbon Markets ?



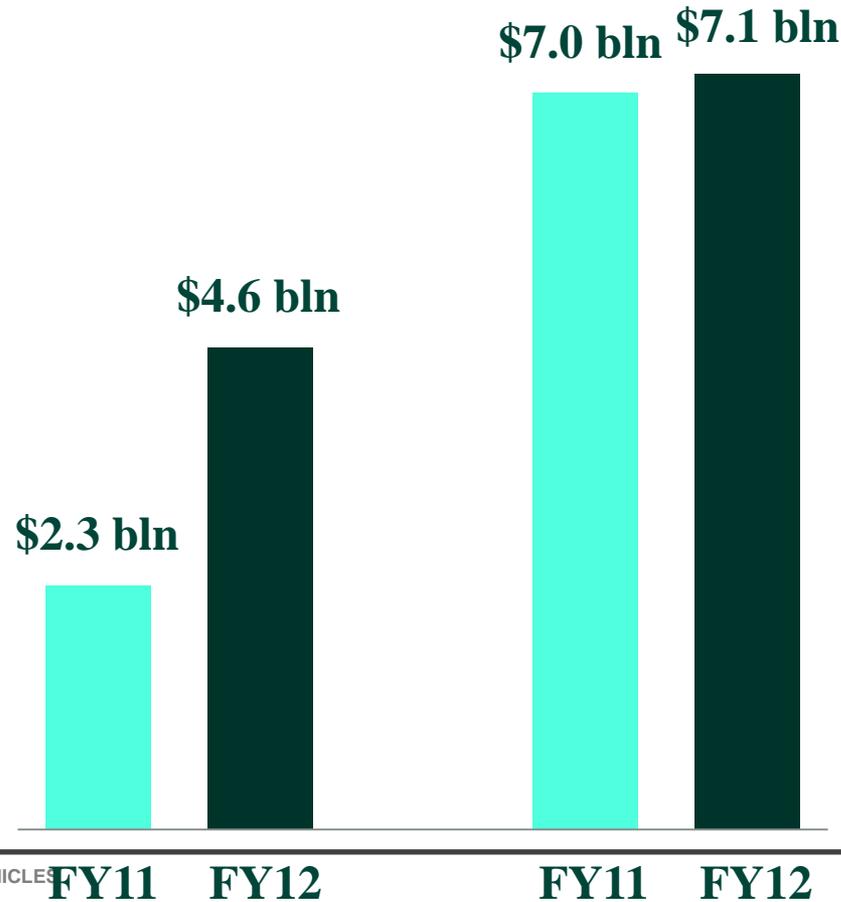
A Growing Menu of Climate Finance Instruments to Catalyze and Leverage



WB: Climate co-benefits in IBRD/IDA lending

Adaptation

Mitigation



OVERVIEW OF CARBON FINANCE VEHICLES

FY11

FY12

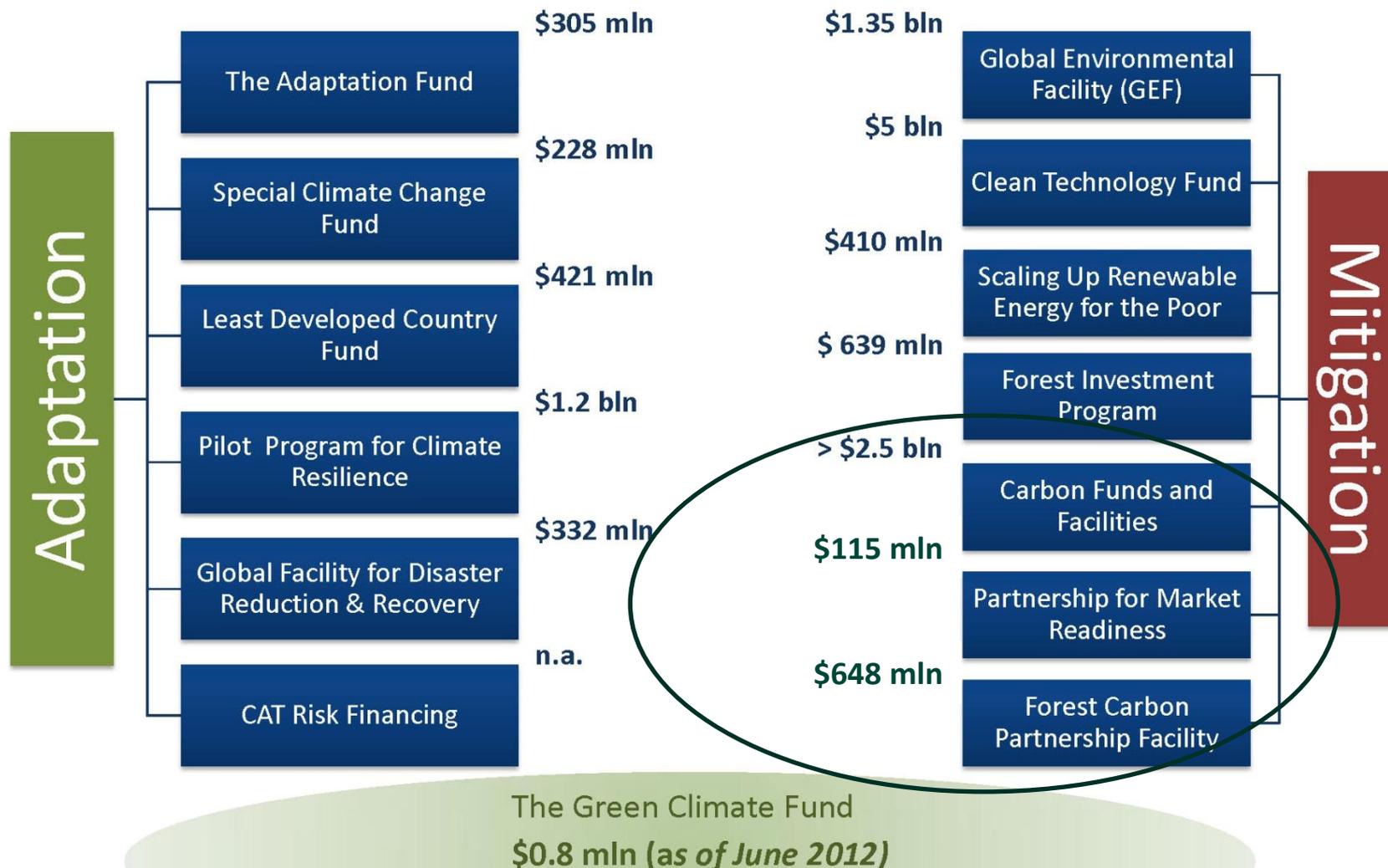
FY11

FY12



Carbon Finance
AT THE WORLD BANK

A Growing Menu of Climate Finance Instruments to Catalyze and Leverage



The Unit's first generation of carbon funds

<p>April 2000</p>  <p>Prototype Carbon Fund</p> <p>World's First Global Carbon Fund</p> <p>\$220,000,000</p>	<p>May 2002</p>  <p>Netherlands Clean Development Mechanism Facility</p> <p>Pioneer purchaser of CDM</p> <p>**</p>	<p>March 2003</p>  <p>Community Development Carbon Fund</p> <p>Poorest country focused</p> <p>\$128,600,000</p>	<p>March 2004</p>  <p>Italian Carbon Fund</p> <p>Government & private sector</p> <p>\$155,600,000</p>	<p>May 2004</p>  <p>BioCarbon Fund Tranches I & II</p> <p>Afforestation, Reforestation, REDD+ & soil carbon</p> <p>\$90,400,000</p>
<p>August 2004</p>  <p>Netherlands European Carbon Facility</p> <p>Purchasing JI</p> <p>**</p>	<p>January 2005</p>  <p>Danish Carbon Fund</p> <p>Government & private sector</p> <p>€90,000,000</p>	<p>March 2005</p>  <p>Spanish Carbon Fund</p> <p>Government & private sector</p> <p>€220,000,000</p>	<p>August 2006</p>  <p>Umbrella Carbon Facility Tranches I & II</p> <p>Adding liquidity to market at key moments</p> <p>€904,100,000</p>	<p>March 2007</p>  <p>Carbon Fund for Europe</p> <p>Governments & private sector</p> <p>€50,000,000</p>

**** Unpublished**



57 private sector partners

Financials



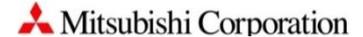
Oil & Gas



Utilities



Industrials



Others



24 Public Sector Partners



AUSTRIA



FINLAND



JAPAN



SPAIN



AUSTRALIA



AGENCE FRANÇAISE
DE DÉVELOPPEMENT



JAPAN INTERNATIONAL
COOPERATION AGENCY



SWEDEN



REGIONAL GOVERNMENTS OF
BRUSSELS-CAPITAL, FLEMISH
AND WALLOON REGIONS



GERMANY



LUXEMBOURG



SWITZERLAND



NETHERLANDS



DENMARK



IRELAND



NORWAY



THE UNITED KINGDOM



THE EUROPEAN COMMISSION



ITALY



PORTUGAL



THE UNITED STATES

Responding to the challenges in the market (1 of 2) - preparing for the future with market readiness support

WB Facility	Focus	Resources	Partners	Program
 <i>Partnership for Market Readiness</i>	Capacity building to support market based tools for GHG reduction	\$115 million*	28 country participants including 12 donor governments	<ul style="list-style-type: none">◆ Supporting countries' development of readiness component for market instruments◆ Helping developing countries explore, pilot and test emissions trading◆ Building on country priorities for low-carbon growth
 <i>FCPF Readiness Fund</i>	National & sub-national REDD+ pioneer	\$258 million	36 country participants including 15 donor governments	<ul style="list-style-type: none">◆ Guiding readiness and carbon finance for REDD+◆ Forging partnerships between developed and developing countries◆ Enhancing capacity building and technical assistance

Responding to the challenges in the market (2 of 2) - pairing readiness with action: carbon credit purchases

WB Facility	Focus	Resources	Partners
 <p>CARBON PARTNERSHIP FACILITY</p>	<p>Scaling-up carbon finance</p>	<p>\$147 million</p>	<p>6 selling country, 3 buying country and 2 donor participants</p>
 <p>FOREST CARBON PARTNERSHIP FACILITY</p> <p><i>FCPF Carbon Fund</i></p>	<p>Testing purchase of REDD+ credits</p>	<p>\$390 million</p>	<p>8 public and 2 private and 1 non-profit participants</p>
 <p>BioCarbon Fund</p> <p><i>Tranche 3</i></p>	<p>Financing for Sustainable Landscapes</p>	<p>\$70 million[^]</p>	<p>Donor governments pledging results based finance for blended climate and development impacts; Structure under development for private sector</p>
 <p>Ci-Dev</p> <p>CARBON INITIATIVE FOR DEVELOPMENT</p>	<p>Support low-income countries to benefit from carbon finance</p>	<p>\$75 million[^]</p>	<p>Donor governments aiming to sustain carbon market capacity and test results based finance frameworks</p>

Thank you

Carbon Finance  at the World Bank