



# Partnership for Market Implementation

**Ambitious climate action will require a significant shift in investment patterns and behaviours as well as and innovation in technologies, infrastructure, financing and practice.**

An indispensable element of any strategy for reducing emissions in an efficient way are mechanisms which put a price on carbon. Generally, the climate change topic is seen as the biggest and most severe market failure and CO<sub>2</sub>-pricing mechanisms are considered as the most efficient remedy for a continued and uncontrolled increase in emissions of greenhouse gas.

## Rationale

The guiding vision of PMI is that a strong price signal on carbon emissions will be introduced across jurisdictions and sectors in the medium to long term. Implementation of carbon pricing will result in opportunities for the creation of carbon markets, the connection of which will reduce costs and raise climate ambition making a significant and sustained contribution to global decarbonization efforts. If the specific objectives set out above are met, then PMI will have contributed to accomplish this vision.

## Objectives and activities

The Partnership for Market Implementation as the successor programme of the Partnership for Market Readiness (PMR) aims at assisting participant client countries implement explicit carbon pricing instruments appropriate to their domestic context and development priorities. Key elements inherent in this overarching goal are to help countries increase their level of ambition commensurate with mitigation potential, build capacity, infrastructure and policy/regulatory frameworks for scaling up their mitigation efforts using carbon pricing instruments, and to provide a platform for technical discussions and information exchange on carbon pricing and other mitigation policy instruments. In support of this overarching goal, PMI has the following specific objectives:

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SECO country/region  
Global

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Main funding partners  
Australia, Canada, EU,  
Finland, Germany,  
Japan, Norway, Spain,  
Sweden, Switzerland,  
UK

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Implementing partner  
World Bank

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Duration  
2020-2030

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Total budget  
USD 100,000,000

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SECO contribution  
CHF 11,000,000



- a. Support countries and other entities/jurisdictions in the development and implementation of carbon pricing instruments needed for greenhouse gas (GHG) mitigation and the implementation of nationally determined contributions (NDC);
- b. Assist in enabling countries' participation in the operationalization of Article 6 of the Paris Agreement which would facilitate international cooperation on carbon markets and promote convergence of national carbon pricing instruments;
- c. Assist countries to identify and implement best practice approaches and, where relevant, achieve compatibility in design to support the development of carbon pricing and markets;
- d. Inform the national and international policy discussions on GHG mitigation by sharing lessons learned and providing a platform for collective innovation on carbon pricing instruments; and
- e. Develop a comprehensive knowledge base on carbon pricing instruments and market mechanisms, and facilitate information exchange through technical discussions and dissemination of knowledge products.

### **Governance Structure**

The PMI is the anchor trust fund of the umbrella facility (PMIF) under the new trust fund management framework and is the principal vehicle to implement carbon pricing activities of the World Bank. The PMIF is formally governed through a two-tier structure:

- a. Partnership Council (PC) comprising the donors of the different TFs (anchor and associate trust funds) and chaired by the WB; and
- b. Program Management Unit (PMU) hosted at the World Bank.

Outside of this structure, each trust fund under the umbrella has a Technical Advisory Group (TAG) to facilitate operational level consultation and decision-making and advice on work program. The TAG is not part of the formal governance framework for the umbrella, however, all TAG members (PMI Trust Fund donors) are members of the Partnership Council of the PMIF, and contribute to its proceedings including formal approval of the annual work program and budget for PMI.

### **Results from the successor programme PMR:**

- 16 countries have completed road maps for carbon pricing readiness.
- \$71.5 million have been allocated to governments to implement readiness activities.
- Chile as first country has completed all activities laid out in its market readiness proposal (MRP). The country activities included building capacity in the public and private sectors for the design and implementation of an MRV framework and GHG registry.
- The PMR has published 19 Technical Notes, and has organized 55 Technical Workshops and other knowledge exchanges.

### **How to get involved**

For further information about the PMI and how to get involved, please send an email to [pmrsecretariat@worldbank.org](mailto:pmrsecretariat@worldbank.org).

### **Further information and contact details**

Email: [info.wehu.cooperation@seco.admin.ch](mailto:info.wehu.cooperation@seco.admin.ch)

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