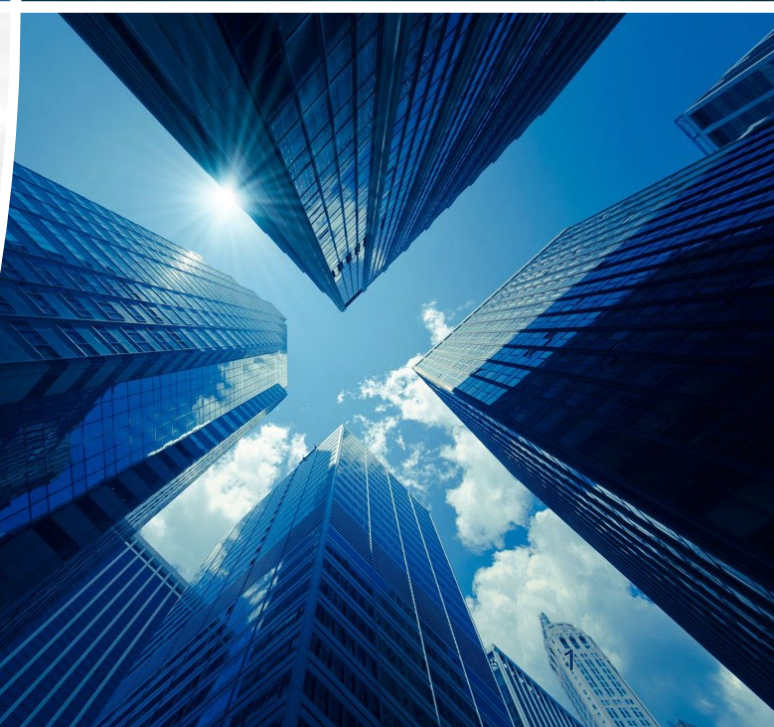
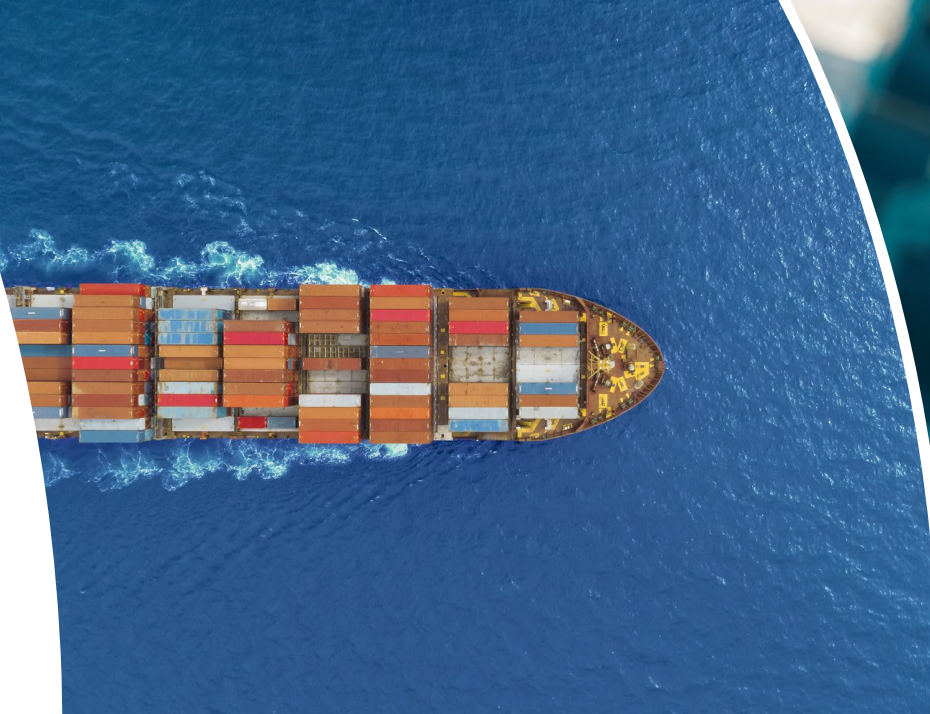




Advancing the Article 6 Implementation

Business Forum on JCM Project Matchmaking and
Advancing Article 6 Implementation in Bangladesh

December 7, 2025



World Bank Approach

1

Emission Reduction Program design - Design and implement carbon finance in large scale Bank programs, including financial innovation and product design.

2

Monetization - Support countries to monetize and place in carbon markets high integrity credits.

3

Global Architecture & In-country Capacity Building – Work with partners unlock the most critical bottlenecks in global architecture, and support development countries to build market infra, institutions, policies.

World Bank Approach

Towards Paris-aligned Carbon Markets & Carbon Pricing...

1

Domestic carbon pricing instruments

- Design and implementation of
 - Emission Trading System
 - Carbon tax
 - Domestic carbon crediting

2

International Compliance Markets / Article 6

- Article 6 strategies for countries
- Regulatory and institutional frameworks
- Carbon markets infrastructure – MRV systems, registries

3

High-integrity Voluntary Carbon Markets

- Work with stakeholders from across ecosystem to identify and unlock bottlenecks
- Partnership with ETA



Climate Warehouse



BioCarbon Fund
Initiative for Sustainable Forest Landscapes



TRANSFORMATIVE
CARBON ASSET FACILITY



SCALE
SCALING CLIMATE ACTION
BY LOWERING EMISSIONS

Partnership for Market Implementation (PMI)

Accelerating climate action through carbon pricing and markets



Country Engagement

Grants and capacity building for the design and implementation of carbon pricing and markets policies

- Small or multi-year targeted grant upstream work, readiness assessment, design and implementation
- Country and region-level capacity building



Global Knowledge

Analytics, technical products, and knowledge programs on carbon pricing and markets

- Up-to-date carbon market intelligence: annual state and trends report; Carbon pricing dashboard
- Guidebooks and technical notes on carbon markets and carbon pricing
- Learning and knowledge initiatives: training



Innovation

Analytics, technical products, and knowledge programs on carbon pricing and markets

- Innovation to support generation and demand for carbon credits
- Infrastructure for carbon markets
- Convening of key stakeholders to catalyze the creation of high integrity Paris-aligned carbon markets



Outreach partnership

Strategic convening and flagship climate conferences

- Innovete4Climate
- Regional Climate Weeks (RCWs)
- Carbon Pricing Leadership Coalition (CPLC)
- Knowledge partners under PMI

PMI assists countries realize global decarbonization through implementing policies aligned with their development priorities.

It helps accelerate climate finance by drawing on domestic and international resources


Overview of PMI's Reach

PMI is active in over 30 countries globally, with 11 donor partners

PMI's Reach and Impact

34 Countries supported overall
17 country programs + 17 targeted grants

Of which:

 **25** Country engagements on
Domestic carbon pricing instruments

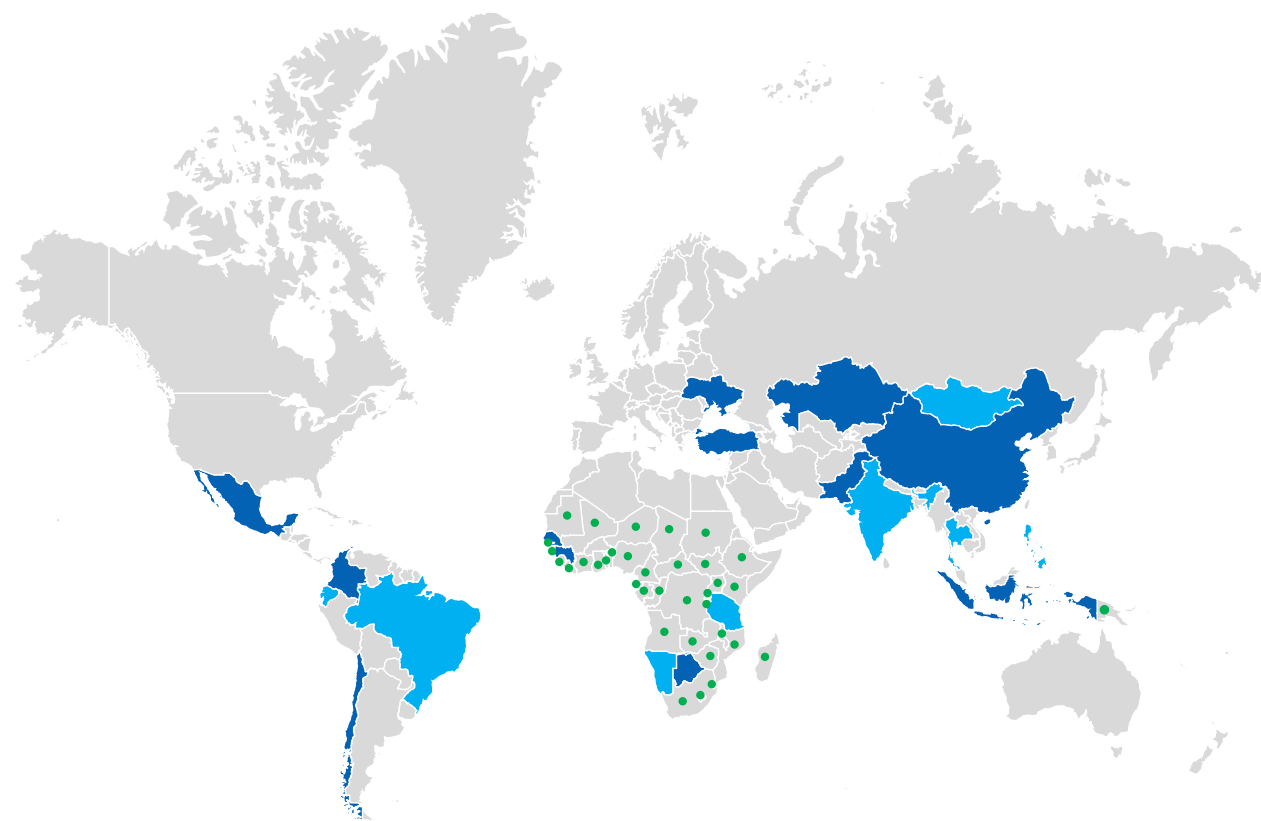
 **23** Country engagements on
International carbon markets

 **25** Countries supported to develop and deploy
Carbon market infrastructure

 **11** Donor partners


Where we work

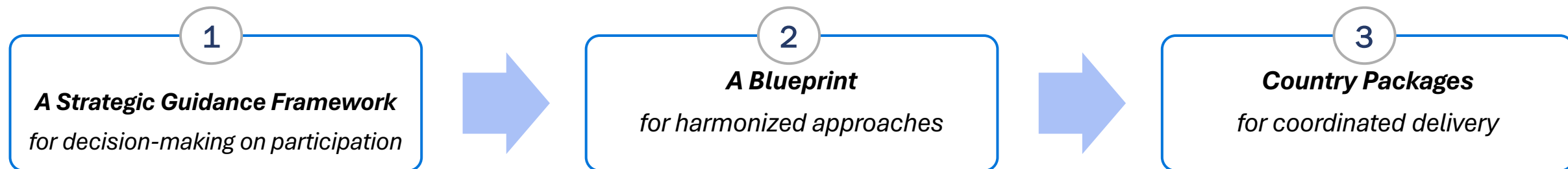
■ PMI country program ■ PMI targeted support ● Regional programs



PMI Bangladesh: Strengthening readiness for carbon finance

Climate vulnerability	Climate commitment	Implications	Challenges
<p>Bangladesh is one of the most vulnerable countries to climate change, with an expected impact of about 2% of GDP annually by 2050.</p> <p>Bangladesh is focused on resilience and adaptation, which remains challenging to finance.</p> <p>Bangladesh's GHG emissions have risen in tandem with rapid GDP growth, highlighting the opportunity for low carbon development and mitigating air pollution.</p>	<p>Unconditionally, Bangladesh aims to reduce emissions by 6.39% (26.74 MtCO₂e), primarily through interventions in the energy sector.</p> <p>Bangladesh's NDC highlights the role carbon pricing can play in incentivizing low-carbon investments and mobilizing climate finance.</p> <p>The Bangladesh CCDD found that the country needs at least US\$12.5 billion annually in climate investment over the medium term (about 3% of the country's GDP as of FY21).</p>	<p>Bangladesh's NDC envisions the use of international climate finance and carbon markets, particularly those aligned with Article 6 of the Paris Agreement.</p> <p>Bangladesh is actively seeking technical and institutional support to strengthen its capacity to utilize these resources effectively.</p>	<p>International climate finance is limited, highlighting need to manage expectations.</p> <p>As a result, there is a heightened need to mobilize domestic resources to complement external funding and ensure long-term sustainability.</p> <p>Institutional and infrastructural reforms are essential for the effective management of climate finance and the implementation of carbon market mechanisms.</p>

Unlocking Bottlenecks for Host Countries



POLICY

- ✗ Limited development of comprehensive domestic carbon market legislations

- ✓ VCM Access Strategy Toolkit (VCMI)
- ✓ Country Policy Framework for Carbon Markets (WB Climate Warehouse)



INFRASTRUCTURE

- ✗ Fragmented approaches to deployment of market infrastructure
- ✓ Roadmap and Guidance Note for Safe, Efficient and Interoperable Carbon Markets Infrastructure (Carbon Markets Infrastructure Working Group)



GOVERNANCE

- ✗ Lack of legal clarity and oversight around carbon credits
- ✓ High-level Framework on the Financial Integrity of Carbon Markets and Good Practices for operationalization (IOSCO)
- ✓ Guidelines on the Nature of Carbon Credits (UNIDROIT)

- ✗ Fragmented capacity building efforts



- ✓ Implementing Partners to work with host countries on coordinated implementation of the packages



AWARENESS

- ✗ Incomplete narrative on the value proposition of carbon markets
- ✓ Coordinated strategic communications (High Tide Foundation)
- ✓ Increased engagement of Ministers of Finance from Global South (e.g., WBG-IMF Meetings, Coalition of Finance Ministers for Climate Action, etc.)



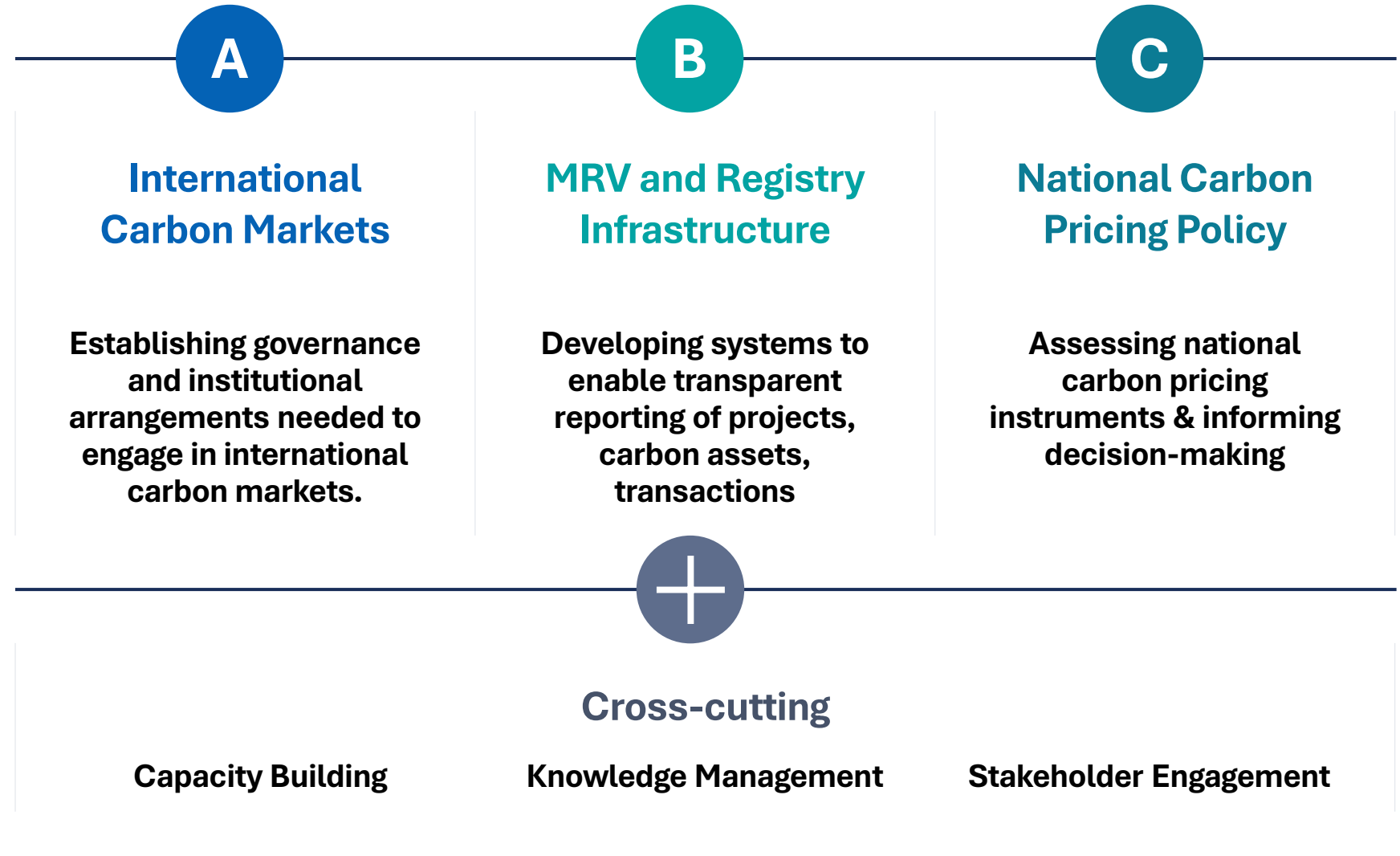
FINANCE

- ✗ High investment risks across the value-chain
- ✓ Demand pooling facilities (e.g., ETA, LEAF, Symbiosis)
- ✓ Risk insurance products (e.g., LoA template by MIGA)
- ✓ Upfront financing (e.g., WB outcome bonds)

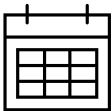
Building blocks of PMI-Bangladesh Readiness Support Plan

These 3 pillars reflect the priorities outlined in the Readiness Support Plan (RSP) and are designed to build the technical, institutional, and policy foundations for climate market participation.

In addition, a cross-cutting workstream supports stakeholder engagement, coordination, and capacity building across all areas of work.



Recent developments



Context / current status

Key Milestones

- Aug 2024** Bangladesh government transition
- Feb 2025** A6 Readiness Roadmap published
- Oct 2025** NDC 3.0 submitted to UNFCCC
- Nov 2025** Pre-launch of Carbon Market Framework at COP30



Key developments

PMI technical support

During July – December 2025, PMI supported:

- Workstream A**, drafting the Carbon Market Framework with initial review by DNA Article 6 Technical Committee and pre-launch at COP30.
- Workstream B**, aligning Article 6-aligned carbon transaction through the World Bank-managed Carbon Asset Tracking System (CATS) for emission reductions generated by over 3 million units of Solar Home Systems (SHS) with overall MRV and registry development and prototype.
- Workstream C**, supporting dialogues and understanding on latest carbon pricing development (e.g., joint session during CPD climate week, WB-hosted CPI 101 in Dec 2025).



Next steps

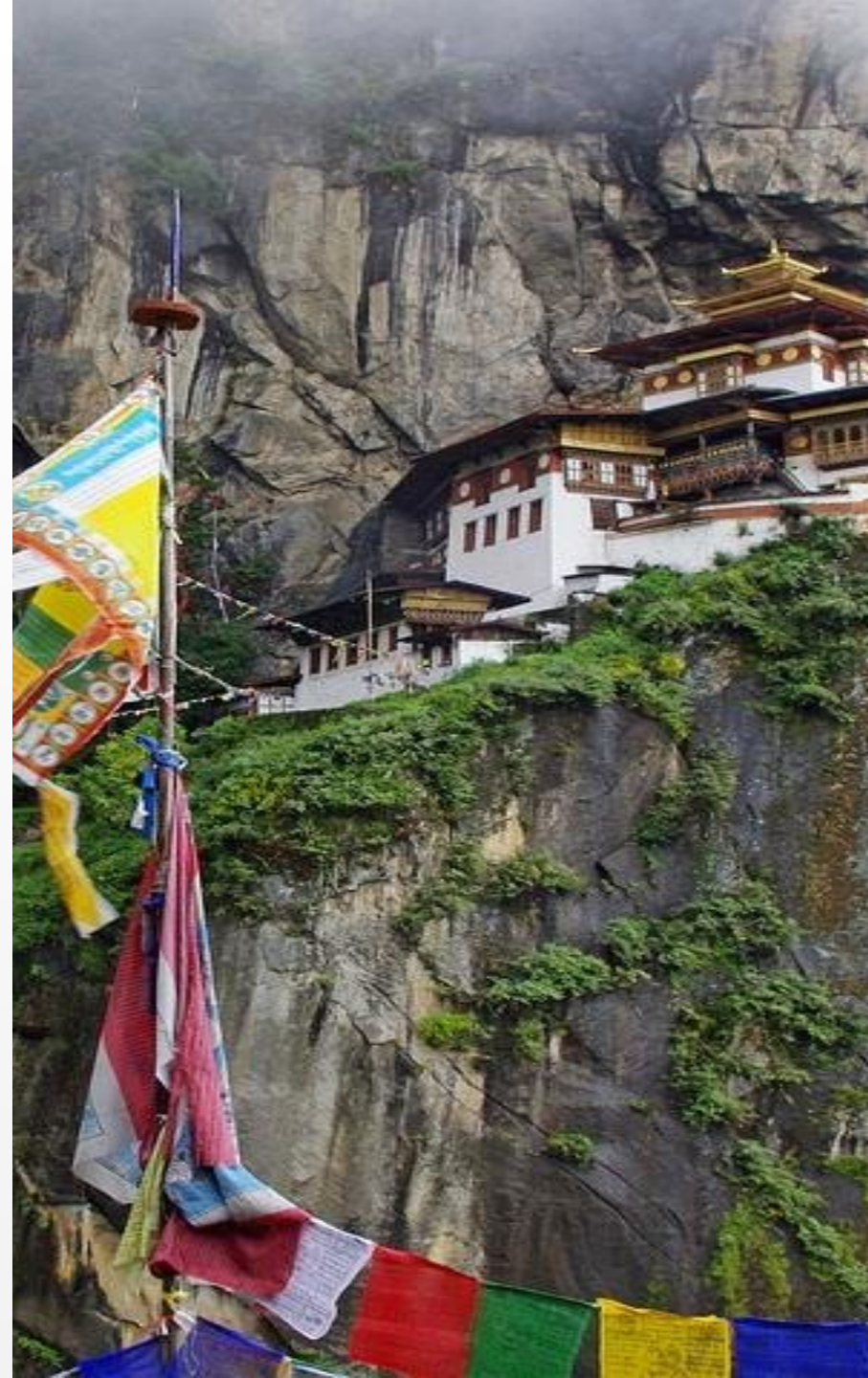
Advancing toward implementation

- Finalization of Carbon Market Framework** along with operations manuals and standard templates
- Needs assessment for MRV and registry systems**, followed by technical and functional specification development
- Develop **Capacity Building Development Plan** (e.g., MRV, registry).

Annex / Backup slides

Bhutan – support across value chain

- **Carbon Markets Rules (2023)**
- **Launch of national registry (2023)**
- **Bhutan Climate Fund design** - aggregates and monetizes high-integrity credits from forestry and hydro sector.
- **Pipeline project identification** - nature-based solutions and energy sector (transmission)
- The Bhutan Climate Fund **sets up the necessary processes** to ensure high integrity based on an ambitious NDC.
- Connecting to the **National Registry** will ensure emissions are **transparently tracked** and the volume and price of credits transferred are aligned with country priorities.
- The Fund also **promotes social integrity** by implementing a list of approved activities that can be financed with the Fund revenues from carbon markets, ensuring proceeds of markets benefit communities and citizens.
- To be capitalized by public and private sector off-takers



Vietnam – Emission Reduction-Linked Bond Helps Provide Clean Drinking Water to Two Million Children

\$50 million Principal Protected Outcome Bond World Bank Issued in 2023

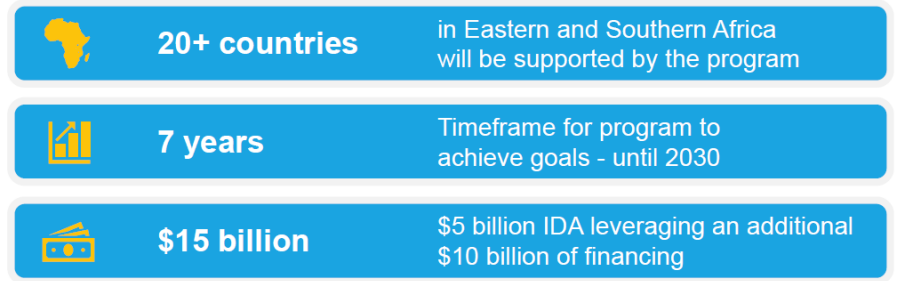
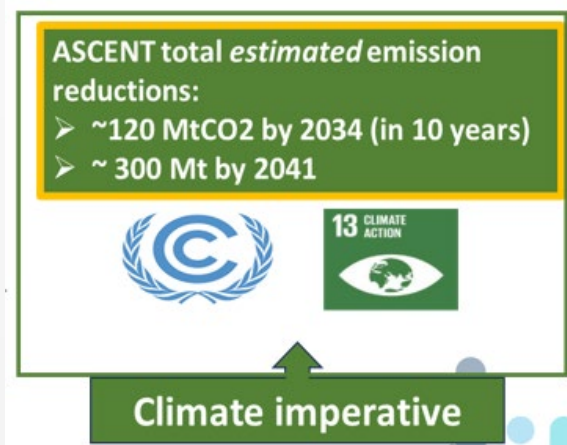
- The bond provides upfront financing for a **water purifier project in Vietnam**, through forgone investor bond coupons, to **fund the manufacturing and distribution of water purifiers to 8000 schools**.
- The project aims to achieve **positive development and climate impacts**, reducing carbon emissions, improving drinking water quality, improving public health.
- In addition to return of principal and a small guaranteed return, investors receive **variable coupons linked to the issuance of Verified Carbon Units (VCUs)** generated by the water purifier project.

USD 50 million 5-year Bond	
Summary Terms and Conditions	
Rating:	AAAp
Maturity:	5-year
Total Amount:	USD 50 million
Settlement Date:	02/22/2023
Maturity Date:	03/31/2028
Issue Price:	97.38%
VCU-Linked Interest Payment:	Linked to the number of Verified Carbon Units (VCUs) issued by Verra for the water purifier project, paid semi-annually subject to a cap
Lead Manager:	Citibank

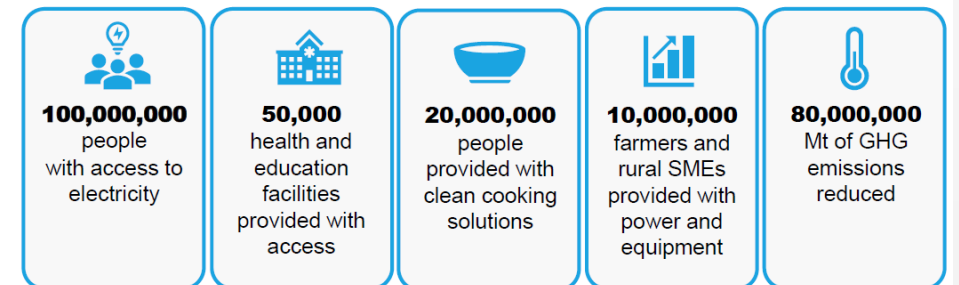


Sub-Saharan Africa – Emission reduction credits from large scale energy project

- Support developing the high quality “Energy Access Standard” that combines digital process flow, dMRV, streamline the Standard protocol and the scaled-up methodology
- Innovation for digital carbon market infrastructure (dMRV) to enable aggregation
- Capacity building at regional & country levels
- Demand pooling for private capital mobilization



Targets:



Uzbekistan – Innovative policy-crediting and ITMO credits

This Uzbekistan project has a total of \$46.25M in expected payments, of which \$20M is an emission reduction payment agreement (ERPA) using **results-based climate finance** and \$26.25M is a mitigation outcome purchase agreement (MOPA) using **carbon markets**

Components	Amount (US \$, millions)
Component 1: Payments for measured, reported and verified emission reductions (ERs) – Results-based climate finance	20.00
Component 2: Payments for measured, reported and verified internationally transferred mitigation outcomes (ITMOs)	26.25
Total financing	46.25