Partnership for Market Readiness (PMR): Crediting-related activities under the PMR: update and suggested next steps
Outline

- Summary of the Crediting Session breakout group discussions at PA 11
- Suggested steps forward
Readiness for crediting: need for an overarching discussion

- Development of crediting instruments is an important part of the PMR work program

- Demand for credits is critical for these instruments:
  - Current uncertainty around international demand

- Common understanding on possible ways forward for the PMR support is important:
  - What are the possible implications of the evolving context on readiness activities in the Implementing Countries?
  - How can we ensure the effectiveness of PMR-supported readiness activities?
Status of crediting-related activities in the MRPs

- 8 out of 17 PMR Implementing Countries include crediting as the principal market-based instrument in their MRPs
Previous actions to support an overarching discussion

- PMR Secretariat commissioned a stocktaking study on crediting readiness support by the PMR to:
  - Review 8 MRPs with crediting as a principle market-based instrument;
  - Explore ways to support a range of climate policies through crediting readiness;
  - Identify opportunities for the PMR to consolidate and maximize its support to Implementing Countries

- The stocktaking study presented in London (PA11)
- Study will be published in June 2015
- Breakout group discussion took place in London
Summary of the Crediting Session breakout group discussions

- The outcomes of the Paris COP are expected to have an impact on the planned crediting-related activities.

- Crediting-related readiness activities contribute to objectives and readiness efforts of other policies, instruments and measures.

- Recognizing potential multiple benefits of crediting-related readiness activities, the PMR support could be further enhanced by exploring synergies and differences with international result-based climate finance.
Summary of the Crediting Session breakout group discussions (cont.)

- There is a need for better understanding of how crediting-related readiness activities can be used to support other climate policy instruments.

- In order to ensure effectiveness of the PMR’s support to crediting-related activities, one of the areas of focus should be sharing of knowledge and emerging best practices between Implementing Countries.
Possible areas of support highlighted by the Participants

- The PMR’s policy and technical support to Implementing Countries should go beyond the activities identified in the MRPs
  - Links and interactions of crediting instruments with broader climate policy goals and instruments, including the INDCs
  - Minimum standards for the crediting programs
  - Ways countries may have to adjust their readiness paths
  - Additional technical support on cross-cutting building blocks of crediting instruments
  - Sources of demand and ways of accessing financing for the crediting programs
  - Strategies for (re-)engagement of the private sector
Suggested steps forward: three main action areas

- Follow-up on the recommendations of the Stocktaking Study
- Ensure sound coverage of crediting-related readiness under the Technical Work Program of the PMR
- Use crediting-related readiness work as a platform to discuss and inform the design on the new international crediting mechanisms
1. Follow-up on the recommendations of the Study

- Initiate bilateral discussions with Implementing Counties on the most effective ways of applying the recommendations provided by the Study
- Initiate “case study discussions” on ways that crediting-related readiness activities can help stimulate policy development
- Use analytical framework created by the Study by Implementing Countries which are finalizing their MRPs (e.g., Jordan, Peru, and Tunisia)
2. **Ensure sound coverage under the Technical Work Program**

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<td>Relationship between crediting instruments and INDCs</td>
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Guidance on emerging practices for crediting NAMAs

- Compile the outcomes of the analytical work and learned practical experience in a comprehensive guidebook reflecting on successes, challenges and ways forward

- The guidebook will be a living document

- The guidebook can serve as a basis for exploring and identifying minimum standards for the crediting programs
3. Inform the design of the new crediting mechanisms

- Use crediting-related readiness work as a platform to discuss and inform the role and design on the new international crediting mechanisms through:
  
  - Sharing knowledge and experience generated by the PMR-supported country work on crediting instruments, as well as by the cross-cutting technical work
  
  - Providing a practical ground, in a longer term, for the collective thinking of the ways of linking domestic crediting systems and facilitating compatibility of domestic offsetting schemes with the future international mechanisms
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