



# Upstream Analytical Policy Work: Update

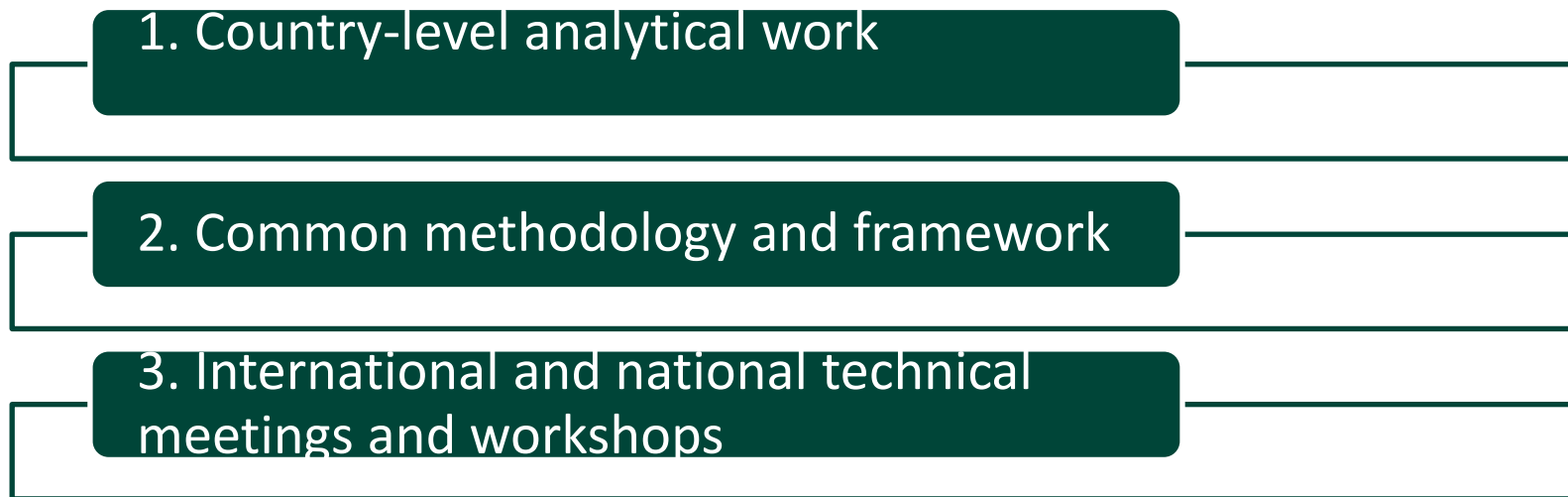
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# Background

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- At PA 9, an envelope of US\$5 million for FY15 (until June 30, 2015) was allocated for “Upstream Analytical Work to Support Development of Policy Options for Mid- and Long-term Mitigation Objectives” with the understanding that the scope of the world would cover upstream policy work, which should also assist in the analysis of carbon markets and carbon pricing instruments
- PMR Secretariat was requested to inform the PA on the scope and timeline of the analytical studies and resource allocation
- PA invited countries to share the progress and outcomes of the upstream policy work



# Scope of PMR Support

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## ◆ The upstream analytical work consists of two streams of support:

➡ **Additional and targeted support to countries** to pursue design and implementation of carbon pricing instruments (e.g. carbon tax or emissions trading scheme) in response to recent domestic policy developments and outside the scope of the work under country's MRP

➡ **Upstream Analytical Policy Support on Post-2020 Mitigation Scenarios** which focuses on

- (1) Development of a common technical guidance on analytical approaches, technical methodologies and processes;
- (2) Country-specific support; and
- (3) National and international workshops, technical meetings and consultations.

# Update on Targeted Country Support

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## Chile

- Support work on carbon tax
- ToRs are in the process of finalization

## Mexico

- Support ETS for Energy Sector
- Pending legislation – Scope of the work to be further defined

# Update on Post-2020 Mitigation Scenarios Work: Development of Common Methodology

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- ◆ Development of **methodological framework (“checklist”)** consisting of modeling tools, assumptions and variables needed for setting:

Emission  
reference  
scenario

Alternative emission  
scenario

Package of policy  
instruments (including  
carbon pricing) for  
achieving mitigation  
targets in various  
scenarios

- ◆ Checklist” will be developed in **consultative and participatory manner**
- ◆ The work is expected to **benefit all the PMR countries and beyond**

# Update on Post-2020 Mitigation Scenarios Work: Country-specific support (1)

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*In-country consultations are still ongoing - scope of work is subject to further modification...*

## 1. Brazil

- Analyzing low-carbon power options for low-hydrology scenarios
  - Options for analysis include policy and market design to provide reliable back-up power including auctions for ancillary services, contingency funding schemes and carbon pricing.

# Update on Post-2020 Mitigation Scenarios Work: Country-specific support (2)

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## 2. China

- Mapping and assessing existing policies and instruments that have major GHG abatement impact
- Reviewing and comparing the existing and ongoing studies on constructing China's GHG emissions scenarios for 2020, 2030 and 2050
- Understanding methodologies used by other countries in setting their mitigation scenarios

# Update on Post-2020 Mitigation Scenarios Work: Country-specific support (3)

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## 3. Colombia

- Review of Colombian Low Carbon Development Strategy emissions scenarios and strengthening robustness of quantitative assessment of sector mitigation options
- Exploring robust emission reduction pathway (including carbon pricing instruments)
- Building and running a combined top-down/bottom-up energy-economy-environment models



# Update on Post-2020 Mitigation Scenarios Work: Country-specific support (4)

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## 4. Costa Rica

- Mapping and assessment of GHG mitigation policies and instruments (including carbon market)
- Establishing mid- and long-term scenarios for economic growth and GHG emissions
- Recommendation on shaping national and sectoral abatement targets – pathway to achieve carbon neutrality

# Update on Post-2020 Mitigation Scenarios Work: Country-specific support (5)

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## 5. Peru

- Broadening the scope of the analysis of selected mitigation options
- Building emission-reduction pathways from GHG mitigation options
- Assessing macro-economic aspects of emission reduction pathways

# Update on Post-2020 Mitigation Scenarios Work: Technical Consultations and Workshops

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- ◆ **Technical workshop on Approaches and Tools to Setting Mitigation Scenarios**
  - Held in Washington, DC on September 25-26, 2014
  - Brought together experts from a number of PMR Countries, other relevant institutions and the World Bank to exchange views and compare methodologies used in constructing post-2020 mitigation scenarios
- ◆ **Current plans include a number of in-country and international workshops and consultations by June 2015**

## Considerations for Budget Allocation

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- ◆ *The allocation of the budget for country activities are based on the considerations of:*
  - (i) Scope of the proposed work**
  - (ii) Consultations with the relevant country on its budgetary needs**
  - (iii) The World Bank's experience with the cost for carrying out similar type of work**

# Budget Allocation and Timeline

Activity	Expected Completion Date	Total Cost (US\$)
<b>I. Development of checklist</b>	December 2014	Up to 80,000
<b>II. Country support</b>	June/September 2015	Up to 1,050,000
<b>Brazil</b>	June 2015	Up to 150,000
<b>China</b>	June 2015	Up to 300,000
<b>Colombia</b>	June 2015	Up to 250,000
<b>Costa Rica</b>	June 2015	Up to 150,000
<b>Peru</b>	September 2015	Up to 200,000
<b>III. International and National Workshops and technical consultations</b>	June 2015	Up to 150,000
<b>IV. WB country support cost</b>	N/A	Up to 125,000
<b>TOTAL</b>		Up to 1,405,000

## Way forward

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- ◆ **Other PMR Implementing Countries may be interested in seeking support**
- ◆ **PMR Secretariat will provide regular updates on the work**
- ◆ **PMR Secretariat will report on the result of the studies**

# Thank You

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FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR),  
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