DEEPENING READINESS SUPPORT: OPTIONS FOR FUNDING ADDITIONAL ACTIVITIES UNDER THE PMR

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PMR Secretariat

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Rationale for Deepening Readiness Support

- **Deepening readiness support** - one of the key areas of the strategic direction for the future of the PMR
- **Gradual shift from MRP preparation and funding allocation to MRP implementation** - need for strengthening the implementation and maximizing the impacts of the PMR
- **Likely funding surplus** – potential use for deepening the PMR country support

*Basis for exploring several options for funding additional activities under the PMR*
Proposed Areas for Deepening Readiness Support

1. MRP Funding Allocation in the Context of Implementing Countries’ “Readiness” Needs

2. Carbon Pricing Instruments in the Context of Implementing Countries’ Mid- and Long-term Mitigation Goals

3. National Developments Related to Carbon Pricing Instruments
AREA 1: Additional Funding to Complement MRP Activities (Background)

◆ Current modality of PMR operation: ICPs receive grant funding to carry out activities identified in their MRPs
◆ The level of funding is typically not sufficient to cover all the readiness needs

**MRP Tool and the Resolution PA 3/2012-4:** Possibility for countries had the option to indicate in their MRPs whether they planned to come back to the PA for a second round of funding

◆ Potential gaps between the MRP-funded activities and readiness needs are likely to be further identified in the implementation phase
AREA 1: Additional Funding to Complement MRP Activities (Possible Way Forward)

- **Additional funding to complement ICPs’ MRP activities**

- **Objective:** To strengthen the implementation of the MRPs

- **Basis:** Review of the MRP progress (*PMR Project Implementation Status Report*)
AREA 2: Additional Funding for Work on Post-2020 Mitigation Scenarios (Background)

- Need to carry out economic and policy analysis to inform the selection and introduction of a carbon pricing instrument
- Broad recognition that carbon pricing instruments should be considered in the context of countries’ mid- and long-term mitigation goals

PMR’s Upstream Policy Work (Resolution No. PA9/2014-3):

1. To support countries’ efforts to establish post-2020 mitigation scenarios and identify a package of effective and cost-efficient policies
2. To facilitate the ICP’s work in preparing their mitigation component for INDCs under the UNFCCC process
AREA 2: Additional Funding for Work on Post-2020 Mitigation Scenarios (Possible Way Forward)

◆ Additional funding to continue to carry out policy analytical work

◆ **Objective:** To support countries to take a holistic approach to mitigation goal setting

◆ **Basis:**

1. *Identification of further gaps and needs assessment based on Phase 1 activities*
2. *Additional interest and demand from ICPs*
Some ICPs have experienced rapid domestic policy developments since the submission of their MRPs

An increasing demand for additional support outside of the direct scope of the countries’ MRPs

... An opportunity for the PMR to leverage and expand on its past work and substantially contribute to the domestic dialogues on carbon pricing by being able to adapt and respond to an increasing demand from countries.
AREA 3: Additional Funding to Respond to National Developments Related to Carbon Pricing Instruments (Possible Way Forward)

- Additional funding to address specific issues regarding carbon pricing instruments design and implementation

**Objective:** To help countries advance their domestic carbon pricing agendas

**Basis:** Activities which emerged following recent domestic policy developments and are outside of the scope of the previously defined MRP activities
...further ideas and suggestions on possible ways to deepen the PMR country support, as well as other areas of focus under the strategic direction of the PMR?
# PMR Funding Outlook up to 2020

## PMR Estimated Expenditures, FY2015-FY2020
(in US$ thousands)

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Few Considerations Going Forward

Clear-cut boundaries are difficult to draw, but there is a need to:

1. Ensure that proposed additional activities and those implemented under the MRPs are complementary and mutually reinforcing

2. Take a holistic approach and include an integrated assessment of ICPs’ funded activities

3. Avoid potential overlapping, while ensuring effective and timely support to ICPs

*Development of the template(s) for additional funding applications, including a set of criteria and a streamlined process for funding allocations*
Action by PA and Next Steps

- PA is invited to provide feedback and share further ideas
- ICPs are invited to indicate their interest in proposed options for funding additional activities
- Revised proposal for PA’s consideration at PA12, including further development of criteria and process for funding allocation
Thank You for Your Attention

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