



Crediting-related activities under the PMR: suggested next steps

Ms. Alexandrina Platonova-Oquab
PMR Secretariat

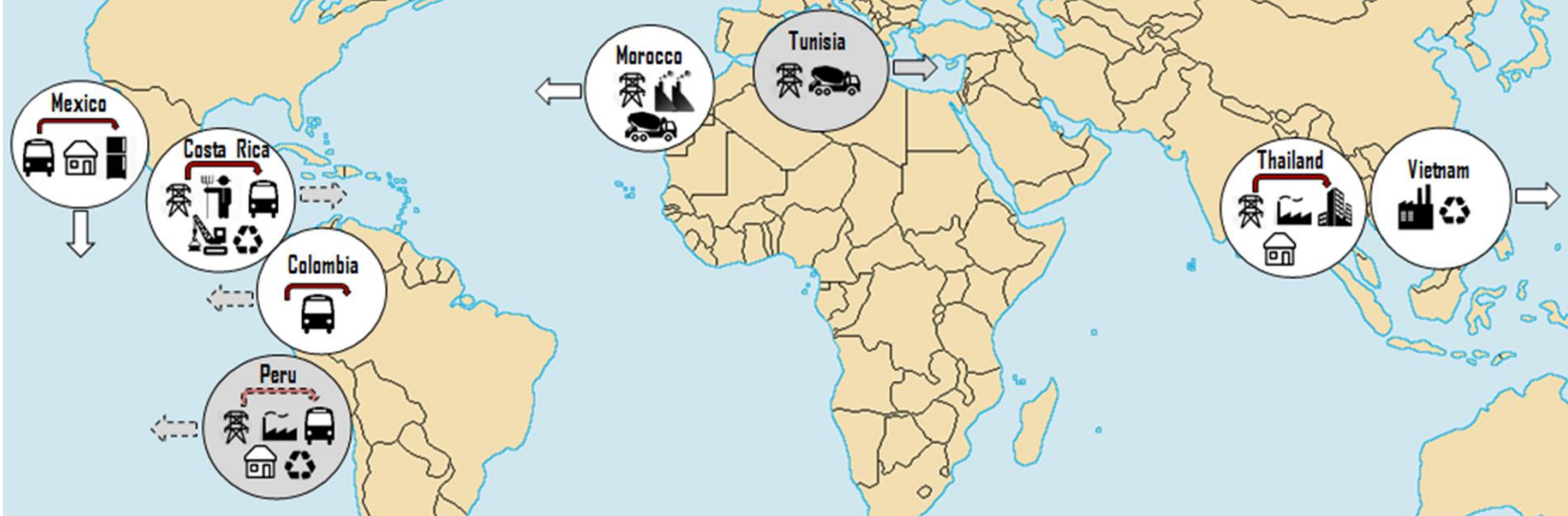
Thirteenth Meeting of the Partnership Assembly
Sweimeh (Dead Sea), Jordan
October 28-29, 2015

Outline

- ◆ Crediting readiness support by the PMR: background
- ◆ Suggested next steps

Glance on the crediting-related activities in the MRPs

- ◆ Development of crediting instruments is an important part of the PMR work program
- ◆ 8 out of 17 PMR Implementing Countries include crediting as the principal market-based instrument in their MRPs

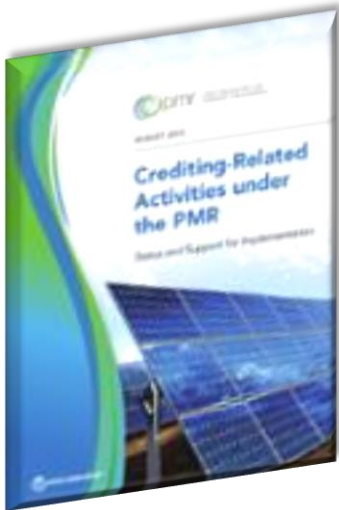


Transport	Commercial buildings	Construction	Phosphates	International use
Housing	Agriculture	Power sector	Industry	International use of credits under consideration
Appliances	Waste	Steel sector	Cement sector	Domestic use of credits
				Domestic use of credits under consideration

Relevance of overarching discussion on crediting-related support by the PMR

- ◆ Demand is critical for crediting instruments
- ◆ Countries are exploring different responses to market uncertainty:
 - Building readiness taking into account uncertainty around international demand
 - Creating domestic sources of demand
 - Designing regulatory and financing mechanisms to enable private sector participation
- ◆ Common understanding on possible ways forward for the PMR support is important:
 - Integrating possible implications of the evolving context on readiness activities in the Implementing Countries
 - Ensuring effectiveness of PMR-supported readiness activities

Stocktaking study on crediting readiness support by the PMR



- ◆ Key messages of the study:
 - ◆ Crediting readiness can contribute to a wider climate policy development and fostering mitigation under multiple policies
 - ◆ Readiness activities can be implemented in an “adaptable” way to support:

Broader applicability to other policy instruments and funding approaches (“minimizing regrets”)

Data management
Quantification of mitigation potential
Baseline determination

Building political momentum and a broad stakeholders’ engagement (“maximizing benefits”)

Advancing regulatory frameworks
Developing domestic sources of demand
Setting up financing vehicles

Previous activities to support an overarching discussion

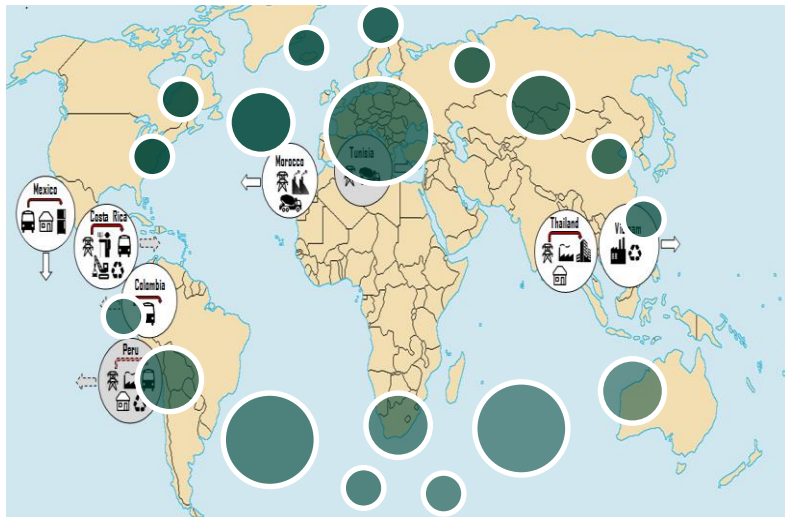
◆ London (PA11):

- Presentation and feedback on the stocktaking study
- Breakout group discussion to provide input

◆ Barcelona (PA12):

- Three main action areas suggested by the Secretariat on ways forward:
 - Follow-up on the recommendations of the stocktaking study at the country level
 - Ensure sound coverage of crediting-related readiness under the Technical Work Program (TWP) of the PMR
 - Use crediting-related readiness work as a platform to discuss and inform the design on the new international crediting mechanisms

Objective for this year: preparation of a Crediting guidance note



Guidance note
on design &
implementation of
crediting instruments
and programs

Compile leading thoughts on the design elements of crediting, driven by practical issues and emerging experiences at country level

Explore and suggest minimum guidance to help ensure consistency of country approaches to facilitate future trading

Suggested activities for this year: programmatic approach



For further information and input, contact:

PMR Secretariat,
pmrsecretariat@worldbank.org
www.thepmr.org

2. Ensure sound coverage under the Technical Work Program

Knowledge products	Main objectives
MRV approaches beyond facility-level	Stocktaking of the emerging practices in sectors targeted by the crediting-related MRPs
Baselines setting at the sectoral level	Country specific case studies (building on the PMR TN #5 on baselines)
Relationship between crediting instruments and INDCs	Exploring ways to align crediting with other national policies; evaluating its contribution to broader policy development and integration
Readiness for crediting & other types of climate finance (including RbF)	Synergies and differences in implementation of investment with climate and other benefits
Financial mechanisms for programs	Financial mechanisms for crediting-related programs, including sources of demand, and incentive schemes for private sector participation
Priority to piloting	Closing the gap between readiness and implementation
Jurisdictional approaches	Ways to address vertical coordination and better policy integration