Crediting-related activities under the PMR: suggested next steps

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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.
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

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

**Assessment of demand and financing mechanisms**

- November 2015

**Baseline setting at the aggregate level in the context of broader policy development**

- April 2016
- June 2016
- October 2016

- ✔ Bilateral consultations
- ✔ PMR working groups
- ✔ Crediting workshop

**MRV approaches beyond facility-level**

- November 2015

**PMR Crediting Guidance note**

- November 2016
For further information and input, contact:

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## 2. Ensure sound coverage under the Technical Work Program

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