



# PMR's POLICY ANALYSIS SUPPORT: STATUS UPDATE

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# PMR Policy Analysis Work Program: Background

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- **PA8:** Proposal on Upstream Policy Work (PMR Note PA8 2014-2)
  - **PA9:** Official launch of the program (Resolution No. PA9/2014-3)
  - **PA10:** Update on PMR Upstream Analytical Work
  - **PA11:** Update of the progress made and presentation on the “Checklist for Establishing Post-2020 Mitigation Scenarios”
  - **PA12:** Endorsement of the continuation of the work (Resolution No. PA12/2015-1)
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# PMR Policy Analysis Work Program: Scope of Work

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## 1. Additional and targeted support to countries

*... to help design and implement carbon pricing instruments that is outside the scope of the work under their existing MRPs.*

## 2. Policy analysis on “post-2020 mitigation scenarios”

*... to help countries establish their post-2020 mitigation scenarios and identify a package of effective and cost-efficient instruments (including carbon pricing instruments) to achieve mitigation and development goals*

# Update on Activities so far: Targeted Support to Countries

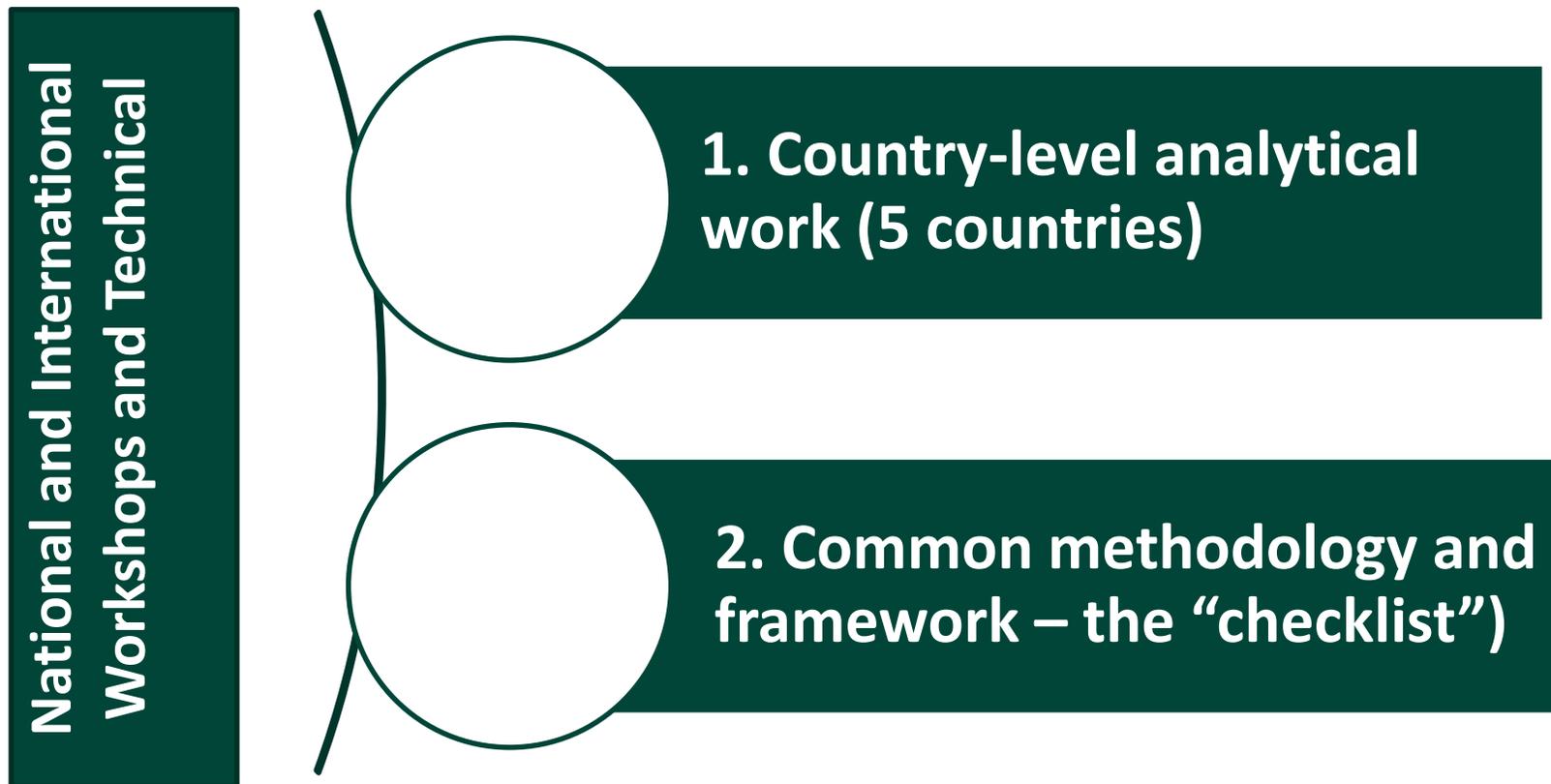
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- In response to recent domestic policy developments, **Chile** expressed interest in obtaining targeted support for the design and implementation of a carbon tax.
- Two studies examining:
  - (i) *Potential impacts from the implementation of the carbon tax*
  - (ii) *Interaction and consistency between the country's carbon tax and national energy policies and regulations*
- The outputs and recommendations of these studies will inform the carbon tax design and energy policy over the medium to long-term.

# Update on Activities so far: Policy Analysis Support on Post-2020 Mitigation Scenarios (1)

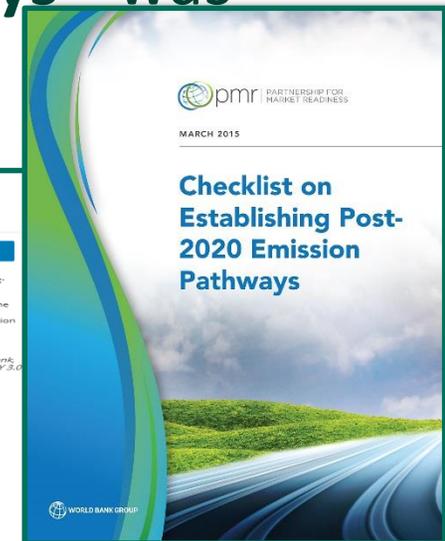
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- **Upstream Analytical Work on Setting Post-2020 Mitigation Scenarios consists of 2 works streams**



# Update on Activities so far: Policy Analysis Support on Post-2020 Mitigation Scenarios (2)

- ◆ Common technical guidance document - **Checklist on Establishing Post-2020 Emission Pathways** - was published in May 2015



- ◆ **Objective:** To help countries establish post-2020 mitigation scenarios and to identify a package of effective and cost-efficient policies, including carbon pricing instruments, to achieve their mitigation ambition.

# Update on Activities so far: Policy Analysis Support on Post-2020 Mitigation Scenarios (3)

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- Country-specific support in the first phase was provided to **Brazil, China, Costa Rica, Colombia and Peru**
- Analytical work was relevant for the in-country process of devising their INDCs, as well as contributed to refining their national mitigation targets, and reinforcing the objectives of the MRPs

| Country-specific Outputs   | Status   |
|--|--|
| Brazil: Report on low-hydrology scenarios (2015-2030)  | Completed – In editing phase   |
| China: Report on Policy Options for Mid- and Long-term Objectives  | To be completed by the end of October – To be launched at the COP21 side event |
| Colombia: Low Carbon Mitigation Scenarios (2030/2050) and macro-economic impact analysis   | Completed – in editing phase   |
| Costa Rica: Assessment of sector mitigation options and marginal abatement costs   | Completed – in peer review phase   |
|  Peru: 2015-2030 Low Carbon Mitigation Scenarios and macro-economic impact analysis | Completed – In editing phase   |

# Update on Activities so far: Policy Analysis Support on Post-2020 Mitigation Scenarios (4)

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## Technical Workshops and Consultations

|   |                               |
|---|-------------------------------|
| Technical workshop on “Approaches and Tools to Setting Mitigation Scenarios”                      | September 2014, Washington DC |
| A series of five in-country technical and consultation workshops                                  | January-February 2015         |
| Technical Workshop on “Understanding China’s INDC”  | May 2015, Washington, DC      |
| Technical Workshop on “Upstream Policy Analysis for INDCs: Approaches, Challenges, Opportunities” | May 2015, Barcelona           |
| Regional Latin-American INDC Workshop   | July 2015, Cartagena          |

*\*Upcoming events: Two side events at COP21 (LAC Countries and China) and Regional Workshop at the beginning of 2016.*

# Proposed Activities Going Forward: Context

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## ➤ Overall objective:

To identify a suitable package of policies and measures, understand their impacts and potential barriers, and achieve effective policy design

## ➤ Relevance:

1. For implementing the INDCs...
2. ...and using carbon pricing instruments toward meeting national and international post-2020 mitigation targets.

# Proposed Activities Going Forward: Approach

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... PMR's support under the policy analysis work stream will be streamlined around the following two groups of activities:

| Work Stream  | Activities  |
|--|---|
| <b>Modeling and Analytical Support</b>                           | Modeling and analytical support, and capacity building activities, specifically designed to the country's context and needs                                 |
|  | Cross-country knowledge exchange and modeling expert platform   |
| <b>Interactions between Carbon Pricing and Sectoral Policies</b> | Country-specific analytical studies on the issues around interactions between carbon pricing and other sectoral policies, including energy, transport, etc. |
|  | A number of workshops and meetings and cross-country analytical work  |

# Country-specific Support in FY16: Overview of EoIs

| Country         | Government Counterpart                              | Scope of PMR Support   |
|-----------------|---|--|
| <b>Chile</b>    | Ministry of Energy                                  | To assist the assessment and development of its INDC implementation strategy in the energy sector, including the role and analysis of carbon pricing instruments, while ensuring consistency with the forthcoming 2050 Energy Roadmap.   |
| <b>Colombia</b> | Ministry of Environment and Sustainable Development | To support the implementation of the mitigation actions, the identification and assessment of various policy instruments – including carbon pricing – which may play a role for in the INDC implementation process, and contribute to the overall mitigation goals of Colombia.  |
| <b>Morocco</b>  | Ministry of Environment                             | To carry out: (i) modeling of the socio-economic impacts of the GHG emissions reduction scenarios envisaged in the Moroccan INDC; (ii) modeling of the impacts of the renewable energy choices and increase of the share of renewables in the energy mix of Morocco on the biodiversity and natural habitats; (iii) capacity building on modeling techniques |
| <b>Peru</b>     | Ministry of Environment (MINAM)                     | To further inform the development of policy instrument options for mid- and long-term mitigation objectives in Peru in order to inform the articulation of INDC implementation strategies and actions, to ultimately achieve Peru’s mid- and long-term mitigation goals.   |
| <b>Vietnam</b>  | Ministry of Natural Resources and Environment       | To assess policy mix and financial actions needed to reduce GHG emissions in the future by estimating the emissions impact and resource requirements of the policy actions that are considered by the government in the context of climate change mitigation efforts and other government strategies   |

# Next Steps

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- The PMR Secretariat and the World Bank **will continue to carry out further consultations and refine the scope of proposed country work.**
- The PMR Secretariat **will inform the PA on the exact scope, timeline and resource allocation for analytical support.**
- From FY17 onward, the policy analysis work is expected **to be carried out within an integrated approach for funding additional activities under the PMR.**

# Thank You for Your Attention

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