

POLICY ANALYSIS WORK PROGRAM

UPDATE OF ACTIVITIES

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PMR Secretariat

Fifteenth Meeting of the Partnership Assembly
Hanoi, Vietnam
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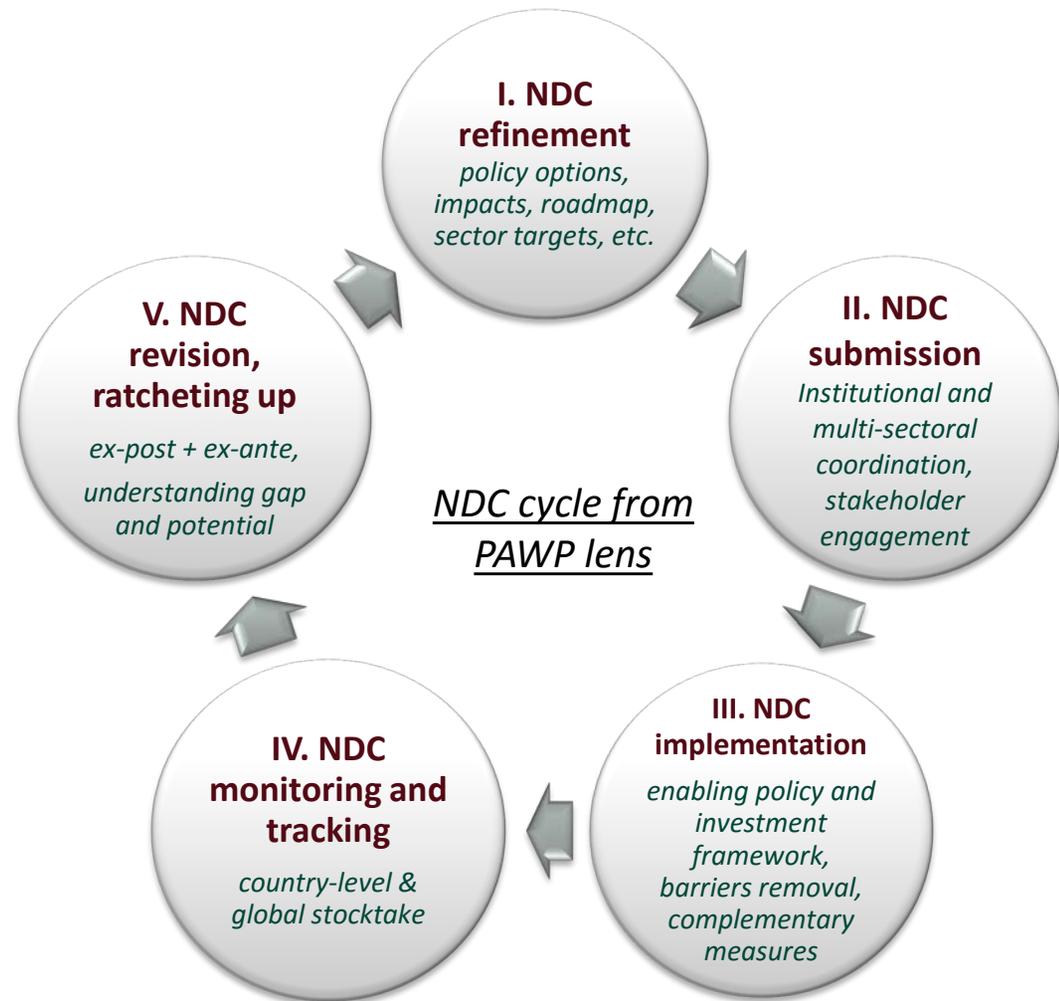
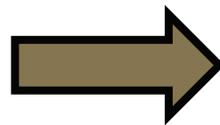
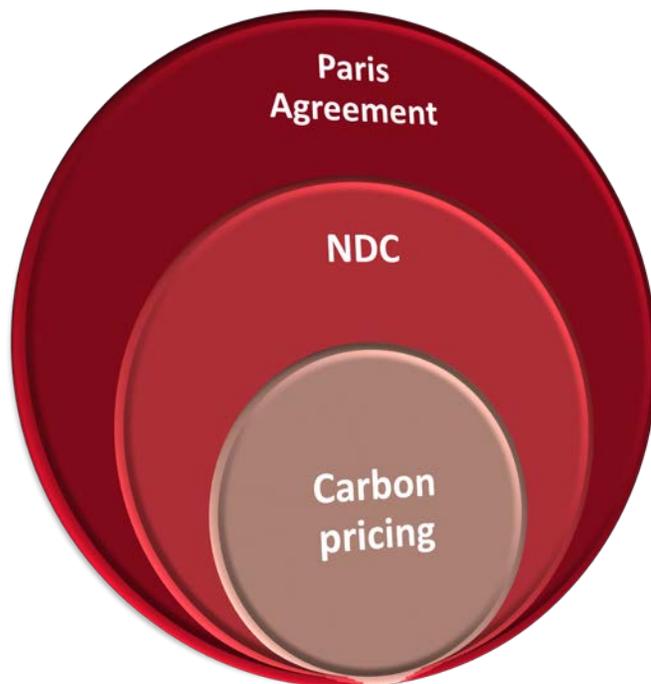
Contents

- Objective and strategic vision
- Framework
- Updates
 - Country-level
 - Program-level
 - Key events

Overarching objective and strategic vision

- Support the refinement and implementation of NDCs, through capacity building and analysis/modeling of policy instruments focusing on carbon pricing

- 2018: Facilitative dialogue
- 2020: Update NDCs
- 2023: Global stocktake
- 2025: Update NDCs
- 2028: Global stocktake



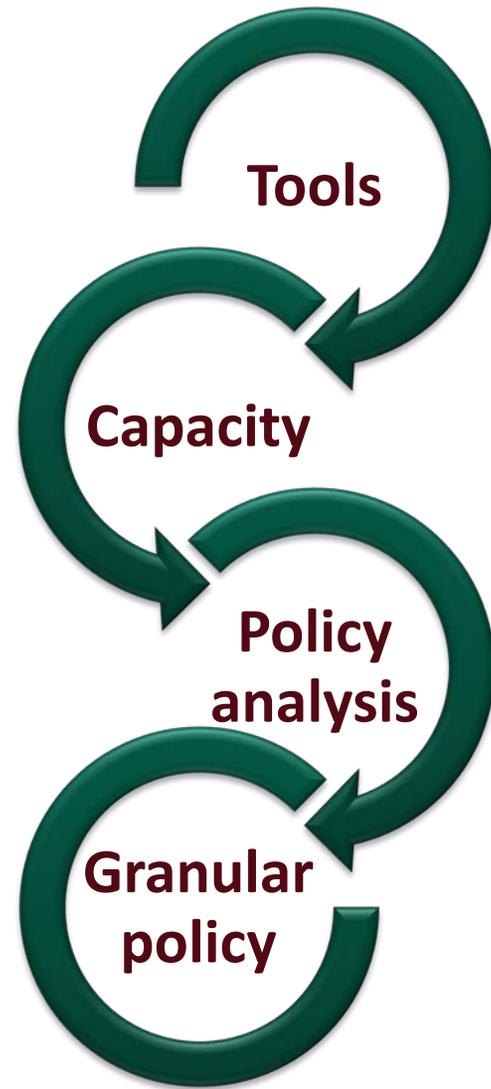
Key questions

- How to translate overall pledges and broad pillars into concrete actions and enabling policies?
- How to *prioritize* and *time* actions/policies under budget envelope?
- How to make NDC implementable, and implement it effectively?
- How has NDC performed?
- What are potential options for ratcheting up?
- ❖ *NDC process requires technical capacity, supported by appropriate analytical approaches/tools*

Framework of PAWP support

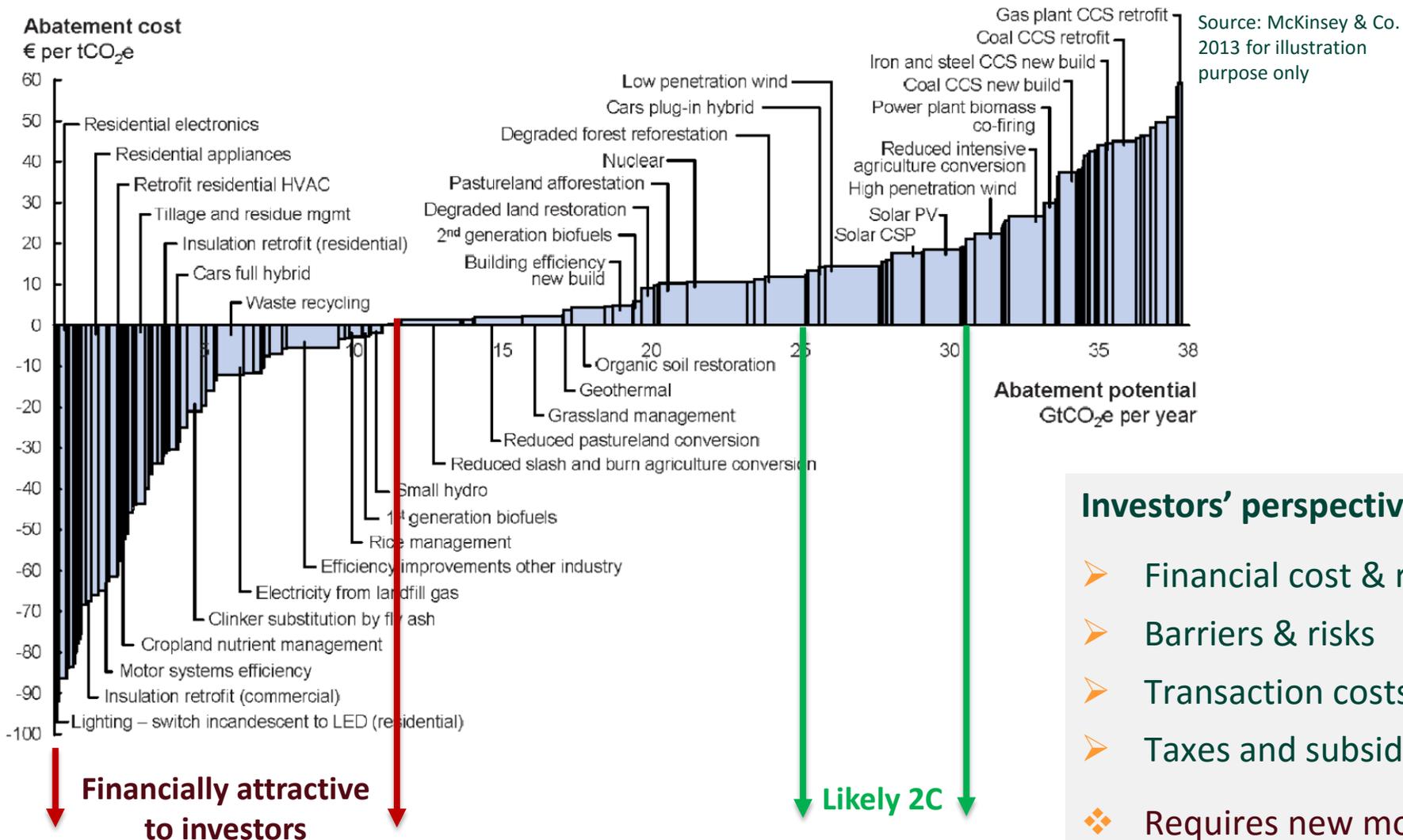
- Development of modeling tools and approaches
- Capacity building in modeling and policy analysis
- Modeling and analysis of
 - policy impact and policy interaction, as part of low emission pathways
 - policy design options
 - enabling policies/measures

❖ Country- and Program-level



Enabling policies to incentivize investment

Global GHG abatement cost curve beyond business-as-usual – 2030



Country-level: new activities

Country	Description	Framework	Relevance for NDC
Chile	Modeling of policy options and developing action plan for energy sector in NDC	Bottom-up energy and CGE models in tandem (2050)	Energy sector contribution and action plan
Colombia	Macro-economic modeling of carbon pricing instruments Modeling of ETS design options and design roadmap	CGE adaptation and soft-linking with bottom-up energy (2040)	Inform choice of carbon pricing instrument/s to support economy-wide NDC mitigation targets
Costa Rica	Developing modeling framework, database, and technical capacity for exploring decarbonization pathways to achieve NDC target	Bottom-up model with focus on energy and transport; aggregation framework for other sectors (2050)	Energy and transport sector contributions. Policy actions toward NDC

Country-level: new activities (cont'd)

Country	Description	Framework	Relevance for NDC
Morocco	<p>Developing NDC implementation strategies</p> <p>Rapid assessment of potential carbon pricing options</p>	<p>Bottom-up model with current focus on the building sector (2030). Plan to cover other NDC-relevant sectors. Investors' perspective approach</p> <p>Policy analysis and roadmap for carbon pricing</p>	Support NDC implementation
Turkey	Support for strengthening local modeling capacity and tools for analyzing mid- to long-term emission trajectory, policy options, and impacts	Marginal Abatement Cost curve tool (linked with CGE under MRP activity)	Refinement of NDC; Support NDC implementation
Vietnam	Assessing policy options that would simulate mitigation actions and private-sector investments toward meeting NDC targets	<p>Bottom-up energy model (power, industry), and Marginal Abatement Cost curve tool (2050)</p> <p>Investors' perspective approach</p>	Support NDC implementation

Country-level PAWP – observations

- More emphasis on capacity building than in the past
- Countries have utilized state-of-the-art tools in NDC preparation phase and have started applying them to support NDC implementation
- But none has planned for monitoring and tracking of NDC (and its components), nor further steps in the process
- The economics of NDC is ad-hoc and fragmented – no coherent framework for costing, cost-benefit analysis, and financing
- None has looked beyond the national boundaries, and toward exploring international/regional linkages and cooperation

Program-level: Carbon Pricing Simulation Tool

➤ Rationale

- Complement country-level modeling, through international linkages
- Direct use by policy makers and non-modelers, for policy analysis/discussion, developing consensus, and capacity building

➤ Characteristics

- **Target policies:** Carbon pricing instruments (domestic policies and international cooperation), as part of overall policy package;
- **Coverage:** Global, with individual ICPs – Modeling of specific scenarios for 4-5 ICPs is planned for FY17;
- **Impacts:** GHG emissions across NDC-relevant sectors, key macroeconomic indicators (e.g. GDP growth, competitiveness, international trade), sectoral/structure changes, co-benefits

Paving the Way for NDC Implementation

International Workshop, hosted by the government of Costa Rica and PMR

➤ Objectives

- Share NDC-relevant analytical approaches and modeling tools
- Provide hands-on and interactive training for non-modelers
- Build a network of colleagues and peers for experience sharing
- Identify critical gaps with respect to technical capacity and readiness toward NDC implementation → *further PMR support*

➤ Where & When

- Costa Rica, December 6-8, 2016

➤ Who

- Policy makers and experts involved/interested in the analytics needed to support NDC implementation

❖ Invitation forthcoming!

Paving the Way for NDC Implementation

	Theme	Topics	Approach
Day 1	Refining NDC in the context of Paris Agreement	<ul style="list-style-type: none"> • Policy options (including carbon pricing instruments) • Policy impacts (multi-dimensions) • Implementation roadmap (prioritization and timing) • Sector-level target setting 	<ul style="list-style-type: none"> • Expert presentation • Tool and model sharing • Hands-on training • Experience sharing
Day 2	Toward effective NDC implementation	<ul style="list-style-type: none"> • Enabling policy and investment framework • Investors' perspective and promoting private sector action • Policy package (including alignment and interaction) • Barriers removal • Complementary measures 	
Day 3	Ratcheting up NDC ambition	<ul style="list-style-type: none"> • NDC monitoring and tracking • Understanding mitigation gap and potential • NDC revision, ratcheting up • Global stocktake • International cooperation • Ex-post & ex-ante assessment 	

Other events

- ◆ Workshop on “*Understanding China’s NDC Ambition and the Role of the National ETS in Achieving It*” (Beijing, China – October 21st, 2016)
- ◆ COP22 side-event co-organized with the government of Morocco on “*Putting NDCs into Action: Effective Strategies for Attracting Investments*” to feature the work supported by the PMR in Vietnam, Morocco and Chile (Marrakech – Nov 10th, 2016 TBC)

Thank You for Your Attention



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