



Expert Meeting on Modeling of Carbon Pricing Instruments (April 24-25, 2013): Report to PMR PA

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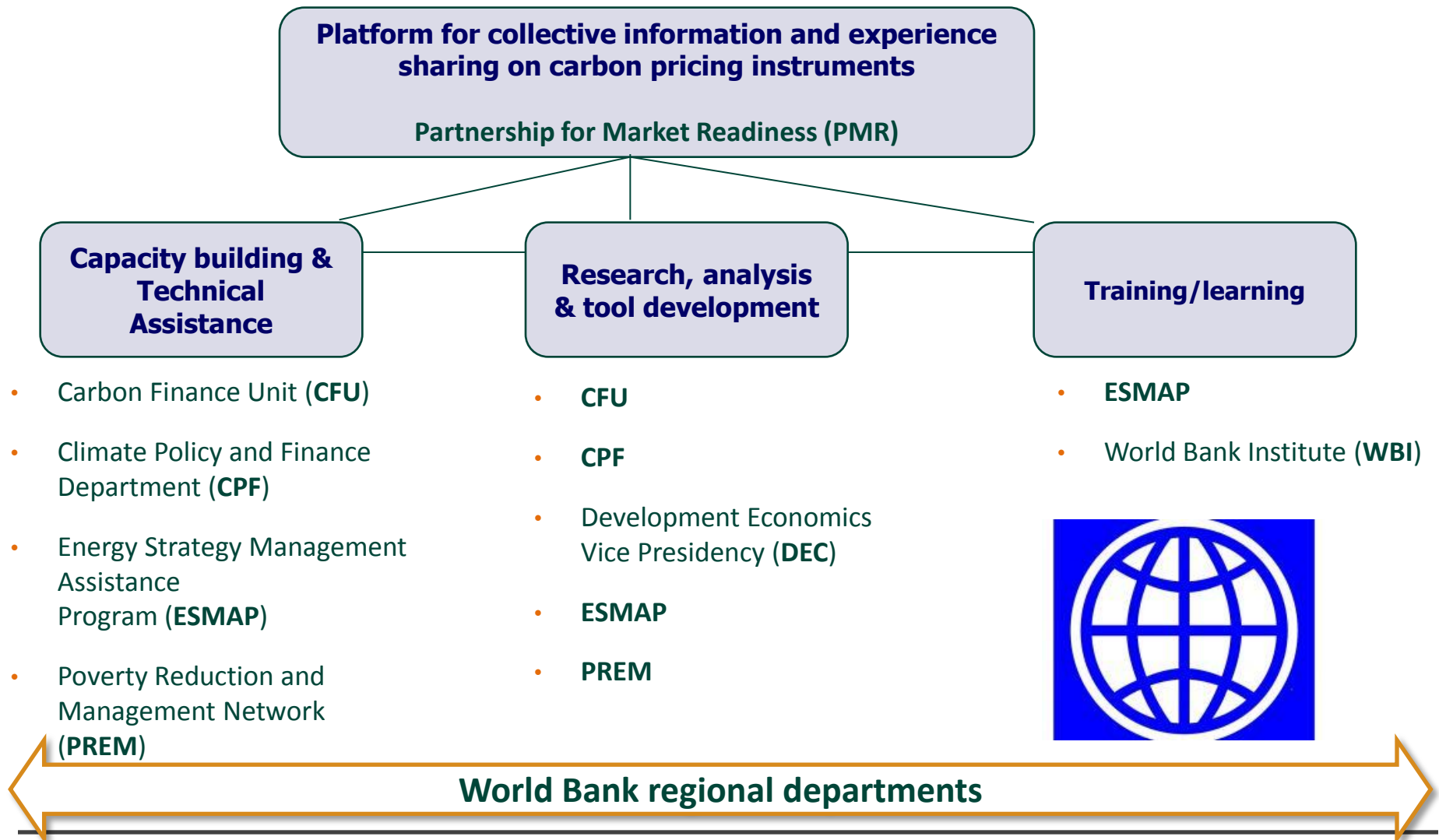
PMR Work on Modeling for Carbon Pricing - Origin

- ◆ Rationale/basis for inclusion of modeling for carbon pricing instruments in PMR Technical Workprogram
 - ◆ Important element of Market Readiness: modeling and assessment of carbon pricing options to build consensus on and inform design of carbon pricing policies
 - ◆ Present in several PMR Implementing Countries' Organizing Frameworks and MRPs
- ◆ Sydney PMR Technical workshop and feedback from PMR Participants



Proposed World Bank Approach to support country needs on Modeling of Carbon Pricing Instruments

- ◆ Collaboration between units/programs of the World Bank to **leverage expertise** in modeling and assessment of climate policies and **maximize synergies**:



Expert Meeting on Carbon Pricing Instrument – Objectives

- ◆ Took place on April 24-25, 2013 at the World Bank (Washington, DC)
- ◆ Objectives:
 - ◆ Facilitate knowledge and experience sharing
 - ◆ Enable a community of practitioners connecting government experts and modelers within and across countries;
 - ◆ Better understand and address questions and needs of countries; and
 - ◆ Provide inputs towards elaboration of a work program for providing systematic support to countries on modeling of carbon pricing instruments.



Expert Meeting on Carbon Pricing Instrument – Participation

- ◆ About 30 participants from:
 - ◆ 8 PMR Implementing Countries (Brazil, Chile, China, Colombia, Mexico, South Africa, Thailand, Vietnam)
 - ◆ 4 PMR Contributing Countries (Denmark, European Commission, Sweden, USA)
 - ◆ Experts from Institutions and organizations (American Enterprise Institute, Duke University, EMF, IMF, Oeko Institute, OECD, RGGI)
 - ◆ World Bank
- ◆ All presentations are on PMR website:
<http://www.thepmr.org/events/eventlist/other-events/expert-meeting-modeling-carbon-pricing-instruments-april-2012>



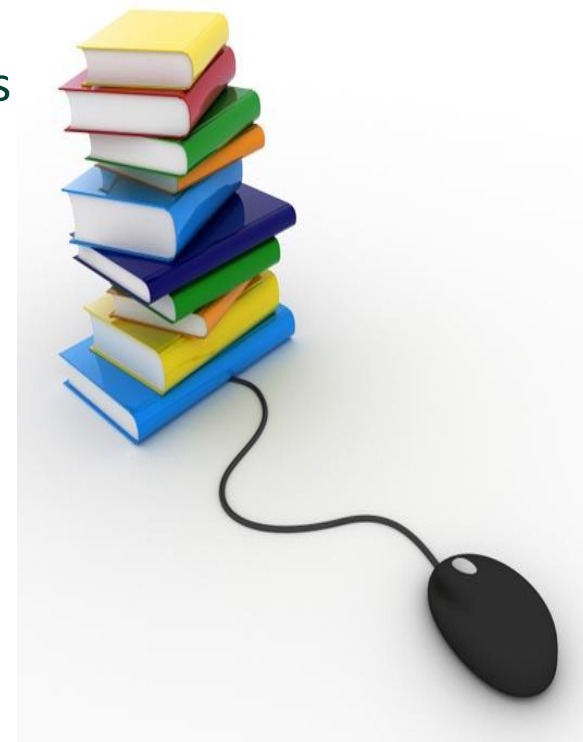
Expert Meeting agenda

1. Setting the Stage : Carbon Pricing Instruments and modeling tools
2. Foundation for a work program
 - Participants described their work, needs and gaps
 - World Bank gave overview of its activities in modeling and analysis of climate policy
3. Building scenarios
 - Baselines and low emissions development scenarios
4. Assessment of macro-economic & sector wide impacts
 - Experience and issues with computable general equilibrium (CGE) models and other macro-economic and sector models
5. Assessing impacts on industry
 - competitiveness, leakage & compensation measures
6. Assessing impacts on households
 - Distributional impacts and compensation measures
7. From Modeling outputs to inputs into policy discussions
8. Ideas and suggestions on workprogram elements

Compilations of ideas for work program elements (1/2)

Knowledge products

- ◆ **Mapping** of policy questions with modeling/tools. data and relevant country experience
- ◆ Knowledge products on key issues/topics, such as:
 - ◆ Modeling of **compensation measures**
 - ◆ **Interactions** between policies and C-pricing instruments
 - ◆ Modeling of **competitiveness**
 - ◆ Enhancing understanding of **limitations of economic modeling**
 - ◆ **Combining different modeling approaches/results** (integrating bottom-up and top-down; integration of electricity models)
 - ◆ Looking at **non-GHG benefits** of carbon pricing instruments
 - ◆ **Data and assumptions** for modeling
 - ◆ **Simulations**



Compilations of ideas for work program elements (2/2)

Technical meetings/trainings

- Capacity building and knowledge exchange
 - In-country (e.g., in-country training & support, and/or bringing-together modeling capacity within and outside government)
 - Regional trainings/workshops
 - International expert meetings and workshops
 - Cooperation with World Bank



Thank You

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