



Strategic Orientation of the PMR:
Upstream Analytical Work to Support Development of
Policy Options for Mid and Long-term Mitigation
Objectives

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- ◆ **Most countries are still at the stage of policy formulation**
 - Choice of instrument (e.g., carbon tax, ETS, others) requires significant upstream policy analysis
- ◆ **Setting a mitigation trajectory and identifying a package of efficient and effective policy instruments go hand-in-hand**
 - In preparing mid- and long-term scenarios, important to analyze potential roles of carbon pricing or market-based approaches
- ◆ **Consultative process and policy dialogue is critical for the relevance of the analytical studies**
 - The consultative process established through the MRP has proven useful for coalition building and for increasing understanding

- ◆ **The policy support is extension of the Building Block 2 of the MRP**
 - **BB2 is about emission trends, policy mapping, option assessment and choice of instrument**
 - **As the case for technical program, complementary policy support helps countries develop an integrated approach**
- ◆ **The support would leverage the World Bank's expertise in economic analysis, bringing mitigation agenda into development**
- ◆ **The PMR provides a valuable forum for technical experts and policy makers to exchange experience and lessons**
 - **The work is technical and should be disconnected from the negotiating process and political concerns**

Three indicative components:

◆ Policy mapping and policy option assessment

- Map relevant policies to ensure they are mutual supportive
- Assess options for “new” policies (such as a carbon pricing instrument)

◆ 2020 scenarios for economic growth and emissions

- Assessing policy options (including a carbon pricing scheme) in country’s 2020 scenarios

◆ Align economic growth with mid- to long-term mitigation and development goals

- Consider economic scenarios for 2030, 2040, and 2050
- Consider policy options and impact of economic instruments (including a carbon pricing instrument) in reaching long-term objectives

The list is not exhaustive - countries can opt for individual components or add new elements

- ◆ **Avoid-duplication of efforts**
 - Countries interested in the study need to take stock of exiting work, including the MRP
 - Closely coordinate with other organizations/initiatives
- ◆ **Leverage the MRP process**
 - Support policy work that is complementary-to the MRP work
- ◆ **World Bank staff work in partnership with governments, local think tanks (or academia), and international experts**

- ◆ **Analytical support is open to all PMR Implementing Country Participants**
- ◆ **Depending on availability of resources, support would start with a group of countries that convey interest and where the World Bank is able to build on existing capacity to deliver analytical support**
- ◆ **Countries are invited to express interest in the analytical work:**
 - The PMR Secretariat/World Bank will work with countries to identify scope, timetable, and cost

- ◆ **The PA has allocated funding for policy support (i.e., modeling work) in FY2014**
- ◆ **The PMR Secretariat seeks PA to allocate US\$10 million from existing trust fund to provide complementary support for policy analysis**
- ◆ **If there is strong interest from PMR Implementing Country Participants, the PMR Secretariat plans to raise more funding to provide support**

- ◆ **Depending on the scope, this work is expected to be completed within 1-2 years**
- ◆ **The PMR provides a valuable forum for knowledge sharing with the PA process**
- ◆ **The PMR Secretariat will update the PA on the status of funding allocation to studies and the impact on the overall budget**

The PMR Secretariat:

- ◆ **Seeks feedback and, if possible, endorsement, from the PA on the proposed modality for the complementary policy analytical support to Implementing Country Participants**
- ◆ **Implementing Country Participants are invited to express interest in seeking policy support**