

## **Technical workshop on scaled-up crediting approaches**

### **The implications of the Paris Agreement for a New Generation of International Market Mechanisms**

MAY 31-JUNE 1, 2016

WORLD BANK OFFICE, 66 AVENUE D'ÉNA, PARIS, FRANCE

#### **Objectives and structure of the workshop**

This workshop aims to clarify the current interpretations of the Paris Agreement relative to the scaled-up crediting and assess its implications for the ongoing and future capacity building and piloting initiatives. The workshop will provide timely contribution to the discussions on how the framework of the Paris Agreement should be shaped to build over time a robust basis for the international cooperation using market-based instruments. The main expected outcomes for the participants will include: (i) a better understanding of potential new market mechanisms under cooperative voluntary approaches (CVA) and the mechanism for mitigation and sustainable development; (ii) an increased awareness of the main design and implementation approaches and gaps for scaled-up crediting; and (iii) a collective analysis of the role result-based climate finance (RBCF) could play on the way forward.

The workshop builds on the “Technical Workshop on Scaled Up Crediting: Net Mitigation and carbon crediting beyond a project-by-project level” held by the World Bank (WB) in Bonn, Germany on June 16<sup>th</sup>, 2015 and the “Technical Workshop exploring scaled up crediting concepts to increase the greenhouse gas mitigation impact of a market mechanism” that the WB held on October 2<sup>nd</sup>, 2014 in its office in Paris, France. The Bonn workshop considered options to define the concept of net mitigation and to operationalize it within existing or new international market mechanisms and the Paris workshop clarified options for scaled-up crediting.

This two-day workshop will consider 5 main topics:

1. Paris and Bonn debrief: current interpretations and implications for crediting mechanisms;
2. Exploring different scopes of scaled-up crediting: design and implementation perspective;
3. Financing options to implement scaled-up crediting pre and post 2020;
4. Ensuring environmental integrity and transparency of crediting: policy and methodology agenda;
5. Bridging the transition from a Kyoto Protocol to Paris framework for crediting.

The working sessions will allow the participants to exchange their views and comments to stimulate capacity building and knowledge sharing.

This workshop targets interested participants of the various existing and planned initiatives led by the WB: Carbon Initiative for Development (Ci-Dev), Carbon Partnership Facility (CPF), Partnership for Market Readiness (PMR), Networked Carbon Markets (NCM), and the Transformative Carbon Asset Facility (TCAF) under preparation. The workshop also involves international market mechanisms stakeholders and leading experts. The workshop will build on recent analytical and on the ground work implemented with support from these initiatives.

Participation in the workshop is by invitation only.

## Agenda

### Day 1

08:30 – 09:00	Registration
09:00 – 09:15	<b>Opening Workshop and introduction to the agenda, Representative of Management, WB</b>
09:15 – 10:15	<p><b>Session 1 - Paris and Bonn debrief: current interpretations and implications for crediting mechanisms</b></p> <p><i>Paris delivered a new UNFCCC-governed crediting mechanism, applicable both in developing and developed countries (mechanism for mitigation and sustainable development, SDM). Paris also recognized cooperative voluntary approaches (CVAs) that enable international transfer of mitigation outcomes to be accountable against countries' mitigation pledges (in the form of nationally determined contributions (NDCs)). Following from the recent Bonn Climate Change Conference what are the current interpretations for scope and operationalisation of the CVA and SDM?</i></p> <ul style="list-style-type: none"> <li>– Moderator: Chandra Shekhar Sinha, WB</li> <li>– <b>Expert speakers:</b> <ul style="list-style-type: none"> <li>▪ Massamba Thiolye, UNFCCC (tbc) (20 min)</li> <li>▪ Andrew Howard (tbc) (20 min)</li> </ul> </li> <li>– <b>Discussion and Q&amp;A</b> (20 min)</li> </ul>
10:15 – 10:45	<b>Coffee break</b>
10:45 – 12:00	<ul style="list-style-type: none"> <li>– <b>Panel discussion</b> (45 min)</li> <li>– Moderator: Pedro Barata (Get2C) (tbc)               <ul style="list-style-type: none"> <li>▪ Thomas Forth, Germany (tbc)</li> <li>▪ Monica Echegoyen, (SEMARNAT, Mexico) (tbc)</li> <li>▪ El Hadji Mbaye Diagne, Senegal (tbc)</li> <li>▪ Yunus Arikian (ECLEI) (tbc)</li> <li>▪ Benoit Leguet, (I4CE) (tbc)</li> </ul> </li> <li>– <b>Discussion and Q&amp;A</b> (30 min)</li> </ul>
12:00 – 13:30	<b>Lunch</b>
13:30 – 14:45	<p><b>Session 2 - Implementation perspective: exploring different scopes of scaled-up crediting</b></p> <p><i>The Paris Agreement established high-level features of the new generation of crediting. While detailed modalities and procedures are yet to be defined, the current text seems to allow substantial flexibility for countries in terms of the scope of implementation and design of crediting activities. This session will examine how could the new mechanisms be designed to support targeted mitigation policies and options and how different will they be from Kyoto mechanisms. The requirements set in the Article 6 will be discussed, including regulations, global mitigation, transparency, avoiding double</i></p>

	counting, as well as methodological approaches and financing. The discussion will be structured around ongoing or planned activities in host countries.
13:15 – 14:30	<p><b>Crediting at the sectoral level: How could the new mechanism(s) be designed to support sectoral mitigation? What do we know about baseline setting for sectoral crediting in the context of NDCs?</b></p> <p><i>Chair: Randall Spalding-Fecher, Carbon Limits (tbc)</i></p> <ul style="list-style-type: none"> <li>- <b>Introduction to sectoral baseline setting in the context of NDCs: example of Vietnam industrial sectors, PMR consultant (tbc) (15 min)</b></li> <li>- <b>Piloting scaled-up crediting in Sri Lankan power sector: understanding contribution of crediting to the implementation of NDC, Harikumar Gadde (WB) &amp; Sri Lanka (tbc) (20 min)</b></li> <li>- <b>Developed country's perspective on sectoral crediting: overall context and crediting ambition, Ulrika Raab, Sweden (tbc) (15 min)</b></li> <li>- <b>Discussion and Q&amp;A (25 min)</b></li> </ul>
14:30 – 15:45	<p><b>Crediting to support subnational actions: How could the new mechanisms support cities and national governments to achieve urban mitigation at scale?</b></p> <p><i>Chair: Jorge Wulpert (SEDATU, Mexico) (tbc)</i></p> <ul style="list-style-type: none"> <li>- <b>Setting the context: Crediting for cities, Alexandrina Platonova-Oquab, WB (15 min)</b></li> <li>- <b>Exploring opportunities to use international crediting to support scaled-up urban mitigation action, TGO, Thailand (tbc) (20 min)</b></li> <li>- <b>Assessment of city programs in Thailand for fungibility in international markets: application of the Mitigation Action Assessment Protocol, Miguel Rescalvo (NCM) (tbc) (15 min)</b></li> <li>- <b>Developed country's perspective on urban mitigation, Victoria Volossov, UK (tbc) (10 min)</b></li> <li>- <b>Discussion and Q&amp;A (25 min)</b></li> </ul>
15:45 – 16:15	<b>Coffee break</b>
16:15 – 17:30	<p><b>Supporting policy-driven mitigation: How could the new mechanisms and RBCF be designed to reward mitigation impacts of policies?</b></p> <p><i>Chair: Klaus Oppermann, WB</i></p> <ul style="list-style-type: none"> <li>- <b>RBCF and feed-in tariffs for renewables, Chebet Maikut, Uganda (tbc) (15 min)</b></li> <li>- <b>Supporting carbon pricing policies through crediting and RBCF, Peter Wooders, IISD (tbc) (15 min)</b></li> <li>- <b>Developed country's perspective on the opportunities for policy crediting, Sigurd Klakeg, Norway (tbc) (15 min)</b></li> <li>- <b>Discussion and Q&amp;A (30 min)</b></li> </ul>
17:30 -17:45	<b>Wrap-up and quick overview of day 1, Representative of Management, WB</b>

**Day 2**

08:30 – 09:00	<b>Coffee</b>
09:00 – 09:15	<b>Opening and introduction to the agenda for Day 2, Representative of Management, WB</b>
09:15 – 10:45	<p><b>Session 3 - Financing options to implement scaled-up crediting pre and post 2020.</b></p> <p><i>This session will discuss the financing sources that countries may want to mobilize to support piloting and implementation of scaled-up crediting programs and clarify current expectations from buyers and sellers of credits. The panel discussion will focus on opportunities to diversify financing options (e.g., targeting both carbon markets and RBCF) and ways to mobilize domestic financing resources to bridge the demand gap, including attracting private investment, and considering the expected contribution of crediting to the implementation of (i)NDCs.</i></p> <ul style="list-style-type: none"> <li>– Moderator: Jane Wilkinson (CPI) (tbc)</li> <li>– <b>Assessing sources of demand: international and national perspective, Pedro Barata, GET2C (tbc) (20 min)</b></li> <li>– <b>Discussion and Q&amp;A (15 min)</b></li> <li>– <b>Panel discussion:</b> <ul style="list-style-type: none"> <li>▪ Jose Andreu (WB) (tbc)</li> <li>▪ Climate Finance Perspective (Representative of Green Climate Fund) (tbc)</li> <li>▪ IGES (Japan) (tbc)</li> <li>▪ Martin Berg, European Investment Bank (tbc)</li> </ul> </li> <li>– <b>Discussion and Q&amp;A (25 min)</b></li> </ul>
10:45 – 11:00	<b>Coffee break</b>
10:45 – 12:15	<ul style="list-style-type: none"> <li>– <b>Host counties perspective:</b> <ul style="list-style-type: none"> <li>▪ <b>Attracting climate and carbon finance flows to support implementation of (i)NDC, Silvia Charpentier (Costa Rica) (20 min)</b></li> <li>▪ <b>Exploring domestic sources of financing to bridge the gap for crediting pilots, Sebastian Lema, National Planning Department (Colombia) (tbc) (20 min)</b></li> </ul> </li> <li>– <b>Discussion and Q&amp;A (25 min)</b></li> </ul>
12:15 – 13:15	<b>Lunch</b>

13:15 – 15:00	<p><b>Session 4 – Ensuring environmental integrity and transparency of crediting: policy and methodology agenda</b></p> <p><i>The session will explore the critical tools for ensuring environmental integrity and transparency under the SDM, CVA and RBCF mechanisms. How to take into account a new policy context where all the Parties have announced their (i)NDCs in setting expectations and designing scaled-up crediting programs? How to account for the mitigation value of programs under the SDM and CVA to ensure global mitigation? How to set-up the reporting systems to avoid double counting? How and where could the existing crediting infrastructure and systems support new market mechanisms?</i></p> <p><i>Chair: Andrei Marcu (tbc)</i></p> <ul style="list-style-type: none"> <li>- <b>Key note speaker: Michael Lazarus, SEI (tbc) (20 min)</b></li> <li>- <b>Panel discussion:</b> <ul style="list-style-type: none"> <li>▪ <i>Stephane Hoch, Perspectives (tbc)</i></li> <li>▪ <i>PMR consultant (tbc)</i></li> <li>▪ <i>Switzerland (tbc)</i></li> <li>▪ <i>Juan Pedro Searle (Chile) (tbc)</i></li> <li>▪ <i>Morocco (tbc)</i></li> </ul> </li> <li>- <b>Discussion and Q&amp;A (25 min)</b></li> </ul>
15:00 – 16:30	<p><b>Session 5 - Bridging the transition from a Kyoto to Paris framework for crediting</b></p> <p><i>The session will build upon the previous sessions to suggest priorities for the methodology and policy work program on scaled-up crediting. The discussion will help to ensure that the critical issues are covered and the outcomes of the policy and methodology work are reaching relevant stakeholders and is well communicated to policy makers to ensure that it could effectively contribute to shaping the future mechanisms and approaches.</i></p> <p><i>Chair: Felicity Spors, World Bank (tbc)</i></p> <ul style="list-style-type: none"> <li>- <b>Framework for piloting scaled-up crediting programs: would there be any preferred option(s) to test new approaches? Pedro Barata, GET2C (tbc) (15 min)</b></li> <li>- <b>How could the work program support the UNFCCC negotiating process, Sandra Greiner, Climate Focus (tbc) (15 min)</b></li> <li>- <b>Round table discussion on different perspectives on the work program priorities (45 min)</b></li> </ul>
16:30 – 17:00	<p><b>Wrap-up and closing, Representative of Management, WB</b></p>