Market Readiness Proposal (MRP) of Turkey

Summary of Expert Group Feedback

Country: Turkey
On Behalf of PMR Expert Group: Bahar Ubay
Date of presentation: March 11, 2013
Outline of Presentation

1. Purpose of Presentation
2. Brief Description of PMR Expert Feedback Process
3. Overall Impressions of Draft MRP
4. Specific Suggestions/ Issues Raised in Expert Group Feedback
5. Key Challenges and Suggestions Going Forward
Purpose and Objective

◆ Comments presented here correspond with feedback on Turkey’s January 15, 2013 draft MRP

◆ The revised MRP incorporates suggestions from the expert reviewers and the PMR Secretariat

◆ The purpose of this presentation is to highlight key issues discussed during the draft MRP review period
**Brief description of PMR Expert Feedback Process**

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<thead>
<tr>
<th>PMR Expert Group</th>
<th>Feedback Process</th>
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<tbody>
<tr>
<td>• Bahar Ubay</td>
<td>• Draft MRP provided to PMR Secretariat &amp; Expert Group (Jan 15)</td>
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<td>• Felix Matthes</td>
<td>• Draft feedback provided</td>
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<td>• Jürg Füssler</td>
<td>• Expert group conference call (Jan 23)</td>
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<td>• Consolidated feedback provided to country team (Jan 24)</td>
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<td>• 2 and half day in-country meeting to discuss feedback and strategies to advance the MRP (Jan 28 &amp; 30)</td>
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<td>• Revised MRP provided to PMR Secretariat (Feb 25)</td>
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## Overall impressions of the Draft MRP

| Approval of MRV regulation in 2012 and consequent sub-legislation preparation activities are to build a strong foundation for market mechanism instruments of the MRP |
| Demonstrates a clear plan and commitment to leverage funds from complementary initiatives through bi-lateral donors and the government |
| Allows on a range of market-based instrument options to apply for either ETS or crediting systems |
Building Block 1 – Expert Group Feedback

◆ Overall impression: Provides a concise overview of historical data and trends, including quantitative descriptions of trends at an aggregate level

◆ Specific feedback
  ▪ Use National Climate Change Strategy & Action Plan and its objectives to bolster rationale for following BBs;
  ▪ Include a general introduction to existing and planned work on GHG inventories and emissions projections
  ▪ Provide analysis of key drivers behind trends, including publicly available projections on emissions growth
Building Block 2 – Expert Group Feedback

◆ Overall impression: Provides valuable insight into dynamics of key sectors and context for including a market based mechanism in a NAMA framework

◆ Specific feedback
  ▪ Include analysis of interaction between existing strategies and policies and planned market-based mechanisms
  ▪ Provide in-depth discussion of target sectors
  ▪ Include regulatory impact assessments of selected sectors for implementation of pilot schemes
Building Block 3 – Expert Group Feedback

◆ Overall impression: Provides important information on existing GHG data sources, Turkey’s MRV regulation and sketches elements of a proposed “flexible support mechanism for MRV”

◆ Specific feedback:
  ▪ Identify gaps between existing regulatory, institutional, technical capabilities and needs to implement market based mechanisms (including MRV systems), and prioritize activities to prepare for market readiness
  ▪ Regarding target setting, discuss how existing and planned targets might be broken down into sectoral targets
Building Block 4 – Expert Group Feedback

◆ Overall impression: Describes key components of a process to develop market mechanisms, including an analysis of options at the national level.

◆ Specific feedback
  
  ▪ Provide linkages between the activities BB4 and other sections in the MRP to build an integrated description of Turkey’s climate change policies and programs
  
  ▪ Include decision-making roadmap to establish a market-based mechanism, including separate pathways for ETS, crediting mechanisms, and other options.
  
  ▪ For targeted sectors, describe cap setting, baseline, allocation, and cost-effective analytical work
  
  ▪ Discuss plan to ensure fungibility of offsets with other programs and standards
Building Block 5 – Expert Group Feedback

◆ Overall impression: Provides a description of the relevant ministries and institutions to establish a market mechanism within the context of Turkey’s Coordination Board on Climate Change

◆ Specific feedback
  - Develop a three-phase approach to coordinate institutional involvement and cooperation, as well a communication strategy
    1. Preparatory phase
    2. Pilot phase
    3. Implementation Phase I & II
Building Block 6 – Expert Group Feedback

◆ Overall Impressions: Include useful costs assumptions associated with activities and deliverables

◆ Specific feedback
  ▪ Consider sequencing activities to build a market mechanism program according to priorities
  ▪ Revisit the proposed budget after incorporating feedback to Building Blocks 1-4
Key challenges and suggestions going forward

- Development of a clear objective and decision-making road map to inform the process to choose a market-based mechanism, e.g.,
  - Cap and trade
  - Crediting mechanism

- MRV
  - Identify companies to start pilot testing MRV rules
  - Assist companies and all relevant stakeholders to develop GHG monitoring plans
  - Establish system to collect output data for benchmarking