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# **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

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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

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- ◆ 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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## PMR Expert Group

- Bahar Ubay
- Felix Matthes
- Jürg Füssler

## Feedback Process

- Draft MRP provided to PMR Secretariat & Expert Group (Jan 15)
- Draft feedback provided
- Expert group conference call (Jan 23)
- Consolidated feedback provided to country team (Jan 24)
- 2 and half day in-country meeting to discuss feedback and strategies to advance the MRP (Jan 28 & 30)
- Revised MRP provided to PMR Secretariat (Feb 25)

# Overall impressions of the Draft MRP

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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

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- ◆ 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

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- ◆ 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

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- ◆ 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

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- ◆ 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

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- ◆ 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

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- ◆ 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

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- ◆ 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