



Partnership for Market Readiness

27 June, 2017

About PMR

Partnership for Market Readiness (PMR)

- A fund to support countries in assessing, preparing, piloting, and implementing carbon pricing instruments, including market-based approaches, in order to scale up greenhouse gas mitigation.
- PMR also serves as a platform for countries to share knowledge and work together to shape the future of cost-effective climate change mitigation

Expression of Interest and Organizing Framework

- Implementing Country Participants present an Organizing Framework to the Partnership Assembly (PA) for the scoping of PMR activities and funding needs
- PA decides on allocation of funding of US\$350,000 for the Preparation Phase

Preparation Phase

- Implementing Country Participants formulate an MRP
- Participants, experts, and the Secretariat provide feedback on each MRP
- PA decides on allocation of funding in the amount of US\$3.5 or 8 million for the Implementation Phase

Implementation Phase

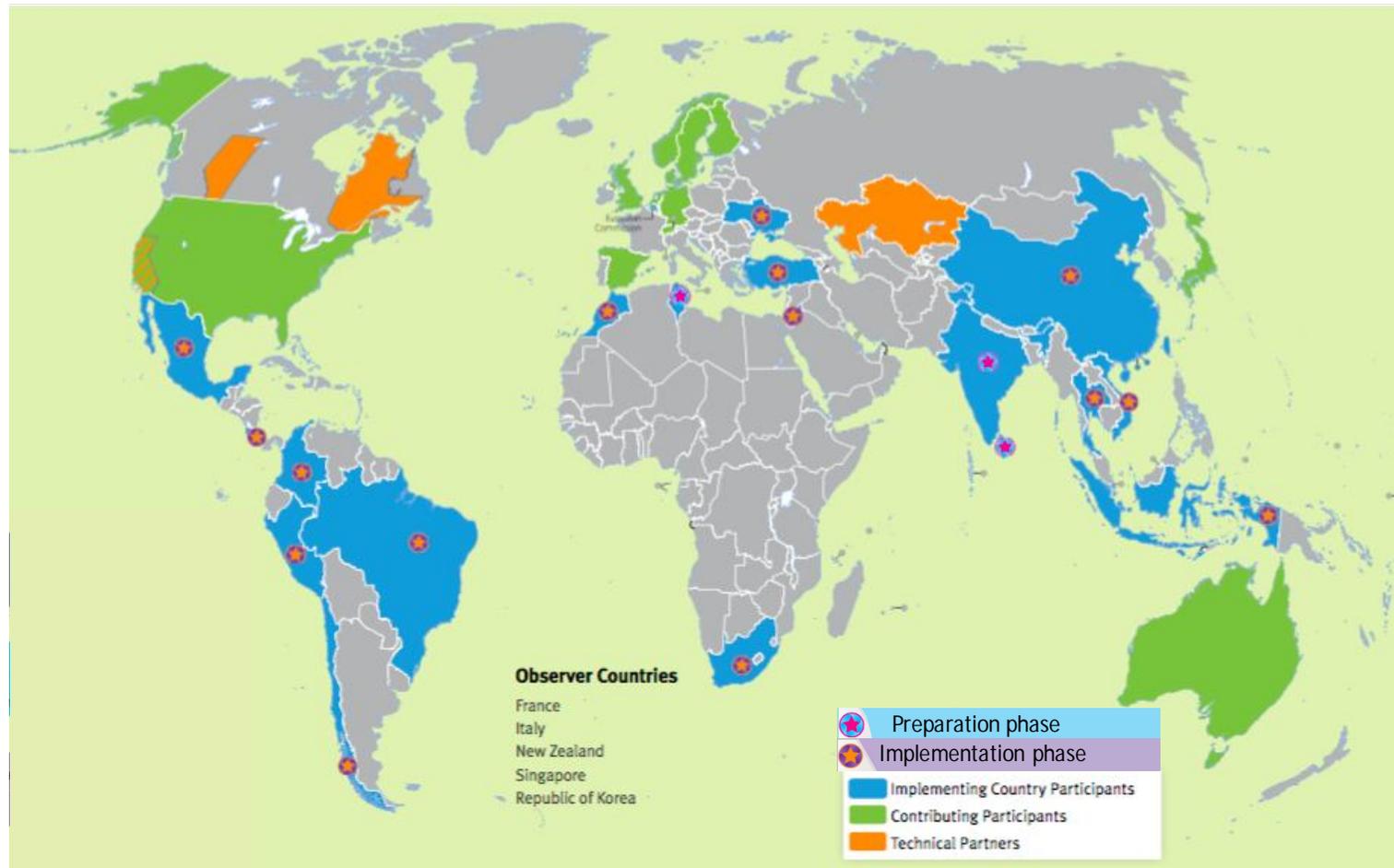
- With support from a Delivery Partner, the activities laid out in the MRP are implemented.
- This includes building readiness components and piloting carbon pricing instruments where possible

Participating Countries

- **Contributing Participants:** Provide financial support to the PMR Trust Fund
- **Implementing Country Participants:** Receive funding and technical support

Together, they constitute the Partnership Assembly (PA), the PMR's decision-making body.

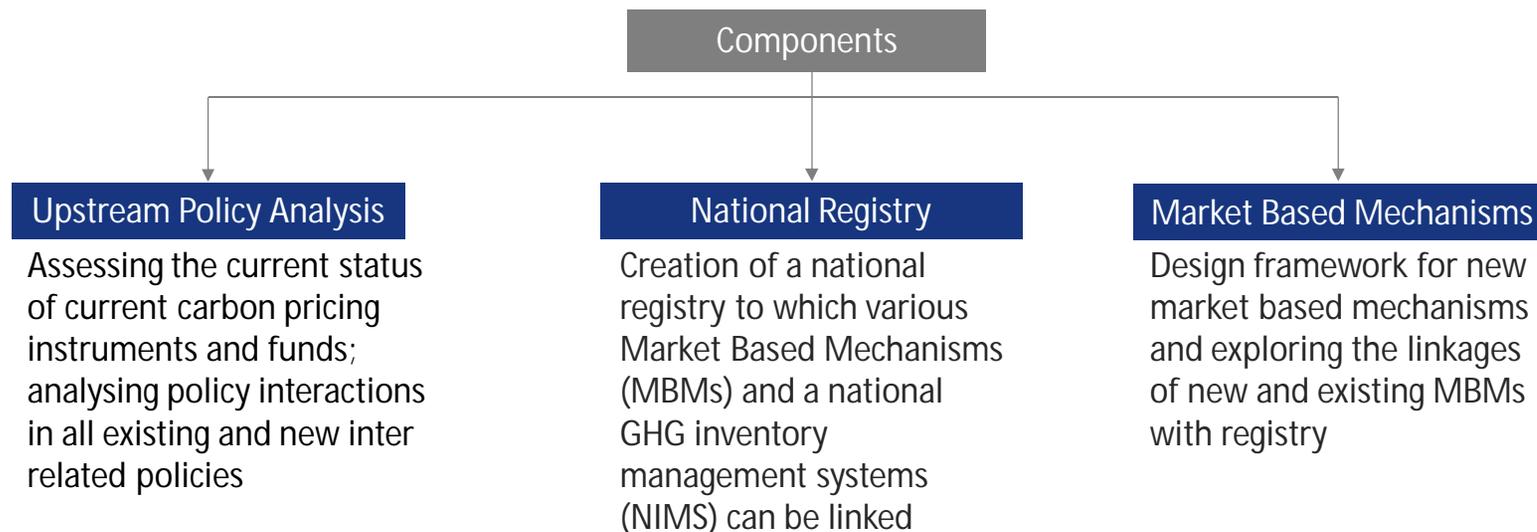
- **Technical Partners:** Countries or sub-national jurisdictions that are at an advanced stage of implementing a carbon pricing instrument, and engage with the PMR through collaborative activities



India's MRP

India's Participation in PMR

- India is preparing to initiate implementation of its Market Readiness Proposal
- At the PA meeting held in Delhi in March 2017, India's MRP was approved
- The objective of India's MRP is to create an effective centralized data management and registry system to capture GHG emissions data and enable implementation of MBMs which support issuance, transfer, and cancellation of credits



Upstream Policy Analysis

- Prioritized list of policies and policy instruments in key sectors
- Developing optimum policy-packages by analysing policy interactions in all existing and new inter related policies
- Preparing institutional strategy and roadmap for implementation of MBMs through needs assessment
- Assessment of current status of PAT and REC mechanism along with identification of achievements and/or challenges in implementation
- Assessing the current status of current carbon pricing instruments and funds like NCEF

National Registry



- **Objective**

- Serve as a robust domestic GHG reporting and management system
- Enable the design and implementation of market-based mechanisms

- **Key Tasks under MRP**

- Identify key roles and responsibilities of various actors
- Identify legal and infrastructural requirements
- Estimate cost of implementing the registry

Market Based Mechanisms

A green credit is intended to help “link” existing and new market based mechanisms by determining their mitigation value using a co-benefits framework.



Existing MBMs and lessons

- Overcoming barriers in implementing REC through barrier analysis
- Supporting expansion of the PAT to enhance coverage of emissions reductions through scoping studies for widening & deepening PAT

Development of new MBM

- Select new MBM on the basis of robust selection criteria
- Development of detailed project report for MBM and pilot to be implemented
- Pilot new MBM

Potential for Linking

- Possible forward and backward linkages of the registry, including to a national GHG inventory management system (NIMS)
- Explore linking various MBMs and enhance fungibility

Annex

Summary of country work programs under PMR (1/2)



ARGENTINA

Argentina explores the choice of policy instruments that support meeting mitigation objectives of its NDC, such as assessing renewable energy and energy efficiency certificates trading and scoping out RBF approaches in key sectors.



BRAZIL

The PMR supports Brazil to explore various carbon pricing instruments by carrying out analytical studies on alternative policy design options, assessing their impacts, and building modelling capacity.



CHILE

The PMR supports the preparation and implementation of a carbon tax in Chile. PMR activities also include building capacity in the public and private sectors for the design and implementation of an MRV framework and GHG registry.



CHINA

PMR funding supports the design and implementation of key building blocks for China's national ETS, with particular focus on inclusion of the electricity sector and state-owned enterprises.



COLOMBIA

The PMR supports Colombia to develop crediting Nationally Appropriate Mitigation Actions (NAMAs) in the transport sector as well as a domestic offset scheme. Colombia is also working on the introduction of vehicle performance standards.



COSTA RICA

The PMR supports the development of a domestic carbon market in Costa Rica by stimulating demand through promotion of voluntary actions and assessment of regulatory instruments, and fostering supply through the development of sector mitigation programs.



INDIA

The PMR supports India to build a centralized GHG data management system that can support various market-based instruments (MBIs) that could be integrated with the national GHG inventory.



INDONESIA

PMR funding in Indonesia is used to explore possible suitable carbon pricing or market-based instruments to achieve mitigation as well as to design an MRV framework in the power and pulp and paper sectors.



JORDAN

The PMR supports Jordan to develop an MRV framework as well as provide technical assistance to enhance the capacity and readiness of public and private sector actors for climate financing and carbon market.



MEXICO

In Mexico, PMR funding supports the establishment of a national GHG emissions registry and the development of an MRV system for crediting of urban housing and transport NAMAs.

Summary of country work programs under PMR (2/2)



MOROCCO

The PMR supports Morocco to pilot market-based approaches in selected sectors and to build carbon market infrastructure, including a GHG registry and an MRV framework. It also explores ways to integrate with international carbon markets



PERU

PMR activities in Peru consist of developing the building blocks of a national mitigation action management system, including GHG data reporting and emissions registry; and designing GHG crediting instruments for pilot mitigation actions.



SOUTH AFRICA

The PMR provides support to South Africa to strengthen preparedness for a carbon pricing instrument, as well as to refine the design of its carbon tax through analytical work. The PMR also supports the design of a related carbon offset scheme and capacity building to enhance data management and MRV systems.



SRI LANKA

The PMR provides support to Sri Lanka to develop a national MRV system and registry. In addition, it builds institutional and regulatory capacity as well as enhances and strengthens the domestic voluntary carbon offsetting scheme.



THAILAND

In Thailand, the PMR supports the design of an Energy Performance Certificate scheme and prepares infrastructure such as a database and MRV system. PMR activities also include a study on the legal framework for an ETS and preparation of the Low Carbon City Program and Fund.



TUNISIA

PMR support to Tunisia includes development of sectoral crediting mechanisms in the cement and electricity sectors, as well as a national registry of mitigation initiatives and financing sources.



TURKEY

The PMR provides support to Turkey to pilot MRV in several sectors to support implementation of the mandatory government program on MRV. In addition, the PMR supports capacity building on carbon pricing instruments and lays out design options and a road map toward the implementation of an ETS.



UKRAINE

PMR activities in Ukraine focus on design and implementation of MRV regulation and systems in the energy and industry sectors and supports development of a regulatory framework for a national ETS.



VIETNAM

In Vietnam, PMR support is strengthening capacity for carbon pricing approaches to mitigation, including through the use of MBIs, in the steel and solid waste sectors.

Linkages: National Inventory Management System (NIMS)

- **Objectives**

- Establish a long-term institutional structure for periodic and continuous flow of GHG inventory for Biennial Update Report and National Communications
- Meet transparency framework requirements under the Paris agreement

- **Components**

- Identifying existing data and registry systems which can be linked to MBMs
- Institutional arrangements for implementation
- Reporting formats and data documentation protocol
- Quality assurance and control
- IT Infrastructure and archiving system
- National inventory improvement plan

- **Key Tasks under MRP**

- Assess status of existing data management systems
- Explore potential for designing a coordinated NIMS
- Estimate cost of implementing the NIMS