MITIGATION ACTION ASSESSMENT PROTOCOL (MAAP)
World Bank Networked Carbon Markets Initiative

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Objectives

- Rationale and objectives of the Mitigation Action Assessment Protocol (MAAP).
- Development process.
- Lessons Learned from pilots.
New Carbon Markets Landscape

• from a single internationally accepted mechanism based on projects to a diversity of initiatives:
  • More diverse in nature - projects/policies
  • Regional, National and Sub National actions
  • Have different timeframes - short vs very long
  • One sector or multi sectorial

• Under different regimes or based on self imposed targets
• No global governance - bottom up approach
• Multiple market instruments

Heterogeneous carbon markets
Negotiate differences away
OR
Networked approach
A linked international carbon market is desirable

Governments and market participants need information about the schemes that they link with and the carbon assets that are imported

Governments should have the sovereignty to act responsibly on the information about the schemes that they link with and the carbon assets that are imported
Value of Carbon Assets

- Mitigation Value
- Compliance Value
- Financial Value
Compliance Value

- Set by regulator.
- The regulator decides
  - What assets to accept
  - The compliance value of a unit under its jurisdiction
Mitigation Value

PROGRAM LEVEL: Risk relating to the characteristics of a specific program

POLICY LEVEL: Risk relating to the characteristics of a jurisdiction’s collective low-carbon policies

CONTRIBUTION TO A GLOBAL TARGET: Risk relating to the characteristics of a jurisdiction’s contribution to addressing global climate change
Mitigation Value as input to Compliance Value

Mechanics
- How to translate rating into rates?

Governance
- Who sets the rates?
- What is the role of Compliance Value?
- What is the role of regulators versus market participants?

Frequency:
- What is the frequency at which they should be set?
Mitigation Action Assessment Protocol
• Developed by DNV GL
• Expert Reviewed by IISD and New Climate Institute.

PROGRAM LEVEL: Risk relating to the characteristics of a specific program

POLICY LEVEL: Risk relating to the characteristics of a jurisdiction’s collective low-carbon policies

CONTRIBUTION TO A GLOBAL TARGET
Risk relating to the characteristics of a jurisdiction’s contribution to addressing global climate change

Mitigation value
Goals and MAAP Structure

Key indicators weighting average
Higher weight will assign a larger impact

Module area weighting
relative importance of each risk area within a module

Module’s assessment result

Key Indicators score
- Score range for each level of development
  - Default
  - Override score
- Level of confidence
MAAP - Assessment Modules and Areas

Mitigation Action Program
- Definition & Scope
- Objectives & Targets
- Planning
- Roles, Responsibilities & Authorities
- Barriers
- Emissions reduction from Intervention
- Monitoring and Reporting

Mitigation Action Mngt Entity
- Management Framework
- Financial and Investment Capacity Framework
- Climate Change Programs Management

Investment Environment
- Economic and political environment
- Climate Change Capacity

Level of Ambition
- Level of ambition
- Alignment and focus

Development Benefits
- Sustainable Dev. Objectives & Targets
- Planning & Participation
- Monitoring of Sust. Dev.

Emissions Integrity

Mitigation Value
MAAP- Assessment Modules and Areas

Mitigation Action Program

- Definition & Scope
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MAAP- Assessment Modules and Areas

Mitigation Action Management Entity
- Management Framework
- Financial and Investment Capacity Framework
- Climate Change Programs Management
MAAP - Assessment Modules and Areas

Investment Environment

- Economic and political environment
- Climate Change Capacity
MAAP - Assessment Modules and Areas

Other Development Benefits

- Sustainable Dev. Objectives & Targets
- Planning & Participation
- Monitoring of Sust. Dev.
## Mitigation Actions Rating Protocol - Example

<table>
<thead>
<tr>
<th>Module</th>
<th>Module Area</th>
<th>Area Weighting</th>
<th>Key Indicator</th>
<th>KI Weighting</th>
<th>Score Range</th>
<th>KI Score Range</th>
<th>Level of Confidence</th>
<th>Over-ride Justification</th>
<th>KI Score</th>
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</thead>
<tbody>
<tr>
<td>Program Design</td>
<td>Definition and scope of the NAMA</td>
<td>20%</td>
<td>Scope of the NAMA and its contributions to Sustainable Development.</td>
<td>20%</td>
<td>The scope of the NAMA is clearly defined and documented.</td>
<td>60-100</td>
<td>60-100</td>
<td>high</td>
<td>10.00</td>
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<td></td>
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<td>The scope of the NAMA is defined but it is not consistent along the documentation of the program.</td>
<td>40-60</td>
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<td></td>
<td>The scope of the NAMA is neither clearly defined nor documented.</td>
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<td>0-40</td>
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<td>Alignment with National priorities.</td>
<td>20%</td>
<td>The scope of the NAMA is aligned itself with the country climate change mitigation priorities as defined by the Government.</td>
<td>60-100</td>
<td>60-100</td>
<td>high</td>
<td>even when the NAMA addresses cc mitigation and other benefits, it is taking place in a sector that is not a focus sector for the country as outlined in the National Climate Change Program</td>
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<td>The NAMA contributes to climate change mitigation but does not outline how it aligns itself with the National priorities on climate change mitigation as defined by the Government</td>
<td>40-60</td>
<td>40-60</td>
<td>low</td>
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<td>The NAMA does not demonstrate how the scope is aligned with the country climate change mitigation priorities as defined by the Government</td>
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<td>NAMA approval by relevant authorities</td>
<td>10%</td>
<td>The NAMAs have been developed and implemented with the approval of the relevant national authorities.</td>
<td>60-100</td>
<td>60-100</td>
<td>high</td>
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<td>(Approver in the UNFCCC NAMA Registry)</td>
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<td>The approval of the relevant national authorities has been requested but is still pending</td>
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<td>There is no evidence of the approval of the relevant national authorities.</td>
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<td>Starting date, milestones and length duration of the Program</td>
<td>20%</td>
<td>The starting date of the NAMA is clearly defined and justified in terms of when the emissions reduction can be attributed to the NAMA. Milestones are included to allow progress and effectiveness to be reviewed.</td>
<td>60-100</td>
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<td>The starting date is defined but it is not possible to conclude that the starting date is linked to the accounting of ER due to the NAMA implementation.</td>
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<td>40-60</td>
<td>high</td>
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<td>The starting date is not clearly defined, is unjustified or is inconsistent across the NAMA documentation.</td>
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<td>Boundaries for the Program in terms of a geographical area of implementation</td>
<td>30%</td>
<td>The geographical boundary of the Program is defined in accordance to the jurisdiction authority of the NAMA Implementation Entity (NIE). The boundaries analysis includes the evaluation of possible double counting risk with other ongoing programs and jurisdictions.</td>
<td>60-100</td>
<td>60-100</td>
<td>high</td>
<td>the geographical boundaries are defined. For the proposed interventions, the NAMA identifies other possible jurisdiction that can be impacted. Nevertheless, the NAMA does not address how those cross effects in ER can be quantified.</td>
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<td>The geographical boundary of the Program is defined but there is no justification of how it can interact with the jurisdiction authority of the NAMA Implementation Entity (NIE) and do not take into account possible double counting risk with other ongoing programs and jurisdictions.</td>
<td>40-60</td>
<td>40-60</td>
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<td>The geographical boundary of the Program is not clearly defined.</td>
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</tbody>
</table>
MAAP - Example

Mitigation Action Program Module

- Definition & Scope
- Objectives and Targets
- Planning
- Roles, Responsibilities and Authorities
- Barriers
- Emissions Reductions from Interventions
- Monitoring and Reporting

non weighted rating
Objectives of the MAAP

1. Level of confidence to governments and investors: viability and level of risk ensuring emissions integrity.

2. Tool to compare different assets and their mitigation value.

3. Establish a framework to evaluate exchangeability of different carbon assets.

4. Facilitate benchmark and improvement.
Key Considerations

Applicable to a range of environmental assets. Initial focus on carbon assets and mitigation programs.

Learns from experiences in ratings, validation and certification processes.

Transparent methodology. User decides risk categories weight.

Applicable at different stages of development and implementation.

Results in a range of outputs reflecting a level of risk for a group of assessment attributes. Validation/verification is a yes/no process.
Development Process

Stakeholders engagement
- Carbon Expo May 2013
- Latin America Carbon Forum (Rio de Janeiro), FICCI (New Delhi), Asian Carbon Forum (Bangkok) – Fall 2013
- GHG verifiers. Thailand Feb 2016

Working group - Globally Networked Carbon Markets
- WB Internal Meeting – June 2013
- Paris Working Group meeting 1 – Sept. 2013
- Webinar Update – Dec. 2013
- Paris Working Group meeting 2-February 2014

Peer review
- Comments invited from the Working Group, selected individuals and organizations
- 2015- IISD, New Climate Institute

Testing and Pilots
- NAMAs- Ecuador, Peru
- Low Carbon City Programs Phitsanulok and Pakkret, Thailand.
Evolution and Benefits of the MAAP

Assessment of carbon and environmental integrity

Assessment of Mitigation value

CARBON MARKETS GOALS
- Exchangeability of carbon assets

PROGRAM LEVEL GOALS
- Comparability of mitigation actions

PROGRAM LEVEL GOALS
- Self-evaluation,
- Prioritization,
- Design...
... of mitigation actions
Pilot
Application of program-level assessment in Peru

Peru MRP elaboration: selection of 3 NAMAs for development of crediting instrument

Shortlisting of mitigation actions for ex ante assessment
Core criteria set by Ministry of Finance and Ministry of Environment. Review of 80+ mitigation actions: Peru LEDS, NAMA pipeline, etc.

Customization of Mitigation Action Assessment Framework
Protocol developers (evaluators) and national expert group
For each module: definition & weightings of areas / indicators.
New module on compatibility with ‘results-based budgeting system’.

Ex-ante assessment of 10 prioritized mitigation actions
Consultations/interviews with NAMA developers/sponsors;
Supplemented by desk review of program documentation
Pilot Application of program-level assessment to LCCP in Thailand

- Thailand Low Carbon City Program under PMR
- Pilot in 2 cities: Pakkret and Pitshanulok
Pilot Application of program-level assessment to LCCP in Thailand

- Piloted in 2 cities with LCCP under implementation
- Activities:
  - Adapt MAAP language to LCC Programs structure
  - Interviews with LCC Committee representatives and projects.
  - Presentation of results and identification of improvement areas (ongoing)
Conclusions and Further Development

• MAAP serves at this stage two purposes
  • Self evaluation and design support tool
  • Assessment tool for governments, development banks

• Benchmarking
  • Need for databases, online tools, etc.

• The beauty of Assessments is in the numbers
  - MAAPs use needs to be expanded
    - New pilots are welcomed!
    - MAAPs as the basis for programs development- e.g.. LCC