

**Chairs' Summary of the Eighth Meeting  
of the PMR Partnership Assembly (PA8)  
March 3-5, 2014  
Mexico City, Mexico**

### OPENING OF THE MEETING

1. The meeting was opened by the co-chairs, Mr. Luis Muñozcano (Mexico) and Mr. Sveinung Kvalø (Norway). Under Secretary Rodolfo Lacy from Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), Mexico provided opening remarks. In his annotations, he outlined Mexico’s legal and institutional frameworks on climate change which are broadly aimed at: (i) Embarking on low-carbon development pathway; (ii) Improving climate resilience; and (iii) Ensuring cross-sectoral coordination and participation. Mr. Lacy also provided an update on the recent developments related to Mexico’s carbon tax, as well as the intention to introduce a domestic emissions trading scheme (ETS) in the power sector, as part of country’s ongoing energy reform. Mr. Harold Bedoya, Acting Country Director for Mexico spoke on behalf of the World Bank providing an overview of the World Bank climate engagement in Mexico, as well as stressing the importance of the PMR for cross-fertilization and knowledge sharing on countries’ domestic programs to advance mitigation goals.
2. The PMR Secretariat provided an [update on inter-sessional work](#) and the PA adopted the [agenda](#) as attached to this document (Annex I).

### INFORMATION SHARING

3. The following countries and institutions presented updates on relevant domestic policy developments or related information:
  - a. **Mexico** provided an [Update on its Climate Change Law and Policies](#);
  - b. **Singapore** provided an [Update on its Climate Change Strategy](#);
  - c. **UNFCCC** provided an [Update on the Progress on the Emerging Mechanisms](#); and
  - a. **ICAP** introduced [ETS Knowledge Sharing Activities at the International Carbon Action Partnership](#).

### PRESENTATION OF A FINAL MARKET READINESS PROPOSAL (MRP)

4. **Thailand** presented its [final MRP](#) for allocation of Implementation Phase Funding. The MRP focuses on three components: (i) an Energy Performance Certificate (EPC) Scheme with the objective to build market readiness components in energy intensive industrial units and commercial buildings, and serve as a foundation for establishing the future ETS; (ii) a Low Carbon City (LCC) Program with the objective to support cities and municipalities in shifting toward a low carbon society by implementing GHG emission reduction activities; and (iii) a Low Carbon City (LCC) Fund with the objective to support the development of GHG emission reduction projects under the LCC program. The [presentation](#) highlighted responses to the feedback received from Participants, experts, and the World Bank since the draft version. As is the case for all other Implementing Country Participants, Thailand is invited to periodically update the PA on the status of its MRP implementation. In addition, PMR Participants are invited to provide further written feedback on Thailand’s MRP to the secretariat by **March 21, 2014**. The PA, through [Resolution No. PA8/2014-2](#) (Annex II), allocated US\$3 million to Thailand for implementation of its MRP.

### PRESENTATION OF DRAFT MRP

5. **Morocco** [presented](#) its [draft MRP](#) to the PA. In an effort to encourage broader mitigation efforts, Morocco’s MRP focuses on sectoral approaches to scale up mitigation efforts in three key sectors of the economy (electricity generation, cement production, and phosphates processing), with the central pillar being data management and monitoring,

reporting and verification (MRV). On behalf of the Expert Group, Mr. Michael Lazarus presented a [Summary of Expert Group Feedback](#). Participants are invited to submit written comments on Morocco’s draft MRP by **March 21, 2014**. Following its practice, the PMR Secretariat will compile all feedback – both summarized feedback from the discussion at PA8 and any submitted written feedback (which will be recorded verbatim). Morocco is invited to take into account the feedback when finalizing its MRP. The final MRP should be submitted to the PMR Secretariat by **May 2, 2014**, for circulation to Participants three weeks prior to PA9.

6. **Colombia** [presented](#) its [draft MRP](#) to the PA. Colombia’s MRP focuses on innovative approaches in the country’s transport sector. In particular, it proposes (i) credited NAMAs in the urban transport sector; (ii) a domestic offset scheme; and (iii) the introduction of a performance standard for vehicles combined with allowances. Mr. Pedro Martins Barata presented a [Summary of Expert Group Feedback](#). Participants are invited to submit written comments on Colombia’s draft MRP by **March 21, 2014**. Following its practice, the PMR Secretariat will compile all feedback – both summarized feedback from the discussion at PA8 and any submitted written feedback (which will be recorded verbatim). Colombia is invited to take into account the feedback in finalizing its MRP. The final MRP should be submitted to the PMR Secretariat by **May 2, 2014**, for circulation to Participants three weeks prior to PA9.

#### **STRATEGIC DIRECTION OF THE FUTURE OF PMR**

##### ***Update since PA7***

7. Based on the feedback received during PA7 and written comments submitted following the PA7 meeting on [PMR Note PA7 2013-3](#), the PMR Secretariat [presented](#) an **Update on the Strategic Orientation of the Future of PMR**. [PMR Note PA8 2014-1](#) includes proposed ways forward on how to:
  - (i) Deepen readiness support (through enhancing the PMR technical work program and supporting the “3Cs - credibility, consistency and compatibility”, expanding provision of expert support to countries, supporting country-to-country exchange, and strengthening upstream policy analysis);
  - (ii) Broaden reach and scope of the PMR (through expanding a number of PMR Implementing Country Participants, creating a new category of partners and targeted support, and strengthening dialogue and information sharing with private sector);
  - (iii) Explore piloting scaled-up crediting programs’ and
  - (iv) Prepare for the PMR Phase II.
8. As per requests made at PA7, greater clarification on the PMR’s current budget status and the budgetary implications for the proposed areas of work were also presented. A detailed budget will be presented at PA9, in Cologne in May, 2014.

##### ***Upstream Analytical Support***

9. In an effort to further define the strategic orientation of the future of the PMR and deepen readiness activities at the country and international levels, the Secretariat [presented](#) a

proposal on how to strengthen upstream policy analysis. The Draft Note on Analytical Work to Support Development of Policy Options for Mid and Long-term Mitigation Objectives ([PMR Note PA8 2014-2](#)) outlines a modality for providing analytical support to countries and includes an annex that could be used as a tool for scoping out such analysis. Such analytical work could also contribute to the ongoing work under the UNFCCC to support countries to prepare their nationally determined contributions. In terms of foreseen components, which are only indicative as countries can opt for individual elements or add new ones, they are as follows:

- (i) Map existing policies in order to ensure they are mutual supportive and assess options for “new” policies such as a carbon pricing instruments;
  - (ii) Conduct 2020 scenarios for economic growth and emissions with an objective to assess policy options, including a carbon pricing scheme, in country’s 2020 scenarios; and
  - (iii) Align economic growth with mid- to long-term mitigation and development goals by considering economic scenarios for 2030, 2040, and 2050 and policy options and impact of economic instruments, including a carbon pricing instrument, in reaching long-term objectives.
10. Participants were generally supportive of the proposal, emphasizing the importance of better integration of the PMR process into broader policy and development objectives. Some participants stressed the PMR’s focus on carbon pricing instruments while others indicated the importance of examining any new instrument in a broader policy context.
  11. Participants are invited to provide comments on the Draft Note on Analytical Work to Support Development of Policy Options for Mid and Long-term Mitigation Objectives **by March 31, 2014**. The revised Note will be presented at PA9 where the Secretariat will also present seek endorsement for allocation of funding for the proposed activities from the PA. The PMR Implementing Countries Participants are invited to submit expression of interest (EOI) to receive such support to the PMR Secretariat **by March 31, 2014**. Depending on availability of resources, support would start with a group of countries that convey interest and where the World Bank is able to build on existing capacity to deliver analytical support. The PMR Secretariat and the World Bank will work with countries to further identify scope, timetable, and associated costs. The PMR Secretariat will present a revised note which will also provide a budget for funding allocation based on the EOIs received from the implementing countries.

#### ***Creation of a New Category of PMR Participant***

12. Drawing on the request to the PMR Secretariat to consider creating a new category of Participant under the PMR Governance Framework to institutionalize the status of countries such as Kazakhstan and potentially sub-national jurisdictions, the Secretariat [presented the Proposal for the Creation of a New Category of PMR Participant: The “Technical Partner”](#).
13. Through [Resolution No. PA8/2014-3](#) (Annex II), the PA amended the Governance Framework to accept countries and sub-national jurisdictions as Technical Partners and on a case-by-case basis, allocate funding to provide targeted technical support to complement their domestic actions, provided that: (i) they have expressed interest in engaging with the PMR as a Technical Partner; and (ii) they are developing or in the process of implementing an emission

trading scheme, carbon tax or another market instrument that serves the objective of the PMR. It was agreed that prior to considering the interest of a subnational jurisdiction to become PMR Technical Partner, the Secretariat shall ensure that such interest is fully supported by the relevant national or federal authorities.

***Piloting Scaled-up Crediting Mechanisms and Lessons from the Forest Carbon Partnership Facility (FCPF)***

14. In an effort to further define the strategic orientation of the future of PMR, the Secretariat prepared and [presented PMR Note PA8 2014-4](#) which examines the possible ways forward in terms of piloting performance-based payments for emission reductions from scaled-up crediting programs.
15. Participants saw value in creating a fund, in particular to help Implementing Countries bridge the gap between readiness and implementation, and to inform the international community about potential, practical methodological approaches to credit ERs from large-scale GHG mitigation programs. The PA requested more clarity on the interaction and complementarity of a new fund with other initiatives undertaken by the World Bank, including the Carbon Asset Development Fund of the Carbon Partnership Facility.
16. The World Bank invited interested Participants to join a Working Group, created separately from the PMR, to work on the design and structure of a new carbon purchasing fund. Several Country Participants already indicated their interest in taking part in the Working Group. A separate email will be sent by the World Bank’s Carbon Finance Unit to confirm their participation and to invite additional interested countries to join. The World Bank will convene a meeting of the Working Group on the margins of the next PA meeting in May 2014, in Cologne, to seek feedback on key issues related to the creation of the new fund. Such issues will be outlined in a “concept paper”, to be drafted and circulated to the Working Group’s participants ahead of the meeting, and will lay the ground for the future design document of the fund. The objective of the World Bank is to establish the fund and open it for contributions by the beginning of 2015.

**TARGETED PMR SUPPORT**

17. The World Bank and European Bank for Reconstruction and Development (EBRD) provided an [Update on Donor Coordination on Kazakhstan ETS](#). The meeting, which took place in January 2014, was convened following the recommendations of the PA7 and with an objective to identify synergies, overlaps and gaps between the ongoing development partners’ technical assistance programs. In particular the purpose of the donor coordination process in Kazakhstan was to: (i) Review technical, regulatory, institutional, and policy ETS components and related supporting activities; (ii) Discuss challenges and coverage by respective technical assistance programs; (iii) Identify where combined efforts are necessary; and (iv) Identify where PMR support would add value.
18. Kazakhstan presented its [Proposal for PMR Targeted Technical Support](#). Kazakhstan’s [presentation](#) outlined ongoing support that KazETS is receiving from other development partners (including Germany, Norway, EBRD, USAID, and ADB) and outlined a specific proposal for the use of PMR funds, as follows: (i) upstream analysis on ETS and policy

mapping; (ii) scoping study of barriers to trade; and (iii) adaptation of benchmarks. The PA, through [Resolution No. PA8/2014-5](#) (Annex II), endorsed Kazakhstan as a Technical Partner of the PMR and allocated funding to Kazakhstan for targeted technical support in the amount of US\$500,000. Kazakhstan is invited to periodically update the PA on the status on progress made in the implementation its proposal. Participants are invited to provide further written feedback on Kazakhstan’s proposal to the Secretariat by **March 21, 2014**.

#### **PRESENTATION OF THE ORGANIZING FRAMEWORK: TUNISIA**

19. Following the PA7 decision to invite Tunisia to present potential activities for PMR support as a PMR Implementing Country Participant, Tunisia submitted its [Expression of Interest](#) to join the PMR and presented its [Organizing Framework for Scoping of PMR Activities](#), which outlines the main technical building blocks of the future MRP and identifies the cement and energy sectors as the focus areas. The PA, through [Resolution No. PA8/2014-1](#) (Annex II), confirmed Tunisia’s participation as an Implementing Country Participant and allocated Preparation Phase Funding in the amount of US\$350,000. Participants are invited to provide comments on Tunisia’s Organizing Framework by **March 21, 2014**. Tunisia is invited to take into account the summary of this feedback in formulating its MRP.

#### **UPDATE ON COUNTRIES’ MRPs**

20. [South Africa’s](#) MRP preparation phase will take into account specific studies conducted as a part of the MRP, as well as additional research carried out independently of the PMR work. South Africa also updated on the carbon tax policy consultation process. In total, 115 submissions were received from a variety of stakeholders. 52.2% of respondents supported a carbon tax as a carbon pricing mechanism and 41.7% acknowledged the need for a carbon price, but either did not propose a specific measure to that end or felt that command and control measures and other instruments should be pursued to achieve an effective reduction of GHG emissions.
21. [Vietnam’s MRP preparation work](#) consists of four main components: (i) capacity building (national-level policy framework, market based instruments (MBI), carbon trading scheme, and national MRV framework); (ii) waste sector (NAMAs, MBIs); (iii) steel sector (NAMAs, domestic market crediting system); and (iv) energy efficiency in buildings (baseline survey, MRV system, NAMAs, domestic incentive scheme proposal). A first draft of the MRP was submitted for government review in December 2013. Vietnam intends to present the draft MRP at PA9.
22. [China](#) provided an update of its MRP implementation phase, as well as informed the PA about the progress that have been made in regard to the consultations with the World Bank country office, preparation of the implementation documents, establishment of project management structure, pre-appraisal, and coordination with the Ministry of Finance.
23. [Turkey](#) reported that its PMR implementation grant agreement was signed in December 2013, meaning the country is ready to access funding and begin MRP implementation. The Project Implementation Unit (PIU) within in the Ministry of Environment and Urbanization (MOEU) is currently hiring a project coordinator, project assistant and financial management and disbursement specialist. Secondary legislation and related guidelines and templates for the country’s MRV regulation are expected to be published in April 2014.
24. Mexico is elaborating the TORs for selected program activities set out in its MRP and has convened a cross-sectoral steering committee that will be in charge of overseeing the MRP implementation. At the same time, it is preparing the rules of procedures for the Mexican Climate Change Fund. It is envisaged that the PMR implementation grant will be the first grant to be delivered through the Mexican Climate Change Fund.

25. Chile plans to sign the PMR implementation grant agreement in May 2014. Chile is simultaneously working on the development and finalization of TORs for MRP program activities related to MRV and macro-economic analytical work, in close consultation with the Ministry of Environment and the Ministry of Finance, respectively. Drawing on the country's experience with the MRP process so far, Chile emphasized the importance of carrying out several MRP-related work streams in parallel.
26. Costa Rica updated on the development of its domestic carbon market. To date, 12 companies have been certified as carbon-neutral and 6 have requested certification, while 30 companies are preparing their inventories. The 'Carbon Board' and its working group on methodologies and procedures, key bodies established per presidential decree to oversee and guide the implementation and operation of the domestic carbon market, had its first meetings in early February. One of the priority mandates is to put in place a temporary registry by November 2014, for which PMR support would be needed.
27. Indonesia provided an update on the consultation process which carried out with the relevant ministries. Due to upcoming election cycle, an execution of grant agreement is expected to be postponed by possibly 2016 and the World Bank was requested to explore options to speed grant disbursement when in effect.
28. Brazil confirmed its intention to submit and present its draft MRP at PA9. The MRP's focus will be on developing the macroeconomic analytical capacities to assess which carbon pricing policies are best suited to the Brazilian context. Brazil reported that it has finalized assessment work (for the purposes of MRP preparation) related to review of carbon tax experiences around the world, as well as country-specific analysis of legal aspects of introducing a carbon tax and preliminary simulation of macro-economic impacts of the use of different carbon pricing instruments (carbon tax, domestic ETS) under given mitigation targets for 2020 and 2030.

#### **UPDATE ON PMR KNOWLEDGE MANAGEMENT**

##### **MRV**

29. The Secretariat provided an [Update on MRV Work Program Activities](#) announcing the [Second Regional MRV Training Workshop](#) for Latin America and the Caribbean region, bringing together cross-sectoral practitioner teams from 10 LAC countries involved in the design, implementation, and coordination of NAMAs, including reporting for national and international purposes. The training is convened by the Partnership for Market Readiness (PMR) and the International Partnership on Mitigation and MRV, and jointly organized by the World Bank (PMR Secretariat), the GIZ (on behalf of International MRV Partnership), and the CAF. The next regional MRV training targeting participants from Turkey, Ukraine, South Africa, Jordan, Morocco, Kazakhstan and Tunisia will be held in June 2014 (dates and venue to be confirmed). Further information will be circulated by the Secretariat.
30. Under the PMR MRV Technical Work Program, an [Update on Mandatory GHG Reporting Program Design Guide](#) was provided; a next version for review and comments is expected to be available by PA9. The guide's objectives are to: (i) develop a sound framework for mandatory reporting; (ii) provide best practices while recognizing different country contexts/priorities/objectives; and (iii) support developing countries in establishing reporting programs. Also, a progress in terms of development of another knowledge product ([Survey of MRV procedures in China's seven ETS pilots](#)) was presented.

## Offsets

31. The Secretariat presented an [Update and Next Steps on Offset Work Program](#) which included a report on the Offset Working Group (WG)’s first meetings, a number of bilateral calls, as well as the outcomes of the [South-South Exchange on Developing Domestic Offset Schemes](#), which took place on the margins of PA8 on March 2, 2014 in Mexico City.
32. The Offset Working Group suggested to consider the following deliverables: (i) development of an online platform that countries can use to raise questions on specific technical subjects and receive feedback; (ii) organizing experts to work with host country case studies; and (iii) design of technical notes on a number of issues, such as price volatility control options, registry provider comparison, options for accreditation standards, risk liability management options.

## BRIEFING ON NEW WORLD BANK INITIATIVES

33. The World Bank shared updates on the initiatives associated with its climate change agenda. In particular, the updates were provided on: (i) [Carbon Initiative for Development \(Ci-Dev\)](#); (ii) [A Pay-for-Performance Auction Facility for Climate Change Mitigation and Methane](#); and (iii) [Climate Smart Planning Platform for Low Carbon Growth and Resilient Development](#).

## CO-CHAIRS

34. The co-chairs – Mr. Luis Muñozcano (Mexico) and Mr. Sveinung Kvalø (Norway)—will serve for the next PA meeting, which will take place in Cologne, Germany May 25-26, 2014.

## MEETING DOCUMENTS

35. Final presentations, resolutions and other meeting documents are available on the PMR website: <https://www.thepmr.org/events/eventlist/pa/partnership-assembly-meeting-pa8-mexico-city>. Some materials, such as country draft MRPs and expert feedback on MRPs, require a password login for viewing.

## DEADLINES FOR COMMENTS, FEEDBACK, AND SUBMISSIONS

36. Participants are invited to provide written feedback to the PMR secretariat on Thailand’s Final MRP, Morocco and Colombia’s draft MRPs, Kazakhstan’s Proposal for Targeted Technical Support, and Tunisia’s Organizing Framework by **March 21, 2014**.
37. Participants are invited to provide feedback and comments on the draft Note on Upstream Analytical Work to Support Development of Policy Options for Mid- and Long-Term Mitigation Objectives by **March 31, 2014**.
38. The [schedule](#) for draft and final MRPs leading up to PA9 is outlined below. Participants are requested to take note of relevant deadlines.

### Final MRP(s)

**March 21, 2013:** deadline to submit written feedback on Morocco and Colombia’s Draft MRPs and Thailand’s Final MRP.

**May 2, 2014:** deadline to submit a final MRP for funding consideration at PA9.

**May 5, 2014:** secretariat circulates final MRP to PA.

**Draft MRP(s)**

**February 28, 2014:** deadline to inform Secretariat of intention to present draft MRP at PA9.

**March 28, 2014:** deadline to submit first draft MRP to Secretariat.

**March 31 - April 18, 2014:** expert feedback process.

**April 21 - May 9, 2014:** MRP revision.

**May 9, 2014:** deadline to submit draft MRP to Secretariat.

**May 12, 2014:** secretariat circulates draft MRP(s) to PA.

**UPCOMING MEETINGS AND EVENTS**

39. The next Partnership Assembly meeting will be held in Cologne, May 25-27, 2014.
40. Workshop on “Monitoring, Reporting and Verifying Emissions under Existing and Fledging Carbon Pricing Mechanisms” on June 3, 2014 in Bonn, Germany (TBC)
41. The third regional MRV training workshop is tentatively scheduled for June 2014.
42. The tenth Partnership Assembly and a technical workshop (topic to be determined) are tentatively scheduled to take place on October 20-23, 2014 (date and host country to be confirmed).

## Annex I

### Eighth Meeting of the Partnership Assembly (PA8—Agenda)

March 3-5, 2014  
Mexico City, Mexico  
Hilton Mexico City Reforma  
Av. Juarez #70/Colonia Centro

#### Day 1

| <b>1. Opening and Introduction</b>   |   |
|--|---|
| 8:30   | Registration: Welcome coffee and badge pick-up  |
| 9:00   | Opening remarks <ul style="list-style-type: none"> <li>- PMR Co-chairs (<i>Mr. Luis Alfonso Muñozcano, Mexico and Mr. Sveinung Kvalø, Norway</i>)</li> <li>- Government of Mexico (<i>Under Secretary Rodolfo Lacy, SEMARNAT</i>)</li> <li>- The World Bank (<i>Mr. Harold Bedoya, Acting Country Director, Colombia and Mexico</i>)</li> </ul>   |
| 9:30   | Introduction <ul style="list-style-type: none"> <li>- PMR Update and Progress Report (<i>Ms. Xueman Wang, PMR Secretariat</i>)</li> <li>- Adoption of the agenda</li> </ul>   |
| <b>2. Information Sharing</b>  |   |
| PMR Participants and Observers are encouraged to share relevant policy developments. Updates may be done through PowerPoint presentations or oral briefings. |   |
| 9:45   | <ul style="list-style-type: none"> <li>- Mexico: Programa Especial de Cambio Climático (PECC) (<i>Ms. Beatriz Bugada, SEMARNAT</i>)</li> <li>- Singapore: Climate Change Action (<i>Ms. Wei Mei Hum, National Climate Change Secretariat</i>)</li> <li>- Outcomes from Warsaw (<i>Ms. Liudmila Naydenova, UNFCCC</i>)</li> <li>- ICAP: Briefing on New Interactive ETS Map (<i>Ms. Constanze Haug, ICAP</i>)</li> </ul> |
| <b>10:45</b>   | <b>Coffee Break</b>   |

### 3. Presentation of Final MRP for Decision on MRP Implementation Funding

Thailand presented a draft MRP at PA7 in Marrakesh for feedback from the PA. Based on this feedback, Thailand has revised its MRP.

Under this session, Thailand will present the core elements of its final MRP, highlighting any significant changes from the draft version. Following the presentation, there will be time for clarifying questions and discussion. The PA will consider this version of the MRP for a funding allocation decision. Adoption of a resolution on funding allocation will be made under agenda item 10.

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|-------|---|
| 11:00 | <p><b>Thailand</b></p> <ul style="list-style-type: none"> <li>- Presentation of the final MRP (<i>Ms. Bongkoch Kittisompun and Ms. Puttipar Rotkittikhun, TGO</i>)</li> <li>- Discussion</li> </ul> |
| 12:15 | <b>Lunch</b>  |

### 4. Presentation of Morocco's Draft MRP

Morocco has informed the PMR Secretariat of its intention to submit a draft Market Readiness Proposal (MRP). It will present this draft in order to seek feedback from the PA; a representative from the PMR Expert Group who carried out the Expert Feedback Process will also present observations and suggestions. Based on feedback received, Morocco will revise its MRP and submit it for funding consideration at the next PA meeting.

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| 14:00 | <p><b>Morocco</b></p> <ul style="list-style-type: none"> <li>- Presentation of the draft MRP</li> <li>- Presentation by a representative of the Expert Group (<i>Mr. Michael Lazarus, Stockholm Environment Institute</i>)</li> <li>- Discussion and feedback</li> </ul> |
| 15:30 | <b>Coffee Break</b>  |

### 5. Presentation of Colombia's Draft MRP

Colombia has informed the PMR Secretariat of its intention to submit a draft Market Readiness Proposal (MRP). It will present this draft in order to seek feedback from the PA; a representative from the PMR Expert Group who carried out the Expert Feedback Process will also present observations and suggestions. Based on feedback received, Colombia will revise its MRP and submit it for funding consideration at the next PA meeting.

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|-------|---|
| 16:00 | <p><b>Colombia</b></p> <ul style="list-style-type: none"> <li>- Presentation of the draft MRP (<i>Ministry of Transport</i>)</li> <li>- Presentation by a representative of the Expert Group (<i>Mr. Pedro Barata, GET2C</i>)</li> <li>- Discussion and feedback</li> </ul> |
| 17:30 | <b>Day 1 Wrap up</b>  |

## Day 2

| <b>6. Strategic Direction of the PMR</b>  |   |
|---|---|
| <p>The PMR Secretariat circulated Note PA7 2013-2 on the strategic direction of the PMR for Participants feedback. Based on feedback received, the PMR Secretariat will propose three areas of further development for consideration by the PA as a means forward: I) Upstream Analytical Policy Support; II) Creation of New Category of PMR Participants; III) Piloting Scaled-up Crediting Mechanisms.</p>   |   |
| 9:00  | <ul style="list-style-type: none"><li>- Strategic Orientation of the PMR—Update Since PA7: PMR Note PA8 2014-1<br/><i>(Ms. Xueman Wang, PMR Secretariat)</i></li><li>- I. Upstream Analytical Policy Support to Countries: PMR Note PA8 2014-2<br/><i>(Ms. Xueman Wang, PMR Secretariat)</i></li></ul>  |
| <b>10:30</b>  | <b>Coffee break</b>   |
| 11:00   | <ul style="list-style-type: none"><li>- II. Creation of a New Category of PMR Participant: PMR Note PA8 2014-3<br/><i>(Mr. Pierre Guigon, PMR Secretariat)</i></li><li>- III. Piloting Scaled-up Crediting Mechanisms and Lessons from the Forest Carbon Partnership Facility (FCPF): PMR Note PA8 2014-4<br/><i>(Mr. Adrien de Bassompierre, PMR Secretariat and Mr. Alexander Lotsch, FCPF team)</i></li><li>- Discussion</li></ul> |
| <b>12:30</b>  | <b>Lunch</b>  |
| <b>7. Targeted PMR Support</b>  |   |
| <p>At PA7, the PA allocated up to US\$1 million to Kazakhstan to support the implementation of its ETS. Kazakhstan is invited to present a proposal for activities to use these funds.</p>  |   |
| 14:00   | <ul style="list-style-type: none"><li>- Update on the Donor Coordination Process in Kazakhstan<br/><i>(Mr. Craig Meisner, World Bank and Mr. Jan-Willem van de Ven, EBRD)</i></li><li>- Kazakhstan <i>(Mr. Sergey Vassilyev, Climate Change Coordination Centre)</i></li><li>- Discussion</li></ul>   |
| <b>8. Presentation of the Organizing Framework (OF)</b>   |   |
| <p>During PA7, Tunisia expressed interest in joining the PMR and was invited to share an Organizing Framework at PA8 for consideration of being accepted as a PMR Implementing Country and, at the same time, seeking allocation of the Preparation Funding. Tunisia will have 30 minutes to make a PowerPoint presentation to be followed by 30 minutes for discussion and comments from Participants. Decision on accepting Tunisia as an Implementing Country and allocation of funding will be made under agenda item 10.</p> |   |
| 15:00   | <ul style="list-style-type: none"><li>- Tunisia <i>(Ms. Afef Jaafar, Ministry of Industry, Energy and Mines)</i></li><li>- Discussion</li></ul>   |
| <b>16:00</b>  | <b>Coffee Break</b>   |

## 9. Updates on Countries' MRPs

This session includes two sessions:

- *Update on MRP preparation*: Implementing Country Participants that are in the process of preparing the MRP are invited to update the PA on the status of their work, focusing on developments since their last update to the PA ; and
- *Update on MRP implementation*: Implementing Country Participants that have been allocated implementation funding are invited to update the PA on the status of the MRP implementation.

Participants may make verbal or PowerPoint presentations.

16:15

- **Updates on MRP Preparation**
  - o South Africa
  - o Vietnam
- **Updates on MRP Implementation**
  - o Chile, China, Costa Rica, Indonesia, Mexico, and Turkey

## 10. Election of Co-chairs, Decisions, and Next Steps

In accordance with the PMR Rules of Procedure for PA Meetings (Section 6.1), the PA shall, prior to the closing of each PA Meeting, elect a representative each from the Contributing Participants and the Implementing Country Participants to act as Co-chairs for the next PA meeting. Following previous practice, it is proposed that the Contributing and Implementing Country Participants meet separately to elect their respective co-chair. Each group will announce the results of their decision to the PA.

17:30

- Election of Co-chairs
- Adoption of Decisions by Participants
- Next Steps: PMR Upcoming Calendar of Events (*Ms. Meredith McGreavy, PMR Secretariat*)

18:00

**Wrap up Day 2**

## Day 3

| 11. Update on PMR Knowledge Management   |   |
|--|---|
| Fostering knowledge exchange is a core objective of the PMR. Under this agenda item, the PMR Secretariat will report back on recent developments on its Knowledge Management and Technical Work Program. |   |
| 9:00   | <p><b>MRV</b></p> <ul style="list-style-type: none"><li>- Update on MRV Work Program (<i>Mr. Michael McCormick, PMR Secretariat</i>)</li><li>- Presentation on Draft MRV Guidance Document on Facility-level Reporting (<i>Mr. Pankaj Bhatia, World Resources Institute</i>)</li><li>- MRV Practice in China's Seven ETS Pilots (<i>Mr. Tang Jin, SinoCarbon</i>)</li><li>- Discussion</li></ul> <p><b>Offsets</b></p> <ul style="list-style-type: none"><li>- Briefing on PMR Offsets Working Group and South-South Exchange on Domestic Offset Systems (<i>Ms. Felicity C. Spors, PMR Secretariat</i>)</li><li>- Discussion</li></ul> |
| 10:30  | <b>Conclusion of PA8 &amp; Coffee Break</b>   |

| Briefing on New World Bank Initiatives   |  |
|--|--|
| The World Bank will share updates on two initiatives associated with its climate change agenda. This session will be chaired by Mr. Simon Whitehouse, Acting Manager, Climate Change Group Carbon Finance, World Bank. |  |
| 11:00  | <ul style="list-style-type: none"><li>- Briefing on Developments within the <b>Carbon Initiative for Development (Ci-Dev)</b> (<i>Mr. Bengt Boström, Swedish Energy Agency</i>)</li><li>- Discussion</li></ul> |
| 11:30  | <ul style="list-style-type: none"><li>- Briefing on the <b>Pay-for-Performance Facility for Methane</b> (<i>Mr. Brice Quesnel, World Bank</i>)</li><li>- Discussion</li></ul>                                  |
| 12:00  | <ul style="list-style-type: none"><li>- Briefing on the <b>Climate Smart Planning Platform</b> (<i>Mr. John Rogers, World Bank</i>)</li><li>- Discussion</li></ul>   |
| 12:30  | <b>Lunch</b>   |

**Annex II**  
**PA8 Resolutions**

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**Resolution No. PA8/2014-1**

**Confirmation of Tunisia's Participation as an Implementing Country Participant in the PMR and Allocation of the PMR Preparation Phase Funding for Activities in Tunisia**

WHEREAS:

1. According to Section 4.2 of the PMR Governance Framework, the participants of the Partnership Assembly shall include, in addition to the Contributing Participants, the countries that have submitted an expression of interest (Eol) to participate in the PMR and whose participation has been confirmed at the Organizational Meeting or any meeting of the Partnership Assembly (Implementing Country Participants);
2. Pursuant to Section 4.3(c) of the PMR Governance Framework, the Partnership Assembly's roles and responsibilities include approving the allocation of PMR resources to the Implementing Country Participants, in the absence of the establishment of a Partnership Committee;
3. Tunisia submitted an Eol and its Organizing Framework for the Scoping of PMR Activities (the "Organizing Framework") to the PMR Secretariat, and presented its Eol and Organizing Framework to the Partnership Assembly at this meeting.
4. The Organization Meeting, by its Resolution No. ORG-4, decided that the amount of the PMR preparation phase funding, to be allocated by the Partnership Assembly or Partnership Committee for assisting an Implementing Country Participant's formulation of its Market Readiness Proposal, shall be US\$350,000;
5. The Partnership Assembly acknowledged the efforts made by Tunisia in its preparation of the Eol and the Organizing Framework.

THE PARTNERSHIP ASSEMBLY:

1. Confirms, in accordance with Section 4.2(b) of the PMR Governance Framework, Tunisia as an Implementing Country Participant of the PMR.
2. Decides to allocate the PMR preparation phase funding for carrying out PMR activities in Tunisia in the amount of US\$350,000.
3. Invites PMR Participants to provide comments on the Organizing Framework presented at this meeting by March 21, 2014.

4. Invites the PMR Secretariat to summarize the comments on the Organizing Framework shared by the PMR Participants at this meeting, as well as the comments to be received in paragraph 3 (the “Summary”), and to circulate the Summary to all the PMR Participants.
5. Invites Tunisia to take into account the Summary in formulating its Market Readiness Proposal.

## **Resolution No. PA8/2014-2**

### **Allocation of the Implementation Phase Funding to Thailand**

#### **WHEREAS:**

1. The Partnership Assembly (PA), through Resolution No. PA 1/2011-4, allocated the PMR Preparation Funding to Thailand on May 31, 2011 to develop its Market Readiness Proposal (MRP);
2. Thailand submitted an initial draft MRP to the PMR Secretariat in August 2013. Pursuant to Resolution PA2/2011-3, the PMR Secretariat organized the expert feedback process to enhance the quality of the MRP. Based on the feedback and input from the PMR experts, the World Bank as well as the PMR Secretariat, Thailand revised the MRP and presented its draft MRP at PA7 on October 22, 2013 to seek feedback from Participants. On the basis of verbal comments expressed at PA7 and subsequently written comments by Participants, Thailand further revised the MRP and submitted the final version to the PMR Secretariat for circulation to Participants on February 7, 2014.
3. Pursuant to Section 4.3(c) of the PMR Governance Framework, the Partnership Assembly is responsible for making a decision on the allocation of PMR funding to the Implementing Country Participants, in the absence of the establishment of a Partnership Committee;
4. The PA considered the final version of the MRP presented by Thailand at this meeting and acknowledged improvements made by Thailand in preparing and finalizing the MRP.

#### **THE PARTNERSHIP ASSEMBLY:**

1. Decides, in accordance with the criteria included in Resolution No. PA 3/2012-4, to allocate the MRP Implementation phase funding in the amount of US\$3,000,000 for carrying out PMR activities identified in the MRP.
2. Invites (i) PMR Participants to provide comments, if any, on Thailand's MRP by March 21, 2014 and (ii) Thailand to take into account such comments during implementation of its MRP.
3. Invites Thailand to periodically update the PA on progress made in the implementation of its MRP.

## **Resolution No. PA8/2014-3**

### **Amendment to the PMR Governance Framework**

Whereas:

(1) The PMR Governance Framework was approved by the Partnership Assembly per Resolution No. ORG-1 on April 11, 2011.

(2) Resolution No. PA7/2013-3 (Targeted Technical Support to Kazakhstan) invites the PMR Secretariat to consider creating a new category of countries under the PMR Governance Framework to institutionalize the status of countries such as Kazakhstan under the PMR Governance Framework and to make a proposal on such institutional changes at the eighth meeting of the Partnership Assembly in March 2014.

(3) Pursuant to Resolution No. PA7/2013-3, the Partnership Assembly intends to amend the PMR Governance Framework, which sets forth the basis for the operation of the PMR, to allow some countries to join the PMR as “Technical Partners”, subject to the Partnership Assembly’s prior consideration and approval. Furthermore, the amendment to the PMR Governance Framework is intended also to allow sub-national jurisdictions to become eligible to join the PMR as a “Technical Partner”.

The Partnership Assembly:

1. Decides to adopt the amendments to the PMR Governance Framework, attached as an Annex to this resolution.

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Annex

PARTNERSHIP FOR MARKET READINESS (PMR)

PMR Governance Framework

I. Objectives of the PMR

The PMR aims to provide a platform for technical discussions and the exchange of 1.1 information on market instruments for mitigation, and to help interested countries build capacity for scaling up their mitigation efforts through market instruments<sup>1</sup>, and to pilot instruments appropriate to their domestic context.

The PMR intends to achieve the following objectives: 1.2

(a) to provide grant financing to countries for building market readiness components;

(b) to pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage;

(c) to create a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote south-south cooperation, and explore and innovate together on new instruments and approaches;

(d) to create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and

(e) to share lessons learned, including with the UNFCCC.

## II. Operating Principles

Building on the objectives, the PMR will operate in accordance with the following 2.1 principles:

1 For the purpose of the PMR, market instruments refer to domestic instruments (e.g., emissions trading scheme) and, without prejudging the outcomes under the United Nations Framework Convention on Climate Change (UNFCCC) negotiations, scaled-up market mechanisms.

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(a) to be country-led and to build on nationally defined and prioritized mitigation policies, according to each implementing country's national circumstances;

(b) to coordinate with other readiness efforts to avoid duplication and ensure effective use of resources;

(c) to cooperate with other actors and processes that are undertaking similar initiatives, such as UN agencies and other multilateral development banks; and

(d) to promote learning-by-doing through early and integrated efforts.

## III. Activities for Support

The activities to be supported by the PMR will be developed on a country-specific basis 3.1 and will build on the country's existing initiatives to meet nationally defined priorities. As countries' technical and institutional capacities differ, the PMR resources may be used to undertake the activities that serve the objectives of the PMR set out in Section I (Objectives of the PMR) above, which may include some or all of the following activities:

(a) Assessment – Carrying out a feasibility and capacity assessment for utilizing market mechanisms within a portfolio of policy instruments in the context of the country's mitigation strategies, including analysis and appraisal of national, sub-national and sectoral approaches.

(b) Data – Building or enhancing capacity of data collection systems and institutional capacity for data reporting and management and for setting up activity reference level.

(c) Measurement, Reporting and Verifying (MRV) – Designing or enhancing existing MRV frameworks to ensure transparency, quality, credibility and consistency with international good practice.

(d) Institutional capacity – Carrying out capacity building activities that aim to engage with key stakeholders early in the planning process and help the responsible government agencies organize cross-agency dialogues and broader consultations.

(e) Policy and legal frameworks – Facilitating the design of policy and legal frameworks for implementation of market instruments.

(f) Piloting and testing – Learning-by-doing is one of the most efficient means to gain experience, improve capacity and develop effective instruments. If a country so wishes, a pilot program could be set up to test a market instrument selected by the country.

#### IV. Participation and Governance Structure

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The participation and governance structure of the PMR include a Partnership Assembly, 4.1a Partnership Committee (if established by the Partnership Assembly), Technical Partners, Observers, Experts, a Secretariat, a Trustee and Delivery Partners.

##### Partnership Assembly

The Partnership Assembly will consist of the following participants: 4.2

(a) all donors that have contributed financially to the PMR and that have entered into an administration agreement with the International Bank for Reconstruction and Development (the Bank) (the Contributing Participants); and

(b) all countries that have submitted an expression of interest to participate in the PMR and whose participation has been confirmed at the organizational meeting or any meeting of the Partnership Assembly (the Implementing Country Participants) (the Contributing Participants and the Implementing Country Participants will be collectively referred to as the PMR Participants).

The Partnership Assembly will have the following roles and responsibilities: 4.3

(a) provide strategic guidance for the operation of the PMR;

(b) confirm the participation of countries that have submitted an expression of interest to participate in the PMR as described in Section 4.2(b) above, and accept countries and sub-national jurisdictions as Technical Partners as described in Sections 4.8 to 4.10 below;

(c) in the absence of the establishment of a Partnership Committee described in Sections 4.6 and 4.7 below, approve the allocation of PMR resources to the Implementing Country Participants and where applicable, to Technical Partners;

(d) approve the budget for the operation of the PMR;

(e) monitor the operation of the PMR;

(f) decide on other matters related to the operation of the PMR;

(g) provide guidance to the Partnership Committee, if established; and

(h) exercise such other functions as the Partnership Assembly may deem appropriate to fulfill the purposes of the PMR.

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The Partnership Assembly will meet twice a year or at any other frequency as may be 4.4decided by the Partnership Assembly on the basis of recommendation by the Secretariat.

(a) Decisions of the Partnership Assembly will be made by PMR Participants on a 4.5consensus basis, and any PMR Participant who holds a different view may request to record its view as a note to the decisions. If all efforts to reach a consensus have been exhausted and no decision has been reached, decision will be taken by two-thirds (2/3) majority of the Contributing Participants and two-thirds (2/3) majority of the Implementing Country Participants, present and voting at the meeting of the Partnership Assembly, on the basis of one (1) vote per PMR Participant.

(b) Unless the Partnership Assembly decides otherwise, the Bank will chair the meetings of the Partnership Assembly at the initial stage of the operation of the PMR, which may cover the first two (2) meetings, and subsequent meetings will be co-chaired by a representative elected from the Contributing Participants and another representative elected from the Implementing Country Participants.

(c) Further details on the conduct of the meetings of the Partnership Assembly will be set forth in the Rules of Procedure, to be adopted at the organizational meeting or any subsequent meeting of the Partnership Assembly.

#### Partnership Committee

Once there are ten (10) Contributing Participants and ten (10) Implementing Country 4.6Participants in the Partnership Assembly, the Partnership Assembly may consider establishing a Partnership Committee to perform the functions identified in Section 4.3(c) above and other functions as may be designated by the Partnership Assembly.

(a) The Partnership Committee will consist of an equal number of representatives 4.7from the Contributing Participants and the Implementing Country Participants. The Partnership Assembly will decide on the size of the Partnership Committee. In order to be elected as a member of the Partnership

Committee representing the Contributing Participants, the Contributing Participant will be required to make a financial contribution to the PMR in no less than the minimum amount of five million United States dollars (US\$ 5,000,000) or equivalent.

(b) Decisions of the Partnership Committee will be made by its members on a consensus basis, and any member of the Partnership Committee who holds a different view may request to record its view as a note to the decisions. If all efforts to reach a consensus have been exhausted and no decision has been reached, decision will be taken by two-thirds (2/3) majority of the members of the Partnership Committee representing the Contributing Participants and two-thirds (2/3) majority of the members of the Partnership Committee representing the Implementing Country Participants,

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present and voting at the meeting of the Partnership Committee, on the basis of one (1) vote per member.

(c) Further details on the conduct of the meetings of the Partnership Committee will be set forth in the Rules of Procedure, to be adopted at the organizational meeting or any subsequent meeting of the Partnership Assembly.

#### Technical Partners

The Partnership Assembly may, on the basis of the recommendation of the Secretariat, 4.8 accept a country or a sub-national jurisdiction as a Technical Partner (the Technical Partner), provided that (i) it has expressed interest in engaging with the PMR as a Technical Partner; and (ii) it is developing or in the process of implementing an emission trading scheme, carbon tax or another market instrument that serves the objective of the PMR set out in Section 1 (Objectives of the PMR).

The Secretariat may collaborate with Technical Partners to carry out joint activities such 4.9 as workshops, training, and analytical work. A PMR Technical Partner is entitled to attend the meetings of the Partnership Assembly without the right to vote.

On a case-by-case basis a Technical Partner may request the Partnership Assembly to 4.10 allocate funding to provide targeted technical support to complement its domestic actions in pursuing the activities referred to in Section 4.8 (ii).

#### Observers

The countries, organizations and entities relevant to the activities of the PMR and the 4.11 Delivery Partners described in Sections 4.16 to 4.18 below may be invited to attend the meetings of the PMR as observers (the Observers), and may participate in the meetings without the right to vote. Further details on the Observers' participation in the meetings of the PMR will be set forth in the Rules of Procedure, to be adopted at the organizational meeting or any subsequent meeting of the Partnership Assembly and, where necessary, in the decisions of the Partnership Assembly.

## Experts

Experts, including those drawn from a roster of experts established by the Secretariat 4.12(the Experts), will facilitate the work of the PMR, including attending the meetings of the PMR to provide expert advice, and may provide technical assistance to the Implementing Country Participants for readiness preparation and implementation. Where necessary, the modality of the expert support to the work of the PMR may be further developed by the Secretariat for consideration by the Partnership Assembly.

## Secretariat

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The Bank will serve as the secretariat of the PMR (the Secretariat) to provide secretariat 4.13services and technical support for day-to-day operations of the PMR.

The Secretariat will have the following roles and responsibilities: 4.14

- (a) to propose a provisional agenda for the meetings of the PMR;
- (b) to provide secretariat services to meetings of the PMR;
- (c) to develop guidelines for allocation of funding for consideration by the Partnership Assembly;
- (d) to review funding proposals for completeness and quality;
- (e) to propose a budget for approval by the Partnership Assembly;
- (f) to prepare updates or consolidated progress reports on the individual activities of the PMR and on the PMR as a whole, for the meetings of the Partnership Assembly;
- (g) to maintain a website with details and relevant documentation about the PMR;
- (h) to disseminate knowledge gained under the PMR; and
- (i) to perform other functions necessary for facilitating the operation of the PMR.

## Trustee of PMR trust fund

The Bank will serve as the trustee of the trust fund for the PMR (the Trustee). The Bank 4.15as Trustee will establish a trust fund to receive contributions from donors to the PMR, and will hold in trust, as a legal owner and administer the funds, assets and receipts that constitute the trust fund, pursuant to the terms of the administration agreements entered into with the donors with respect to their contributions to the PMR.

## Delivery Partners

The delivery partners of the PMR (the Delivery Partners) will be responsible for (a) 4.16collaborating with the agreed Implementing Country Participants to assist them in carrying out the activities of the

PMR, including providing technical assistance for preparing market readiness proposals and grant implementation; (b) supervising grant implementation in Implementing Country Participants; and (c) providing technical support as needed for activities financed by the PMR. Each Delivery Partner will be responsible for the use of funds transferred to it under the PMR and the activities carried out therewith in accordance with its own fiduciary, safeguard and operational

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policies and procedures. Each Delivery Partner will report, and be directly accountable, to the Partnership Assembly and/or the Partnership Committee, as applicable.

The Bank will serve as the principal Delivery Partner. Where the Bank agrees to serve as 4.17the Delivery Partner for an Implementing Country Participant, the Bank may, at its discretion, enter into grant agreement(s) with such Implementing Country Participant to implement the agreed activities.

At the request of the Implementing Country Participant, the Partnership Assembly may 4.18decide, with agreement of the Bank as the Trustee, on a case-by-case basis for one or more multilateral development banks and UN agencies other than the Bank to serve as additional Delivery Partners. In the event an additional Delivery Partner has been agreed upon, the Bank as the Trustee will enter into a transfer agreement with such additional Delivery Partner to set forth the terms and conditions of the arrangement and the transfer of PMR funds, based on the decision of the Partnership Assembly and/or the Partnership Committee, as applicable. Following disbursement by the Trustee of the funds from the PMR trust fund to an additional Delivery Partner, the additional Delivery Partner will be responsible for the use of the funds transferred to it and the activities carried out therewith as described in Section 4.16 above, and the Trustee will have no further responsibility for the additional Delivery Partner's use of the funds and activities carried out therewith.

#### V. Amendment to the PMR Governance Framework

The provisions of this PMR Governance Framework may be amended with the prior 5.1consent of all PMR Participants; provided that, any amendments that would affect the rights or obligations of the Bank or the additional Delivery Partners will only be effective upon the agreement of the Bank or the additional Delivery Partners, respectively

**Resolution No. PA8/2014-4**  
**Amendment to the Rules of Procedure for the Meetings of the PMR**

Whereas:

(1) Following the provisions of the PMR Governance Framework, the Rules of Procedure for the Meetings of the PMR were approved by the Partnership Assembly per Resolution No. ORG-2 on April 11, 2011.

(2) As per Resolution No. PA8/2014-3 (Amendment to the PMR Governance Framework), the PMR Governance Framework was amended to allow some countries and sub-national jurisdictions to join the PMR as “Technical Partners”.

(3) Taking into account Resolution No. PA8/2014-3, the Partnership Assembly intends to amend the Rules of Procedure for the Meetings of the PMR in order to reflect the new category of Technical Partners.

The Partnership Assembly:

1. Decides to adopt the amendments to the Rules of Procedure for the Meetings of the PMR, attached as an Annex to this resolution.

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Annex

PARTNERSHIP FOR MARKET READINESS (PMR)

Rules of Procedure for the Meetings of the PMR

I. Definitions

1.1 Capitalized terms hereinafter appearing in these Rules of Procedure shall have the following meanings:

(a) “Bank” means the International Bank for Reconstruction and Development.

(b) “Co-Chairs” means the two (2) co-chairs of the Partnership Assembly Meeting (as defined below) who are designated in accordance with Section 6.1 of these Rules of Procedure.

(c) “Delivery Partners” means, collectively, the Bank as the principal delivery partner under the PMR, and other multilateral development banks or UN agencies that serve as additional delivery partners under the PMR, as set forth in the PMR Governance Framework (as defined below).

(d) “Contributing Participant” means any donor that has contributed financially to the PMR and that has entered into an administration agreement with the Bank.

(e) “Experts” means experts, including those drawn from a roster of experts established by the Secretariat (as defined below), who are invited to attend the relevant meetings of the PMR described in Section 4.3 of these Rules of Procedure.

(f) “Implementing Country Participant” means any country that has submitted an expression of interest to participate in the PMR and whose participation has been confirmed at the organizational meeting or any meeting of the Partnership Assembly.

(g) “Observers” means the countries, organizations and entities relevant to the activities of the PMR and the Delivery Partners, who are invited to observe the meetings of the PMR described in Section 4.2 of these Rules of Procedure.

(h) “Partnership Assembly” or “PA” means the assembly comprising all Contributing Participants and Implementing Country Participants, established in

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accordance with, and for the purposes set forth in, the PMR Governance Framework.

(i) “Partnership Assembly Meeting” or “PA Meeting” means any meeting of the Partnership Assembly.

(j) “Partnership Committee” or “PC” means the committee established in accordance with, and for the purposes set forth in, the PMR Governance Framework.

(k) “Partnership Committee Meeting” or “PC Meeting” means any meeting of the Partnership Committee.

(l) “Partnership Committee Member” or “PC Member” means any PMR Participant (as defined below), elected as a member of the Partnership Committee.

(m) “PMR Governance Framework” means the constituting document of the PMR, adopted at the organizational meeting of the PMR, as may be amended from time to time in accordance with its terms.

(n) “PMR Participant” means any Contributing Participant or Implementing Country Participant, as a participant of the Partnership Assembly.

(o) “Secretariat” means a team established by the Bank to assume the roles and responsibilities of the secretariat of the PMR set forth in the PMR Governance Framework.

(p) “Technical Partner” refers to those defined under Section 4.8 of the PMR Governance Framework.

## II. Scope of Application

2.1 These Rules of Procedure shall apply to all PA Meetings, and where applicable, all PC Meetings.

## III. Frequency and Means of PA Meetings

3.1 The PA Meeting shall be held twice a year, or at any other frequency as may be decided by the Partnership Assembly on the basis of recommendation by the Secretariat. The Partnership Assembly shall, prior to the closing of each PA Meeting, decide the timing and place of the next PA Meeting.

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3.2 The PA Meetings may be held in person or through any electronic means where the representatives of the PMR Participants are able to hear each other simultaneously.

## IV. Attendance

4.1 The PA Meetings shall be opened to all PMR Participants, Technical Partners, Observers and Experts pursuant to the provisions of this Section IV.

4.2 The Secretariat, in consultation with the Co-Chairs, may invite Observers to attend the PA Meetings. Such Observers may, upon invitation of the Co-Chairs, participate in the proceedings of the PA Meeting; provided that, the Co-Chairs may decide to limit participation in the PA Meeting to PMR Participants, Technical Partners and Delivery Partners for any specific agenda item.

4.3 The Secretariat may invite Experts to attend any agenda item of the PA Meetings. Such Experts may, upon invitation of the Co-Chairs, provide expert advice to the PA Meeting.

4.4 Technical Partners, Observers and Experts shall not have a right to vote.

## V. Quorum and Agenda

5.1 A quorum for any PA Meeting shall be two-thirds (2/3) of all PMR Participants.

5.2 The Secretariat shall prepare the provisional agenda for each PA Meeting in consultation with the Co-Chairs, and shall circulate such provisional agenda together with supporting documents at least fourteen (14) days prior to the first date of the PA Meeting. The agenda shall be discussed and adopted by the PMR Participants present at the PA Meeting at the beginning of each meeting.

## VI. Co-Chairs of the PA Meetings

6.1 Subject to Section 6.2 below, the Partnership Assembly shall, prior to the closing of each PA Meeting, elect a representative from the Contributing Participants and a representative from the Implementing Country Participants to act as the Co-Chairs for the next PA Meeting. The Partnership Assembly shall, at any time, elect a replacement in the event any of the Co-Chairs is no longer able to serve in that capacity.

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6.2 Unless otherwise agreed upon by the Partnership Assembly, the Bank’s Vice President for the Sustainable Development Network or his/her representative shall chair the first two (2) PA Meetings.

6.3 The term of the Co-Chairs shall run from the day at which they are elected until the day where new Co-Chairs are elected.

## VII. Conduct of Business

7.1 The Co-Chairs shall preside over the PA Meeting, declare the opening and closing of the PA Meeting, submit to the PMR Participants for consideration all matters appearing on the adopted agenda of the PA Meeting, and give the floor to the PMR Participants, Observers and Experts to express their views, as the Co-Chairs deem appropriate.

7.2 The Co-Chairs may limit the time allowed to each speaker and the number of times each speaker may speak on a question.

#### VIII. Decision Making

8.1 Decisions of the Partnership Assembly shall be made by consensus of the PMR Participants present at the PA Meeting, and any PMR Participant who holds a different view may request to record its view as a note to the decisions. If all efforts to reach a consensus have been exhausted and no decision has been reached, decision shall be taken by two-thirds (2/3) majority of the Contributing Participants and two-thirds (2/3) majority of the Implementing Country Participants, present and voting at the PA Meeting, on the basis of one (1) vote per PMR Participant.

#### IX. Decisions without PA Meeting

9.1 The Partnership Assembly may, without conducting a PA Meeting, make decisions on the following matters on a no-objection basis, in accordance with the procedures set forth under this Section IX: (a) in the absence of the establishment of the Partnership Committee, approve allocation of PMR resources to the Implementing Country Participants; and (b) consider any other matter that the Secretariat, in consultation with the Co-Chairs, determines and requests should not be postponed until the next PA Meeting.

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9.2 Upon the determination that a proposed decision shall be considered on a no-objection basis under Section 9.1 above, the Secretariat shall, by electronic means or such other rapid means of communication, send to each PMR Participant an invitation, together with the relevant documents, to review and approve the proposed decision. Subject to the disclosure requirement under Section XIV (Disclosure) below, the Secretariat may circulate to the relevant Observers and Experts, the invitation and/or the relevant documents, on the proposed decision.

9.3 The invitation shall specify a period of at least fourteen (14) days, during which any PMR Participant may object, and any relevant Observer or Expert may comment.

9.4 If there is any question or comment to the proposed decision circulated by the Secretariat, any PMR Participant or any relevant Observer or Expert may send such question or comment to the Secretariat. Upon receipt, the Secretariat shall promptly coordinate with the parties concerned to provide clarification on the questions or comments raised.

9.5 In the event the Secretariat, in its discretion, determines that it warrants additional time to address any question or comment, unless any PMR Participant objects, the Secretariat may, on an exceptional basis, extend the period prescribed in the invitation by up to fourteen (14) days. At the expiration of the period prescribed, the proposed decision shall be approved, unless the Secretariat has received any objection from any PMR Participant.

9.6 If there is an objection raised by any PMR Participant, the Secretariat shall include such matter as an item in the agenda for the next PA Meeting to be held. The Secretariat shall notify all those that received the communications under this Section IX of the action taken pursuant to this Section 9.6.

#### X. Conflict of Interest

10.1 A PMR Participant shall recuse itself from taking part in any decision at the PA Meeting which is related to its activities undertaken pursuant to the PMR, including, without limitation, matters related to its funding proposals and implementation matters related thereto.

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#### XI. Record of the PA Meetings

11.1 The Secretariat shall prepare record of the decisions of the PA Meeting for approval by the Partnership Assembly.

#### XII. Language

12.1 All PA Meetings shall be conducted in English and all documents of the PA Meetings shall be in English.

#### XIII. Establishment, Membership and Meetings of the Partnership Committee

13.1 The Partnership Committee, which shall consist of an equal number of representatives from the Contributing Participants and the Implementing Country Participants as members, shall be established through a decision of the Partnership Assembly.

13.2 The Contributing Participants and the Implementing Country Participants shall elect representatives from their respective groups to serve as PC Members and shall determine their own respective criteria and mechanism for such elections, basing on the considerations specified in Section 4.7(a) of the PMR Governance Framework. The results of the elections shall be recorded as a decision of the Partnership Assembly.

13.3 The term of each PC Member shall last for one (1) year. A retired PC Member may be re-elected for subsequent term.

13.4 The frequency of the PC Meetings shall be determined by the PC Members, and where possible, the PC Meeting shall be held in conjunction with a PA Meeting.

13.5 The PC Meeting shall be opened to the PC Members, all other PMR Participants, Observers and Experts following the same conditions prescribed in Section IV (Attendance) above.

13.6 Decisions of the Partnership Committee shall be made by PC Members on a consensus basis, and any PC Member who holds a different view may request to record its view as a note to the decisions. If all efforts to reach a consensus have been exhausted and no decision has been reached, decision shall be taken by two-thirds (2/3) majority of the PC Members representing the Contributing Participants and two-thirds (2/3) majority of the PC Members representing the

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Implementing Country Participants, present and voting at the PC Meeting, on the basis of one (1) vote per PC Member.

13.7 Except otherwise specified in this Section XIII or otherwise decided by the Partnership Assembly, the Rules of Procedure set forth for the proceedings of the PA Meetings shall apply mutatis mutandis to the proceedings of the PC Meetings.

#### XIV. Disclosure

14.1 The Bank may disclose these Rules of Procedure and any document or information related to the PMR in accordance with the World Bank Policy on Access to Information.

#### XV. Amendment

15.1 These Rules of Procedure may be amended by consensus of the Partnership Assembly.

#### XVI. Overriding Authority of the PMR Governance Framework

16.1 In the event of any conflict between any provision of these Rules of Procedure and any provision of the PMR Governance Framework, the provisions of the PMR Governance Framework shall prevail.

## **Resolution No. PA8/2014-5**

### **Allocation of funding for Targeted Technical Support to Kazakhstan**

#### WHEREAS:

(1) The Partnership Assembly (PA), through Resolution No. PA7/2013-3 (Targeted Technical Support to Kazakhstan), allocated targeted technical support to Kazakhstan to help Kazakhstan implement its National Emission Trading Scheme for an amount up to US\$1 million over three years, provided that Kazakhstan, at a PA meeting, presents its proposed specific activities that require PMR funding support, in order to seek feedback and endorsement by the PA.

(2) Resolution No. PA7/2013-3 further invited the PMR Secretariat to consider creating a new category of countries under the PMR Governance Framework to institutionalize the status of countries such as Kazakhstan under the PMR Governance Framework and to make a proposal on such institutional changes at the eighth PA meeting.

(3) Per Resolution No. PA8-2014-3 (Amendment to the PMR Governance Framework), the PA amended the PMR Governance Framework to allow some countries to join the PMR as “Technical Partners”, subject to the PA’s prior consideration and approval.

(4) As per Section 4.10 of the (amended) PMR Governance Framework, a country that has been approved as a Technical Partner by the PA may, on a case-by-case basis, request the PA to allocate funding to provide targeted technical support to complement its domestic actions in developing or implementing an emissions trading scheme, a carbon tax or another market instrument which serves the objectives of the PMR set out in Section I (Objectives of the PMR) of the PMR Governance Framework.

(5) Kazakhstan submitted and the PA considered Kazakhstan’s “Proposal for Targeted Technical Support” presented by Kazakhstan during this PA meeting.

(6) As per Section 4.3(c) of the (amended) PMR Governance Framework, the PA is responsible for making a decision on the allocation of PMR funding to a Technical Partner, in the absence of the establishment of a Partnership Committee.

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#### THE PARTNERSHIP ASSEMBLY:

1. Decides to approve Kazakhstan as a Technical Partner of the PMR.
2. Decides, in accordance with the criteria included in Resolution No. PA7/2013-3, to allocate funding to Kazakhstan as a Technical Partner for targeted technical support of the activities proposed to be carried out in Kazakhstan’s “Proposal for Targeted Technical Support” in the amount of US\$500,000.

3. Invites (i) PMR Participants to provide comments, if any, on Kazakhstan's "Proposal for Targeted Technical Support" by March 21, 2014; and (ii) Kazakhstan and the PMR Secretariat to take into account such comments during the implementation of the Kazakhstan's "Proposal for Targeted Technical Support".

4. Invites Kazakhstan to periodically update the PA on progress made in the implementation of Kazakhstan's "Proposal for Targeted Technical Support".