

June 15, 2011

PARTNERSHIP FOR MARKET READINESS (PMR)

First Meeting of the Partnership Assembly
May 30-31, 2011, Barcelona, Spain

Chair's Summary of First Meeting of the Partnership Assembly

OPENING OF THE MEETING

1. The meeting was opened by the Chair, Ms. Joëlle Chassard, Manager of the Carbon Finance Unit, the World Bank. Andrew Steer, the World Bank's Special Envoy for Climate Change, attended part of the meeting on the second day to address the Partnership Assembly (PA).
2. The PMR Secretariat presented an update on the work carried out since the Organizational Meeting in Bangkok, April 10-11, 2011.
3. The PA adopted the agenda as attached to this document.
4. The PA adopted Resolution PA1/2011-1, which confirmed China as an Implementing Country Participant.
5. The PMR Secretariat presented a document (PMR Note-PA1-1) on *Key Steps in the PMR Process and Guidelines for the Allocation of the Preparation Phase Funding*. The Secretariat also provided a briefing on the *template for the Organizing Framework for the Scoping of PMR Activities (Organizing Framework)*, which Implementing Country Participants use to form proposals for preparation phase funding.
6. The PMR Secretariat informed that it has created a working group to design the template for the Market Readiness Proposal, which will be used by Implementing Country Participants to formulate their proposals for implementation phase funding. The Secretariat called for volunteers from the PA (representing both Contributing Participants and Implementing Country Participants) to participate in the working group. The Secretariat proposed to work during the coming weeks on the Tool for Market Readiness Proposal, with the aim of circulating a first draft to PMR Participants mid-July.

PRESENTATIONS BY IMPLEMENTING COUNTRY PARTICIPANTS

7. The following countries presented their Organizing Framework for consideration and discussion to the PA: Chile, China, Colombia, Costa Rica, Indonesia, Mexico, Thailand and Turkey.
8. These presentations are publicly available on the PMR website: <http://www.wbcarbonfinance.org/pmr>.
9. The PA adopted resolution PA1/2011-4 in which the PA allocated Preparation Funding in the amount of US\$350,000 to each of the Implementing Country Participants referred to in paragraph 7. As per Resolution PA1/2011-4, the Secretariat will prepare and circulate by June 10, 2011 a draft summary of the comments and suggestions following each presentation. Participants are invited to send comments on the draft summary by June 24, 2011 to the PMR Secretariat.

VIEWS FROM PMR EXPERTS

10. The PMR Secretariat invited three experts to share views on market preparedness and the setting up of an emissions trading scheme. Thomas Black-Arbeláez (Andean Center for Economics and Environment, Bogotá, Colombia), Richard Baron (International Energy Agency, Paris, France) and Felix Matthes (Öko-Institut, Berlin, Germany) presented their views on

readiness components and challenges for implementation. These presentations are available on the PMR website.

BUDGET

11. The PMR Secretariat presented the FY 2011 and proposed FY 2012 budgets, as well as a long-term plan for the PMR, for consideration and adoption by the PA. The PA adopted the FY 2011 and FY 2012 budgets with Resolution PA1/2011-2. These documents are available on the PMR website.

INFORMAL PRESENTATION BY IMPLEMENTING COUNTRY PARTICIPANTS

12. Ukraine presented the status of its Organizing Framework, which it will formally present to the PA at its next meeting. This document is available on the PMR website.

ALLOCATION OF ADVANCE PREPARATION FUNDING

13. The PMR Secretariat presented for consideration the PA Resolution PA1/2011-5, which provides that an Implementing Country Participant may request an advance of its preparation phase funding (not to exceed US\$35,000) in order to carry out the necessary work to prepare the Organizing Framework. The PA adopted the Resolution.

EXPRESSIONS OF INTEREST

14. Morocco formally presented its expression of interest (Eol) to participate in the PMR. Morocco submitted to the PMR Secretariat its Eol and letter of support on May 19, 2011. Following Morocco's presentation, the PA adopted Resolution PA1/2011-3, which confirmed Morocco as an Implementing Country Participant.
15. In this context, the Secretariat recapped Resolution Org/2011-3, adopted at the Organizational Meeting, in which the PMR Participants decided to "set the target number of Implementing Country Participants at 15" and invited "the Secretariat, in consultation with the Partnership Assembly, to continue its engagement with other potential Implementing Country Participants, with the objective of reaching a total of 15 Implementing Country Participants by the end of 2011".¹
16. The Secretariat briefed the PA on the criteria for and approach to engaging with potential Implementing Country Participants, and informed the PA that the Secretariat is engaged currently with five countries – Brazil, India, Jordan, South Africa and Vietnam. These countries have participated in PMR consultations and attended PMR meetings as observers.
17. The PMR Secretariat reported to the PA that both Jordan and Vietnam have submitted partial Eols (Jordan has submitted the Eol but still needs to submit a letter of support from its government and Vietnam has submitted its letter but not the Eol). Vietnam, attending the meeting as an observer, informally presented its plans to participate in the PMR. Jordan was unable to attend the meeting but provided a written statement of its interest to join the PMR. This statement was read to the PA. Both Jordan and Vietnam are expected to complete their Eol submissions prior to the next meeting of the PA. South Africa indicated its interest in

¹ The Implementing Country Participants as of May 31, 2011 include Chile, China, Colombia, Costa Rica, Indonesia, Mexico, Morocco, Thailand, Turkey and Ukraine.

participating in the PMR and is working on the Eol. Brazil stated that it remains interested in participating in the PMR, subject to internal approval process.

18. The PA endorsed the Secretariat's approach to continuing to engage with Jordan, Vietnam, Brazil, India and South Africa. The PA will assess the status of PMR participation at its second meeting, which is scheduled to take place in the fall of 2011.
19. Kazakhstan attended the meeting as an observer and presented its interest in participating in the PMR.
20. On participation in the PMR meetings by observer countries and observer organizations, the Secretariat will draft a proposal for the modality of participation by observers for consideration by the PA at its next meeting.

NEXT STEPS

21. The next PA meeting is proposed for October 2011. The exact date will be confirmed later, taking into account the dates of the UNFCCC negotiations scheduled for September or October. The PMR Secretariat proposes that the next PMR meeting include a one-day workshop (topics to be determined) followed immediately by a two-day meeting.
22. The second meeting of the PA may include the following agenda items:
 - Presentations by Implementing Country Participants on their Organizing Framework for preparation funding and decision by the PA on allocation of preparation funding;
 - Consideration of Expressions of Interest (EoIs);
 - Presentation of the Tool for Market Readiness and criteria/considerations;
 - Consideration of criteria for allocation of the funding for implementation phase;
 - Consideration of modality for inviting observers to PA meetings;
 - Consideration of establishing the Partnership Committee;
 - Election of the co-chairs for PA3; and
 - Information sharing session: updates and experiences.
23. The PA requested the Secretariat to develop a set of criteria for the allocation of Implementation Phase funding for consideration by the PA at its second meeting.

CLOSING

24. The meeting was closed on May 31, 2011.

Partnership for Market Readiness

First Meeting of Partnership Assembly

Draft Agenda

May 30- 31, 2011

Fira Barcelona, Downtown Montjuïc Venue, Palau de Congressos
 Avinguda de la Reina Maria Cristina s/n
 08004 Barcelona
 Nivel 5 - Sala 3

1. Opening and Introduction	
08:30	Registration: Welcome Coffee and Badge Pick-up
09:00	<ul style="list-style-type: none"> - Welcome (<i>Joëlle Chassard, World Bank</i>) - Introduction of meeting attendees (<i>tour de table</i>) - Update since the Bangkok Organizational Meeting (<i>Xueman Wang, PMR Secretariat</i>) - Adoption of agenda
09:30	Draft Resolution: Confirmation of China's Participation as an Implementing Country Participant in the PMR <ul style="list-style-type: none"> - Discussion and decision
09:45	PMR Process and Funding for Preparation Phase <ul style="list-style-type: none"> - Update on Key Steps in the PMR Process and Preparation Phase Funding Allocation Guidelines (PMR Note-PA1-1) (<i>Xueman Wang, PMR Secretariat</i>) - Briefing on Template for "Framework of PMR Activities" (<i>Martina Bosi, PMR Secretariat</i>)
10:30	Coffee break
2. Presentations by Implementing Country Participants	
<p>The Implementing Country Participants are expected to give a presentation on their Frameworks for PMR Activities (about 30 minutes). The Partnership Assembly (PA) is invited to provide comments and make funding allocation decisions for the Preparation Phase. The PMR Secretariat intends to summarize the comments expressed at the meeting and make them available to the Implementing Country Participants and the PMR Participants after the PA meeting.</p>	
10:45	Presentation by Colombia (<i>Sandra Garavito, Ministry of Environment, Housing and Territorial Development</i>)
12:00	Presentation by Costa Rica (<i>Andrei Bourrouet, Ministry of Environment and Energy</i>)
13:15	Lunch break

14:30	Presentation by Indonesia (<i>Dicky Edwin Hindarto, National Council on Climate Change</i>)
15:45	Presentation by Mexico (<i>Jose Antonio Urteaga, Secretariat of the Environment and Natural Resources</i>)
17:00	Coffee break
17:15	Views from PMR Experts <ul style="list-style-type: none"> - Scaled-up Market Instruments: Readiness Components and Challenges for Implementation (<i>Richard Baron, International Energy Agency and Thomas Black, Director, Centro Andino para la Economia en el Medio Ambiente CAEMA</i>)
18:30	Wrap up for Day 1
20:00	Reception at Hotel Fira Palace

May 31, 2011

2. Presentations by Implementing Country Participants (Cont'd)	
08:30	Presentation by Thailand (<i>Sirithan Pairoj-Boriboon, Thailand Greenhouse Gas Management Organization (TGO)</i>)
09:45	Presentation by Chile (<i>Jaime Bravo, Ministry of Energy</i>)
11:00	Coffee break
11:15	Presentation by Turkey (<i>Evren Turkmenoglu, Ministry of Environment and Forestry</i>)
12:30	Lunch break
14:00	Remarks by Andrew Steer, Special Envoy for Climate Change, World Bank
14:10	Presentation by China* (<i>Wang Shu, National Development Reform Commission (NDRC)</i>)
15:25	Views from PMR Expert Domestic Emissions Trading Schemes: Readiness Preparation and Challenges for Implementation (<i>Felix Matthes, OKO Institute – Institute for Applied Technology</i>)
16:00	Coffee break
3. Informal Presentation(s) by Implementing Country Participant(s)	
16:15	- A brief informal presentation by Ukraine on its status of preparation for Framework for PMR Activities
4. Expression(s) of Interest	
16:35	- Remarks by the countries that have submitted an EoI since the Organizational Meeting - Discussion and Decision
5. Next Steps, budget, proposals and adoption of decisions	
17:30	Next Steps <ul style="list-style-type: none"> - Preparation for the second PA meeting and PMR workshop (<i>Sarah Underwood, PMR Secretariat</i>) - Briefing on arrangements for preparation grants for Implementing Country Participants (<i>Duangrat Laohapakakul, PMR Secretariat</i>)
18:00	Budget and Long Term Plan (<i>Elena Chin-lin Lee, World Bank</i>) <ul style="list-style-type: none"> - For discussion and decision: FY11 & FY12 budgets - For discussion: Long Term Plan PMR Secretariat Proposal (<i>Xueman Wang, PMR Secretariat</i>) <ul style="list-style-type: none"> - For discussion and decision: preparation funding advancements for support of an Implementing Country Participant in preparing the Framework for PMR Activities
18:45	Decisions <ul style="list-style-type: none"> - Adoption of decisions by Participants - Wrap up

*Subject to decision by the Partnership Assembly to confirm China as an Implementing Country Participant.