



Partnership for Market Readiness

Update on FY21 Expenditure

PMR Note PA24-2021-02

April 2021

I. BACKGROUND

1. As per the PMR Governance Framework, the PMR Secretariat is responsible for presenting an expense report each fiscal year. Given that the 24th Partnership Assembly (PA24) is the final assembly for PMR before the program officially closes in June 2021, this report will only include expenses as of March 31, 2021 and an overall estimation of expenses till the end of the fiscal year.
2. After the trust fund closure, World Bank will conduct a final assessment to close the trust fund accounts. Official final figures will be furnished to the contributing partners at that time.

II. ACTIONS BY THE PA

3. No action is required by the PA.

III. PMR SOURCES OF FUNDING

4. PMR funding is made up of contributions from contributing partners and investment income. As of March 31, 2021, total committed contributions amounted to **\$125.5 million** while actual contributions received equal to **\$123.7 million** (Table 1). The investment income as of March 31, 2021 is **\$6.0 million**.

Table 1. Contributions to the PMR (USD million)

Contributor	Commitment	Received to Date
Australia	\$12.5	\$12.5
Denmark	\$5.1	\$5.1
European Commission	\$18.7	\$17.0
Finland	\$5.4	\$5.4
Germany	\$13.2	\$13.2
Japan	\$13.6	\$13.6
Netherlands	\$7.1	\$7.1
Norway	\$5.8	\$5.8
Spain	\$5.4	\$5.4
Sweden	\$7.6	\$7.6
Switzerland	\$12.5	\$12.5
United Kingdom	\$11.1	\$11.1
United States	\$7.5	\$7.5
TOTAL	\$125.5	\$123.7

IV. Use of Funds in FY21

Table 2. **FY21 Budget and Expenses** (000' USD)

Use of Funds	FY21 Budget	FY21 Expenses (March 31)	FY21 Expenses (expected)
PA Meetings and Workshops	650	14	24
Country Delivery Support and Advisory Services	1,754	1,619	1,747
(1) Secretariat Support	1,161	629	640
(2) Delivery Partner Support	513	979	980
(3) ICRs for RETFs	80	10	70
World Bank Central Unit Costs (1% Contribution)	125	125	125
Knowledge Management	1,130	1,176	1,276
Additional Activities (under \$200K)	2,100	1,726	2,100
PMR Management and Communications	1,000	814	1,000
Contingency	150	0	150
TOTAL USE OF FUNDS	6,909	5,474	6,422

5. The approved budget for FY21 was \$6.91 million with the inclusion of budget for 13 additional activities at/under \$200K each (Table 2). As of March 31, 2021, \$5.47 million has been disbursed. With the closing of final contracts, particularly for the additional support activities under the knowledge program, it is estimated that FY21 expenses would amount to \$6.42 million. Thus, the expenditure will remain below the approved budget for FY21.
6. Due to the ongoing COVID-19 pandemic, expenditure for PA Meetings and Workshops remained low as all events, workshops and webinars were conducted virtually.
7. Expenses under Country Delivery Support and Advisory Services has stayed on course as programs have come to a close. As all final contracts are fully paid out by the end of May 2021, the actual expenditure figures will be available after the close of the program.
8. Under Knowledge Management component, the final year of PMR has seen hectic activities with the final production of various knowledge products, creation of PMR videos, the organization of the PMR Perspective series, Innovate4Climate (I4C) workshop/booth organization, new brochures, additional consultant time for stock-take activities, etc.
9. Under Additional Activities component, one of the 13 approved activities on *CORSIA: Capacity Building for Aviation and Carbon Markets* had to be dropped, and the remaining activities are either complete or close to completion by the end of the May 2021. These activities are as follows:
 - 1) Carbon Pricing and Just Transition in South Africa
 - 2) ETS Roadmap Development and Feasibility in Indonesia
 - 3) In-depth Capacity Building on Internal Carbon Pricing for Key Stakeholders in Thailand
 - 4) Implementation of Carbon Pricing Communication Strategy in Turkey

- 5) Review of Carbon Pricing Policy Mix in Chile
- 6) South-South Knowledge Exchange (SSKE) involving Panama, Jordan and Costa Rica to support MRV system development
- 7) Development of a positive list for facilitation of participation in international carbon markets in Peru
- 8) Carbon market development for the Southern Africa Power Pool (SAPP) countries
- 9) Proposal to Explore Regional Climate Market Cooperation in the ASEAN region
- 10) LAC Regional Working Group of National Carbon Footprint Programs
- 11) Scaling Soil Organic Carbon (SOC) Sequestration for Climate Change Mitigation
- 12) Capacity building needs assessment to enhance countries' readiness for carbon pricing and international carbon markets

V. Overall Financial Outlook

10. As mentioned, the final accounting of the budget and balance resources will be conducted after the trust fund closure. In the meanwhile, including the actual expenses so far (2011-2021), and the estimated expenditure for the remaining period (April-June 2021), Table 3 below provides an overview of the financial status, indicating a likely surplus of about \$6.2 million, which is 5% of the total fund, and around \$12 million including the investment income. It also means that if some of the countries have not reduced their program scope (around \$10 million) and fully disbursed their original allocation, the overall surplus would have been marginal (less than 2%).

Table 3. Expenditure Projection till End of Program (000' USD)

	Actuals	Budget	Actuals (as of March 31, 2021)	Expected	TOTAL
	FY11 - FY20	FY21	FY21	FY21	FY11 - FY21
PMR Operations					
PMR PA Meetings and Workshops	5,259.94	650.00	13.78	24.00	5,283.94
PMR Management and Communications	6,293.63	1,000.00	814.23	1,000.00	7,293.63
Country Delivery Support & Advisory Services	18,026.71	1,754.00	1,618.62	1,747.00	19,773.71
Trust Fund Management	246.13	-	-	-	246.13
MRP Expert Feedback Process	437.45	-	-	-	437.45
Monitoring and Evaluation	355.17	-	-	-	355.17
World Bank Central Unit Costs	1,397.00	125.00	125.00	125.00	1,524.00
Contingency	-	150.00	-	150.00	150.00
PMR Operations Sub-total (A)	32,016.02	3,679.00	2,571.63	3,044.00	35,060.02
PMR Support to Countries					
Country Program Funding Support Sub-total (B)					68,977.56
Technical and Policy Work Program					
Knowledge Management & Additional Activities	7,193.18	3,230.00	2,902.00	3,376.00	10,569.18
Policy Analysis Work Program	4,664.76	-	-	-	4,664.76
Technical and Policy Work Program (C)	11,857.94	3,230.00	2,902.00	3,376.00	15,233.94
TOTAL					119,271.53

