



Partnership for Market Readiness (PMR) FY15 Expenses and Proposal of the FY16 Budget

Ms. Maja Murisic
PMR Secretariat

Twelfth Meeting of the Partnership Assembly
Barcelona, Spain
May 29-30, 2015

Outline

I Overview of PMR Sources of Funding

II Summary and Review of the FY15 Expenses

III Proposed FY16 Operating Budget

IV PMR Long-term Plan

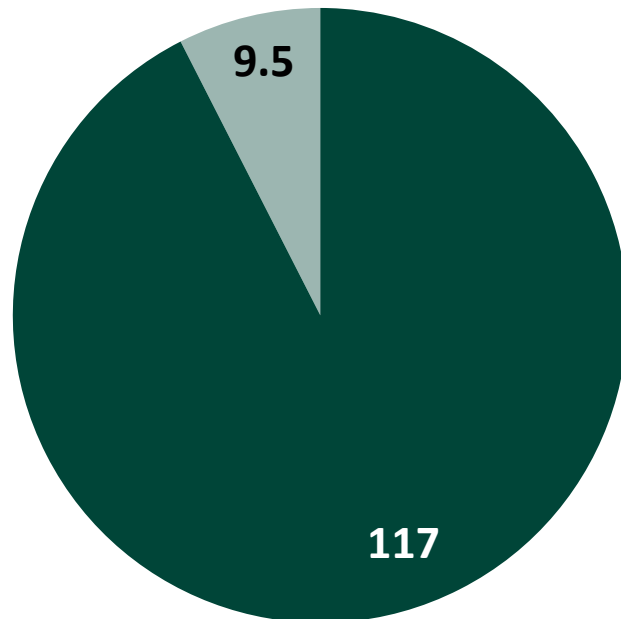
Note PA12 2015-5: *PMR FY15 Expenses and Proposal of the FY16 Budget*

I PMR Sources of Funding

Sources of Funding

PMR funding is made up of contributions from Contributing Participants and interest income.

Out of 126.5 million...



■ Received Contributions ■ Committed Contributions



Interest Income:
US\$ 980,254

Commitments to the PMR by Contributor *(as of March 31, 2015)*

Contributor	Commitment	Received
Australia	12.5	12.5
Denmark	5.1	5.1
European Commission	19.7	10.2
Finland	5.4	5.4
Germany	13.3	13.3
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	11
United States	7.5	7.5
Total	\$126.5	\$117

II FY15 Financial Report Review

July 1, 2014 to June 30, 2015

Summary of PMR Use of Funds: FY11-15

(in US\$ thousand)

Total Use of Funds FY11	835
Total Use of Funds FY 12	2,750
Total Use of Funds FY13	5,053
Total Use of Funds FY14	8,405
Budgeted Uses (PMR Operations)	3,786
Country Grant Commitments	4,350
World Bank Administrative Fee	269
Total Use of Funds FY15	22,475
Budgeted Uses (PMR Operations)	5,348
Country Grant Commitments*	17,000
World Bank Administrative Fee	127
Cumulative Total Uses (FY11-15)	39,518
Total Sources (\$117,000 contributions + \$980 investment income)	117,980
Estimated Fund Balance as of June 30, 2015	78,462

*Grant commitments include formalization of implementation arrangements for China (\$8 million), Chile (\$3 million), Brazil (\$3 million) and Costa Rica (\$3 million).

PMR Operations in FY15

Secretariat Operations comprise seven core cost elements:

- ◆ **PA Meetings, Workshops and Other Events:** Meeting venue hire and catering; audio-visual equipment hire; and travel and accommodation expenses for Implementing Country Participant representatives, invited PMR experts and the PMR Secretariat
- ◆ **Country Delivery Support and Advisory Services:** MRP Expert Feedback groups and the technical assistance provided by Delivery Partners and the PMR Secretariat to Implementing Country Participants for the preparation and implementation of the activities laid out in the MRPs
- ◆ **Upstream Policy Analysis:** Country-level analytical work, common methodology and framework (including modeling) and international and national technical meetings and workshops
- ◆ **Knowledge Management:** Technical Work Program and the PMR website
- ◆ **PMR Management and Communications:** Day-to-day operating costs of the PMR Secretariat in managing and coordinating PMR activities, including already incurred and future Monitoring and Evaluation (M&E) expenses, and the costs of PMR communication and reporting efforts
- ◆ **Trust Fund Management:** Management of the PMR trust fund, including legal, budgeting, and accounting services
- ◆ **Contingency:** A contingency amount is included to cover any unforeseen expenses that the PA deems appropriate

Review of FY15 Operations Expenses (in US\$ thousand)

PMR operating expenses for FY15 totaled US\$5.348 million

Use of Funds	FY12 Actual Expenses (July 1, 2011 – June 30, 2012)	FY13 Actual Expenses (July 1, 2012 – June 30, 2013)	FY14 Actual Expenses (July 1, 2013 – June 30, 2014)	FY15 Budget	FY15 Actual Expenses* (July 1, 2014 – June 30, 2015)
PA Meetings, Workshops, and Other Events	773	824	799	850	707
Country Delivery Support and Advisory Services	879	1,315	1,761	2,100	1,426
MRP Expert Feedback Process		183	154	500	98
Country Delivery Support		1,132	1,607	1600	1,328
o/w: Secretariat Country Support		465	664	820	536
Delivery Partner Support		667	943	780	792
Knowledge Management	0	279	664	1,000	822
Upstream Policy Analysis	-	-	-	5,000	1,597
PMR Management and Communications	180	457	457	650	732
PMR Secretariat Operating Costs			453	650	523
PMR Evaluation			4	-	209
Trust Fund Management	79	57	105	75	64
Contingency	0	0	0	150	0
Total Use of Funds	1,911	2931	3,786	9,825	5,348

*Figures represent actual expenses through March 31, 2015 and estimated expenses from April 1 through June 30, 2015.

FY15 Expenses: PA Meetings, Workshops and Other Events

FY15 Total: US\$707,000

**FY14 Total:
US\$799,000**

- ◆ 3 PA meetings, 4 technical workshops, 1 public event
- ◆ An average cost of a PMR meeting, workshop and a public event was approximately US\$235,000 in FY15.
- ◆ A tendency for the technical workshops to increase in their size and scope, but the average cost decreased because the practice of sharing costs of the technical workshops between the Technical Work Program and the PA meetings.

FY15 Expenses: Country Delivery Support and Advisory Services

FY15 Total: US\$ 1.426 million

**FY14 Total:
US\$ 1.761**

- ◆ A slight decrease from US\$1.919 million spent in FY14
- ◆ In total four countries finalized their MRPs in FY15: Brazil, South Africa, Ukraine and Vietnam
- ◆ No additional countries have submitted draft MRPs

FY15 Expenses: Knowledge Management

FY15 Total: 822 million

**FY14 Total:
US\$664**

- ◆ In FY15, the technical work program has seen significant growth:

Monitoring, reporting and verification (MRV), Offsets and crediting, Data management and registries, ETS, Carbon tax, Interactions between Energy and Carbon Pricing Policies, Stakeholder and private sector engagement and preparedness

- ◆ Ongoing design and structural changes to the PMR website
- ◆ As the Knowledge Management work program further strengthens and deepens its activities, the budget is expected to remain broadly the same

FY15 Expenses: Upstream Policy Analysis

FY15 Total: US\$ 1.597 million

- ◆ A number of activities, including:

Development of the “Checklist on Establishing Post-2020 Emission Pathways”; Analytical work to support Brazil, China, Colombia, Costa Rica and Peru; In-country and international workshops and technical meetings; Analytical work to support Chile to pursue design and implementation of carbon tax

- ◆ US\$ 5 million was budgeted for this work stream

- ◆ The scope was further refined based on the discussions and consultations with countries which submitted Eols and consequent decision to proceed with the five countries as the first “batch” in supporting post-2020 work

FY15 Expenses: PMR Management and Communications

FY15 Total: US\$ 732 million

**FY14 Total:
US\$ 457**

- ◆ The Secretariat operating costs were US\$80,000 less than budgeted
- ◆ The costs of the PMR evaluation (in total US\$209,000) which was expected to occur in FY14 were carried over to FY15 due to delays in the contract payment
- ◆ Overall PMR management costs exceeded the budget expectations by approximately US\$120,000

FY15 Expenses: Trust Fund Management

FY15 Total: US\$ 64,000

**FY14 Total:
105,000**

- ◆ US\$75,000 was budgeted for trust fund management in FY15
- ◆ This item saw a slight underspending (in the amount of US\$ 9,000) with the total costs being US\$64,000

III FY16 Proposed Budget

July 1, 2015 to June 30, 2016

Proposed FY16 Budget for PA Endorsement

The Secretariat proposed a FY16 Budget of US\$ 7,574

(in US\$ thousand)

Use of Funds	FY15 Budget	FY15 Actual Expenses* (July 1, 2014 – June 30, 2015)	FY16 Proposed Budget
PA Meetings and Workshops	850	707	850
Country Delivery Support and Advisory Services	2,100	1,426	1,685
MRP Expert Feedback Process			
Country Delivery Support	500	98	102
o/w: Secretariat Country Support	1600	1,328	1,583
Delivery Partner Support	820	536	808
	780	792	775
Knowledge Management	1,000	822	1,000
Upstream Policy Analysis	5,000	1,597	3,000
PMR Management and Communications	650	732	753
	650	523	
	-	209	
Trust Fund Management	75	64	65
Contingency	150	0	150
Total Use of Funds	9,825	5,348	7,574

* These figures represent actual expenses through March 31, 2015 and estimated expenses from April 1 through June 30, 2015.

FY16 Budget: Drivers in Proposed Increases

- ◆ Continuing Upstream Policy Work to Identify Policy Options for Achieving Mid- and Long-Term Mitigation Objectives
- ◆ Driving Country Progress and Promoting Good Practices through Knowledge Management Activities
- ◆ Increasing Country Delivery Support and Fostering Momentum for Domestic Action
- ◆ Ensuring effective PMR Management and Communications

IV PMR Long-term Plan (LTP)

PMR LTP Assumptions

- ◆ PMR Operations: Costs of the PMR meetings and workshops, PMR Management and Communications day-to-day operations, Country delivery support, Trust Fund Management World Bank Central Units costs and Contingency
- ◆ PMR Support to Countries: PMR country grant support (MRP preparation grants, implementation grants, and targeted country support to technical partners) and PMR complementary support to countries (including technical work program and upstream policy analysis)
- ◆ In the estimate, the amount for the implementation grants of US\$66,000 includes allocated funding for MRPs so far amounts to US\$46 million.*

* Since the MRP grant size ranges from \$3 million to \$8 million, a proxy of US\$5 million was used to for the remaining 4MRPs, amounting to US\$20 million.

PMR Long-term Plan, July 2015 – December 2020 (in US\$ thousand)

PMR Activities	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.	
PMR Operations	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	sub totals
PMR Operations											
PMR PA Meetings + Workshops	305	773	676	799	707	850	700	700	700	700	6,910
PMR Management	342	180	350	457	732	753	750	750	750	750	5,814
Country Delivery Support	165	879	1,124	1,761	1,426	1,685	1,800	1,700	1,700	1,700	13,940
Trust Fund Management	24	79	58	105	64	65	85	85	85	85	735
WB Central Units Cost (1% of contributions)	127	127	127	127	127	127	127	127	127	127	1,270
Contingency	-	-	-	150	150	150	150	150	150	150	1,050
PMR Operations Subtotal	963	2,038	2,335	3,399	3,206	3,630	3,612	3,512	3,512	3,512	29,719
PMR Support to Countries											sub totals
PMR Country Grant Support											
Preparation Grant											5,950
Implementation Grant											66,000
Targeted Country Support to Technical Partners											2,000
PMR Country Grant Support Subtotal											73,950
PMR Support to Countries											
Knowledge Management & Technical Work Program	-	-	238	664	822	1,000	1,000	1,000	1,000	1,000	6,724
Upstream Policy and Economic Modeling Analysis	-	-	-	-	1,597	3,000					4,597
Additional Targeted Support	-	-									12,500
PMR Complementary Support to Countries Subtotal	-	-	238	664	2,419	4,000	1,000	1,000	1,000	1,000	23,821
PMR Support to Countries Subtotal											97,771
PMR Activities Total											127,490

Thank You

FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR),
PLEASE CONTACT:

PMR SECRETARIAT

PMRSECRETARIAT@WORLDBANK.ORG