



# PARTNERSHIP FOR MARKET READINESS (PMR): OVERVIEW OF THE PMR GOVERNANCE FRAMEWORK AND RULES OF PROCEDURE

Duangrat Laohapakakul (PMR Secretariat)  
Legal Department, The World Bank

Bangkok, Thailand  
April 10-11, 2011

# Overview

---

- ◆ **Introduction to the PMR Governance Framework and Rules of Procedure**
- ◆ **Key aspects of the two documents, in particular on the participation and governance structure of the PMR**
- ◆ **Q&A**

# Background

---

## The PMR Governance Framework:

- ◆ Sets forth the basis for the operation of the PMR and will serve as the constituting document of the PMR
- ◆ Derived from the PMR Design Document circulated in July 2010
  - The Design Document is a living document and will be updated periodically
- ◆ Further revised based on comments received from participants/organizations

## Background (2)

---

### The Rules of Procedure:

- ◆ **Complement provisions of the PMR Governance Framework by elaborating details on the conduct of the meetings of the Partnership Assembly (PA) and Partnership Committee (PC)**
- ◆ **Will govern all meetings of the PA and PC**

## Background (3)

---

- ◆ **The PMR Governance Framework and the Rules of Procedure are proposed for adoption at this Organizational Meeting**
- ◆ **The draft PMR Governance Framework and Rules of Procedure dated April 6, 2011 will be used for discussion at this Organizational Meeting**
  - First drafts circulated on March 21, 2011 and revised drafts circulated on April 6, 2011
  - Matrix of comments and responses circulated on April 8, 2011

# Outline of PMR Governance Framework

---

- ◆ **Section I : Objectives of the PMR**
- ◆ **Section II: Operating Principles**
- ◆ **Section III: Activities for Support**
- ◆ **Section IV: Participation and Governance Structure**

# Section I: Objectives of the PMR

---

- ◆ **To provide grant financing**
- ◆ **To pilot, test and sequence new concepts for market instruments**
- ◆ **To create a platform for sharing experiences and information**
- ◆ **To create and disseminate a body of knowledge on market instruments**
- ◆ **To share lessons learned, including with the UNFCCC**

## Section II: Operating Principles

---

- ◆ **To be country-led and to build on nationally defined and prioritized mitigation policies, according to each implementing country's national circumstances**
- ◆ **To coordinate with other readiness efforts for NAMAs to avoid duplication and ensure effective use of resources**
- ◆ **To cooperate with other actors and processes that are undertaking similar initiatives, such as UN agencies and other MDBs**
- ◆ **To promote learning-by-doing through early and integrated efforts**



# Section III: Activities for Support

---

- ◆ **Assessment**
- ◆ **Data**
- ◆ **Measurement, Reporting and Verifying (MRV)**
- ◆ **Institutional capacity**
- ◆ **Policy and legal frameworks**
- ◆ **Piloting and testing**

---

## Section IV: Participation and Governance Structure

# Overview of Participation in PMR

---

## ◆ **PMR Participants**

- Contributing Participants
- Implementing Country Participants

## ◆ **Observers**

- Countries (including potential PMR Participants), organizations and entities relevant to the activities of the PMR
- Delivery Partners

## ◆ **Experts**

- Experts drawn from the PMR Roster of Experts

# Overview of Governance Structure

## Partnership Assembly (PA)

All Contributing Participants  
All Implementing Country Participants  
(collectively, **PMR Participants**)

*Once there are 10 participants in each group,  
the PA may consider establishing the PC*

## Partnership Committee (PC)

Equal number of representatives from  
the Contributing Participants and  
the Implementing Country Participants  
(up to 8 members from each group)

### Observers

- Countries, organizations and entities relevant to the activities of the PMR
- Delivery Partners

### Experts

Experts drawn from the Roster of Experts established by the PMR Secretariat

### Secretariat/Trustee

World Bank

### Delivery Partners

- Principal: World Bank
- Additional: Other MDBs and UN agencies

# Partnership Assembly (PA)

---

## ◆ Composition of the PA:

- **All Contributing Participants**

- “Donors that have contributed financially to the PMR and that have entered into an administration agreement with the IBRD”

- **All Implementing Country Participants**

- “Countries that have submitted an expression of interest to participate in the PMR and whose participation have been confirmed at the Organizational Meeting or any PA meeting”

- **Collectively, PMR Participants**

## ◆ Roles and responsibilities of the PA:

- **Key:** Provide strategic guidance for PMR operation, and approve the allocation of resources in the absence of the PC

# Meetings of the PA

---

## ◆ Frequency:

- Twice per year, or at any other frequency as may be decided by the PA on the basis of recommendation by the Secretariat

## ◆ Attendance:

- Meetings of the PA will be opened to all PMR Participants, Observers and Experts

## ◆ Quorum:

- 2/3 of all PMR Participants

# Chairpersonship

---

## ◆ Proposed arrangement:

- Unless the PA decides otherwise, the World Bank chairs the Organizational Meeting and the two PA Meetings scheduled for 2011
- For subsequent meetings, a Chair to be elected from among the PMR Participants at the beginning of each meeting
- Chairpersonship be in rotation between a representative from the Contributing Participants and Implementing Country Participants in each meeting

## ◆ Other Options for subsequent PA Meetings:

- Option A (Chair and Vice Chair): Chair and Vice Chair will alternate between the Contributing Participant and the Implementing Country Participant in each meeting
- Option B (Co-chairs): One Co-Chair from the Contributing Participants and the other Co-Chair from the Implementing Country Participants

# Decision Making by the PA

---

## ◆ Proposed option:

- Consensus

## ◆ Other options:

- Option A: Consensus, but PMR Participant with different views may record its view as a note to the decision
- Option B: Consensus as the primary mode of decision making. If consensus can not be reached, decisions are made by a simple (or 2/3) majority vote of the Contributing Participants and simple (or 2/3) majority vote of the Implementing Country Participants. Each PMR Participant has one vote.



# Decision without PA Meeting

---

## ◆ Matters for decision on a no-objection basis:

- In the absence of the PC, approval of fund allocation to the Implementing Country Participants
- Any other matter that the Secretariat, in consultation with the Chair, determines and requests should not be postponed until the next PA Meeting

## ◆ Procedures:

- See next slide

# Procedures for Decision without PA Meeting

---

## Invitation

- The Secretariat sends an invitation with relevant documents to (i) each PMR Participant for review and approval and (ii) to relevant Observers and Experts, subject to disclosure requirements, for comments

## Consideration period

- PMR Participants to object and relevant Observers and Experts to comment within a period of at least 14 days
- Secretariat coordinate with parties to provide clarification to questions or comment
- Secretariat may extend the period for consideration by up to 7 days as needed to address question or comment, unless any PMR Participant objects

## Decision

- If no objection from any PMR Participant, the proposed decision is approved at the expiration of the time period prescribed
- If there is an objection, the matter will be considered in the next PA Meeting

# Partnership Committee (PC)

---

## ◆ Consideration for establishment of the PC:

- Once there are 10 Contributing Participants and 10 Implementing Country Participants in the PA, the PA may consider establishing the PC

## ◆ Responsibilities of the PC:

- Approve allocation of PMR resources to the Implementing Country Participants
- Other functions as may be designated by the PA

# Composition of the PC

---

## ◆ Key elements of PC composition:

- Equal number of representatives from the Contributing Participants and the Implementing Country Participants
- Proposed to comprise of up to 8 Contributing Participants and 8 Implementing Country Participants as members
- Contributing Participants must have contributed no less than US\$ 5M or equivalent to be selected as a member

## ◆ Contributing Participants and Implementing Country Participants will elect representatives from their respective groups to serve as PC Members through their own respective criteria and mechanism for such elections, based on the aforementioned considerations

# Meetings of the PC

---

- ◆ **PC Members determine frequency of PC Meeting**
- ◆ **PC Meeting is opened to PC Members, all other PMR Participants, Observers and Experts**
- ◆ **Decisions made by consensus**
- ◆ **The proceedings of the PA Meetings will apply similarly to the proceedings of the PC Meetings, unless otherwise specified in the Rules of Procedure or otherwise decided by the PA**

# Observers

---

## ◆ **Composition:**

- Countries, organizations and entities relevant to the activities of the PMR
- Delivery Partners

## ◆ **Invitation to meetings:**

- By Secretariat, in consultation with the Chair

## ◆ **Participation:**

- Participate in the meetings of the PMR without voting right; provided that, the Chair may decide to limit participation in the meeting to PMR Participants and Delivery Partners for any specific agenda item

# Experts

---

## ◆ **Composition:**

- Experts drawn from a Roster of Experts established by the PMR Secretariat

## ◆ **Invitation to meetings:**

- By Secretariat with respect to any agenda item of the meeting

## ◆ **Participation:**

- Facilitate the work of the PMR, including attending meetings of the PMR to provide expert advice
- Provide technical assistance to Implementing Country Participants for readiness preparation
- Modality of expert support to the work of the PMR may be further developed by the PMR Secretariat for consideration by the PA

## ◆ **An update on the status of the Expert Roster will be provided during the session on “Reporting on establishing PMR Roster of Experts”**

# Secretariat and Trustee

---

## ◆ The World Bank assumes the roles of Secretariat and Trustee

### ◆ Responsibilities of the Secretariat:

Key:

- Provide secretariat services for PMR meetings
- Develop guidelines for funding allocation for consideration by the PA
- Review funding proposals for completeness and quality
- Prepare updates or consolidated progress reports

### ◆ Responsibilities of the Trustee:

- Establish and administer the PMR multi-donor trust fund
- Enter into Administration Agreements with donors with respect to their contributions to the PMR



# Delivery Partners

---

## ◆ Responsibilities:

- Collaborate with the agreed Implementing Country Participants to assist them in the carrying out of PMR activities
- Supervise grant implementation in such countries
- Provide technical support as needed for PMR activities

## ◆ Accountability:

- 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 the its own fiduciary, safeguard and operational policies and procedures
- Each Delivery Partner will report and be directly accountable to the PA and PC, as applicable

# Delivery Partners (2)

---

## ◆ Principal and Additional Delivery Partners:

- Propose that the World Bank serves as principal Delivery Partner
- On a case-by-case basis and at the request of an Implementing Country Participant, the PA may decide, with the agreement of the Trustee, for other MDBs and UN agencies to serve as additional Delivery Partners
  - Transfer agreement, with terms based on the decision of the PA
  - Once PMR funds are disbursed by the Trustee to an additional Delivery Partner, the additional Delivery Partner will be responsible for the use of funds and activities carried out therewith in accordance with the its own fiduciary, safeguard and operational policies and procedures, and the Trustee will no longer have any such responsibility over the funds disbursed and activities carried out therewith

---

# Q&A

# Thank You

---

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

PMR SECRETARIAT

[PMRSECRETARIAT@WORLDBANK.ORG](mailto:PMRSECRETARIAT@WORLDBANK.ORG)

[WWW.CARBONFINANCE.ORG](http://WWW.CARBONFINANCE.ORG)