KEY STEPS IN THE PMR PROCESS & GUIDELINES FOR ALLOCATION OF FUNDING FOR PREPARATION PHASE

Presentation at PMR Organizational Meeting

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Carbon Finance Unit, The World Bank

Bangkok, Thailand
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Overview

- Summary of Key Steps in PMR Process
- Step I: Expression of Interest
- Step II: Preparation Phase
- Step III: Implementation Phase
- Guidelines for Allocation of Funding for Preparation Phase
Key steps in PMR process (corrected April 10, 2011)

I. Expression of Interest (EoI)
- Submission of EoI to the PMR Secretariat
- Working meetings/dialogue between World Bank and countries having submitted the EoI
- Confirmation of countries having submitted EoI as “PMR Implementing Country”
- Implementing Countries present organizing framework for scoping of Market Readiness Activities to Partnership Assembly;
- Partnership Assembly decides on allocation of funding for Preparation Phase

II. Preparation Phase
- Implementing Country formulates its Market Readiness Proposal (including funding proposal) and presents it to Partnership Assembly
- Partnership Assembly decides on allocation of funding for Implementation Phase

III. Implementation Phase
- With support of delivery partner, Implementing Country to implement market readiness elements & market instruments

Updates of progress
Technical discussions
Sharing lessons & experience
## PMR Key Steps: I. Expression of Interest

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<thead>
<tr>
<th>Steps</th>
<th>Responsible Entities</th>
<th>Associated Documents</th>
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<tr>
<td><strong>1. Initial Engagement:</strong> World Bank engages countries on potential participation</td>
<td>The World Bank</td>
<td>PMR Note on Participation (PMR-NOTE-ORG-2)</td>
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<tr>
<td>2. EoI Submission: interested countries submit EoI to PMR Secretariat</td>
<td>Interested countries</td>
<td>EoI Template</td>
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<td>3. Initial Dialogue/Working Meeting: countries having submitted an EoI meet with the World Bank to initiate <strong>scoping exercise</strong></td>
<td>The World Bank and Countries that submit EoI</td>
<td>Submitted EoI</td>
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<td>4. Confirmation of PMR Implementing Country Participants</td>
<td>Organizational Meeting or PA</td>
<td>PMR Note on Participation (PMR-NOTE-ORG-2) and PMR Governance Framework (PMR-NOTE-ORG-1)</td>
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<tr>
<td>5. <strong>Presentation</strong> to Partnership Assembly of organizing framework for scoping of Market Readiness Activities.</td>
<td>Implementing Country Participants and PA or PC</td>
<td>Country presentations (PMR Secretariat preparing template).</td>
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<tr>
<td>6. Decision on funding of Preparation Phase</td>
<td>PA or PC</td>
<td>Guidelines on Allocation of PMR Funding for the Preparation Phase (PMR-NOTE-ORG-4)</td>
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**Key Steps in the PMR Process**

**Partnership for Market Readiness Organizational Meeting (Bangkok, April 2011)**
## PMR Key Steps: II. Preparation Phase

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<tr>
<td>1. Formulation of Market Readiness Proposal</td>
<td>Implementing Country Participants&lt;br&gt;The World Bank</td>
<td>Tool for Market Readiness Proposal (to be developed by Secretariat with PMR working group)</td>
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<tr>
<td>2. Technical Expert Feedback:</td>
<td>Implementing Participants; Experts; and PMR Secretariat</td>
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<td>PMR Secretariat facilitates feedback from expert(s) to assist Implementing Country Participants in finalizing Market Readiness Proposals</td>
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<tr>
<td>3. Presentation of Market Readiness Proposal</td>
<td>Implementing Country Participants and PA or PC</td>
<td></td>
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<tr>
<td>by Implementing Country Participant</td>
<td></td>
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<tr>
<td>4. Decision on allocation of funding for</td>
<td>PA or PC</td>
<td>Guidelines for Allocation of PMR Funding for the Implementation Phase</td>
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<td>Implementation Phase</td>
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### PMR Key Steps: III. Implementation Phase

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<tbody>
<tr>
<td><strong>1. Implementation</strong> of Market Readiness Proposal</td>
<td>Implementing Countries and The World Bank</td>
<td>Grant agreement with the Delivery Partner, and any other documents developed for Implementation</td>
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Guidelines for Allocation of Funding for Preparation Phase

The formulation of the PMR Market Readiness Proposal will vary in line with countries’ national circumstances

PMR Funding for the Preparation Phase could be used for activities such as:

- Consultations and workshops with relevant public ministries/agencies and stakeholders;
- Sectors/sub-sectors/geographic area analysis (e.g., mitigation potential, abatement cost, strategy, barriers, & needs);
- Identification of sectors and/or areas to be covered by a new market mechanism (e.g., elaboration of priorities, criteria or considerations);
- Surveys of ongoing related activities (e.g., activities aimed at low carbon development strategies or domestic MRV) to ensure synergies & avoid duplications
- Analytical work & research on design options for market-based mechanisms;
- Stock-taking of existing data availability and quality and identification of domestic MRV needs;
- Assessment of existing institutional set-up and gaps;
- Assessment of policy coherence and how market instruments can support countries’ policies and low carbon development goals.
Guidelines for Allocation for Preparation Phase: Some Considerations (1)

- PMR activities are country-driven.

- Countries will plan, formulate, organize & implement market readiness activities according to their national circumstances.

- Implementation of new market-based instruments expected to involve a greater role for national governments & collaboration of multiple ministries & agencies.

- Low carbon development paths will require mitigation beyond what can be achieved through offset mechanisms such as current CDM.

- Significant capacity building is needed for domestic institutional capacity & to ensure, for e.g.,
  - establishment of reliable databases;
  - development of legal & policy frameworks; and
  - introduction of a credible domestic MRV system;
Guidelines for Allocation for Preparation Phase: Some Considerations (2)

- Throughout market readiness process, it is important to ensure environmental integrity.

- Activities funded by the PMR should:
  - build upon – and seek synergies with – related activities supported by other sources of funding
  - avoid duplication
The PMR Secretariat proposes that the amount of funding per country allocated for Preparation Phase be set at US$350,000.
For more information on the Partnership for Market Readiness (PMR), please contact:

PMR Secretariat

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