Chile update on MRP Implementation Phase

PA7, Marrakech
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Ministry of Energy
Steps to make the Grant Operational

**World Bank**
- Internal arrangements for funding approval and transfer of funds

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1. Drafting of Grant Agreement
2. Project Concept Note
3. Processing of GA with Chilean counterparts

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**National Level**
- Internal arrangements for funding approval and administration
- Drafting of relevant documentation as part of the Grant Agreement.

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1. Approval of Grant by Ministry of Finance
2. Selection of administrative agency/Approval by **MoF**
4. Preparation of Procurement Plan
5. Drafting of ToRs in advance
Timeline for funding approval and operation

2013

March

- MoF authorized the access and use of the Grant by the Ministry of Energy.
- World Bank Mission
- Decision on Administrative Agency: AGCI

April

Chile’s International Cooperation Agency (AGCI) accepted the request of acting as Administrative Agency

May

- AGCI requested the “no-objection” from MoF
- Procurement Plan Drafting

June

- WB follow-up mission
  - Bundling of Activities/Budget
  - Work together with other ministries

July

- AGCI received the “no-objection” from MoF

August

Meetings with Ministries of Finance & Environment to advance work on ToRs for economic modeling and MRV & Registry have been held

September

Operational Manual: WB hired a consultant
**Reminder: Summary of Total PMR Funding Request for Implementation Phase for the first two years (PA5 presentation Washington, DC)**

<table>
<thead>
<tr>
<th>Building Block</th>
<th>Activity</th>
<th>Total cost of activities</th>
<th>PMR Funding Request</th>
<th>National Government</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td><strong>Component 1</strong>&lt;br&gt;Regulatory, Economic and Institutional Analyses needed to design a GHG ETS for the energy sector in Chile</td>
<td>1,810</td>
<td>1,200</td>
<td>50</td>
<td>560</td>
</tr>
<tr>
<td>3</td>
<td><strong>Component 2</strong>&lt;br&gt;Design and implementation of MRV and Registry systems</td>
<td>1,560</td>
<td>1,100</td>
<td>50</td>
<td>410</td>
</tr>
<tr>
<td>5</td>
<td>Involvement with stakeholders</td>
<td>510</td>
<td>400</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>Budget for the administration of the PMR project</td>
<td>500</td>
<td>300</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>4,380</td>
<td>3,000</td>
<td>300</td>
<td>1,080</td>
</tr>
</tbody>
</table>
## Update of Activities

### PMR Activities – March 2013 (PA5)

**Component 1: Regulatory, Economic and Institutional Analyses for a GHG ETS in the energy sector**

- Computable General Equilibrium model (SDGE)
- Tasks for micro-economic analytical work (structural analysis)
- Establishing required vs. existing legal & institutional MRV capacities for an ETS
- ETS & MRV institutional and financial arrangements + Development of protocols & standards
- Enhancements of existing emissions database (RETC) + monitoring procedures + calculation and reporting of emissions
- Improvement of monitoring procedures, calculation and reporting of emissions and record layout
- Design of an Emissions Trading System

**Component 2: Design and implementation of MRV framework and a Registry**

- Communication, Consultation and Engagement Strategy
- Administration of PMR: Hiring of technical, administrative & policy-making teams

**Involvement with Stakeholders**

- Administration of the PMR project
Next Steps

- Operational Manual finalized/approved (expected by Nov. 2013)
- Procurement Plan (expected by Nov. 2013)
- Cooperation Agreement between AGCI and Ministry of Energy (expected on Nov-Dic 2013)

- Grant Agreement signature process:
  - Submission from WB to local counterpart
  - National Controller revision/approval (could take 4 months)

- Continue working on the Terms of Reference, based on the bundling exercise
Thank you