Co-chairs’ Summary of the Tenth Meeting of the PMR Partnership Assembly (PA10)

November 3-4, 2014
Santiago, Chile
OPENING OF THE MEETING

1. The meeting was opened by the co-chairs, Ms. Claudia Andrea Diaz (Colombia) and Mr. Marko Berglund (Finland). Ms. Nicola Borregaard, the Head of the Sustainable Development Division at the Chilean Ministry of Energy, provided welcoming remarks. In her annotations, she outlined the importance of the PMR process in the context of the recently enacted carbon tax in Chile. Messrs. James Close and Vikram Widge welcomed the participants on behalf of the World Bank Group, emphasizing the emergence of the PMR as a key platform for delivering climate action on the ground and any effort to deliver cost-effective solutions at scale.

2. The PMR Secretariat provided an update on work carried out during the inter-sessional period and the PA adopted the agenda as attached to this document (Annex I).

INFORMATION SHARING

3. The following countries and organizations presented updates on relevant domestic policy developments or related information:
   
a. Australia provided an Update on Domestic Policy Developments and the Emissions Reduction Fund;

b. Chile provided an Update on Carbon Tax;

c. China provided an Update on ETS pilots;

d. Japan provided an Update on the Recent Development of the Joint Crediting Mechanism (JCM), while Indonesia and Mexico updated the PA on their bilateral agreements under the JCM;

e. The United States provided an Update on Implementation of the US Climate Action Plan; and

f. The United Nations Framework Convention on Climate Change (UNFCCC) provided an Update from the Bonn Climate Change Conference.

g. Germany provided an update on the EU 2030 Climate and Energy Policy Framework, including a binding target of an at least 40% domestic reduction in GHG emissions by 2030 compared to 1990.

PMR TECHNICAL PARTNERS: UPDATE ON CALIFORNIA AND QUÉBEC

4. As defined in the PMR Governance Framework and Rules of Procedure, the Partnership Assembly may, on the basis of the recommendation of the Secretariat, accept a country or a sub-national jurisdiction as a Technical Partner. In this context, California and Québec have expressed interest to join the PMR as Technical Partners.
5. **California** and Québec updated the PA on their respective cap-and-trade programs and common work on linking operations. Both jurisdictions presented their request and rationale to join the PMR as Technical Partners, and listed potential activities for cooperation with PMR Participants going forward.

6. The PA, through [Resolution No. PA10/2014-2](#) and [Resolution No. PA10/2014-3](#) (Annex II), confirmed California and Québec’s participation as Technical Partners, respectively. It was clarified by the PMR Secretariat that it is not envisioned that any grant funding would be allocated to California and Québec.

**Presentation of Final Market Readiness Proposal (MRP)**

7. **Vietnam** presented its [final MRP](#) for allocation of Implementation Phase Funding. The MRP focuses on design and piloting of market instruments in the steel and solid waste sectors, capacity development and improved data management, and sustained stakeholder engagement. The [presentation](#) highlighted responses to the feedback received from Participants, experts, and the World Bank since the draft version. The PA, through [Resolution No. PA10/2014-1](#) (Annex II), allocated US$3 million to Vietnam for implementation of its MRP.

8. The draft MRP was generally well-received by the Participants who requested clarifications on: (i) coordination of Vietnam’s MRP activities with other ongoing and expected donor initiatives in the sectors covered by the MRP; (ii) ways to address challenges in the targeted sectors through the implementation of the MRP activities; (iii) alignment of the MRP activities with the relevant sector reforms; and (iv) focus of credited NAMA for the solid waste sector (reduction of methane vs. carbon dioxide). The PMR Participants were invited to provide further written feedback on Vietnam’s MRP to the Secretariat by **November 28, 2014**. As is the case for all other Implementing Country Participants, Vietnam was invited to periodically update the PA on the status of its MRP implementation.

**Presentation of the PMR Operations Monitoring System and Update on Countries’ MRPs**

9. The PMR Secretariat [presented](#) the Note on the PMR Operations Monitoring System ([PMR Note PA10 2014-1](#)) for discussion and feedback from the PA. The note includes a proposal to establish two monitoring tools: (i) the PMR Dashboard and (ii) the Country MRP Implementation Reports. It also proposes to prepare a template for an annual, aggregated monitoring report: (iii) the PMR Operations Monitoring Report.

10. The PA welcomed the proposals made in the note and requested to keep the design of the monitoring as simple and straightforward as possible. The session was also an opportunity for the PA to discuss the progress made towards the implementation of the MRPs and to
discuss the challenges related to the appraisal and signature of the grant agreements. To this end, the PMR Secretariat will provide information at the next PA meeting on the grant agreement due diligence and negotiation process conducted prior to signature. Finally, some Participants also requested additional information on how material changes in the proposed MRP activities occurring between the time of endorsement of the MRP by the PA and the signature of the grant agreement with the Delivery Partner would be reviewed by the PA. It was suggested that changes to MRPs which took the work further than originally anticipated should have the implicit approval of the PA.

11. The PMR Participants were invited to provide further written feedback on the Note on the PMR Operations Monitoring System to the Secretariat by November 28, 2014. Based on the feedback received from the PA, the PMR Secretariat will revise the Note with the objective for the PA to endorse the PMR Operations Monitoring System at the next PA meeting (PA11). Similarly, the PMR Secretariat will also prepare a template for the PMR Operations Monitoring Report for discussion at PA11.

12. In the context of countries’ updates on MRP implementation, Brazil and Ukraine reported on the status of their MRPs and the progress made since the electronic approval of their request for implementation phase funding during the inter-sessional period. In addition to restating the importance of electronic approval of the MRP given the country’s specific context, Brazil informed the PA about a number of internal consultations within the Ministry of Finance and with other stakeholders based on which next steps about the implementation arrangement will be set. Likewise, Ukraine emphasized the importance of the allocation of implementation phase funding through electronic means during the inter-sessional period. In addition, Ukraine provided further details about the ongoing administrative reform that the government agencies are going through, including the decision to wind up the State Environmental Investment Agency (SEIA), which has been the MRP implementing agency. Ukraine reassured the PA that SEIA’s responsibilities and tasks would be assumed by the Ministry of Environment and Natural Resources, and that continuity would be ensured.

UPDATE ON PMR TECHNICAL WORK PROGRAM

13. The PMR Secretariat provided an Update on the PMR Technical Work Program. Going forward, the Secretariat proposed a framework for strategic planning of the technical work program that would ensure coherence of different activities, allow them to be more targeted, capture and share lessons and leverage and maximize synergies with the work being conducted by other organizations.

14. In addition, the Secretariat provided an update on activities previously agreed for FY15 and proposed two new thematic streams of work on carbon taxes and on emissions trading.
schemes. Under the carbon tax work stream the following activities will be carried out: the preparation of a guide on the design of carbon taxes, technical notes or briefs on related topics of interest to countries, and the preparation of an E-Learning course. The ETS work stream will focus on the preparation of an ETS handbook.

15. Finally, the PMR Secretariat provided an Update on the work related to business readiness to carbon pricing. The main results of the upcoming Technical Note on “Preparing for Carbon Pricing: Case Studies from Company Experience” (to be published in November 2014) were presented. Discussions identified the need for more specific guidance for businesses on some specific preparedness issues such as the definition of corporate carbon strategies, MRV, compliance operations and trading of carbon assets etc. Additionally, countries expressed the need for private sector tailored material on carbon pricing that could support their dialogue with local businesses.

16. The PA welcomed the update and expressed general support for the proposed framework for strategic planning and for the new activities. The PA agreed to establish new working groups to support the carbon tax and ETS work streams, as well as a working group on data management and registries. The PMR Secretariat took note of and will take into account the recommendations to prepare a stakeholder engagement and product dissemination strategy for the technical work program as a whole.

STRATEGIC ORIENTATION FOR THE FUTURE OF THE PMR

17. Following up on the first round of strategic discussions of the future of the PMR which took place at PA7 in October 2013 Marrakech, the Secretariat presented initial ideas on how the PMR support could be further strengthened, now that most Implementing Countries are entering the implementation phase of their MRPs. In addition to providing background information on the PMR strategic direction discussions so far and key observations gained from the PMR process, the presentation highlighted the main challenges and opportunities facing the PMR, as well as outlined possible ways of deepening, broadening, and strengthening the PMR support to countries.

18. Participants welcomed the comprehensive presentation made by the Secretariat and raised a number of observations which could help guide the process on this matter in the future. Among other things, they pointed out the need to take stock of past and present PMR activities focusing on the MRP implementation (piloting), reassess the PMR’s original objectives, provide clarity on the links and interactions between the PMR’s upstream policy analysis and the activities in the countries’ MRPs, etc. Some participants also emphasized that the PA meetings and discussions during the implementation phase will be fruitful and generate important lessons for the PMR community. Finally, some participants requested
that the strategic discussions should also reflect more details on the additional funding to be provided to the countries. The PMR Participants were invited to provide further written feedback on the Secretariat presentation on the strategic direction for the future of the PMR by **November 28, 2014**. The Secretariat will prepare a Background note prior to PA11 to facilitate further discussions on this matter.

19. In the context of growing momentum for carbon pricing worldwide, the World Bank Group (WBG) provided an update on the UN Climate Summit which took place in September 2014 in New York, and presented the next steps related to the establishment of the Carbon Pricing Leadership Coalition (CPLC) in order to seek comments from countries. The WBG will continue to carry out consultations on the CPLC.

**PRESENTATION OF DRAFT MRP**

20. **South Africa** presented its **draft MRP** to the PA. The proposed activities are aimed at advancing carbon pricing policy in South Africa towards the implementation of the carbon tax. As such, the South Africa’s draft MRP focuses on Monitoring, Reporting and Verification (MRV), development of the offset scheme under the carbon tax, and a number of analytical studies aimed at examining an effective mix of revenue recycling and tax shifting measures, as well as assessing competitiveness issues. On behalf of the Expert Group, Mr. John Ward presented a **Summary of Expert Group Feedback**.

21. Participants requested additional clarifications on: (i) the design of the carbon tax including the tax rate and tax free thresholds; (ii) the added value of the PMR process in the overall carbon tax design and implementation; (iii) the volume of expected revenues from the carbon tax and complementary offset scheme; (iv) the relevance of competitiveness and social impacts and ways of addressing them; (v) detailed budget and timeline, and others. Participants were invited to submit written comments on South Africa’s draft MRP by **November 28, 2014**. Following its practice, the PMR Secretariat will compile all feedback – both summarized feedback from the discussion at PA10 and any submitted written feedback (which will be recorded verbatim). South Africa is invited to take into account the feedback in finalizing its MRP. The final MRP should be submitted to the PMR Secretariat for circulation to Participants three weeks prior to PA11.

**UPDATE ON UPSTREAM ANALYTICAL POLICY SUPPORT**

22. Following up on the PA’s decision at PA9 (Resolution No. **PA9/2014-3**) about allocation of the funds in the amount of US$5 million for FY15 to support Upstream Policy Work (Country-level analytical work; Common methodology and framework; and International and national technical meetings and workshops), the Secretariat prepared an **Update on PMR Upstream Analytical Work** with the objective to inform the PA on status of the work, scope and timeline for planned activities, as well as corresponding resource allocations. The
presentation provided an update on the two streams of the PMR support: (i) Targeted support to countries to pursue design and implementation of carbon pricing instruments; and (ii) Upstream analytical policy support on post-2020 mitigation scenarios. Furthermore, the presentation also outlined the country-specific work plans, including the timeline and budgetary allocations. Following the Secretariat presentation, the countries briefly updated the PA on the status of the ongoing work under the PMR’s Upstream Analytical Policy Support.

23. Participants had an overall positive feedback on the update which was presented by the Secretariat, including welcoming clarifications that there was no direct link between the PMR’s upstream policy work and the UNFCCC processes. Some Participants requested additional information and clarifications on the links between proposed country work and the existing MRPs, as well as the alignment of the proposed scope of work with the original PMR’s objectives. The PMR Secretariat will provide regular updates on the work and the reports on the country studies will be made available to the PA subject to confidentiality requirements. It was agreed that the funding allocation to support upstream analytical work outlined in the Resolution No. PA9/2014-3 will need to be reviewed at the PA meeting in May/June 2015, as the Resolution related to a funding allocation only in FY15.

**STOCKTAKING OF THE PMR COUNTRIES SCALED-UP EMISSION REDUCTION CREDITING PROGRAMS**

24. When moving toward MRP implementation and piloting, it is important to consider how crediting related readiness efforts might best prepare for, stimulate, and catalyze scaled-up mitigation and low-carbon investment beyond crediting. Given that several PMR Implementing Country Participants have opted to pursue scaled-up emission reduction crediting programs under their MRPs, the PMR Secretariat has initiated a study with an objective to examine current and potential future crediting-related activities in eight PMR countries. The scope of the study was presented for PA’s input and feedback. In particular, the presentation provided more information on the context of the work, features of crediting-related activities in eight PMR countries, similarities and differences among them, as well as the options on how to enhance readiness for scaled up mitigation.

25. The PMR Participants welcomed the presentation on the ongoing effort to take stock of the PMR countries’ scaled-up crediting programs. Participants raised questions on how the study and its findings would deal with low demand for credits internationally, and requested additional clarifications in terms of scaled-up mitigation actions vs. strengthening of the CDM as well as future linking, etc. Some participants also stressed the importance of the ongoing discussions on the World Bank Group’s Fund for Scaled-Up Crediting.

26. Following the feedback received from the PA, the next steps consist of conducting interviews with other actors and facilities involved in readiness activities and assessing and suggesting
opportunities for enhancing support for implementation of crediting-related MRPs (including “testing on the ground”), maximizing benefits under multiple policy frameworks, supporting prioritization in response to evolving circumstances, and stimulating knowledge exchange among countries.

**UPDATE ON THE PMR PERFORMANCE EVALUATION SYSTEM**

27. Two documents prepared by the Development Portfolio Management Group of the University of Southern California (DPMG/USC) were presented and discussed during the session on the Evaluation of the PMR: (i) Draft PMR Evaluation Framework, and (ii) Preliminary Findings of the First Independent Evaluation of the PMR.

28. DPMG/USC presented the draft Evaluation Framework and stressed that the framework is still a work in progress. It consists of two components: (i) a logical framework and (ii) a set of associated evaluative questions and sub-questions for the purpose of assessing the PMR’s performance over time, and which focus on the relevance, effectiveness and efficiency of the Partnership and its activities.

29. The PA acknowledged that the impact of the PMR could not be evaluated simply in terms of GHG emissions reductions. Appropriate qualitative indicators would need to be developed to properly measure impact. The PA highlighted the need to distinguish between the objectives of the First Independent Evaluation – which is meant to be mainly formative – and that of the subsequent evaluations – which will be more summative. The PA also requested that the Evaluation Framework should be able to capture not only the results against the objectives of the PMR, but also the improvements over time.

30. DPMG/USC also presented the Preliminary Findings of the First Independent Evaluation of the PMR stressing that it is still a work in progress. DPMG/USC used the opportunity of its presence at the PA and associated events to conduct additional interviews with several PMR stakeholders, to collect additional inputs for the first evaluation, and to remind them to complete the survey questionnaires that were sent electronically. The PA indicated that, because the PMR is still in early stages of implementation, it was interested mostly in the lessons that could be extracted from the exercise, and to help set the stage for future program assessments.

31. Participants were invited to submit written comments on both documents by November 28, 2014. Based on the feedback received, DPMG/USC will prepare the final draft version of the Evaluation Framework, which will be reviewed and discussed with the Evaluation Working Group. Based on such interaction, DPMG/USC would prepare the final Evaluation Framework and the First Independent Evaluation Report for endorsement by and discussion with the PA, respectively, at PA11.
PROCESS AND PROCEDURES FOR PA DECISION-MAKING THROUGH ELECTRONIC MEANS

32. Following Brazil and Ukraine’s request during the inter-sessional period between PA9 and PA10 to use electronic means for allocation of implementation funding by the PA, the PMR Secretariat prepared a Background Note on Partnership Assembly Decision-Making through Electronic Means in order to order to facilitate establishment of a common understanding on how and when the procedure for funding allocation through electronic means should be utilized in the future. The presentation highlighted main steps and characteristics of the MRP feedback process, provided key observations drawn from the existing experience, and suggested a possible modality and a way forward for the PA’s consideration.

33. Participants generally welcomed the Secretariat’s proposal to further clarify the future use and modality for electronic decision-making. By the same token, Participants stressed that this procedure should be invoked only when there is a strong rationale for the country to use it and when the time period between the PA meetings is long enough to cause potential delays in the implementation phase. In addition, some Participants stated a clear preference for decision-making at meetings of the PA, emphasizing the value of discussion and transparency in this regard.

34. The PA agreed that the process of electronic decision-making shall be invoked at the request of an Implementing Country, preferably at the PA meeting during which the draft MRP is presented. If there are no objections from PMR Participants to using electronic decision-making, the Secretariat will circulate to the PA, during the inter-sessional period, the Implementing Country’s final MRP, along with a standard powerpoint presentation (indicating the budget and key changes that were made in the MRP) and a draft resolution. A three-week no-objection period will be in effect during which the Secretariat and the co-Chairs will facilitate communication in order to provide clarifications and ensure a smooth decision-making process. Comments, questions and responses received will be shared with all Participants during the no-objection period. Where the Implementing Country has not requested electronic decision-making at the PA meeting in which it presented its draft MRP, the above-mentioned documents will be accompanied by such a request. In such cases, Participants may object during the first week of the three-week no-objection period to the use of the electronic decision-making procedure itself. As outlined in the Background Note prepared by the Secretariat, upon the end of the three-week no-objection period, the resolution on the funding allocation will be deemed adopted, unless explicit objection is raised by a PMR participant. In such case, the decision would be postponed to the next PA meeting.

CO-CHAIRS
35. The co-chairs – Ms. Claudia Andrea Diaz (Colombia) and Mr. Marko Berglund (Finland) – will serve for the next PA meeting (location and date to be determined).

**MEETING DOCUMENTS**

36. Final presentations, resolutions and other meeting documents are available on the PMR website: [https://www.thepmr.org/events/eventlist/pa/partnership-assembly-meeting-pa10-santiago](https://www.thepmr.org/events/eventlist/pa/partnership-assembly-meeting-pa10-santiago). Please note that some materials, such as country draft MRP and expert feedback on MRP, require a password login for viewing.

**DEADLINES FOR COMMENTS, FEEDBACK, AND SUBMISSIONS**

37. Participants are invited to provide written feedback to the PMR secretariat on Vietnam’s Final MRP and South Africa’s Draft MRPs by **November 28, 2014**.

38. In addition, Participants are also invited to provide feedback by **November 28** on the following documents:
   - The Note on the proposed PMR Operations Monitoring System;
   - The presentation on the Update on the Strategic Direction of the PMR;
   - The draft Evaluation Framework and the Preliminary Findings of the First Independent Evaluation of the PMR.

**UPCOMING MEETINGS AND EVENTS**

39. The precise schedule for the upcoming meetings is yet to be finalized:

**PA 11**

Proposed dates: February/March; Location: India (India has expressed interest in hosting the PA meeting – To Be Confirmed)

**PA 12**

Proposed dates: Week preceding Carbon Expo (week of May 18th) or Week following Carbon Expo (week of June 1st); Location: Barcelona

**PA 13**

Proposed dates: October; Location TBD
# Annex I

## Tenth Meeting of the Partnership Assembly (PA10—Agenda)

### November 3-4, 2014

Santiago, Chile

## Day 1

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>8:30</td>
<td>Registration: Welcome coffee and badge pick-up</td>
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<tr>
<td>9:00</td>
<td>Opening remarks</td>
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<td></td>
<td>- PMR Co-chairs (Ms. Claudia Andrea Diaz, Colombia and Mr. Marko Berglund, Finland)</td>
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<td>- Government of Chile (H.E. Máximo Pacheco, Minister of Energy, Chile)(^1)</td>
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<td>- World Bank Group (Mr. James Close, Director, Climate Change Group, World Bank and Mr. Vikram Widge, Head, Climate and Carbon Finance Unit, World Bank)</td>
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<td>- PMR Update and Progress Report (Ms. Xueman Wang, PMR Secretariat)</td>
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<td>- Adoption of the agenda</td>
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## 2. Information Sharing

PMR Participants and Observers are encouraged to share relevant policy developments. Updates may be done through PowerPoint presentations or oral briefings.

<table>
<thead>
<tr>
<th>Time</th>
<th>Updates</th>
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<tr>
<td>9:45</td>
<td>- Australia: Update on Domestic Policy Developments and the Emissions Reduction Fund (Mr. Ken Xie, Department of Foreign Affairs and Trade, Australia)</td>
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<td>- Chile: Update on Carbon Tax (Mr. Juan Pedro Searle, Ministry of Energy, Chile)</td>
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<td>- China: Update on ETS pilots (Mr. Wang Shu, NDRC, China)</td>
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<td>- Japan, Indonesia, Mexico: Update on the Recent Development of Joint Crediting Mechanism (JCM) (Mr. Naoki Torii, Ministry of Environment, Japan; Mr. Dicky Hindarto, Indonesia Joint Crediting Mechanism Secretariat; and Mr. Luis Muñozcano, Ministry of Environment and Natural Resources (SEMARNAT), Mexico)</td>
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<td>- United States: Update on Implementation of the US Climate Action Plan (Ms. Ashley Allen, State Department, United States)</td>
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<td>- UNFCCC: Update from the Bonn Climate Change Conference (Ms. Amy Steen, Sustainable Development Mechanisms Programme, UNFCCC)</td>
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<td>- Others</td>
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\(^1\) To be confirmed.
### 3. PMR Technical Partners: Update on California and Quebec

As defined in the PMR Governance Framework and Rules of Procedure, the Partnership Assembly may, on the basis of the recommendation of the Secretariat, accept a country or a sub-national jurisdiction as a Technical Partner. California and Quebec have expressed interest to join the PMR as Technical Partners. They will provide an update on recent developments of their market-based instruments, as well as present their proposal for engaging with the PMR for approval by the PA.

| 11:45 | Mr. Michael Gibbs, Assistant Executive Officer, California Air Resources Board  
Mr. André Boisclair, Special Advisor to the Minister, Ministry of Sustainable Development, Environment and Fight Against Climate Change, Quebec  
Discussion |
| 12:30 | Lunch |

### 4. Presentation of Final MRP for Decision on MRP Implementation Funding

Vietnam presented a draft MRP at PA9 in Cologne for feedback from the PA. Based on this feedback, Vietnam has revised its MRP. The country will present the core elements of its final MRP, highlighting any significant changes from the draft version. Following the presentation, there will be time for clarifying questions and discussion. The PA will consider this version of the MRP for a funding allocation decision. Adoption of a resolution on funding allocation will be made under agenda item 13.

| 13:45 | Vietnam  
Presentation of the final MRP (Dr. Luong Quang Huy, Ministry of Natural Resources and Environment (MONRE), Vietnam)  
Discussion |

### 5. Presentation of the PMR Operations Monitoring System and Update on Countries’ MRPs

Implementing Country Participants that are in the process of preparing the MRP or have been allocated implementation phase funding will update the PA on the status of their work, focusing on developments since their last update to the PA. Participants may make verbal or PowerPoint presentations.

In addition, the PMR Results Framework—which was endorsed by the PA at PA7 in Marrakesh—proposes to establish a system to monitor the status and progress of PMR operations at the country level (the PMR Operations Monitoring System). The PMR Secretariat will present the Note on the PMR Operations Monitoring System (PMR Note PA10 2014-1), which will include the PMR Dashboard and the Country MRP Implementation Report, for discussion and feedback from the PA.
<table>
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<tr>
<th>Time</th>
<th>Agenda Item</th>
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| 14:45 | Updates on MRP implementation and Technical Work (Brazil, Ukraine)  
- Presentation of the PMR Operations Monitoring System (*Mr. Adrien de Bassompierre and Mr. Taisei Matsuki, PMR Secretariat*) |
| 15:45 | Coffee Break |
| | **6. Update on PMR Technical Work Program** |
| | Fostering knowledge exchange is a core objective of the PMR. Under this agenda item, the PMR Secretariat will report back on recent developments on its Technical Work Program and present a work plan for the activities on emission trading scheme (ETS), carbon tax and carbon pricing readiness for private sector. |
| 16:15 |  
- Update on Work Program for GHG monitoring, reporting and verification (MRV), Data management, GHG registries and tracking tools, and Offset programs, and GHG baseline setting (*Ms. Pauline Kennedy, PMR Secretariat*)  
- Update on Emission Trading Scheme (ETS) and Carbon Tax (*Mr. Pierre Guigon and Ms. Maja Murisic, PMR Secretariat*)  
- Update on Carbon Pricing Readiness for Private Sector (*Mr. Pierre Guigon, PMR Secretariat*)  
- Discussion and Feedback |
| | **7. Strategic Orientation for the Future of the PMR** |
| | During the discussions on strategic orientation of the future of the PMR which took place at PA7 in October 2013 Marrakech, the PA agreed that strategic discussion should be an ongoing process which needs to be carried out regularly. Following up on the first round of strategic discussions, the Secretariat will present how the PMR implementation and support to countries could be strengthened for PA’s feedback and guidance. |
| 17:15 |  
- Presentation on the PMR Strategic Direction (*Ms. Xueman Wang, PMR Secretariat*)  
- Discussion and Feedback |
| 18:45 | Day 1 Wrap-up |
Day 2

<table>
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<tr>
<th>8. Presentation of Draft MRP</th>
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<tr>
<td>South Africa has submitted the draft Market Readiness Proposals (MRP) which it will present in order to seek feedback from the PA. Representatives from the PMR Expert Groups, who carried out the Expert Feedback Process, will also present observations and suggestions. Based on feedback received, South Africa will revise its MRP and submit it for funding consideration at PA11.</td>
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<th>9:00 South Africa</th>
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<tr>
<td>- Presentation of the draft MRP <em>(Mr. Cecil Morden and Mr. Peter Janoska, Economic Tax Analysis, National Treasury, South Africa and Mr. Jongikhaya Witi, Department of Environmental Affairs, South Africa)</em></td>
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<tr>
<td>- Presentation by a representative of the Expert Group <em>(Mr. John Ward, Director, Vivid Economics)</em></td>
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<td>- Discussion and feedback</td>
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| 10:30 Coffee Break |

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<tr>
<th>9. Update on Upstream Analytical Policy Support</th>
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<td>The PA endorsed and allocated a budget at PA9 in Cologne to support countries to carry out upstream analytical policy support to Implementing Country Participants. The Secretariat will report back on the progress made since PA9. Implementing Country Participants will present the summary of activities that are being carried out at the country-level.</td>
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<th>11:00</th>
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<tr>
<td>- Update on Upstream Analytical Policy Support <em>(Ms. Xueman Wang and Mr. Marcos Castro, PMR Secretariat)</em></td>
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<td>- Update on Country-level Activities</td>
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<td>- Discussion and Feedback</td>
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| 12:15 Lunch |

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<tr>
<th>10. Stocktaking of the PMR Countries Scaled-up Emission Reduction Crediting Programs</th>
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<tr>
<td>Several PMR Implementing Country Participants opted to pursue scaled-up emission reduction crediting programs under their MRPs. In an effort to examine the status and challenges, as well as put forward recommendations to enhance support for the implementation of these MRPs, initial findings of a dedicated study will be presented.</td>
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<td>Participants are also invited to use this opportunity to discuss the elements, scope and objectives of “readiness” activities in a broader PMR context.</td>
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<td>Time</td>
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| 13:30 | - Crediting-related Activities under the PMR: Status and Support for Implementation *(Mr. Michael Lazarus, Stockholm Environment Institute)*  
|       | - Discussion and Feedback                  |
| 15:00 | Coffee break                               |
| 15:30 | **11. Update on the PMR Performance Evaluation System**  
|       | The first part of the PMR Results Framework—which was endorsed by the PA at PA7 in Marrakesh—proposes to establish a system to evaluate the performance of the PMR (the PMR Performance Evaluation System). The PMR Secretariat presented an update on the PMR Performance Evaluation System at PA9 in Cologne, which includes the preparation of an Evaluation Framework and the implementation of the First Independent Evaluation. The PMR Secretariat and DPMG, the consulting firm carrying out the assignment, will present the draft Evaluation Framework and the draft Evaluation Report and collect feedback from the PA on the two documents which have been circulated prior to PA10.  
|       | - Update on the PMR Performance Evaluation System *(Mr. Adrien de Bassompierre, PMR Secretariat)*  
|       | - Presentation of the draft versions of the PMR Evaluation Framework and the First Independent Evaluation Report *(Mr. John Redwood, Development Portfolio Management Group (DPMG), University of Southern California)*  
|       | - Discussion and Feedback                  |
| 17:00 | **12. Process and Procedures for PA Decision-making through Electronic Means**  
|       | The PMR’s Rules of Procedure (Article 9.1) allow for approval of allocation of PMR resources to the Implementing Country Participants via electronic means. The session will be an opportunity for the PMR Participants to discuss options, including the allocation of implementation phase funding via electronic means on a case-by-case basis. Note PA10 2014-2, providing background information on PA decision-making through electronic means, will be circulated by the PMR Secretariat.  
|       | - Background Information on PA Decision-making through Electronic Means *(Ms. Maja Murisic, PMR Secretariat)*  
|       | - Discussion and Feedback                  |
| 18:00 | **13. Next Steps and Adoption of Decisions**  
|       | - Next Steps: PMR Upcoming Calendar of Events *(Ms. Meredith McGreavy, PMR Secretariat)*  
|       | - Adoption of Decisions by Participants  
|       |   - Allocation of funding to Vietnam  
|       |   - Confirmation of California and Quebec as PMR Technical Partners  
| 15    |
| 18:15  | Conclusions of PA10 |
Annex II

PA10 Resolutions

Tenth Partnership Assembly Meeting
Santiago, November 3-4, 2014

Resolution No. PA10/2014-1

Allocation of Implementation Phase Funding to Vietnam

WHEREAS:

1. The Partnership Assembly (PA), through Resolution No. PA3/2012-1, allocated the PMR Preparation Funding to Vietnam on May 29, 2012 to develop its Market Readiness Proposal (MRP);

2. Vietnam submitted an initial draft MRP to the PMR Secretariat on March 27, 2014. Pursuant to Resolution PA2/2011-3, the PMR Secretariat organized the expert feedback process to enhance the quality of the MRP. Based on the feedback and input from the PMR experts, the World Bank as well as the PMR Secretariat, Vietnam revised the MRP and presented its draft MRP at PA9 on May 26, 2014 to seek feedback from PMR Participants. On the basis of verbal comments expressed at PA9 and subsequently written comments by Participants, Vietnam further revised the MRP and submitted the final version to the PMR Secretariat for circulation to PMR Participants on October 13, 2014.

3. Pursuant to Section 4.3(c) of the PMR Governance Framework, the Partnership Assembly is responsible for making a decision on the allocation of PMR funding to the Implementing Country Participants, in the absence of the establishment of a Partnership Committee;

4. The PA considered the final version of the MRP presented by Vietnam at this meeting and acknowledged improvements made by Vietnam in preparing and finalizing the MRP.

THE PARTNERSHIP ASSEMBLY:

1. Decides, in accordance with the criteria included in Resolution No. PA 3/2012-4, to allocate Implementation Phase Funding to Vietnam in the amount of US$3,000,000 for carrying out PMR activities identified in the MRP.

2. Invites (i) PMR Participants to provide comments, if any, on Vietnam’s MRP by November 28, 2014 and (ii) Vietnam to take into account such comments during implementation of its MRP.

3. Invites Vietnam to periodically update the PA on progress made in the implementation of its MRP.
Tenth Partnership Assembly Meeting  
Santiago, November 3-4, 2014  

Resolution No. PA10/2014-2  

Approval of California as a Technical Partner of the Partnership for Market Readiness (PMR)  

WHEREAS:  

(1) Per Resolution No. PA8-2014-3 (Amendment to the PMR Governance Framework), the Partnership Assembly (PA) amended the PMR Governance Framework to allow some countries to join the PMR as Technical Partners, subject to the PA’s prior consideration and approval. Furthermore, the amendment to the PMR Governance Framework also allows sub-national jurisdictions to become eligible to join the PMR as a Technical Partner.  

(2) In accordance with Section 4.8 of the (amended) PMR Governance Framework, the PA may, on the basis of the recommendation of the PMR Secretariat, accept a country or a sub-national jurisdiction as a Technical Partner, provided that (i) it has expressed interest in engaging with the PMR as a Technical Partner; and (ii) it is developing or in the process of implementing an emission trading scheme, carbon tax or another market instrument that serves the objective of the PMR set out in Section 1 (Objectives of the PMR) of the PMR Governance Framework.  

(3) In accordance with Section 4.9 of the (amended) PMR Governance Framework, the PMR Secretariat may collaborate with Technical Partners to carry out joint activities such as workshops, training, and analytical work. A Technical Partner is entitled to attend the meetings of the PA without the right to vote.  

(4) California has expressed interest in engaging with the PMR as a Technical Partner and is pursuing an emissions trading scheme within the state of California.  

(5) The PMR Secretariat is recommending to the PA to approve California as a Technical Partner of the PMR.  

THE PARTNERSHIP ASSEMBLY:  

1. Decides to approve California as a Technical Partner of the PMR.
Tenth Partnership Assembly Meeting  
Santiago, November 3-4, 2014  

Resolution No. PA10/2014-3

Approval of Quebec as a Technical Partner of the Partnership for Market Readiness (PMR)

WHEREAS:

(1) Per Resolution No. PA8-2014-3 (Amendment to the PMR Governance Framework), the Partnership Assembly (PA) amended the PMR Governance Framework to allow some countries to join the PMR as Technical Partners, subject to the PA’s prior consideration and approval. Furthermore, the amendment to the PMR Governance Framework also allows sub-national jurisdictions to become eligible to join the PMR as a Technical Partner.

(2) In accordance with Section 4.8 of the (amended) PMR Governance Framework, the PA may, on the basis of the recommendation of the PMR Secretariat, accept a country or a sub-national jurisdiction as a Technical Partner, provided that (i) it has expressed interest in engaging with the PMR as a Technical Partner; and (ii) it is developing or in the process of implementing an emission trading scheme, carbon tax or another market instrument that serves the objective of the PMR set out in Section 1 (Objectives of the PMR) of the PMR Governance Framework.

(3) In accordance with Section 4.9 of the (amended) PMR Governance Framework, the PMR Secretariat may collaborate with Technical Partners to carry out joint activities such as workshops, training, and analytical work. A Technical Partner is entitled to attend the meetings of the PA without the right to vote.

(4) Quebec has expressed interest in engaging with the PMR as a Technical Partner and is pursuing an emissions trading scheme within Quebec.

(5) The PMR Secretariat is recommending to the PA to approve Quebec as a Technical Partner of the PMR.

THE PARTNERSHIP ASSEMBLY:

2. Decides to approve Quebec as a Technical Partner of the PMR.