Update on the Partnership for Market Implementation

Session 2
23rd PMR Partnership Assembly

October 20, 2020
Two-fold *development objective* is to contribute to the acceleration of global decarbonization efforts by:

- Assisting client countries design and deploy *explicit carbon pricing policies* appropriate to their domestic context and compatible with their sustainable development priorities; and
- Catalyzing the development of the next generation of *international carbon markets*.

PMI will partner with countries to deliver the following technical assistance services:

<table>
<thead>
<tr>
<th>Advisory services &amp; Analytics at the country-level</th>
<th>Knowledge services</th>
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<tbody>
<tr>
<td>Innovation services – Next generation carbon markets</td>
<td>Advocacy services</td>
</tr>
</tbody>
</table>
PMI Governance Model under WBG Umbrella 2.0 Program

- **All Development Partners**: Endorsement of overall umbrella strategic direction, budget and work program

- **World Bank**: Work program & budget development; program monitoring & reporting; resource mobilization, etc.

- **PMI Program Management Unit**
  - **PMI Trust Fund (Anchor MDTF)**
  - Other TF
  - Other TF

- **Grant allocation**
  - Bank-Executed Activities
  - Recipient-Executed Activities

- **Partnership Council**

- **PMI Forum**
  - **Extended PMI Community**: Strategic dialogue, Knowledge Exchange, Information Sharing, Advocacy

- **PMI Technical Advisory Group (TAG)**
  - **PMI Donor Partners**: Provide recommendation on funding proposals and funding allocation
PMI Scope of Work

Carbon Pricing Implementation Support

**Target:** Countries with an implementation timeline, demonstrated political commitment or an existing carbon pricing system in place

**Support package:** Strengthening domestic implementation capacity, strengthening legislative and policy review functions, scaling and expanding to new sectors

Carbon Pricing Readiness Roadmaps

**Target:** New countries ready for the decision to assess and potentially implement a carbon pricing instrument.

**Support Package:** Early stage activities to determine which instrument to adopt, build stakeholder support for policy infrastructure, e.g. MRV

Targeted Technical Support

**Target:** Regional, subnational jurisdictions

**Support Package:** Harmonization of carbon pricing infrastructure, development of transparent accounting procedures, etc.
PMI Eligibility Criteria

Primary criteria

• **Climate policy mix**: Role and relevance of carbon pricing to the country’s NDC, long-term national mitigation strategy and rationale for the target sector/program(s);

• **Political commitment & legal mandate**: Level of support for envisaged policy development/reform within the country, and clarity on the regulatory mandate and institutional arrangement for implementation of carbon pricing policy;

• **Readiness for policy implementation**: Nationally appropriate carbon pricing instrument has been assessed and, preferably, its scope and a roadmap for its design and/or implementation has been developed drawing on sound technical analysis;

• **Country ownership and alignment with WBG-Country program priorities**: Endorsement from the Ministry of Finance or WBG country counterpart (other than the PMI focal agency). Buy-in from WBG country management unit, reflecting full alignment with country program (e.g., CPF).
PMI Resource Mobilization

<table>
<thead>
<tr>
<th>Country</th>
<th>Contribution</th>
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<tbody>
<tr>
<td>Germany</td>
<td>10 million Euros</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>20 million Pounds</td>
</tr>
<tr>
<td>Canada</td>
<td>5 million CAN dollars</td>
</tr>
<tr>
<td>Norway</td>
<td>7 million US dollars</td>
</tr>
<tr>
<td>Switzerland</td>
<td>11 million Swiss Francs</td>
</tr>
<tr>
<td>Japan</td>
<td>3 million US dollars</td>
</tr>
<tr>
<td>Spain</td>
<td>6 million Euros</td>
</tr>
</tbody>
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- PMI has a capitalization goal of $250m over its life (2021-30), with an initial goal of $100m.
## Updated Timeline

### Since last PA (April-Sep 2020)
- **√** WB senior management approval of PMI Umbrella Program and authorization to proceed with the multi-donor Trust Fund (TF) establishment
- **√** Development of the TF proposal (internal)

### Oct - Dec 2020 (FY21 Q2)
- Finalize internal administrative and legal steps to establish the PMI Trust Fund
- Administration Agreements (AAs) signed with each PMI donor partner
- PMI Program Management Unit prepares proposal for PMI operational guidance

### Jan – March 2021 (FY21 Q3)
- Consultations and Organizational Meeting of PMI Technical Advisory Group (TAG): adoption of rules of procedure, initial work program, assessment criteria framework, etc.
- Call for EOI under PMI

### By June 2021 (FY21 Q4)
- First Meeting of PMI Partnership Council and PMI Technical Advisory Group
Thank you!