



# **Co-Chairs' Summary of the Twenty-Third Assembly of the Partnership for Market Readiness (PMR)**

November 20, 2020

*Conducted Virtually*

## **Opening**

1. The Twenty Third Meeting of the Partnership Assembly (PA23) was opened by co-chairs Afef Jaafar (Tunisia) and Corina Mocanu (European Commission). PA23 was organized as a virtual assembly due to the ongoing pandemic.
2. Wendy Hughes, Practice Manager for the Carbon Markets and Innovation unit of the World Bank welcomed the PMR participants and applauded the commitment of countries to completing their programs within schedule despite the challenges posed by COVID-19.
3. High-level opening remarks were provided by Beatriz Yordi, Director for EU and International Carbon Markets, European Commission. She emphasized Europe's commitment to sustainable recovery via the European Green Deal and emphasized the role for carbon pricing in the broader climate policy toolkit to help countries reach their decarbonization targets.
4. The PA adopted the agenda as proposed by the co-chairs (Annex 1).

## **Overview: Progress Update since PA22**

5. On behalf of the PMR Secretariat, Venkata Ramana Putti (Program Manager) presented the overall [program update](#), focusing on key developments since PA22 in April 2020.
6. Since PA22, most implementing countries have extended their programs' closing date to February 2021. Country program disbursements (including commitments) now stand at 88%, indicating significant progress with implementation.
7. Analytical activities supported by the PMR have contributed to broader climate policy dialogues within World Bank policy lending operations. PMR programs in Jordan, Costa Rica and Cote d'Ivoire have been successful in qualifying as 'prior actions' for larger policy lending operations in these countries.
8. The key priority for the PMR Secretariat moving forward during this final phase is to ensure the completion of all country programs by February 2021; complete the stocktaking activities; and organize the PMR Week in April 2021 to showcase the key achievements and lessons emerging from a decade of PMR implementation.

## **Country Support Program**

9. As of September 2020, PMR has disbursed \$78.6 million (88%) in country support. While six countries have completed their programs, twelve countries are on track for full grant utilization while five countries have adjusted their scope.

10. Chile, China, Indonesia, Peru and Thailand have completed their Market Readiness programs (MRPs), while Morocco and India country programs ended before schedule. Countries with adjusted scope include Argentina, Cote d'Ivoire, South Africa, Sri Lanka and Mexico.
11. A detailed country update report can be accessed here: [PA23 Country Program Update](#).

### **Technical Work Program**

12. Upcoming PMR publications include the updated ETS Guidebook, Crediting Guide and Carbon Pricing Assessment and Decision-making Guidebook. Other publications under preparation include Development of Co-benefits of Carbon Pricing and ETS Governance report. The study on voluntary markets is in the final stage.
13. A number of scoping papers are also under preparation focusing on the role and impact of carbon pricing on jobs, gender and transport.
14. The Secretariat also informed the assembly that Sri Lanka would be the first pilot country for an off-the-shelf open-source MRV software package which is expected to reduce the time and cost for countries for setting up an MRV system.
15. As already mentioned at PA22, the Secretariat is carrying out three activities as part of closing/stock-taking process for the program. These are: (1) development of a report on key lessons from the PMR experience including country program implementation; (2) creation of an online archive of PMR technical and other outputs; and (3) PMR output evaluation for an internal assessment on carbon pricing readiness of countries. In addition to administering a survey questionnaire, consultations are being conducted with different stakeholders of the PMR to gather inputs for these activities, including implementing countries, contributing countries, delivery partners, observers, WB focal points, etc.

### **16. Budget Update for FY21**

17. The Secretariat presented an update of program expenditure as of September 2020. As per Resolution No. PA22/2020-1, a budget of **\$5.74 million** was approved for FY20 at PA21. With travel related expenses going down considerably with COVID-19, among other things, the overall expenses for FY20 amounted to **\$4.93 million**.
18. The Secretariat reported that while country delivery support and advisory services have approximately stayed on course, the overall expenses went down. On the other side, FY20 has also witnessed commissioning a number of new knowledge products including those approved by the Secretariat under a new window with a budget threshold of \$200,000 each.
19. The PMR Secretariat estimates that by the end of FY21, only 0.3% of the total resources will be left unspent. This estimation includes the remaining payment commitment of \$1.7 million from the European Commission. If investment income is taken under consideration, around 5% of the total resources will be left unspent.

20. For FY21, a budget of \$4.81 million was approved at PA22 as per Resolution No. PA22/2020-1. The Secretariat expects that all country programs and knowledge activities to be completed by February 2021, and workshops and meetings will continue to predominantly be organized virtually.
21. The full report on FY20 expenditure update can be accessed here: [PA23 Update on FY20 Expenditure](#).

### **Partnership for Market Implementation (PMI)**

1. The PMR Secretariat provided an update on resource mobilization, timeline and next steps for the successor program, the Partnership for Market Implementation (PMI). The PMI was formally announced at COP25 Madrid in December 2019 through a high level event with several country ministers and other officials. As of November 2020, nine donor countries have made contribution pledges to PMI.

Country	Contribution
Germany	10.0 million Euros
United Kingdom	20.0 million Pounds
Canada	5.0 million CAN dollars
Norway	7.0 million US dollars
Switzerland	11.0 million CHF
Japan	3.0 million US dollars
Spain	6.0 million Euros
Sweden	30.0 million SEK
Finland	5.0 million Euros

2. As part of the World Bank wide trust fund reform, the PMI is established as an anchor trust fund under the broader umbrella of the Partnership for Market Implementation Facility (PMIF) . The Trust Fund Proposal (TFP) of the Facility has been officially approved and cleared by the World Bank senior management.
3. The Secretariat is currently working with contributors bilaterally to finalize the signature process for the Administrative Arrangements (AAs). Once the signature process is complete, a Technical Advisory Group (TAG) meeting will be organized to endorse the eligibility criteria, application process and Expression of Interest (Eoi) template for PMI application. This process is expected to complete by December 2020.
4. The PMI is expected to open for Expressions of Interest (Eoi) in the first quarter of the next calendar year.

### **Meeting Documents**

5. All documents, presentations and country Implementation Status Reports (ISRs) pertinent to this Assembly are available on the PMR website: [Virtual PA23 Documents](#).

### **Final Reporting**

6. All recipient-executed country programs are expected to submit their Implementation Completion Reports (ICRs) at their closure. All Bank-executed programs are expected to develop activity completion reports that will be led by the World Bank country focal points.

### **Upcoming Meetings and Events**

7. The 24<sup>th</sup> and final Partnership Assembly will take place as part of a longer **PMR Week** to be organized to showcase the PMR achievements and celebrate the success of its partnership model.

**Annex 1**
**PMR Virtual PA23 Agenda  
 October 20, 2020 (Tuesday)  
 8:30AM – 10:30AM EST**

<b>Session 1: Ongoing PMR Activities</b>	
8.30a – 8.45a EST (15 mins)	<ul style="list-style-type: none"> <li>• Opening of the Assembly: PMR Co-Chairs Corina Mocanu (European Commission) and Afef Jaafar (Tunisia)</li> <li>• Welcome: Wendy Hughes, Practice Manager, Carbon Markets and Innovation, World Bank</li> <li>• High-Level Remarks: Beatriz Yordi, Director for EU and International Carbon Markets, European Commission</li> <li>• Adoption of the Agenda</li> </ul>
8.45a – 9.15a EST (30 mins)	<ul style="list-style-type: none"> <li>• PMR Program Update and Progress Report: Venkata Putti, PMR Secretariat</li> </ul>
9.15a – 9.45a EST (30 mins)	<ul style="list-style-type: none"> <li>• Discussion and Q/A</li> </ul>
<b>Session 2: Looking Forward to Partnership for Market Implementation (PMI)</b>	
9.45a – 10.15a EST (30 mins)	<ul style="list-style-type: none"> <li>• High-Level Remarks: Franck Portalupi, Director, Environment and Climate Change Canada</li> <li>• An Update on the Partnership for Market Implementation (PMI): Marcos Castro, PMR Secretariat</li> <li>• Q/A</li> </ul>
10.15a – 10.30a EST (15 mins)	<ul style="list-style-type: none"> <li>• Announcement of Next PA</li> <li>• AOB/Conclusion</li> </ul>