

PMR PA3 + PA4: JOINT MEETING BRIEFING

The PMR provides a platform for countries to build market readiness capacity and develop innovative market instruments to scale up climate change mitigation. It provides grant-based financing and technical support to 16 Implementing Country Participants in order for them to strengthen capacity and potentially pilot domestic emissions trading systems or scaled-up crediting mechanisms. The Partnership Assembly (PA), the PMR's governing body, consists of these Implementing Country Participants and the Contributing Participants who provide financial support.

This **PMR Meeting Briefing** highlights key outcomes of the Third and Fourth Meetings of the Partnership Assembly held in Cologne, Germany (May 2012) and in Sydney, Australia (October, 2012), respectively. It also provides highlights on the PMR's latest technical workshops and other events.

PA3 MEETING (MAY 2012)

- The PA allocated preparation phase funding to Brazil, India, Jordan, South Africa and Vietnam (US\$350,000 each, includes advanced allocations).
- During the Information Sharing session, China (ETS pilots' status), Mexico (General Law for Climate Change), South Korea (domestic ETS), Turkey (MRV legislation) shared insights.

TECHNICAL WORKSHOP 3 BASELINES AND REGISTRY

- The **PMR Secretariat presented its third technical note – The Nuts and Bolts of Baseline Setting: Why, What and How?** – which provides an overview of baseline setting for greenhouse gas (GHG) crediting, in particular key issues for scaled-up mechanisms.
- The **PMR established a Baseline Working Group** in order to build on learning from the workshop and to develop a guidance document on baseline setting to serve as a tool to PMR Participants.
- The registry portion of the workshop provided an introduction to GHG registry set up, including case studies from UNFCCC and Ireland.

PA4 MEETING (OCTOBER 2012)

- The PA confirmed Peru as a new **Implementing Country Participant**. Peru's participation is supported by additional funding from Switzerland.
- **Finland and Sweden joined the PMR as Contributing Participants**, raising the number of contributors to 12. Australia, the European

Commission, and the Netherlands announced additional funding contributions. To date, the PMR has raised about US\$100 million.

KEY MILESTONE Using the Market Readiness Proposal Tool, **Chile, China, Costa Rica and Mexico** presented draft Market Readiness Proposals (MRP) at PA4, marking an important milestone for the PMR as the first countries to do so. The MRP lays out a plan or roadmap for countries to implement a cost effective mitigation instrument; it also serves as a funding proposal in order to receive Implementation Phase funding. The four countries will revise their MRPs taking into account feedback received from Participants during PA4 and present final versions at a PMR meeting in March 2013.

- During the information Sharing session, Australia and European Commission (Linking between the EU-ETS and Australia); the United States (Enhancing Capacity for Low Emission Development Strategies - EC LEDS); The Netherlands (Experience from NOx Trading in the Netherlands); and the OECD (Climate Change Expert Group's recent work on market mechanisms) shared insights.
- The Secretariat presented an outline of the Baseline Working Group's guidance document. A draft version is expected Spring 2013.
- The secretariat officially launched the PMR's new website, www.thepmr.org.

TECHNICAL WORKSHOP 4 MODELING & ANALYSIS AND DATA MANAGEMENT AND REPORTING

- Australia, Brazil, the EU and South Africa shared experiences with modeling to inform policy.
- China, Turkey, Australia, the EU and the US shared practices on reporting at the installation level.

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- The secretariat will explore ways to include more focused training on data reporting and management going forward.

PMR BUSINESS DIALOGUE, OCTOBER 24, 2012

- Together with IETA and Australia's Department of Climate Change and Energy Efficiency (DCCEE), the Secretariat hosted a business dialogue in Sydney, Australia for representatives from Australia's private sector.
- UNFCCC Executive Secretary Ms. Christiana Figueres and the Australian Parliamentary Secretary for Climate Change and Energy Efficiency The Hon. Mark Dreyfus spoke, stressing the important role of the PMR in forging an integrated global carbon market that can send a price signal and incentivize private sector investment in clean technology.
- IETA used the occasion to launch the [Business-PMR \(B-PMR\)](#), a membership initiative that promotes industry-to-industry emissions trading dialogues focused on preparing local businesses for operation in new carbon markets.

AUSTRALIA'S ENERGY FUTURE PACKAGE, OCTOBER 25, 2012

- DCCEE sponsored a day-long, in-depth workshop on Australia's Carbon Pricing Mechanism and Carbon Farming Initiative for the PMR Participants.
- DCCEE Senior officials presented on a range of technical topics with emphasis on identifying lessons learned, key challenges to design and implementation, and ways to overcome them.

NEXT MEETING/EVENT The PMR will host a technical workshop on Policy Mapping (case study: Market Mechanisms in the Transport Sector) and its fifth PA meeting (PA5) in Washington, DC, March 11-15, 2013. Agendas for these and other events planned for that week are forthcoming.

Four countries have submitted draft Market Readiness Proposals (MRP) as part of their PMR participation. Key elements of each are highlighted below. The full text of the proposals will be available once finalized.

Country	Key Activities included in the Market Readiness Proposal (MRP)
Chile	Design a pilot ETS for the energy sector that includes design of (i) an MRV system; (ii) a registry system for a voluntary pilot ETS; building of (iii) technical and institutional capacities; and (iv) the design of complementary instruments.
China	Design a national ETS that includes participation from the electricity sector and participation by state-owned enterprises (SOE).
Costa Rica	As part of the domestic carbon neutrality goal, design a domestic carbon market (particular focus on building domestic demand), including legal, institutional and regulatory aspects and registry.
Mexico	Develop and implement crediting NAMAs for the urban sector, urban transport, and refrigerant appliances and, set up a registry/tracking and MRV systems.