



PMR: Implementation Funding Allocation Criteria & Grant Agreement Arrangements

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Fifth Meeting of the Partnership Assembly
Washington DC, USA
March 11-13, 2013

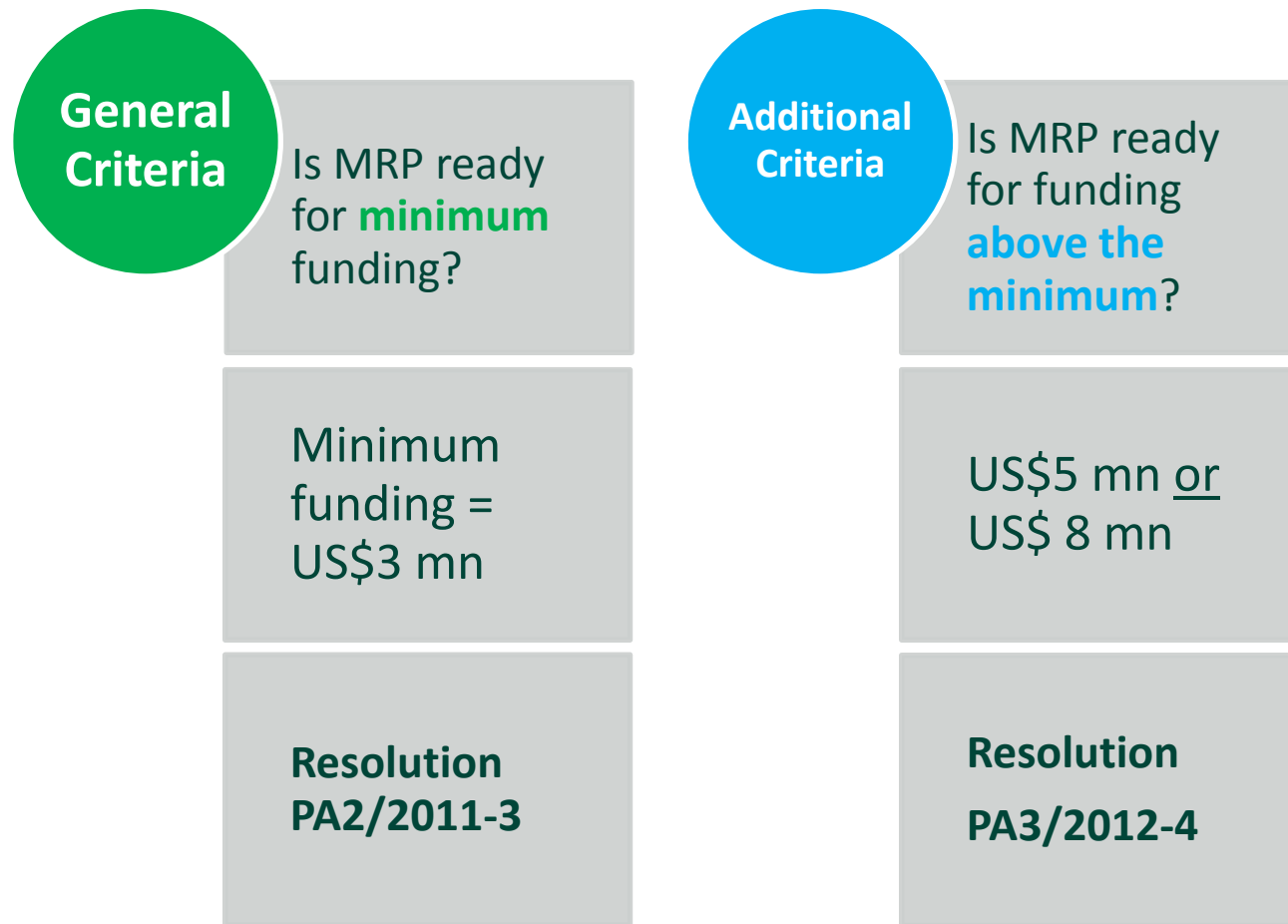
Outline

- **Overview: Criteria for Allocating Implementation Funding**
- **Grant Agreement Arrangements**
- **Next Steps for Final MRPs**

PMR Criteria for Allocating Funding to Market Readiness Proposals (MRP)

Implementation Funding: Differential Allocations + Criteria to Guide Decision

- ◆ PA agrees to three categories of Implementation funding: US\$ 3, 5, or 8 mn
- ◆ PA endorses 2 sets of criteria to guide the allocation of Implementation Funding:



PMR General Criteria



\$3 MN

Final MRPs should meet these criteria in order to receive minimum PMR implementation funding

- 1. Role and relevance of market instruments to a country's overall mitigation strategy and rationale for the target sector(s)**
- 2. Level of political support within country and clarity on the institutional arrangement for implementation**
- 3. Clear planning, sound technical analysis and rationale behind the proposed activities in MRP**
- 4. Synergies among PMR activities and with other relevant initiatives**
- 5. Budget**
- 6. Output/results of the implementation**

PMR Additional Criteria

\$5 MN
\$8 MN

Final MRPs seeking more than minimum funding should meet these additional criteria

- 1. Comprehensiveness of Building Block 4 (market instrument block) on the MRP**
- 2. Scope of the proposal and sound rationale behind the choice of the market instrument and sectors**
- 3. Mitigation potential (considered within Country's circumstances and total emissions)**
- 4. Clear identification of milestones and timetable for implementation**
- 5. Ratio of co-financing from country**

Grant Agreement Arrangements

PA Allocation Leads to Grant Agreement

Following allocation, Implementing Countries enter into a Grant Agreement with the World Bank, as PMR Trustee

- **Implementation Phase funding: Implementing Countries enter into a new Grant Agreement with the World Bank**
- **Per the standard Grant Agreement, Countries follow World Bank procurement consultant guidelines**



Implementation Funding: Monitoring and Reporting



World Bank Grant Agreements have standard Monitoring, Reporting and Evaluation provisions

- ◆ **Implementing Countries shall prepare Status Reports on the progress of their MRP activities**
 - The form, content and periodicity of this reporting will be determined in the Grant Agreement
 - The goal of **Status Reporting** is to ensure timely support and feedback from the World Bank on the activities outlined in the Grant Agreement
- ◆ **Implementing Countries shall prepare a Completion Report**
 - The goal of **Completion Reporting** is to ensure all objectives outlined in the Grant Agreement are met and that there is a plan for their sustainable continuation

Implementation Funding: Financial Management



World Bank Grant Agreements have standard Financial Management and Reporting provisions

- ◆ **Implementing Countries shall follow a financial management system and prepare financial statements**
 - Financial statements should reflect the operations, resources and expenditures related to the activities detailed in the Grant Agreement
 - Periodic, independent auditing of financial statements can be included in the Grant Agreement. Such auditing follows standards acceptable to the World Bank

Next Steps for Final MRPs

Final MRPs: Next Steps

Following the Allocation of Implementation Funding, the secretariat recommends that Implementing Countries:

- ◆ **Publish their MRPs** on the PMR public web to maximize information sharing (provisions will be taken to protect confidential information)
- ◆ **Make regular updates on the progress of MRP implementation during PA meetings.** Updates are a way to encourage knowledge sharing and to identify best practices for other Implementing countries working on MRPs



Thank You

FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR),
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