PMR: Implementation Funding Allocation Criteria & Grant Agreement Arrangements

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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:

**General Criteria**

- Is MRP ready for **minimum** funding?
- Minimum funding = US$3 mn
- Resolution PA2/2011-3

**Additional Criteria**

- Is MRP ready for funding **above the minimum**?
- US$5 mn or US$ 8 mn
- Resolution PA3/2012-4
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 General Criteria

$3 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

PMR Additional Criteria

$5 MN
$8 MN
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
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.
FOR MORE INFORMATION ON THE PARTNERSHIP FOR MARKET READINESS (PMR), PLEASE CONTACT:

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Thank You