



Partnership for Market Readiness (PMR): Annual Budget Review and Proposal – FY14 and FY15

Ms. Maja Murisic
PMR Secretariat

Ninth Meeting of the Partnership Assembly
Cologne, Germany
May 25-27, 2014

Outline

I Overview of PMR Sources of Funding

II Summary and Review of the FY14 Expenses

III Proposed FY15 Operating Budget

IV PMR Long-term Plan

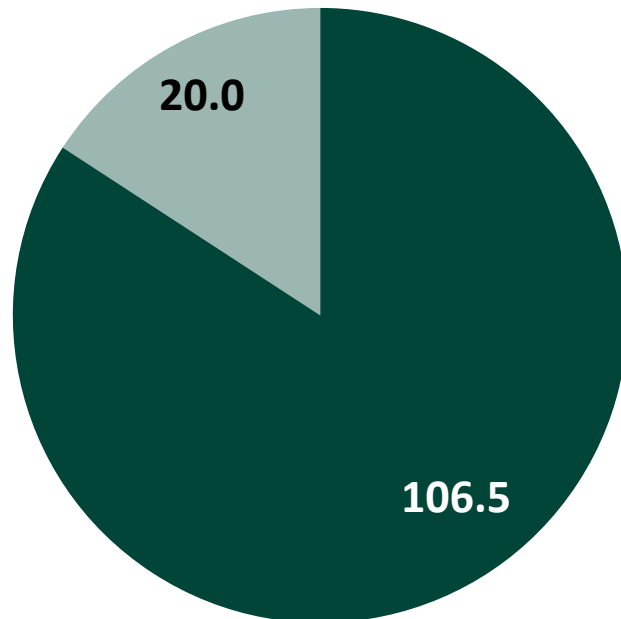
Note PA9 2014-3: PMR FY14 Expenses and Proposal of the PMR FY15 Budget

I PMR Sources of Funding

Sources of Funding

PMR funding is made up of contributions from Contributing Participants and interest income.

Out of 126.5 million...



■ Received Contributions ■ Committed Contributions



Interest Income:
US\$ 730,000

Commitments to the PMR by Contributor *(as of April 2014)*

Contributor	Commitment	Received
Australia	12.5	12.5
Denmark	5.1	5.1
European Commission	19.7	3.2
Finland	5.4	5.4
Germany	13.3	13.3
Japan	13.6	13.6
Netherlands	7.1	7.1
Norway	5.8	5.8
Spain	5.4	5.4
Sweden	7.6	7.6
Switzerland	12.5	9
United Kingdom	11	11
United States	7.5	7.5*
Total	\$126.50	\$106.50

**The US funds in the amount of \$7.5 million are expected to be received by the end of May 2014.*

II FY14 Financial Report Review

July 1, 2013 to June 30, 2014

Summary of PMR Use of Funds: FY11-14

(in US\$ thousand)

Total Use of Funds FY11	835
Total Use of Funds FY 12	2,750
Total Use of Funds FY13	5,053
Total Use of Funds FY14*	22,536
<i>Budgeted Uses (PMR Operations)</i>	<i>4,410</i>
<i>Country Grant Commitments</i>	<i>18,000</i>
<i>World Bank Administrative Fee</i>	<i>126</i>
Cumulative Total Uses (FY11-14)	31,174
Total Sources (\$106.5 m contributions +\$730k investment income)	107,230
Estimated Fund Balance as of June 30, 2014	76,056

*Figures represent actual expenses through March 31, 2014 and estimated expenses from April 1 through June 30, 2014.

PMR Operations in FY14

Secretariat Operations comprise six core cost elements:

- ◆ **PA Meetings , Workshops and Other Event:** Costs include meeting venue hire and catering; audio-visual equipment hire; travel expenses for Implementing Country Participant representatives, invited PMR experts and the PMR Secretariat
- ◆ **Country Delivery Support and Advisory Services:** Costs cover MRP Expert Feedback Groups and technical assistance from Delivery Partners and the Secretariat during preparation and implementation of MRP
- ◆ **Knowledge Management:** Costs cover design and implementation of the PMR Technical Work Program and design and maintenance of the PMR website.
- ◆ **PMR Management and Communications:** Costs comprise PMR Secretariat day-to-day program management and coordination, and publications
- ◆ **Trust Fund Management:** Costs associated with managing the PMR trust fund, including legal, budgeting and accounting services
- ◆ **Contingency:** Amount included to cover unforeseen expenses endorsed by the PA

Review of FY14 Operations Expenses

PMR operating expenses for FY14 totaled US\$4.410million

Use of Funds	FY12 Actual Expenses (July 1 , 2011 – June 30, 2012)	FY13 Actual Expenses (July 1, 2012 – June 30, 2013)	FY14 Budget	FY14 Actual Expenses* (July 1, 2013 – June 30, 2014)
PA Meetings, Workshops, and Other Events	773	824	696	830
Country Delivery Support and Advisory Services	879	1,315	2,143	1,919
<i>MRP Expert Feedback Process</i>		183	490	271
<i>Country Delivery Support</i>		1,132	1,653	1648
<i>o/w: Secretariat Country Support</i>		465	900	688
<i>World Bank Regional Support</i>		667	753	960
Knowledge Management	0	279	1,000	958
PMR Management and Communications	180	457	690	615
<i>PMR Secretariat Operating Costs</i>			500	425
<i>PMR Evaluation</i>			190	190
Trust Fund Management	79	57	65	88
Contingency	0	0	150	0
Total Use of Funds	1,911	2931	4,744	4,410

*Figures represent actual expenses through March 31, 2014 and estimated expenses from April 1 through June 30, 2014.

FY14 Expenses: PA Meetings, Workshops and Other Events

FY14 Total: US\$830,000

Average cost of one PA meeting + one technical workshop and/or public event = US\$275,000

**FY13 Total:
US\$824,000**

- ◆ 3 PA meetings, 2 technical workshops, 2 public events
- ◆ PMR meetings became longer with an overall tendency for logistical costs to rise and for back-to-back events to increase in their size and scope (i.e. comprising additional participants and spreading out over more days)
- ◆ An average cost of a PMR meeting, workshop and a public event was approximately US\$275,000 in FY14.

FY14 Expenses: Country Delivery Support and Advisory Services

FY14 Total: US\$1.919 million

**FY13 Total:
US\$ 1,315**

- ◆ Expenses reflect ramp up of support for the formulation of country MRPs and the MRP Expert Feedback Process
- ◆ In total, four countries submitted final MRPs in FY14
- ◆ Three countries submitted draft MRPs in FY14.
- ◆ All seven countries completed the Expert Feedback Process
- ◆ On average, each Expert Group Feedback process costs US\$35,000.
- ◆ In FY14, a total of US\$271,000 was spent on these processes

FY14 Expenses: Knowledge Management

FY14 Total: US\$958,000

**FY13 Total:
US\$279,000**

◆ In FY14, the technical work program has seen significant growth:

➤ *MRV Work Program*

➤ *Offset Work Program*

...In addition to:

➤ *Online Learning*

➤ *In-country Learning and Knowledge Exchanges*

◆ As the Knowledge Management work program further strengthens and deepens its activities, the budget is expected to remain the same

FY14 Expenses: PMR Management and Communications

FY14 Total: US\$615,000

**FY13 Total:
US\$457,000**

- ◆ PMR management costs are roughly in line with the budget expectations, with the Secretariat operating costs being US\$75,000 less than budgeted.
- ◆ A separate budget item under the PMR Management and Communication was added for the PMR evaluation (in the amount of US\$190,000), in an effort to establish a system to evaluate the performance of the PMR.

FY14 Expenses: Trust Fund Management

FY14 Total: US\$88,000

**FY13 Total:
57,000**

- ◆ US\$65,000 was budgeted for trust fund management in FY14.
- ◆ This item saw an increase due to the number of allocated implementation phase funding (4 countries: Indonesia, Thailand, Colombia and Morocco)

III FY15 Proposed Budget

July 1, 2014 to June 30, 2015

Proposed FY15 Budget for PA Endorsement

The Secretariat proposed a FY15 Budget of US\$9,825,000

(in US\$ thousand)

Use of Funds	FY14 Budget	FY14 Actual Expenses* (July 1, 2013 – June 30, 2014)	FY15 Proposed Budget
PA Meetings, Workshops and Other Events	696	830	850
Country Delivery Support and Advisory Services	2,143	1,919	2,100
MRP Expert Feedback Process			
Country Delivery Support	490	271	500
o/w: Secretariat Country Support	1,653	1648	1600
World Bank Regional Support	900	688	820
	753	960	780
Knowledge Management	1,000	958	1,000
PMR Management and Communications	690	615	650
Upstream Policy Work			5,000
Trust Fund Management	65	88	75
Contingency	150		150
Total Use of Funds	4,744	4,410	9,825

FY15 Budget: Drivers in Proposed Increases

- ◆ **Launching Upstream Policy Work to Identify Policy Options for Achieving Mid- and Long-Term Mitigation Objectives**
 - ✓ *In FY14, the PMR has achieved an important milestone in initiating Upstream Policy Analytical Support (PMR Note PA9-2014-1)*
 - ✓ *The PMR Secretariat proposes an envelope of US\$5 million to be allocated for FY15 to support the work.*
- ◆ **Driving Country Progress through Knowledge Management Activities**
 - ✓ *Following the scale-up of Knowledge Management Activities in FY14, accompanied by a significant increase in the amount of time and work focused on technical work program, the Secretariat envisions the similar level of engagement in FY15 (PMR Note PA9 2014-2).*
- ◆ **Increasing Country Delivery Support and Advisory Services**
 - ✓ *The number of countries that begin the implementation stage is expected significantly increase in FY15, as all 17 Implementing Country Participants complete draft MRPs.*
 - ✓ *The number of expert groups formed for the MRP Expert Feedback Process is also expected to increase.*
- ◆ **PMR Management and Communications**
 - ✓ *As the number of Implementing Country Participants enter the implementation phase and the amount of work focused on knowledge management increases, PMR management and communication costs are also expected to slightly rise.*

IV PMR Long-term Plan (LTP)

PMR LTP Assumptions

- ◆ Trust fund capitalization of US\$126.5 million;
- ◆ 17 Implementing Country Participants and Technical Partner
- ◆ All 17 Implementing countries have received preparation phase funding of US\$ 350,000 totaling to US\$ 5,950 million.
- ◆ The amount of funding allocation for the country implementation grants so far is US\$32 million.
- ◆ Since the MRP grant size ranges from \$3 million to \$8 million, a proxy of US\$5 million was used to for the remaining 8 countries that are finalizing their MRPs.
- ◆ Same cost structure for any other delivery partner that provides country delivery support;
- ◆ Average length of Preparation and Implementing Phases is 5 years;
- ◆ Three PMR meetings/workshops per year until 2015; 2 PMR meetings/workshops after 2015; and
- ◆ Contingency provides for secretariat activities necessary to phase out the PMR after 2020.

PMR Long-term Plan, July 2014 – December 2020 (in US\$ thousand)

PMR Activities	Actual	Actual	Actual	Actual*	Est.	Est.	Est.	Est.	Est.	Est.	
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	sub totals
PMR Operations											
PMR Operations											
PMR PA Meetings + Workshops	305	773	676	830	850	500	500	500	500	500	5,934
PMR Management	342	180	350	615	650	650	650	650	650	650	5,387
Country Delivery Support	165	879	1,124	1648	1,600	1,300	1,200	1,000	1,000	1,000	10,916
Trust Fund Management	24	79	58	88	75	85	85	85	85	85	749
WB Central Units Cost (1% of contributions)	93	93	93	93	93	93	93	93	93	93	930
Contingency	-	-	-	150	150	150	150	150	150	150	1,050
PMR Operations Subtotal	929	2,004	2,301	3,424	3,418	2,778	2,678	2,478	2,478	2,478	24,966
PMR Support to Countries											sub totals
PMR Country Grant Support											
Preparation Grant											5,950
Implementation Grant											72,000
Targeted Country Support to Technical Partners											2,000
PMR Country Grant Support Subtotal											79,950
PMR Complementary Support to Countries											
Upstream Policy and Economic Modeling Analysis	-	-	-	258	5,000	5,000	1,000	800	500	500	13,100
Knowledge Management & Technical Work Program	-	-	238	700	1,000	1,000	1,000	1,000	1,000	1,000	6,896
Expert Support (including MRP Feedback Process + MRP Implementation)	-	-	-	271	500	300	200	100	100	100	1,571
PMR Complementary Support to Countries Subtotal	-	-	238	1,229	6,500	6,300	2,200	1,900	1,600	1,600	21,567
PMR Support to Countries											101,517
PMR Activities Total											126,483

Thank You

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

PMR SECRETARIAT

PMRSECRETARIAT@WORLDBANK.ORG

WWW.WBCARBONFINANCE.ORG/PMR