



**STRATEGIC ORIENTATION FOR THE FUTURE OF THE PMR:
PROPOSAL FOR THE CREATION OF A NEW CATEGORY OF PMR PARTICIPANT:
THE “TECHNICAL PARTNER”**

Background

1. In the [PMR Note PA7 2013-2](#) on the *Strategic Orientation for the Future of the PMR*, the PMR Secretariat outlines the potential benefits of broadening the reach of the PMR to countries and sub-nationals that are not formally engaged with the PMR but are developing or in the process of implementing an emissions trading scheme, a carbon tax or other related instruments.
2. The Partnership Assembly (PA), through Resolution No. PA7/2013 (*Targeted Technical Support to Kazakhstan*), allocated targeted technical support to help Kazakhstan implement its National Emissions Trading Scheme. The PMR Secretariat was requested to consider creating a new category of Participant under the PMR Governance Framework to institutionalize the status of countries such as Kazakhstan and potentially sub-national jurisdictions and to make a proposal on such institutional changes at the eighth meeting of the PA in March 2014.

Engagement of the PMR with the “Technical Partners”

3. The PMR, according to the Governance Framework, includes two categories of participants: 1) Contributing Participants - which are donors that have contributed financially to the PMR and have entered into an administration agreement with World Bank – and 2) Implementing Country Participants - which are countries that have submitted an expression of interest to participate in the PMR and whose participation has been confirmed by the PA.¹ As of February 2013, there are 13 Contributing Participants and 16 Implementing Country Participants.² Over the past two years, the PMR has progressively engaged with other countries and sub-national jurisdictions that are currently developing or implementing a carbon pricing instrument but are not PMR Participants. Such engagement has been mutually beneficial as these entities share information on their activities with the PMR community but also learn about what is happening in PMR countries. Going forward there is a need to institutionalize such engagement within the PMR Governance Framework in order to establish long-term and systematic collaboration with these observer countries and sub-nationals. The creation of a new category –“Technical Partner”— is intended to create a more flexible arrangement to broaden the participation in the PMR and facilitate collaboration between the PMR and those countries and/or sub-national jurisdictions that are currently not formal Participants.
4. Nevertheless there is a careful balance between the need for flexibility in PMR participation and consistency in accepting participation. Also defining eligibility for being a “Technical Partner” may not be straight forward and has to be determined on case-by-case basis as a result of engagement and dialogue between the PA, the PMR Secretariat and the relevant country/subnational jurisdictions. The PMR Secretariat therefore proposes the following modality for becoming a Technical Partner:
 - Entities to become Technical Partners include countries or sub-nationals that are currently developing or in the process of implementing an emissions trading scheme, carbon tax or other related instrument that serves the objective of the PMR; and

¹ See Section 4.2 of the PMR Governance Framework.

² This does not include Tunisia, which will present its Organizing Framework at PA8 in March 2014.

- The PA will accept Technical Partners based on the explicit interest of a country or sub-national jurisdiction and the recommendation of the PMR Secretariat.

Types of Activities of the Technical Partners

5. The PMR Secretariat envisions collaborating with Technical Partners to organize and support workshops, trainings, bilateral meetings, analytical work and other activities to the mutual benefit of the Technical Partners and PMR Participants.
6. If needed, as in the case for Kazakhstan, Technical Partners may also seek funding from the PA for targeted technical support to complement domestic efforts pursuing the development and/or implementation of their policy instrument. The allocation of funding for targeted technical support to Technical Partners requires the following steps:
 - a) The Technical Partner submits a proposal of activities requiring PMR funding support;
 - b) The PA approves the proposal on a case-by-case basis;
 - c) The Technical Partner periodically reports to the PA on the progress of the activities supported by the PMR and shares latest policy developments and lessons learned.
7. In principle, the funding for such targeted support should not exceed US\$1 million within three years.
8. Technical Partners are entitled to attend PA meetings but without the right to vote on the matters specified in Section 4.3 of the PMR Governance Framework.

Amendment to the Governance Framework and Action by PA

9. Introducing a new category of participant under the PMR requires an amendment to the PMR Governance Framework. The proposal is as follows:

Under Section IV of the PMR Governance Framework (*PMR participation and governance structure*), the following paragraphs are added:

Technical Partners

4.8. The Partnership Assembly may, on the basis of the recommendation of the Secretariat, accept a country or a sub-national jurisdiction as a Technical Partner, provided that (i) it has expressed interest in engaging with the PMR as a Technical Partner; and (ii) it is developing or in the process of implementing an emission trading scheme, carbon tax or other related instrument that serves the objective of the PMR set out in Section 1 (Objectives of the PMR).

4.9. The Secretariat may collaborate with the Technical Partners to carry out joint activities such as workshops, training and analytical work. A PMR Technical Partner is entitled to attend the meetings of the Partnership Assembly

without the right to vote.

4.10 On a case by case basis a Technical Partner may request the Partnership Assembly to allocate funding to provide a targeted technical support to complement its domestic actions in pursuing the activities referred to in 4.8 (ii).

10. As a result of these changes, the PMR Governance Framework and the Rules of Procedure for the Meetings of the PMR require amendment. A track change version of the PMR Governance Framework and Rules of Procedures with the proposed amendment is circulated to all the PMR participants for reference. The PA may adopt the resolutions on the amendment to the Governance Framework and the Rules of Procedures either at the eighth meeting of the Partnership Assembly or during the inter-sessional period if more time is needed to review the proposed amendments.