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Second Independent Evaluation of the PMR Final Report

Ipsos MORI and SQ Consult

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Acronyms

| | |
|--------|---|
| CDM | Clean Development Mechanism |
| CDP | Carbon Disclosure Project |
| Ci-DEV | Carbon Initiative for Development |
| CLIMA | EU Directorate General Climate Action |
| CP | Contributing Participant |
| CPF | Carbon Partnership Facility |
| CPLC | Carbon Pricing Leadership Coalition |
| CWP | Country Work Program |
| DAC | Development Assistance Committee |
| DG | Directorate General |
| EBRD | European Bank for Reconstruction and Development |
| EOI | Expression of Interest |
| ESMAP | Energy Sector Management Assistance Program |
| ETS | Emissions Trading System |
| EU | European Union |
| GHG | Greenhouse Gas |
| GIZ | Gesellschaft für Internationale Zusammenarbeit (Germany's international development agency) |
| ICAP | International Carbon Action Partnership |
| ICP | Implementing Country Participant |
| ICTSD | International Centre for Trade and Sustainable Development |
| IETA | International Emissions Trading Association (IETA) |
| IKI | International Climate Initiative |
| INDCs | Intended Nationally Determined Contributions |
| IPA | Instrument for Pre-accession Assistance |
| IT | Information Technology |
| KEQ | Key Evaluation Question |
| M&E | Monitoring and Evaluation |
| MBI | Market Based Instruments |
| MRP | Market Readiness Proposal |
| MRV | Monitoring, Reporting and Verification |
| NAMA | Nationally Appropriate Mitigation Action |
| NDC | Nationally Determined Contribution |
| NEAR | Neighbourhood and Enlargement Negotiations |
| NGO | Non-Governmental Organization |
| OECD | Organisation for Economic Cooperation and Development |
| PA | Partnership Assembly |
| PAWP | Policy Analysis Work Program |
| PMR | Partnership for Market Readiness |
| TCAF | Transformative Carbon Asset Facility |
| TORs | Terms of Reference |
| TP | Technical Partner |
| TTL | Task Team Leader |
| TWP | Technical Work Program |

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| UNDP | United Nations Development Program |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNITAR | United Nations Institute for Training and Research |
| WRI | World Resources Institute |

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Executive Summary

Context and background to this evaluation

The World Bank's Partnership for Market Readiness (PMR) is a global partnership currently consisting of 41 developed and developing countries and jurisdictions. Its vision is to "provide a platform for sharing experience, fostering new and innovative market-based instruments, and building market readiness capacity for countries to scale up climate change mitigation efforts." The PMR seeks to achieve this vision through grants, technical assistance and upstream policy support delivered in-country (against country-defined roadmaps, formalized in Market Readiness Proposals, MRPs), as well as through the production and dissemination of technical knowledge products and knowledge exchange facilitated through training sessions, workshops and via the Partnership Assembly (which also acts as the decision-making body for the PMR).

The World Bank commissioned Ipsos MORI and SQ Consult to carry out this Second Independent Evaluation of the PMR¹. This formative evaluation focuses on the most recent years of the PMR (from December 2014 to December 2017) to evaluate the relevance, effectiveness and efficiency of the PMR's delivery processes and its impact to date. It also identifies lessons learned for consideration during the final two years of the PMR's operation (through 2020), as well as considerations for the design of a potential successor program.

The evaluation has gathered and synthesized evidence (via in-depth interviews, an online survey and from three in-country case-studies) from multiple stakeholder groups, including representatives of Contributing Participants (CPs - donors), Implementing Country Participants (ICPs), Technical Partners (TPs), the PMR Secretariat and wider World Bank staff and from external observers to the PMR. A literature review on the scope of other initiatives also supporting carbon pricing was also conducted. This breadth of evidence has been analyzed within the context of the PMR Theory of Change, which captures the PMR's activities and how these aim to produce the outputs, outcomes, and impacts identified in the PMR's Logframe, as well as how these are anticipated to interact with, and respond to, external factors and influencers.

Key findings: Added value of the PMR

The evaluation evidence supports the conclusion that the PMR is a relevant initiative that adds value in the context of the wider policy and funding landscape. It is considered by its key stakeholders to be the most prominent initiative dealing with carbon pricing, and by several to be the only place where dialogue is happening at a practical and technical level across a broad spectrum of participants on what works and what does not in relation to carbon pricing.

The PMR is seen to add significant value through the following key features of the Partnership:

- **It is "instrument neutral"** - allowing it to flexibly support countries to pursue the most appropriate carbon pricing instruments for their national context.
- **It supports early-stage capacity building** - in some cases prior to a decision on a specific instrument(s) being made and supporting upstream policy analysis and stakeholder engagement support to accelerate, and

¹ This study is preceded by a previous evaluation commissioned by the PMR in 2014 and carried out by the Development Portfolio Management Group at the University of Southern California.

strengthen, this process. The PMR also supports some countries to move beyond early-stage support, for example through additional funding to further the original activities detailed in their MRPs.

- **The ‘hands-on’ support it provides** – giving the practical and technical support that helps break down national policy goals into key component steps and sharing learning on *how* to implement these steps.
- **Its participative and networking approach** – with value gained from the number and diversity of countries involved, with ICPs learning from one another as well as from CPs and TPs.

The PMR has already evolved to meet the changing international context, for example by expanding its scope to include carbon taxes and linkages with NDCs. Article 6 of the Paris Agreement underscores its ongoing relevance internationally, though stakeholders are waiting to see how this is interpreted over time.

This said, the wider policy and funding landscape in which PMR sits is becoming more crowded. While this, ultimately, implies success for the PMR, it also requires ever greater attention on co-ordination to manage potential overlaps between initiatives and ensure there are synergies in the work programs rather than duplications. The PMR will need to undergo further strategic thinking on its focus and role relative to other initiatives, both within the context of its next two years, but also when considering the scope of any successor program. This may, for example, have implications for the type, and focus, of technical outputs that the PMR wants to produce and promote in order to maintain its added value. The evaluation finds the PMR, for instance, well placed to share implementation experiences of participants. While it is also well placed to update existing technical resources, new and general guidebooks addressing specific mechanisms are likely to be better positioned with other initiatives. Regional collaborations, such as the Declaration on Carbon Pricing in the Americas, are also taking on greater prominence and the PMR will need to consider how best to complement these efforts to retain its unique contributions while avoiding unnecessary duplication. This report provides suggestions for how to best use the PMR’s budget while leveraging the resources of other initiatives in order to maximize synergies and reduce and avoid duplications.

Key findings: Relevance, Effectiveness and Efficiency of PMR support

Overall the evaluation finds the support offered by the PMR to have, already, been highly effective. The activities offered through its different workstreams are complementary to each other and, where possible, synergies are exploited: to the extent that many stakeholders (including ICPs) see a holistic package of support rather than separate activities.

The Country Work Program (CWP), and the preparation and implementation of the MRPs, is at the core of the support that the PMR provides to ICPs. The expert review process is highlighted as a particularly effective element of the MRP process helping to establish appropriate, and coherent, roadmaps for ICPs to advance towards carbon pricing instruments in line with the national political context. While the MRP preparation process is seen as a key step in building stakeholder engagement and ownership in-country, it is a highly-intensive process; both for ICPs and for the Partnership Assembly at the point of review. In some cases, short-time windows for review (particularly given the length and complexity of MRPs) and the format and tone of Partnership Assembly meetings was felt to lead to a sub-optimal level of review of the MRPs.

Participants across the Partnership Assembly were positive, however, about the flexibility built into the MRP preparation and implementation phases. While many have experienced delays between these two phases (most commonly due to internal in-country factors, such as uncertain institutional arrangements), this is not found to have

resulted in less relevance of the MRPs; ICPs finding themselves in this position were often able to update their MRP to ensure it still reflected their national context and evolved to support their country-needs at the time of grant execution.

The PMR's technical knowledge products are particularly valued. The relevance of these products is evident through their frequent description as essential reading, reference and training material. The necessity of these products is also demonstrated through the scale of downloads, and translation into further languages. In addition to frequent, and in-depth use, by participants, there are several examples of the knowledge products being used by parties not (currently) participating in the PMR. However, the evaluation suggests that more could be done to publicize the PMR's technical and knowledge outputs to these wider audiences. The practical technical information covered in the knowledge products have this wider reach and, when designed well, appear to be highly efficient. Yet the workshops too, while they reach fewer countries, provide an important vehicle for in-person exchange of ideas. It will be important for the PMR to carefully consider the balance of how its financial resources are used going forward, particularly as subgroups emerge, with countries at different stages and/or pursuing different instruments and therefore facing different issues.

Other avenues provided by the PMR for knowledge exchange are also highly valued, namely the Partnership Assemblies. It is considered of great value that ICPs, TP's and CP's participate in equal terms and share their experiences implementing carbon pricing instruments. A key outcome of these meetings (reinforced and formalised in the technical knowledge products) is a *shared language* and understanding on carbon pricing issues. However, the potential for knowledge exchange across partners may not be fully realised. There are challenges related to the format of the Partnership Assemblies, such as the level of engagement from the participants and limited opportunities to share in-country generated knowledge (in particular, experience with implementation) and the lack of use of online communication channels (which could reduce resource intensity and enable greater participation from those with travel time and budget restrictions). More onus could also be taken by participants themselves in creating opportunities for, and actively pursuing, bilateral dialogue.

Overall the support provided by the PMR, both in-country and across its participants, is found to be reasonably efficient. Where ICPs have benefited most efficiently from PMR support, this has often involved dedicated in-country staff working on the PMR project, as well as champions within the World Bank helping ICPs to navigate key processes (such as the hiring of consultants).

Key findings: Outcomes and Impacts of the PMR to date

Given it is still relatively early to judge the outcomes and impacts of the PMR (there are two years of the PMR left, and most ICPs are at the early stages of their MRP implementation), this evaluation has considered the direction of travel towards the intended end-point. Overall this evaluation finds that the theory of change for the PMR is valid and it appears to be able to navigate successfully despite numerous external factors that may impede progress within a particular country.

The PMR is found to be performing well, for example, against its target outcome for *"PMR knowledge to have informed efforts of PMR participants and other partners to design, pilot and/or implement domestic carbon pricing instruments"*. PMR knowledge products, and the knowledge exchange it encourages and facilitates, is considered high quality and relevant by a wide range of stakeholders, including those internal and external to the PMR

Partnership. While there are other initiatives generating knowledge that is also useful to PMR participants on carbon pricing, this is often delivered in synergy with the PMR (such as shared workshops with ICAP on ETS), or it is seen to add something distinct to the knowledge base – often described as practical know-how, as opposed to higher-level policy discussion, for example.

Even at this early stage of implementation in ICPs², the stakeholders surveyed clearly indicate that PMR is also *impacting their capacity and readiness to design, pilot and/or implement carbon pricing instruments and/or the core technical components*. In the evaluation survey, ICPs were asked to consider the impact of the PMR to date on key readiness components which are common to many MRPs³. Over half of the ICPs surveyed reported the PMR had very or fairly high impact on the following areas: stakeholder engagement (74%), improving MRV systems (61%), and benchmarking (55%). When asked about the impact on specific mechanisms in their country, almost half of the relevant ICPs reported a very or fairly high impact on offsets and crediting and ETS systems, with impact on carbon tax systems somewhat lower, but still noteworthy at 39%.

While the market readiness infrastructure is expected to be significantly improved upon MRP completion, there may not yet be a fully-functioning carbon pricing instrument, depending on the scope of the MRP. Therefore, the nature and the timetable by which the ultimate impact of the PMR could be recognized in an ICP (namely, carbon pricing instruments being fully in place, with associated GHG emissions reductions) varies widely.

Also, while the PMR may contribute, even significantly, to countries' efforts to implement carbon pricing mechanisms, the decisions ultimately rest with the policy makers in each implementing country. There are also numerous factors internal and external to each country, which are outside of the PMR's control, that influence its progress. Within this context, the stakeholders surveyed overwhelmingly report that the PMR has had a high level of impact: almost 80% of ICPs reported that the PMR has had a high level of impact in their own country, and 72% of all stakeholder types reported that the PMR has had a high level of impact internationally.

There are early indications of the PMR having this broader *influence on global policy discussions regarding the use of carbon pricing for GHG reductions*. Numerous stakeholders believe that the PMR has had an influence on global policy discussions, e.g. in UNFCCC negotiations, yet, the path is difficult to document directly. Evaluators also note that PMR activities are primarily directed to its participants and other initiatives, such as the ICAP or IETA, have more visible presence at international conferences and on social media. The many softer influences noted by the evaluators include: PMR language quoted in negotiations; PMR participants more confident in participating in global policy discussions; Advocacy documents cite PMR outputs; New countries are considering carbon pricing instruments due to PMR outputs.

Key findings: Governance of the PMR

The PMR's partnership governance model is highly valued, with participants (including CPs) appreciating the familial, equal atmosphere created. The evaluation revealed mixed views, however, on the consensus-based approach to decision-making. While most decisions have been successfully achieved through consensus, there are concerns as to how informed these decisions are due to information overload, and how participatory the decision-making truly

² 17 MRPs signed off, 15 ICPs in Implementation Phase with 2 just starting, only 1 MRP complete.

³ Data shown in Figure 8 and Figure 9 is only based on those ICPs for whom these readiness components were relevant (i.e. they formed part of their MRP)

is. This may place a greater onus on the Secretariat to play a strong role in assessing the quality of MRPs (for example); however, there are risks to this: first, the Secretariat may not have the capacity to do this, and second, in the long term, this could erode the validity of the partnership approach if partners no longer see discussion as impactful. There are some calls for greater transparency around membership, especially regarding the role of TPs and the strategy for expansion. Mechanisms for making potential countries aware of the PMR were unclear, which some stakeholders feared could mean the PMR isn't reaching countries that could benefit the most from its support. Donors, in particular, also call for more timely communication by the Secretariat around the PMR budget, and more transparent disclosure of grant disbursement by ICPs. These stakeholders hope that increased visibility of budget management will increase the possibility of unspent funds being re-allocated to ICPs who may need greater support during implementation.

Overall the perception is that the PMR Secretariat is doing a good job but is stretched. The PMR was sometimes observed to face challenges improving its efficiency (such as the speed of response on some issues) as it was not felt to have sufficient visibility within the WBG, due, in part, to the small grant size relative to typical WBG projects.

Evaluation Recommendations and Lessons Learned

A key aim for this evaluation is to look forward to identify ways in which the PMR can continue to be as effective, efficient and relevant as possible over its final two years. The table below summarises recommendations from the evaluation team, taking into consideration the breadth of the evaluation evidence.

| Recommendation Area | Recommended action for the PMR Secretariat (recommendations in <i>bold italics</i> are suggested for review by the PA ahead of the next Assembly meeting) |
|--|--|
| Encouraging greater peer-to-peer learning between PMR participants, particularly the sharing of implementation lessons | <p>-Encourage and facilitate ‘communities of best practice’ where ICPs more advanced in implementation share experiences and learning with those developing similar MRP components. Ideas to achieve this include: <i>side-events at Partnership Meetings focused on certain instruments, and/or facilitating exchange visits between ICPs, and/or encourage ICP-to-ICP review of key implementation stages (e.g. ETS monitoring plans).</i></p> <p>-Set the focus of Partnership Assembly meetings in the last two years of the PMR more firmly on knowledge sharing. Create ‘space’ in the meeting agendas for this type of interaction and exchange by reducing the time taken by other more administrative items. For example, by increasing the use of dashboard reporting for status updates, and moving some decision-making into webinars in-between full Partnership Assembly meetings.</p> <p>-Provide more flexible ways to participate in knowledge sharing and relationship building e.g. hosting online communities within a structured e-platform to connect participants according to topics of interest.</p> <p>-Focus Technical Work Program activities on synthesising ‘lessons learned from the PMR’ outputs and/or updating existing guidance with real implementation experiences or case-studies from PMR participants (rather than dedicating limited resource to the generation of new guidance). <i>Place a requirement on ICPs, and hired consultants, to provide ‘lessons learned’ outputs on completion of key MRP components to support this</i> (rather than just once a year through ICP Implementation Status Reports).</p> |
| Maximise efficiency of delivery against MRPs by minimising impact of common bottlenecks | <p>-Provide clear ‘next steps’ guidance on the World Bank processes involved once grant money is allocated so that ICPs understand the mechanics of this process (appreciating that following an overview, this is likely to need to be customised based on the type of grant agreement). Also ensure ICPs have a clear point of contact in WBG who can provide personal (over the phone) support navigating World Bank processes.</p> <p>-Continue to share practical tools to expedite common processes e.g. examples of effective terms of reference for consultant hiring</p> <p><i>-Increase the monitoring of ICP expenditure against grant allocations to identify, as soon as possible, any potential underspend;</i> enabling re-allocation if appropriate or faster identification of issues that could be remediable within the implementation timetable. Communicate this information earlier ahead of PAs.</p> |
| Maximise external synergies and cooperation to further the rate and scale of progress | <p>-Map out hand-over points between the agendas of the PMR and other initiatives and actors; supporting the PMR to continue to occupy a unique space in the wider landscape e.g. by focusing on topics still needing greater support, such as Registries or sharing of implementation lessons.</p> <p>-Where PMR operates alongside other initiatives, explicitly articulate ongoing tasks and functions and the responsible party and identify the mechanism to update this over time. Also co-ordinate to facilitate consistency in key messages and design-criteria, to the extent feasible.</p> |
| Further build & maintain momentum behind implementation by engaging broader | <p>-Re-package existing content from technical workshops to produce concise outputs for broad dissemination e.g. via executive summary reports or public webinars showcasing new resources</p> |

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| audiences in the PMR agenda and its learning | <p>-Increase active co-operation with other parts of the WBG, or other donors, e.g. those with programs focusing on communicating political messages around carbon pricing or with departments providing funding on uptake of GHG mitigation and/or adaptation projects. Also cooperate with those who can influence counteractive policies and agendas, for example energy price subsidies or non-liberalised energy markets.</p> <p>-Proactively encourage bilateral and regional dialogue, including the sharing of resources and possibly involving e-platforms.</p> |
|--|--|

Lessons learned from this evaluation also highlight **key considerations for any successor or other similar program**. Adding to the recommendations above, these focus on learnings about elements of the current PMR program which have now passed (for example, the review of MRPs given all ICPs in the current program have now progressed through this process). It is acknowledged that any successor, or other future, program may not comprise the same processes or stages as the PMR; for example, there may not be an MRP process in the same way as the PMR, and the Partnership Assemblies may take a different format and function. Nonetheless, the following learning, which is based on an evaluation of the PMR and its processes, may still have some relevance for the equivalent processes established in a subsequent program.

Considerations for participant activity planning and approval stage

- **Require ICPs to draft 'concept notes'** early in activity planning process. Similarly to the Organizing Frameworks required at the outset of the PMR, these would provide an overview of anticipated direction e.g. any known components, instrument preferences or anticipated challenges. Dissemination and review of these concept notes (by the equivalent of a Partnership Assembly) ensures ICPs receive early input on direction and 'course-correct' if necessary.
- **Consider a two-stage review process;** a small scrutiny team from the Partnership Assembly (in addition to an independent expert) reviews and discusses the full proposal with the ICP in a more closed setting, before opening up to wider comment.
- **Set requirement for maximum 3-page stand-alone high-level executive summary** within each proposal; able to communicate to policymakers and wider audience.
- **Keep the independent expert review role** to provide feedback on quality and coherence.
- **Encourage ICPs to open up the activity planning and proposal preparation process to a wider range of national stakeholders** in the private sector and in political audiences to encourage buy-in and later success.

Considerations for encouraging effective participation and knowledge exchange:

- **Ensure Partnership Assembly (or equivalent) meetings, or workshops, continue to have a mixed format** with variety of plenary sessions, small group table-based discussions and focused side-events.

- Build-in sufficient 'informal time' within the agenda to encourage relationship building and exchange.
- Maximise the efficiency of administrative and organisational matters at Partnership Assemblies; using webinars or electronic information sharing where possible.
- Consider an online platform supporting electronic Q&A, monitored by a programme administrator but with participants encouraged to respond to one another.

1. Introduction

The World Bank's Partnership for Market Readiness (PMR) is a global partnership, currently consisting of 41 developed and developing countries and jurisdictions, with a vision to "provide a platform for sharing experience, fostering new and innovative market-based instruments, and building market readiness capacity for countries to scale up climate change mitigation efforts." The World Bank has commissioned Ipsos MORI and SQ Consult to carry out this Second Independent Evaluation of the PMR, and this Draft Report presents the findings.

1.1 Overview of the PMR

The current objectives⁴ of the PMR are to:

1. Build countries' capacity to develop and implement carbon pricing instruments needed for GHG mitigation and INDCs/NDCs implementation through grant funding.
2. Create a knowledge base on carbon pricing instruments and facilitate information exchange through technical discussions and dissemination of knowledge products.
3. Assist countries to identify and implement best practice approaches and, where relevant, achieve compatibility in design to support the development of carbon markets.
4. Inform the national and international policy discussions on GHG mitigation by sharing lessons learned and providing a platform for collective innovation on carbon pricing instruments.

The Partnership consists of three categories of countries: **Implementing Country Participants** (ICPs, who are the primary beneficiaries of PMR support)⁵, **Contributing Participants** (CPs, who contribute financially and provide technical expertise)⁶, and a newer category of countries and sub-national jurisdictions called **Technical Partners** (TPs, who receive technical and – in some cases – limited financial support)⁷. The ICPs and CPs make up the **Partnership Assembly (PA)**, which is the PMR's decision-making body and makes decisions on a consensus basis. The World Bank hosts the **PMR Secretariat**, serves as trustee of the PMR Trust Fund and acts as the primary Delivery Partner. Additionally, other relevant actors including countries, organizations, and delivery partners can participate in the PMR as **Observers** without decision-making power, and **technical experts** are also invited to attend PA meetings to contribute technical knowledge.

PMR support is provided through three inter-related workstreams:

⁴ These were adopted electronically, on a no-objection basis, by the PMR Partnership Assembly on 6 October 2017.

⁵ At the time of publication of this report, ICPs are: Argentina, Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, South Africa, Sri Lanka, Thailand, Tunisia, Turkey, Ukraine, and Vietnam.

⁶ At the time of publication of this report, CPs are: Australia, Denmark, the European Commission, Finland, Germany, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States of America.

⁷ At the time of publication of this report, TPs are: Alberta, British Columbia, California, Côte d'Ivoire, Kazakhstan, New Zealand, Panama, Philippines, and Quebec.

- **The Country Work Program (CWP)** supports ICPs in developing their market readiness through grants and technical assistance for Market Readiness Proposals (MRPs).
- **The Policy Analysis Work Program (PAWP)** supports ICPs with the development of their post-2020 mitigation scenarios and policy packages, which can include carbon pricing instruments. It consists primarily of a country-level work stream and also has a small programmatic workstream that is similar in form and function to the TWP (described below).
- **The Technical Work Program (TWP)** provides knowledge products, workshops, and training on topics related to implementation of carbon pricing that are relevant across multiple countries. It consists of Thematic Work Streams: Emission Trading Systems (ETS, since 2012), Offset crediting (2012) and Carbon tax (2014); and Technical Work Streams which include (among others): Monitoring, Reporting and Verification (MRV); Data management and registries; Baselines; Benchmarking; and Stakeholder consultation and preparedness.

As part of this evaluation, Ipsos MORI and SQ Consult developed a Theory of Change for the PMR, which is set out in detail in the Inception Report⁸, and which is illustrated in a diagram in Appendix 3. This sets out the PMR's key inputs and activities, and the outputs delivered as a result of these outputs, and the outcomes and impacts that the PMR aims to achieve.

As of April 2018, 15 ICPs are in the implementation phase (that is their MRP has been allocated grant funding and funding has been disbursed), two countries have had their final MRPs endorsed by the PA but funding has not yet been disbursed, and two countries are in the MRP preparation phase. One ICP has completed its MRP so far. Some ICPs (11 in total) have also received policy support through the Policy Analysis Work Program (PAWP). Further, two countries have received additional funding to support supplemental activities to their MRPs.

1.2 Overview of the evaluation

This Second Independent Evaluation⁹ is a formative evaluation focusing on the most recent years of the PMR (from December 2014 to December 2017). It both evaluates the overall impact the PMR has achieved to date, as well as the relevance, effectiveness, and efficiency of the PMR's delivery processes and governance mechanisms. It identifies lessons learned which can be incorporated in delivery of the final two years through 2020, as well as considerations for the design of a potential successor program.

A detailed evaluation methodology is set out in the Inception Report and is based on the Terms of Reference (TORs) for the evaluation which were issued by the World Bank and are included in Appendix 8. The evaluation methodology includes an evaluation framework – included in Appendix 2 – which identifies key evaluation questions

⁸ Ipsos MORI and SQ Consult (2017): "2nd Independent Evaluation of the PMR: Inception Report", available at <https://www.thepmr.org/content/pmr-2nd-independent-evaluation-inception-report>

⁹ This study is preceded by a previous evaluation commissioned by the PMR in 2014 and carried out by the Development Portfolio Management Group at the University of Southern California. The commissioned work resulted in an Evaluation Framework for future evaluations, an assessment of the effectiveness of the PMR governance structure and grant allocation mechanism, and an evaluation of the PMR's technical work, knowledge-sharing and capacity building program at the country, regional and global levels. Due to the early stage of the PMR's activities at the time, the work was carried out as a "formative" evaluation, focused on the first three of the standard OECD/DAC evaluation criteria relevance, effectiveness, and efficiency.

(KEQs) organized against the OECD's DAC criteria for evaluations¹⁰: relevance, efficiency, effectiveness, impact, and sustainability. The draft evaluation plan was presented at PA17 in October 2017 and finalized in the Inception Report in December 2017.

High-level Key Evaluation Questions (KEQs) for this evaluation

Relevance

KEQ 1.1 Has the PMR responded adequately to the recent developments and likely future prospects of international carbon markets?

Effectiveness

KEQ 2.1 To date, how EFFECTIVELY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction?

KEQ 2.2 How effective is the PMR's governance model, which follows a "partnership" approach to decision making, at achieving PMR objectives?

Efficiency

KEQ 3.1 To date, how EFFICIENTLY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction?

KEQ 3.2 How efficient is the PMR's governance model in terms of resource use and timely decision making?

Impact

KEQ 4.1 What have been the principal value-added and catalytic effects of the PMR to date at country and global levels?

Sustainability

KEQ 5.1 What can be learned from the PMR's experience thus far to help enhance its relevance, effectiveness and efficiency, strengthen its governance and management, and better guide carbon pricing and other market readiness interventions in the future?

¹⁰ The OECD Development Assistance Committee (DAC) criteria for evaluations are available at <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

The evaluation has involved gathering and synthesizing evidence across the following sources:

- **Stakeholder consultations:** Ipsos MORI and SQ Consult led 39 in-depth telephone and face-to-face interviews with representatives from CPs, ICPs, TPs, the PMR Secretariat, wider World Bank staff, and Observers. These consultations followed topic guides for each stakeholder group. The objective of these consultations was to obtain views on the implementation of the PMR, with a focus on assessing the processes underpinning delivery, the program rationale and relevance to national context, and any impacts achieved.
- **Online surveys:** An online survey was implemented by Ipsos MORI between December 2017 and February 2018. This survey engaged CPs, ICPs, TPs, the PMR Secretariat, wider World Bank staff, and Observers to collect quantitative and qualitative data related to program effectiveness and impact. One hundred respondents completed the survey (12 CPs, 39 ICPs, 8 TPs, 18 World Bank staff, and 18 Observers).
- **Case studies:** Ipsos MORI and SQ Consult staff undertook three case studies of ICPs (Chile, Costa Rica, and Ukraine). These consisted of both a desk-based review of country-level documents and data, as well as field visits to carry out detailed interviews with stakeholders from government and industry. The case studies provided means of exploring in-depth *how* the PMR achieves results as well as carrying out detailed analysis of broader trends identified through the other data sources.
- **Literature review:** SQ Consult led a review of internal PMR documentation, external literature such as carbon pricing literature, and documentation on the scope and remit of other initiatives that also support carbon pricing.

As noted above, a Theory of Change for the PMR was developed during the inception stage of this evaluation. Evidence from across the data sources was analyzed within the context of the Theory of Change. A Contribution Analysis process was used to draw conclusions on the contribution of the PMR to its intended outcomes and impacts. Data was collected and analyzed through May 2018, and early findings were presented at PA18 in April 2018. Subsequent to the recommendations of the first independent evaluation of the PMR, the PMR's objectives and logframe were also updated to reflect developments within the PMR since its inception.

1.3 Structure of this report

The remainder of this report is structured as follows:

- Section 2 assesses the **rationale and relevance** of the PMR's support;
- Section 3 assesses the **implementation of the PMR's activities** to date, including a review of the Country Work Program, Policy Analysis Work Program and Technical Work Program activities;
- Section 4 assesses the **outcomes and impacts** of the PMR to date and considers the likely **sustainability** of these impacts, as well as the contribution of the PMR in the context of wider external influencers;
- Section 5 assesses the **governance** mechanisms and processes of the PMR;
- Section 6 provides **lessons learned** for further improving the effectiveness, efficiency and relevance of the PMR over its final two years, as well as highlighting learnings that may be relevant to any successor program.

Sections 2-5 each contain a summary of key findings and recommendations at the beginning of the section, and a concluding section which highlights the KEQs addressed and summarizes the key findings. Section 6 is an overall conclusion for the evaluation. The Appendices provide details of the methodology for this evaluation, and the Annexes summarize the findings of the evaluation's three in-country case studies and survey results.

2. Rationale and relevance of the PMR

This section of the report considers the rationale for, and relevance of, the PMR within its changing international context. It details the key building blocks for a well-functioning carbon market and considers how the PMR provides support that contributes to these foundations. It also considers the extent to which the PMR adds value in the context of other similar initiatives.

Summary of key findings and recommendations related to the rationale and relevance of the PMR

The PMR is a very relevant initiative that adds value in the context of the wider policy and funding landscape. It is considered by key stakeholders to be the most prominent initiative dealing with carbon pricing, and by several to be the only place where dialogue is happening at a practical and technical level across a broad spectrum of participants on what works and what does not in relation to carbon pricing. Key features which add value are that: it is instrument-neutral, it supports early-stage capacity building, it provides hands-on support, and its participative and networking approach. It has evolved to meet the changing international context. However, as more initiatives come into being, coordination to avoid overlaps and ensure synergies is required.

Key recommendations related to these findings are to maximise external synergies and cooperation to enhance the rate and scale of progress and ensure its ongoing relevance:

- Map out hand-over points between the agendas of the PMR and other initiatives and actors; supporting the PMR to continue to occupy a unique space in the wider landscape e.g. by focusing on topics still needing greater support, such as Registries or sharing of implementation lessons.
- Where PMR operates alongside other initiatives, explicitly articulate ongoing tasks and functions and the responsible party and identify the mechanism to update this over time. Also co-ordinate to facilitate consistency in key messages and design-criteria, to the extent feasible.

2.1 Overview of wider policy landscape

2.1.1 Global trends in carbon markets

Since the introduction of the carbon market mechanisms in the Kyoto Protocol (Joint Implementation (JI), Clean Development Mechanism (CDM) and International Emissions Trading), many countries and regions have been considering the implementation of such market-based mechanisms and carbon pricing instruments. Reported motives include the desire to incentivize low-carbon development or further support and promote other national policies, e.g. transport, to reach national or international greenhouse gas (GHG) emission targets cost-effectively, to provide flexibility to and limit costs for emitters, and to generate additional revenues from selling emission credits or allowances (such as to finance mitigation projects).

As noted in one of the PMR's own knowledge products, [State and Trends of Carbon Pricing 2018](https://openknowledge.worldbank.org/bitstream/handle/10986/29687/9781464812927.pdf), there has been a drive towards an increasingly global carbon market, in which more countries are implementing carbon price incentives to stimulate low-carbon development, including mandatory or voluntary emissions trading and offset crediting systems and carbon tax systems.¹¹ In May 2017, the World Bank's Carbon Pricing Watch reported that over the last decade, the number of jurisdictions with carbon pricing initiatives has doubled and that the amount of emissions covered has increased fourfold. Another report published in February 2018 noted, for example, that 15% of the global GHG emissions are now capped by an ETS.¹² Many countries also emphasized the importance of carbon pricing mechanisms in achieving their (Intended) Nationally Determined Contributions ((I)NDCs) that were submitted to the United Nations Framework Convention on Climate Change (UNFCCC) as part of the Paris Climate Agreement.

Carbon pricing initiatives can be in either stand-alone (individual) systems or multiple, parallel systems integrated into a common market. There have been increases in both stand-alone initiatives and linking carbon pricing systems or integrating systems into common markets¹³. Common markets aim at further improving cost-effectiveness of systems as well as leveling the playing field between different economies.¹⁴ An example of this is the use of offset credits within an ETS system. This is seen as a way to engage more countries in cost-efficient mitigation actions and to create a more level playing field between different economies around the world. At the same time, effectively developing and implementing these initiatives is complex and requires considerable resources and capabilities.

Experiences with carbon pricing initiatives to date have shown that implementation is complex, and many lessons have been learned on improving effectiveness and efficiency of such mechanisms. Adding to the general complexity of carbon pricing instruments are specific implementation challenges in developing countries. Developing countries are usually more limited in terms of (financial and human) resources and have broader gaps to fill before carbon pricing instruments can be successfully deployed. These gaps can include both "technical" aspects (such as data availability, MRV, and technical infrastructure), as well as the broader issues of good governance and functioning markets, ensuring carbon pricing instruments are an integral part of a consistent policy package. Therefore, the successful development and implementation of such instruments in these countries can benefit from outside support.

2.1.2 Building blocks for well-functioning carbon markets

The core of the PMR's activity is to strengthen countries' "market readiness". The building blocks – or prerequisites for successful establishment and implementation – for a well-functioning carbon market include establishing legal and regulatory frameworks, identifying institutional responsibilities, building administrative capacity as well as addressing gaps in available technical infrastructure and data.

¹¹ <https://openknowledge.worldbank.org/bitstream/handle/10986/29687/9781464812927.pdf>

¹² International Carbon Action Partnership (ICAP), 2018, *Emissions Trading Worldwide*. <https://icapcarbonaction.com/en/publications>

¹³ Common markets in this case can either mean a market jointly operated by several jurisdictions or the integration of different carbon market mechanisms into one common market (such as the use of carbon offset credits in an emissions trading system).

¹⁴ State and Trends of Carbon Pricing 2018, <https://openknowledge.worldbank.org/bitstream/handle/10986/29687/9781464812927.pdf>

Important elements for successful establishment and implementation of carbon market mechanisms or carbon pricing instruments

1. Policy/political readiness: To achieve policy/political market readiness, several important (political) decisions need to be made by the country: this includes setting the overall national environmental goal and determining the most appropriate policy instrument(s) to achieve that goal. Where carbon pricing is the policy instrument of choice, a political decision by all appropriate government stakeholders is needed on how to distribute the cost and benefits of the instrument across stakeholders. For example, and as discussed in more detail in Section 3, numerous stakeholders noted that political acceptance is the key challenge and in some cases, this has caused significant delays. In addition, it is important that the carbon pricing instrument be embedded within a consistent broader policy framework, as energy market policies can influence the effectiveness of the carbon price incentive.

2. Institutional and legal readiness: Implementing carbon pricing instruments gives rise to additional tasks and responsibilities for all stakeholders, first to design and establish the various building blocks, then to implement and operate the instrument. Existing institutions may take on new tasks, and new structures and knowledge also may be required. Responsibilities to be established include: collection and compilation of data; domestic issuance of allowances or credits or setting of the carbon tax level; system for verification of installation or project-level emissions data; permitting and registry systems; collection of generated revenues; compliance; and legal regulation of domestic trading markets. It is apparent that all the appropriate ministries and agencies should be involved from the early stages to facilitate implementation (e.g. environment, energy, finance, and industry). For example, it would be unworkable to not also include the Ministry of Finance when developing a carbon tax, even if the Ministry of Energy or Environment was the entity initially considering options.

3. Technical readiness: Technical readiness refers to the essential components-based mechanisms or carbon pricing instruments, without which a system could not operate or might be seen as unreliable or not credible. There are also important technical considerations for decision-makers regarding potential international linking between different mechanisms and in the price formation. Technical components include auctioning and trading platforms, MRV systems, data management systems and registries, as well as the availability and quality of data needed. This technical readiness also helps policymakers understand the specific requirements and possible impacts of the instruments and the design choices. For example, several countries noted that having a stronger technical basis gave them the confidence, as well as arguments, for making decisions. Alternatively, some other countries noted that increased technical understanding caused them to slow down or restructure their approach.

2.1.3 The PMR within the context of other initiatives supporting carbon pricing

In addition to the PMR, other national and international platforms also stimulate and support various carbon pricing instruments. PMR CPs, such as the European Commission, Australia, Japan and Switzerland, have (or had) implemented ETS, in some cases linked to a carbon tax. Also, PMR TPs California, Alberta and Quebec operate regional ETS systems, while Kazakhstan started developing its national ETS before joining the PMR as a TP. Various PMR ICPs, including Chile, Costa Rica, India and South Africa, had implemented or initiated other carbon pricing initiatives, such as carbon taxes and/or white certificate systems, prior to joining the PMR.

In these cases, the overall driver for introducing carbon pricing was typically to support the cost-effective achievement of domestic GHG emissions reduction or efficiency targets, often coupled with a desire to gain experience with market-based mechanisms. In general, these countries have good governance systems in place for policy development, implementation and enforcement, functioning markets and a sufficient information and knowledge base to fill carbon price-specific gaps themselves. This can, generally, also be said for non-Annex I/II countries that are active in carbon markets outside the PMR, such as South Korea and Singapore. These countries share their experience and expertise with the PMR.

Carbon pricing activities in developing countries are largely taking place under the PMR, though there are also various bilateral initiatives that support capacity building for carbon market development, including e.g. from Germany (GIZ), the Nordic countries and Japan (Joint Crediting Mechanism). Some PMR ICPs are recipients of such support, including, e.g., Chile, China, Mexico and Turkey. The EC is also supporting capacity building in EU Accession and Candidate Countries (including Turkey) via its Instrument for Pre-Accession Assistance (IPA) program and initiatives from Directorate General (DG) Climate Action (CLIMA), supported by DG Neighbourhood and Enlargement Negotiations (NEAR). Specific details of these programs, such as their funding sources, activities, and beneficiaries, are included in the literature review summary in Annex 7.

There are now other initiatives seeking to contribute to carbon pricing development for developing countries, some with overlapping features to the PMR. However, it is possible to identify positive and unique elements of the PMR. This includes the PMR's maturity relative to these other initiatives, which gives it the ability to build on a wide range of lessons learned within the program. The PMR is also one of the first to target developing countries. Finally, the PMR's unique offer to its partners is its focused scope, coverage and level of technical support.

2.1.4 Stakeholder perceptions of the PMR's role within the wider policy landscape

While various international organizations are addressing the need to support building and strengthening capacity to develop and implement carbon pricing initiatives, the PMR is considered by many stakeholders consulted as the prime initiative, particularly for support in deciding which mechanism(s) to pursue and addressing early stages of their development.

“One among very few initiatives solely devoted to support countries in their carbon pricing work. The Partnership also provides access to experts and financial resources, and allows for partners to interact ... integrating a global community of practitioners and experts who are helping establish carbon pricing around the world.”

– ICP

Stakeholders agree that the PMR is the most prominent platform for sharing experiences on carbon pricing instruments, as shown in **Figure 1** and **Figure 2**.

Figure 1 Most important entity in terms of contribution to supporting market readiness internationally¹⁵

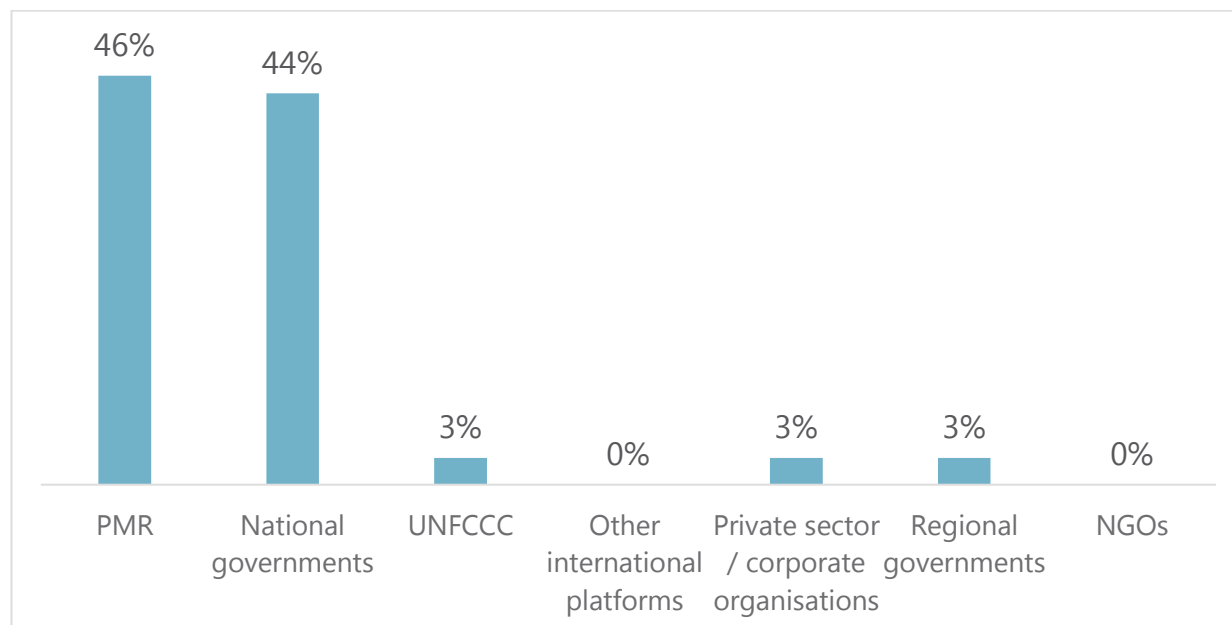
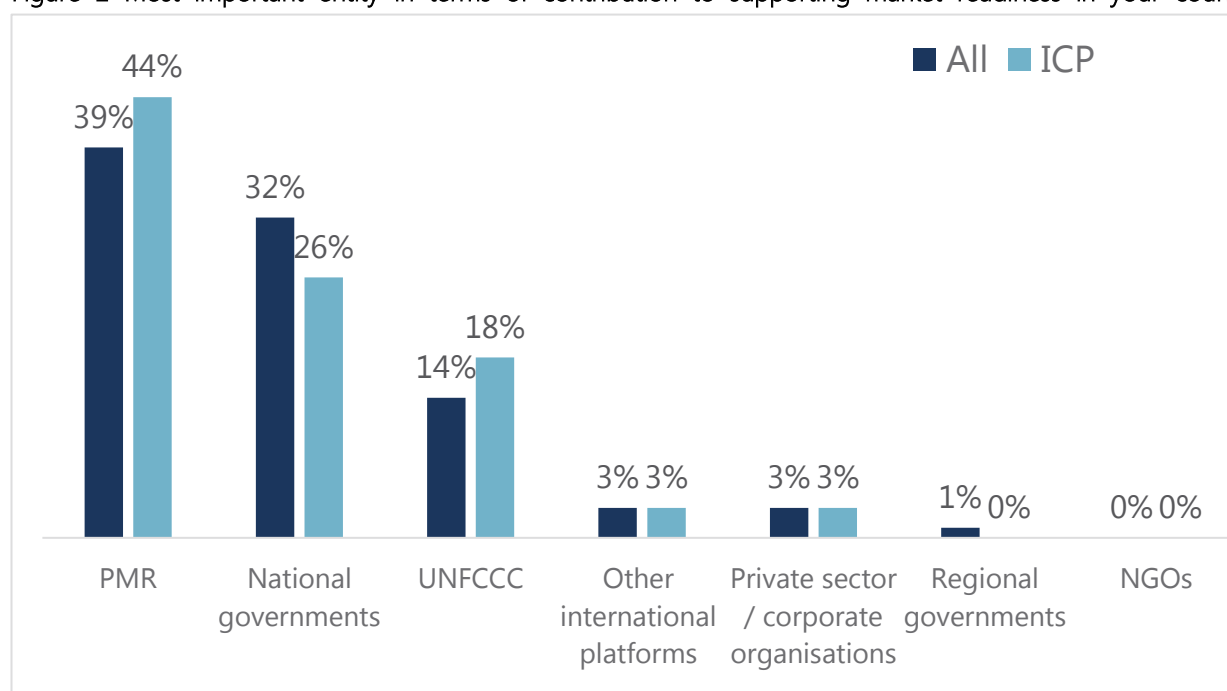


Figure 2 Most important entity in terms of contribution to supporting market readiness in your country¹⁶



Source: Ipsos MORI survey

¹⁵ Q11a. Looking at the list below, please select the entity you think is most important in terms of the contribution it makes to supporting market readiness for carbon pricing internationally? internationally / in your country specifically? Base: All (100), All ICP (39).

¹⁶ Q11a. Looking at the list below, please select the entity you think is most important in terms of the contribution it makes to supporting market readiness for carbon pricing internationally? internationally / in your country specifically? Base: All (100), All ICP (39).

This prominence is in part because the PMR has a wider topical and geographical scope than most other support platforms.

“The PMR provides a space for technical dialogue between policymakers from developing and developed countries involved in carbon pricing policies. It serves a role that is very different from purely technical/academic fora; and other initiatives that take a more political emphasis.”

– ICP

Three further key points stakeholders point to where the PMR is different in its approach compared to other initiatives, is that it also supports implementation (not just capacity building or development), it offers the possibility for South-South learning, and it has a partnership model of governance, with ICPs also having decision-making power through the PA.

Evaluation evidence based on the stakeholder consultations and survey, as well as a literature review of other initiatives, supports the reasoning that the PMR is a crucial party in supporting readiness. Also, a highlight of participating in PMR activities (and receiving funding) is getting new insights from other jurisdictions that have chosen different approaches (in addition to support the development of a more global carbon market).

The evaluation evidence found that an area of ongoing attention for the PMR Secretariat is the synergy and risk of potential duplication of efforts with other initiatives. There was a time when the PMR was virtually alone in promoting carbon pricing, especially beyond existing ETS systems. Now, several multilateral and bilateral donors may be active in the same country with the same or similar focus, and with beneficiaries that could be the same or not. These activities can complement and strengthen each other, for example, when capacity building activities are carried out in additional groups or sectors; survey respondents and interviewees provided multiple examples of such complementarities.

However, a few interviewees also reported cases of what appeared to be insufficient coordination. For example, one interviewee reported there was insufficient coordination in a case where staff from the World Bank’s Carbon Pricing Leadership Coalition (CPLC) were talking to one Ministry whilst the PMR was talking to another Ministry at same time. This suggests that activities of independent initiatives within the World Bank can also be inefficient – and potentially counter-productive - absent sufficient coordination. Another more general example is the development of separate MRV systems for the same target group for energy use and GHG emissions by different ministries. Evaluators note that the PMR seeks to address this dynamic in line with the PMR principles, for example, by including a donor coordination meeting in the country visits undertaken as part of the MRP development.

Examples of coordination activities with other initiatives

In Ukraine, the PMR project is now running alongside a GIZ project which also seeks to support Ukraine to design and implement an MRV system which can support a future ETS. The PMR has been operating in Ukraine for a number of years, although work has intensified since early 2017, and the GIZ project was launched in October 2017. A number of steps have been taken to ensure these two programs avoid overlap and instead work synergistically to ultimately offer better support to Ukraine’s vision of having a national ETS. There is a Joint PMR-GIZ Working Group (consisting of the PMR Project Implementation

Unit, the GIZ lead, plus members of the beneficiary Ministry team), which meets regularly face-to-face. There is also a shared task list across both projects to ensure tasks are not overlapping but instead are complementary and are planned at the appropriate timing to support and build on one another.

The support provided by Germany through GIZ was raised by a number of ICPs as a factor that has complemented PMR and, in some instances, helped countries to design their roadmaps. For example, in Chile, both internal and external stakeholders commented on the impact of a field visit from the PMR consultative group to Germany, which was funded by GIZ. The study visit was organized as a bilateral knowledge exchange where Chilean representatives presented their roadmap towards market instruments, and the German counterpart commented and provided lessons learned from the German experience in designing and implementing ETS.

Stakeholders did readily acknowledge these coordination efforts, for example ICAP and UNDP representatives regularly attend PAs. Yet, stakeholders also noted that more could be done in this area, especially as countries progress further in implementation. This remains an ongoing area to watch, given that each ICP has its own objectives and priorities. As is discussed further below, coordination also increases effectiveness and efficiency. For example, the PMR can reach more participants with fewer funds if further active cooperation is achieved, such as through ensuring consistency in key messages and design criteria, as well as facilitating timely hand-over once another initiative supported by other donors becomes more relevant e.g. one specifically focused on ETS implementation.

World Bank staff also noted other ways in which the PMR has been seen to interact with, and in some cases, influence, other initiatives internal to the World Bank. These stakeholders had observed the experience and interactions within the PMR to have indirectly impacted on complementary initiatives such as, the Networked Carbon Markets, the Carbon Pricing Leadership Coalition, and the Transformative Carbon Asset Facility - leading to the identification of demand for complementary services on advocacy and analytical work on various themes, for example.

2.2 Evolution of the PMR in response to contextual changes

Since the inception of the PMR, it has responded to changes in national and international context in a number of ways, described below.

2.2.1 Broadening of the PMR's scope

Since its inception, the focus of the PMR has broadened from a focus exclusively on ETS and offset crediting carbon market mechanisms to carbon pricing instruments (which also including carbon taxes) and other (non-carbon) market instruments such as green and white certificate systems¹⁷. In part, this reflects the recognition that not all countries are ready for market-based mechanisms and that an ETS may not be a preferred choice for some due to the national political economy. It is also possible that GHG emission reductions may not be the main driver for all countries to consider carbon pricing instruments.

¹⁷ E.g. covered in the MRPs of India and Thailand.

The PMR has also widened its scope to cover the development of new market mechanisms, such as (credited) Nationally Appropriate Mitigation Actions (NAMAs)¹⁸ and more recently, the potentially market-based joint implementation under Article 6 of the Paris Agreement¹⁹. Developing new market-based instruments (MBIs) can be seen as risky in that, aside from rules and modalities still being under development, the demand for the new market assets is unclear.

2.2.2 Adaptation of the PMR to national context

Carbon market mechanisms have many advantages, yet they are policy instruments that, like all others, should be implemented within a consistent policy framework linked to national development priorities and integrated into long-term national strategies and that require good governance²⁰. This recognition contributed to the development of the PAWP in 2014 to support ICPs with the development of their post-2020 mitigation scenarios, Nationally Determined Contributions (NDC) and policy packages.

“The PMR has been key in advancing the NDC agenda - both within the World Bank as no other team had been looking at this, and it’s also a gap in the broader development world... It was visionary to get PMR to look at the NDC agenda and consider how PMR could support it and allocate funding to ICPs with these activities in mind...it’s ensured that carbon pricing is not happening in a vacuum but instead is part of wider policy direction.”

– World Bank staff

Countries must balance any tensions between national priorities and preferences and the requirements for effective carbon pricing instruments, such as, for example, by addressing energy market regulations or measures protecting consumers or national industry that would limit the effect of the carbon price incentive.

Even though the PMR uses a country-led, partnership-based approach, politically, the role of outside parties (including the PMR Secretariat, other countries, and experts) in reviewing a country’s efforts can be sensitive. This has, together with other factors²¹, contributed to the fact that activities proposed in the MRP regularly include an assessment of the appropriateness of MBIs and the identification of the most appropriate one in the national context. As countries are not necessarily ready at the MRP submission stage to commit to specific MBIs, the implementation phase of an MRP can include an exploratory and experimenting component.

¹⁸ E.g. covered in the MRPs in Colombia, Mexico and Vietnam, leading to a request from the PMR secretariat to the PMR Expert Group representative to present considerations on the feasibility of covering (credited) NAMAs under the PMR.

¹⁹ <https://www.thepmr.org/events/eventlist/workshop/technical-workshop-18-implications-paris-agreement-pmr-activities-lima> and <https://www.thepmr.org/system/files/documents/Implications%20for%20the%20PMR%20relating%20to%20Cooperative%20Approaches%2C%20Accounting%20and%20Climate%20Finance%20.pdf>

²⁰ This can for example be seen in the selection of narrow CDM specialists as consultants to support the development of the MRP, that were not able to assess the broader political/policy, legal/legislative and institutional readiness.

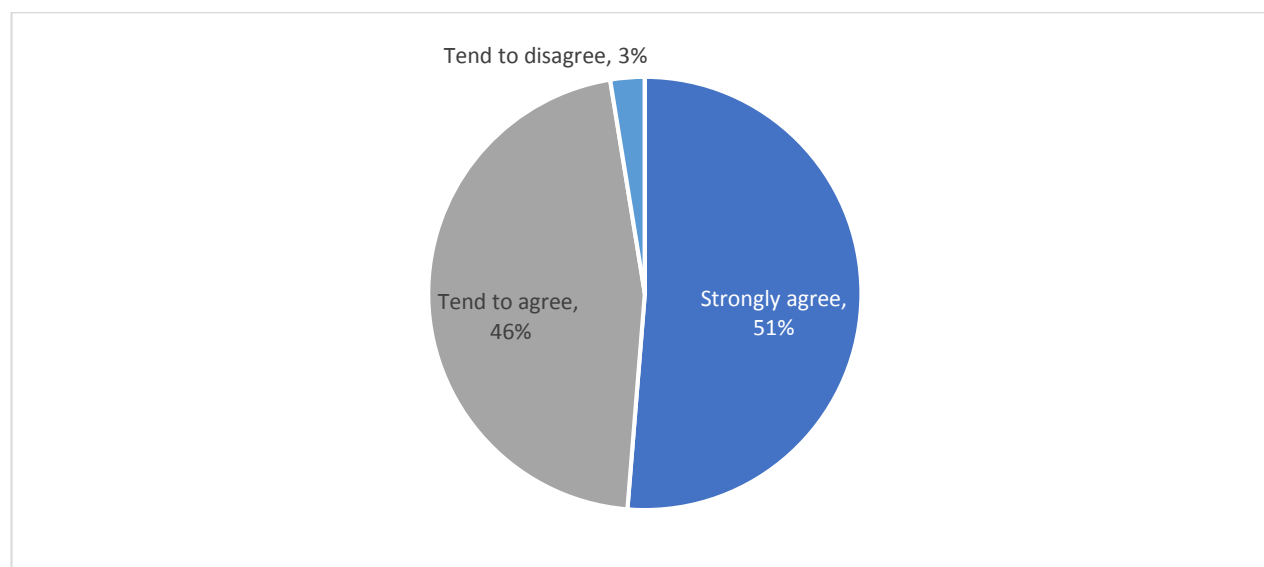
²¹ Such as limited capacity in the MRP preparation phase to carry out a full gap assessment or the lack of time to reach the political decisions required across a range of ministries to come to a clear choice.

“[The PMR] provides resources and support for countries to develop market readiness plans suited to their own circumstances, and provides opportunities to share experience.”

– CP

The stakeholders surveyed generally believed that the support offered by the PMR has been flexible enough to meet the needs of their country, as shown in the figure below. ICPs were particularly likely, at 97%, to tend to or strongly agree with the following statement “The support offered by the PMR has been flexible enough to meet the needs of my country?”

Figure 3 Perceived flexibility of the PMR to meet individual country needs²²



Source: Ipsos MORI survey

This flexibility in regards to individual country contexts is reflected in the quote below:

“[The added value of the PMR is...] It's openness and flexibility, and not imposing one model over another. It allows for very different programs in different countries which reflect specific needs of these countries, but within overall goal of progressing carbon pricing.”

– External stakeholder

2.3 Chapter Summary: Rationale and relevance of the PMR

KEQ 1.1 Has the PMR responded adequately to the recent developments and likely future prospects of international carbon markets?

It is clear that the PMR is perceived as highly relevant for countries considering, or already on the path to, implementing carbon pricing. That the PMR has been country-led, mechanism-neutral as well as flexible in the

²² Q14. To what extent would you agree or disagree with the following statement: The support offered by the PMR has been flexible enough to meet the needs of my country?

specific type of readiness support available for a country addressing different stages of readiness have all been important factors leading to this high degree of relevance. At its core, as one CP stated, it *“provides a technical underpinning to carbon pricing internationally and promotes understanding of what’s involved in developing & implementing carbon pricing and builds technical capacity”*. It is viewed by several stakeholders as the only place where dialogue is happening at a practical and technical level across a broad spectrum of participants on what works and what does not in relation to carbon pricing.

The PMR has already evolved somewhat to meet the changing international context, for example by expanding its scope to include carbon taxes and linkages with NDCs. The inclusion of Article 6 of the Paris Agreement has underscored its ongoing relevance internationally, though stakeholders internationally are waiting to see how this is interpreted over time. For example, a member of the PMR Secretariat noted that the *“Paris Agreement has completely changed countries’ priorities and they now realize the importance of political analysis activities”* such as can be supported through the PAWP.

The PMR has done a reasonable job of coordinating with other similar initiatives as they have emerged, yet more careful coordination will be needed going forward, especially as more PMR ICPs progress from readiness into implementation. For example, the PMR may wish to further collaborate with other initiatives on workshops and trainings and/or refer to other resources being developed rather than creating its own, going forward. For example, the PMR is currently working with other World Bank initiatives, such as TCAF, the Carbon Initiative for Development (Ci-Dev), and the Carbon Partnership Facility (CPF) to share experiences and lessons learned about climate finance and crediting. The PMR is still the only initiative that broadly supports early readiness for developing carbon pricing instruments and deciding which mechanism(s) to pursue.

Regional collaborations, such as the Declaration on Carbon Pricing in the Americas, are also taking on greater prominence, and the PMR will need to consider how best to synergize with these efforts to retain its unique contributions while avoiding unnecessary duplication. For example, regional partners are likely closer to implementing stakeholders, which could help to ensure increased attention for PMR products/services as well as facilitate alignment with regional needs, while adding specific regional context to design and implementing conditions.

3. Implementation of PMR support

This section explores the effectiveness, efficiency and relevance of the PMR's delivery of support to ICPs and TPs. First, the country-specific support provided during the preparation phase and the implementation phase, including the CWP and the PAWP, are described and assessed. The internal factors that underpin the successful implementation of the MRPs, followed by those factors that can hinder ICPs' progress, are also explored. Second, this section explains and assesses the processes involved in the TWP and the support provided through this work-stream. Third, the PMR's knowledge-sharing activities are reviewed. Finally, the whole package of support delivered through the PMR is considered, and conclusions on efficiency and effectiveness are drawn.

Summary of key findings and recommendations related to the implementation of PMR support

The support offered by the PMR is highly effective and efficient. The activities offered through its different workstreams are complementary, and many stakeholders see the PMR as a holistic package of support rather than separate activities. The CWP, and the preparation and implementation of the MRPs are key to building stakeholder buy-in, and the expert review process for MRPs is effective at establishing roadmaps that align to national needs. At the same time the PMR is seen to have responded flexibly to changes in national circumstances to update these roadmaps. However, MRP preparation is a highly-intensive process, and there are concerns that the PA does not sufficiently engage with MRPs in the design stages. Many ICPs have experienced delays between MRP preparation and implementation, mainly due to in-country factors.

The PMR's technical knowledge products are particularly valued, including by stakeholders beyond the PMR. PA meetings and workshops are also valued, especially for in-person exchange of ideas, but these reach fewer countries, and as country needs diverge, there may be needs for more targeted sessions, support for subgroups of countries, or facilitation of bilateral exchanges.

Where ICPs have benefited most efficiently from PMR support, this has often involved dedicated in-country staff working on the PMR project, as well as champions within the World Bank helping ICPs to navigate administrative processes.

A key recommendation is to encourage peer-to-peer learning:

- Encourage and facilitate 'communities of best practice' where ICPs more advanced in implementation share experiences and learning with those developing similar MRP components. Ideas to achieve this include: side-events at PA Meetings focused on certain instruments, and/or facilitating exchange visits between ICPs, and/or encourage ICP-to-ICP review of key implementation stages (e.g. ETS monitoring plans).
- Provide more flexible ways to participate in knowledge sharing and relationship building e.g. hosting online communities within a structured e-platform to connect participants according to topics of interest.

-Focus Technical Work Program activities on synthesising 'lessons learned from the PMR' outputs and/or updating existing guidance with real implementation experiences or case-studies from PMR participants (rather than dedicating limited resource to the generating of new guidance). Require ICPs, and hired consultants, to provide 'lessons learned' output on completion of key MRP components to support this (rather than just once a year through their ISR as currently, as this may not be as timely as possible).

Another key recommendation is to maximise efficiency of implementation by minimizing potential bottlenecks:

- Provide clear 'next steps' guidance on World Bank processes once grant money is allocated so that ICPs understand the mechanics of this process (appreciating that following an overview, this is likely to need to be customised based on the type of grant agreement).
- Ensure ICPs have a clear point of contact in WBG who can provide personal (over the phone) support navigating World Bank processes.
- Continue to share practical tools to expedite common processes e.g. examples and learning around writing effective terms of reference for consultant hiring.
- Increase the monitoring of spend against grant allocations to identify, as soon as possible, any potential underspend; enabling re-allocation if appropriate or faster identification of issues that could be remediable within the implementation timetable.

3.1 Country-specific support

ICPs receive country-specific support through the CWP, based on their MRPs. As of April 2018, 15 ICPs are in the implementation phase (that is their MRP has been allocated grant funding and funding has been disbursed), two countries have had their final MRPs endorsed but funding has not yet been disbursed, and two countries are in the preparation phase. The expected deadline to complete implementation is 2020. So far, one ICP has completed its MRP. Some ICPs (11 in total) have also received policy support at a country-level through the PAWP.

Overview of PMR's Country Work Program (CWP) – preparation and implementation phases

The CWP supports individual countries in developing their market readiness through grants and technical assistance. The program is divided into two phases: preparation phase and implementation phase. During the preparation phase, ICPs formulate a Market Readiness Proposal (MRP, using a template provided by the PMR Secretariat), which details the country's roadmap for its proposed market-based instrument(s) and market readiness components, as well as an estimate for required funding to implement and a timetable for completion. The activities funded under an MRP can include the following: data management; target/goal-setting for market instruments; carbon pricing instrument design and piloting; MRV; registries and tracking tools; cap, tax rate or baseline setting; regulatory and institutional framework; and stakeholder engagement.

The draft MRP is considered by the PA, PMR Participants provide feedback, and an External Expert reviews it and provides assistance to the ICP to produce the final MRP. Final MRPs are submitted to the PMR Secretariat and presented to the PA for funding allocation.

Next, a grant agreement is signed between the World Bank and the ICP if the grant is executed by a national counterpart, or grant administration begins if the grant is World Bank-executed. Funding envelopes come in three sizes US\$3 million (nearly all awards), \$5 million (South Africa) and \$8 million (China and India). Dispersal of funds is contingent upon reaching agreed milestones. While the PMR aims for its grants to be country-executed (with a national counterpart administering the grant), some ICPs have opted for World Bank-execution, or third-party executed grants (for example, via UNDP). Out of the 16 countries that are in the implementation phase²³, eight are recipient-executed, five are World Bank-executed, two are UNDP-executed, and one is a mixed model of World Bank and recipient-executed.

In the implementation phase, an ICP implements readiness components outlined in its MRP, including piloting any proposed market instruments. Implementation is financed by PMR funding allocated by the PA and any other sources of funding the country is able to secure.

During this phase, in addition to the support for the activities defined in the MRP, ICPs were offered the opportunity to request additional funding for Activities to Complement Existing Activities related to MRPs, and for Policy Analysis activities covered under the PAWP (discussed in more detail below), when funding was available.

3.1.1 Preparation phase

The preparation phase includes preparation and approval of the MRP as well as negotiation of the grant agreement. Overall, stakeholders interviewed agreed that the MRP preparation process is a very valuable process as it encourages country ownership and engagement, and ensures the type of support the PMR ultimately provides to ICPs is based on country needs.

The preparation of the MRP is, however, a highly intensive process that requires the availability of a wide range of people in-country, including the involvement of relevant national stakeholders. The length of this process is variable across ICPs, although it has taken on average two and a half years between agreement of an organizing framework with the PMR and allocation of funding. Although this phase can be a challenge, it is also seen as an important stakeholder engagement step as it frequently generates discussion internally, in the focal point, and within other national stakeholders, and helps create a feeling of ownership. A TP expressed that despite being a long process, they see the added value of it.

²³ As of PA18, countries in the implementation phase are: Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, South Africa, Sri Lanka, Thailand, Turkey, Ukraine, and Vietnam. Argentina is expected to begin implementation prior to PA19, and Tunisia following PA19. Details are available at

<https://www.thepmr.org/system/files/documents/PA18%20PMR%20Process%20Status%20and%20Issues%20%284.20.18%29.pdf>

The **Expert Review of draft MRPs** is one of the most valued elements of the process. Typically, feedback from the Expert Reviewers tends to focus on issues such as:

- clarifying the overarching objective of the MRP where it covers multiple types of activity;
- how to minimize any potential overlap between multiple instruments;
- being clear on the support gap that the PMR fills in the context of other ongoing donor-supported initiatives; and,
- offering a reality-check on the proposed timing of activities.

The in-country missions that these experts have carried out in preparation are highly appreciated by ICPs. In one case, this mission was described as having contributed to increased ownership of the PMR project and its position within different ministries, given that the mission from the World Bank mobilized stakeholders from other ministries who might not have engaged otherwise. The quote below illustrates one ICP's view of the field visits from experts:

"We were very happy with the engagement of the colleagues from the other ministries and set them the responsibilities they would need to follow, they're very engaged and excited to start."

– ICP

The Expert Review role was considered fundamental to preparing an MRP for presentation to and endorsement by the PA. The process to address the comments received after the presentation of the draft MRP has also been supported by experts. Expert support was identified by one focal point as one of the key success factors to get their MRP approved by the PA.

CPs, in particular, valued the Expert Review process as these experts get allocated time to review the MRPs in-depth, assessing the alignment of the MRP with the national policy landscape. There is a common perception among CPs that MRPs' quality improves with the expert review process, and this process gives CPs reassurance that the MRPs are well prepared when they are presented at the PA meetings for discussion. Nonetheless, some CPs also showed concern that the expert reviewers might not be as constructively critical in their feedback as they could be. For example, a CP expressed that frequently the same person is the expert for several MRPs, and they might not be suited to the specifics of all MRPs.

Examples of feedback given during Partnership Assembly on a draft MRP

Feedback on draft MRPs shared by PMR members and other PA attendees included the following:

- Questions on current level of engagement, and response from, key sectors
- Request for comparative abatement costs under different options
- Questions about how tax instruments will work given underlying electricity market structure, and what redistribution processes will be built into carbon tax approach

- Positive response to seeing the MRP build on existing initiatives e.g. NAMAs and the NDC, and identifying the gap for the PMR within this framework

CPs recognize the critical importance of reviewing the MRPs that are presented at the PAs as a driver to successfully implement MRPs, and yet the level of review that CPs provide is felt by some to be sub-optimal. Some of the issues contributing to this include:

- short timeframe to read the MRPs ahead of the PA: This is often in the region of two weeks, but this is not felt sufficient for an effective review which, ideally, would involve multiple teams across CP governments.
- the length and complexity of the MRPs: Where these cover multiple instruments, this can, for example, require multiple experts to be involved in the review process on the CP side which is not often feasible in the time window.

The suitability of the current **template for drafting the MRP** has been questioned by a range of stakeholders interviewed. While previous feedback received by the Secretariat on this process has led to changes being made, the revised template is still not felt to clearly and coherently capture the necessary content. An ICP stated, for example, that the template does not cater well for countries exploring several types of carbon pricing instrument. Some CPs have also fed back that the template still encourages repetition of content across its various sections.

Besides improving the template, the suggestions provided by CPs to improve the **MRP feedback process** include the preparation and dissemination of MRP summaries (which can be in the form of PowerPoint presentations or videos), more coordination by the Secretariat to actively engage all groups (not only CPs, but also ICPs and TPs), and “closed room sessions” to discuss MRPs. Currently, some CPs view the tone of the PAs as too friendly and collaborative for real concerns about MRPs to be raised, and that “the difficult questions are not asked”. Smaller groups were suggested to encourage discussion and better understand ICPs’ political issues and background.

Indeed, ICPs would appreciate CPs’ engagement earlier in the process. Some ICPs claim that, in practice, there is not enough cross-country dialogue. The ICPs interviewed expressed that they would like to have more communication with CPs and access to lessons learned from other ICPs that have previously submitted a proposal for funding, especially from those designing similar carbon pricing instruments. Overall, these concerns combine to lead some ICPs to consider the MRP feedback process to be a long process that does not necessarily lead to meaningful changes in MRPs.

The main concern arising from the review process is that the limited feedback, can lead to ICPs having a suboptimal foundation for work in the implementation phase.

To summarize, the review process is highly appreciated by all stakeholders as it helps strengthen MRPs. However, stakeholders also agree that this process could be improved with greater engagement from all. This could be achieved by modifying the format of the PAs or creating additional opportunities to discuss MRPs, and by providing MRP summaries.

3.1.2 Allocation and disbursement of grant funding to receive CWP support

In many countries, there has been a significant delay between the preparation and the implementation phase, which in most cases, resulted from internal factors within ICPs, such as uncertain institutional arrangements, government changes or shifts in political priorities, although administrative delays within the World Bank were also acknowledged.

In two cases the time elapsed between funding allocation and disbursement of funds was over three years, and in five cases the time elapsed was over two years. In one case, the three-year delay resulted following a change in government and a restructuring of relevant ministries shortly after the funding had been allocated. This created a period of time in which the PMR had no focal point within the country.. In another case, the delay was due to the difficulties encountered to assign an executing agency. A number of other ICPs explicitly referred to internal issues as the reason for delay in the signature of their grant agreements (for example, lack of internal political clarity on how to proceed with the PMR was referred to as the reason for the delay by two other ICPs. One of them also clarified that the “PMR could not have done any more to accelerate the process; this really has to come from the ICP”).

In addition to these in-country challenges, World Bank staff have recognized that distributing funding has been a difficult process in the PMR which needs to be reviewed and improved, so that the process to sign grant agreements can be sped up, although internal World Bank processes were not identified as a key cause of delays by ICPs in interviews. However, no recommendations have been provided on how to speed up the process, and no specific World Bank processes which caused delays in the disbursement of funding have been identified. The only aspect that has been suggested as a possible factor by interviewees has been the World Bank’s strategic restructuring process that took place over the past four years.

“The speed of finalizing grant agreements and distributing funding has been an issue. It’s partly a World Bank process issue but also an issue domestically within some ICPs where it’s challenging to identify, or validate, a grant recipient organization.”

– CP

The delay to the start of the implementation phase for some ICPs, however, is not found to have resulted in less relevance of the MRPs; indeed, the PMR has been praised for its flexibility by a number of ICPs finding themselves in this position and who were able to update their MRP in order to ensure it still reflected their national context and needs at the time of grant execution (as illustrated below).

Example of factors leading to delays in disbursement of funding: Costa Rica

MRP implementation commenced in March 2016. The gap between the MRP endorsement (March 2013) and the start of the grant (September 2015) was due to difficulties encountered in assigning a local executing entity and the change in the country’s administration after elections in 2014. The PMR in Costa Rica was ultimately settled as a World Bank-executed project, and the original MRP was revised in light of the developments which occurred at the national and international level: notably the country’s INDC and the Paris Agreement. A new logical framework was developed during the MRP revision, but the main

goal and structure remained the same. The delayed start offered the new government the opportunity to adapt the terms of the project to respond to the country's current needs.

3.1.3 Implementation Phase of CWP

Through the CWP, ICPs receive support to design and implement the carbon pricing instruments specified in their MRPs. In addition, some countries are also exploring ways to advance towards more sophisticated instruments than the ones they are currently implementing. For example, while designing and implementing a carbon tax, Chile is also exploring the option of advancing towards an ETS within its MRP.

Support provided under the CWP covers a range of activities. Through the CWP countries have received both technical and facilitation support to engage national stakeholders, and ICPs unanimously recognize the importance of combining both elements of support. CWP also includes a number of different activities, and as discussed further at the end of this section, no specific activities have emerged in consultations as more important than others; rather, it depends on each country's context. For example, in one ICP the key activity may have been piloting market based instruments in certain sectors, whereas in another the core of the project has been to incentivize the private sector to participate.

Example of CWP support: Chile

In Chile, all CWP components were considered equally important by stakeholders. Component 1 (analysis of policy options) has helped to assess other market mechanisms, a potential expansion of the existing carbon tax and the possibility to establish ETS in Chile. Component 2 (design and implementation of MRV and a carbon tax) was recognized as a helpful mechanism to implement the carbon tax successfully. Finally, component 3 (stakeholder engagement) has been key to positioning carbon pricing in the political agenda, and has helped inform and train the relevant stakeholders.

Stakeholder engagement is commonly identified as a very important activity in many countries to advance their MRPs and raise awareness at the national level about carbon pricing instruments and, in some cases, has influenced legislation or strategic documents²⁴.

Examples of PMR support around stakeholder engagement

In one ICP, stakeholder engagement has helped to raise awareness of the need for carbon pricing instruments and is credited with supporting the unblocking of discussions that have been stalled for seven years. This has ultimately resulted in the approval of a new regulation that will help push MRV forward.

In another ICP, stakeholder consultation and communication around carbon pricing policies influenced their ability to access other World Bank initiatives, such as the CPLC, and to access support to high-level

²⁴ The PMR's intended outcomes and impacts are set out in its logframe and discussed further in Section 4. These include, for example designing, piloting and/or implementing domestic carbon pricing instruments (Outcome 2).

dialogue and consultation with businesses. The combination of both initiatives was reported to have supported the ministry to get buy-in and move implementation of the carbon taxes forward.

In a third ICP, more than 15 workshops with stakeholders have been held since 2015, which have helped participants to understand how they can be affected by carbon pricing instruments. Workshops also helped encourage these stakeholders to provide data for the economic analysis that was carried out as part of the technical work.

The case studies conducted for this evaluation have also confirmed the importance of the stakeholder engagement activities in shifting the ground at the political level and among the private sector to put in place carbon pricing instruments. Nonetheless, the case studies suggest that there is room for further improvement. First, civil organizations sometimes appear to be underrepresented (or not represented at all) in the dialogue on carbon pricing instruments at the national level. Second, ICPs have requested support in the future on how to involve political stakeholders and how to influence policy dialogue and reforms. The importance of including civil society in the dialogue has been highlighted by World Bank staff as a lesson learned from those countries where PMR is progressing well, and this aspect has been recognized by one ICP.

Stakeholder engagement in Chile

The engagement of stakeholders took place mostly through the consultative group that met once a month. PMR was a participatory process from the outset, with representatives from the government, the private sector and the civil society. The clear majority of interviewees agreed that the political dialogue on carbon pricing instruments was installed thanks to the PMR, although some challenges still persist:

- Civil society organizations have been underrepresented to date, with challenges noted in engaging NGOs fail (posing potential future risks if opposition is met to market instruments).
- While the energy sector is well represented, other highly polluting sectors, such as transport and mining, are absent.
- This debate has not reached yet high-level policy and decision makers.

Stakeholder engagement in Costa Rica

Stakeholder engagement is considered key to achieve results according to all the interviewees in Costa Rica, although this has not been extensive to date; the local team has not yet been able to begin a fourth component of the MRP that includes deeper stakeholder engagement, pending Secretariat endorsement of this component. A recurrent challenge identified by interviewees is the trade-off between focusing on specific technical work and processes of “socialization” within the country (i.e. including stakeholder engagement to facilitate buy-in and ownership). It is recognized that there should be a longer-term

ambition to reach a wider range of stakeholders beyond those currently engaged in MRP activities as it progresses, as the natural next step.

On the **technical** side, most countries have opted to initiate carbon pricing instruments within the most polluting sectors, or those where MRV systems are easiest to be designed and/or implemented, and to expand later to other sectors, which seems to be working well across the ICPs. The technical consultancies carried out at the country level are the core of the MRP, as illustrated through the examples below.

Examples of technical support at MRP stage being used in practice by ICPs

In one ICP, the studies carried out helped develop two regulations that have been approved at the Ministry level, according to the information provided by the interviewees.

In another, the most influential activities, according to interviewees, have been the economic modelling components to analyze the potential of carbon pricing instruments in the country, as well as the assessment of ETS.

In a third ICP, interviews said the most influential activities were the support to design and deliver sector-based options studies and the development of roadmaps for how different instruments could be rolled out. They have started with the sectors where well-established databases and inventories already exist (steel production and solid waste management), with the aim to create sector-wide inventories and databases, identify the emissions reduction potential, and develop sector-wide MRV systems. In addition, this ICP aims to pilot ETS and develop an options study for a carbon tax.

Later in this chapter, the factors that have either served to accelerate or hinder the implementation progress of ICPs against their MRPs is discussed. Section 4 then considers the progress made in terms of the outcomes and impacts.

3.1.4 Policy Analysis Work Program

This section addresses the effectiveness, efficiency and relevance of support provided through the PAWP.

Overview of PMR's Policy Analysis Work Program (PAWP)

Out of the 15 countries that are in the implementation phase, and that therefore have received CWP support, 11 countries have benefited as well from the PAWP. The PAWP was launched to support countries' efforts to determine post-2020 mitigation scenarios and identify packages of effective and cost-efficient policies, including carbon pricing instruments, to achieve climate change mitigation. This recognized that ICPs needed economic modelling and appraisal of policy options under their commitments (iNDC and NDC). This level of analysis was not included in some of the earlier MRPs, and therefore PAWP was developed to offer additional funding. Through the PAWP, ICPs have been able to assess different carbon pricing instruments and their impacts on emissions.

The PAWP supports activities at two levels:

1. Country-specific support is tailored to a particular country's needs and is carried out after a formal request from the country and subsequent PA approval
2. Program-level activities address analytical and modelling topics and issues. PAWP works in the context of the NDC framework.

In the country-specific work-stream, the national focal points decide on how PAWP is organized and how specific activities feed into the overall country program, including which outputs are produced (ex. models, tools, reports, workshops, events). The focal point, together with PMR Secretariat develop the concept note and define the resources needed. Once it is endorsed at the PA and resources are mobilized, the implementation framework at the national level is agreed.

The addition of the PAWP to the overall package of support offered by the PMR was very favorably received by stakeholders. It was cited as a key example of the PMR offering flexibility in its support in order to ensure its activities remain relevant, connected, and timely to the needs of its participants. The PAWP is seen to have emerged to respond to certain needs that had not been identified during the MRP preparation, and it provided flexibility to the PMR to adapt to these changing circumstances.

“The PAWP program was highly visionary and crucial to respond to country needs. It anticipated the deficiencies or gaps of the MRPs and established a channel to provide the extra resources needed. PAWP gave more volume and more flexibility to in-country work.”

– World Bank staff

ICPs and CPs, as well as the World Bank, all described the PAWP as “very impactful”. CPs, in particular, spoke of the benefits of facilitating further upstream work, showing how carbon pricing instruments could help achieve NDCs, with an analysis of costs and benefits. Overall, the stakeholders interviewed recognized that the outputs of the PAWP have been found to be helpful to engage policymakers and reach out to other ministries or departments.

Example of the value and impact of the PAWP

One ICP explained that their modelling of policy options delivered under the PAWP had been very relevant. It has been used to do thorough analysis to evaluate their energy policy for 2050, estimating the impact of policy on emissions and how that would contribute to their NDC. It helped this ICP to understand whether they were on track for their first NDC, and the ICP is using it to create a portfolio of projects going forwards. The analysis was described as having helped them to position carbon pricing instruments as an option to fulfil their NDCs.

The distinction between activities undertaken within the CWP and the PAWP were less clear to stakeholders further away from the day-to-day running of ICP PMR projects, and so the evaluation was not able to gather views from a wider audience on the specific value offered by the PAWP.

3.1.5 Elements of implementation support that help to accelerate progress in the CWP and the PAWP

ICPs have advanced their MRPs at very different paces. Although the reasons for experiencing delays (or conversely, to more quickly commission and deliver outputs) varied among countries, some lessons learned and key success factors were identified:

- Having **dedicated staff to work on the PMR** has been identified as the main success factor to implement the MRP in a timely manner. Countries where there are staff in the focal point actively leading the process can be seen to have advanced at a faster pace. In Chile, the implementation was slow at the beginning due to the lack of human resources in the country focal point unit and the processes needed to commission consultancy services. The lack of resources was overcome by hiring new staff in the country focal point. In addition, full-time consultants were hired to work on the implementation of the carbon tax, which has been a much more effective and efficient support to progress this component than the studies carried out by external consultants, according to the interviewees. In Costa Rica, the coordination technical team has a highly-technical profile and it is anchored within Government. The team individuals' profiles and skills have made a huge difference. This team has taken charge of the communication of progress with relevant authorities, including regular catch-up with the Vice-Minister, and occasionally with the Minister. Similar enabling factors are evident in Ukraine, where MRP implementation is progressing well through a very experienced Ministry team, working closely with a very experienced dedicated (funded through the MRP) Project Implementation Unit.
- **PMR flexibility** has been very relevant to adapt to ICP's shifting priorities. This flexibility has been particularly relevant in those cases where MRP components have changed along the process, which has helped focus the project on ICP needs rather than on donors' expectations. For example, the PMR was able to incorporate support to implement a carbon tax in Chile, once it was approved by regulation although this had not been an originally planned activity in Chile's MRP.
- **Strong engagement from World Bank staff** has also been identified as a key success factor. Both ICPs and World Bank staff acknowledge that differences in progress across ICPs are partly due to the availability and time input of staff supervising countries via Task Team Leaders (TTLs) or the Secretariat. Where the World Bank has been able to support countries in understanding and navigating through World Bank processes (e.g. how to run recruitment exercises for external consultant which meet World Bank guidelines and procedures) that has helped to speed up implementation. One ICP commented on the importance of the location of the TTL. Where the TTL is located in the same country, communication is felt to be more fluid than when the TTL is located elsewhere. By contrast, procedures where a sign-off from the World Bank in Washington is required can be perceived to be slow.
- In general, **World Bank-executed projects** have progressed at a faster pace. In some cases, ICPs have recognized the World Bank-executed implementation mechanism as a success factor, as it allowed them to

focus on the technical side rather than on the administrative side. In these cases, World Bank support was described as good at reacting quickly to questions, suggestions, and requests. In a few cases, however, ICPs have noted challenges with a lack of communication from the World Bank and delays in providing feedback on some administrative aspects. Some ICPs provided examples where the delays in feedback from the World Bank was a barrier to progress their MRP.

Example of World Bank processes generating delays in a World Bank executed project

Procurement was highlighted as the major factor affecting the efficiency of the project in Costa Rica, causing significant delays. There was no procurement capacity within the PMR-Costa Rica team. The team's request to hire a local procurement expert was never resolved, leading to highly technical carbon markets experts spending time on procurement. Adding to this, the level of detail required under the ToR was perceived as counterproductive as it required definition of a stringent roadmap for the work ahead, which had the potential of becoming irrelevant with changing context and requirements. World Bank rules, including the Bank's limited ability to engage in policy drafting for Bank-executed projects, were also considered cumbersome.

Expenses for events and small costs were also burdensome, resulting in many expenses being covered by the local team from their own pockets or other donors' resources. Provision of a credit card helped this issue, but greater flexibility for small expenses would enhance the efficiency of the project.

- **Delivering and disseminating high quality outputs** is important to engage other stakeholders (other Ministries and private sector) and successfully implement the MRP. In addition, two factors have been identified as drivers to ensure high quality outputs:
 - **A mix of international and national consultants** in the services/products commissioned: One of the lessons learned by some ICPs is that when consultancies incorporate international and local experts, the outputs delivered are generally better. International experts bring technical expertise and experience on designing instruments in other countries that local experts might not have. On the other hand, local experts bring knowledge on the domestic market and the specifics of the affected sectors.
 - **Technical support from World Bank to review outputs**: Some ICPs commented on how the support provided by World Bank staff reviewing technical outputs helped increase the quality of the studies and analysis produced.

3.1.6 Implementation barriers or bottlenecks experienced

Similarly, there are also country-specific reasons for slower progress in the implementation phase as well as examples of commonly experienced bottlenecks, or inefficiencies. These are highlighted here to help understand the circumstances in which the effectiveness and efficiency of the PMR's support can be reduced:

- **Challenges navigating World Bank administrative procedures and requirements.** While for some countries the administrative burden has been a factor that has slowed down the progress during the implementation,

other countries affirm that the procedures were “the normal procedures for IFIs”. These disparities in opinion do not seem to correspond to the way in which the projects are implemented (World Bank, UNDP or recipient executed), but instead to the capacity of the focal points to deal with administrative processes. The main processes that appear to have been a burden to progress implementation are:

- Once grant money is allocated, some ICPs feel they lacked instruction on what to expect in the process involved in getting the funding flowing (though it is recognized that this will differ depending on the type of grant agreement)
 - The procedure to hire consultants, including the process and electronic system used to post the Terms of Reference, receive tenders and distribute responses.
 - World Bank rules for procurement don’t always match national regulations/procedures, which slows down sign-offs (e.g. practical issues such as where contract values are registered, length of tenders being open, etc.)
- **Internal governance issues at national level.** The location of the focal point is agreed at the national level, and in some cases, this has been a matter of inter-ministerial disagreement. There are challenges related to the resource and capacity of the focal points; the skills of the focal point staff; and the reputation, connection and influence of the focal point with other ministries and departments and with external national stakeholders. For example, in one ICP, there are mixed views on the suitability of the governance structure at the country level. While some interviewees consider that the collaboration between the ministries that share the focal point has been satisfactory, others argue that one of the ministries has not engaged enough, and others consider that the location of the focal point is not suitable to attract all the economic sectors that might be affected by the carbon pricing instrument in the future. The disconnect between both ministries also materializes in the different objectives that they have for the PMR regarding the types of market instruments that the country should pursue. In another ICP, although different Ministries are well engaged in the PMR, the biggest challenge has been to collaborate among them. To succeed, the PMR needs to actively engage all stakeholders, as internal governance issues can negatively affect the take up of the project at the political level.

3.1.7 Project appraisal, supervision, and reporting

The PMR follows World Bank guidelines for monitoring. Once ICPs start the implementation phase, they are requested to provide an Implementation Status Report (ISR) each year. This is the key mechanism through which progress updates are provided, and the presentation of ISRs at PA meetings is the channel through which CPs and other ICPs hear about country-specific implementation updates. Beyond these updates (which are posted on the PMR website), PMR outputs produced at a country-level are not always published.

There is a view from CPs that the ISRs could be made more useful to ongoing budgeting discussions and decisions, as well as be used to better hold countries to account for their progress and anticipated progress, if they had a more detailed breakdown of country expenditures. This could be used to keep track of how realistic deployment of allocated funds will be. There is a concern that some countries will not be able to spend their funds within the fund lifetime given slow progress to date in implementing MRPs, and this is budget that could be usefully allocated elsewhere (e.g. to countries that need further support, such as to receive PAWP).

3.2 Technical support

This section addresses the effectiveness, efficiency and relevance of technical support provided through the TWP, especially technical workshops, knowledge products and guidance documents, which are primarily targeted to ICPs, as well as the support provided by the TWP for CPs, TPs as well as external stakeholders.

Overview of PMR's Technical Work Program (TWP)

The TWP aims to inform and enhance participants' specific PMR country work through broader knowledge generation, knowledge dissemination, and technical advice and training on topics related to carbon pricing implementation issues. TWP support is provided through developing knowledge products and hosting technical workshops and other knowledge-sharing events relevant to multiple countries. The knowledge products and workshop documentation are available publicly on the PMR website and are freely available for use by those not directly engaged with the PMR.

The TWP provides capacity building in a more programmatic way than is done in the CWP and focuses on a different stage of readiness than the PAWP programmatic component. A unique aspect of the TWP is that it supports developing and disseminating technical knowledge beyond country-specific matters and beyond CPs and ICPs. Essentially, the TWP seeks to provide readily available knowledge (best practice) that any country could use whether participating in the PMR or not.

TWP work has become more focused over time to and now consists of:

- Thematic Work Streams: ETS (since 2012), offset crediting (2012) and carbon tax (2014), and
- Technical Work Streams: MRV, data management and registries, baselines, benchmarking, stakeholder consultation and preparedness.

3.2.1 Overview of technical support provided

To date, the PMR has provided 23 knowledge products (e.g. written guides) in addition to the annual State and Trends of Carbon Pricing and quarterly ETS news from China reports. It has also hosted 26 technical workshops, five technical trainings, two South-South exchanges, and over two dozen other public events, e.g. side events at conferences, e-webinars.²⁵

This evaluation focused on TWP outputs for the previous two years (2016 to 2017). Examples of knowledge products during this time include: Carbon Market Readiness Training Guide (May 2017) and Carbon Tax Guide: A

²⁵ For the current list of publicly available knowledge products developed through the TWP, see <https://www.thepmr.org/content/technical-notes-and-guidance-documents>.

For the current list of technical workshops, trainings, and South-South exchanges supported through the TWP, see <https://www.thepmr.org/events/workshopslist> and <https://www.thepmr.org/events/tech-trainings> and <https://www.thepmr.org/events/south-south>.

Handbook for Policymakers (March 2017). Examples of recent workshops and dialogues include: Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi); Technical Workshop 21: Paving the Way for NDC Implementation: Analyzing Policy Options and Modelling Carbon Pricing (Dec 2016, San José); and, Technical Dialogue 23: New Perspectives on International Cooperation: Carbon Markets and Climate Finance under the Paris Agreement (May 2017, Barcelona).

3.2.2 Development process for technical support outputs

There are several knowledge products or events being developed by the PMR Secretariat at any one time. There are three typical ways the TWP identifies needs that are addressed through workshops and/or knowledge products:

- A systematic review of MRPs to identify common activities planned (e.g. development of MRV systems);
- Requests from ICPs; and
- Other areas within the World Bank may recognize a need that fits within the scope of the TWP and suggest an activity.

For each knowledge product, there is core element of guidance that aims to be applicable and useful to all countries. To address the diversity of local contexts, the knowledge products acknowledge that the guidance will need to be tailored to country specifics, and guidance is included to try to show how this might be done.

While the Secretariat has a budget allocated each year for the TWP, beyond the TWP lead, there is no core group/team assigned for the TWP. Rather, the process to develop knowledge products, for example, is usually to identify an internal lead within the Carbon Markets and Innovations team at the World Bank within which the PMR sits, who then works with the TWP lead to develop Terms of Reference to hire a consultant²⁶ and connect to an existing thematic working group (or establish a new one if needed) to provide feedback and guidance throughout the development process. The consultant team works with the Secretariat and receives significant input from the PA and working group to develop the final product. For example, PMR members may help facilitate real-life case-studies to illustrate the topic and/or PA working groups may review drafts. Where relevant, the Secretariat will solicit review by external experts.

As shown in Table 1, the survey results indicated that there was only modest participation by direct PMR participants to date in the development of knowledge products or technical workshops such as through providing inputs, co-authorship of a guidebook or co-delivery of a workshop, while about 60% each of the external observer/experts and World Bank employees participated in their development. TPs (38%) were almost twice as likely as ICPs (21%) or CPs (17%) to have directly led or contributed to the technical support resources. This appears low, and a lost opportunity for increasing quality and efficiency, given the richness of experience offered by PMR participants; the experience of CPs and TPs especially makes them obvious candidates for inputs or at least reviews of products in development, but ICPs could also play a role in sharing experience and reviewing materials. In a specific example, the Chinese focal point appears not to be directly involved in the China Carbon Market Monitor. Several

²⁶ The PMR Secretariat estimates that they spend approximately US\$100,000 on average for external consultant(s) for each knowledge product. The time the PMR Secretariat, or that PMR participants spend on developing technical outputs is not tracked.

stakeholders wanted more peer-to-peer exchanges and/or more details on specific cases in ICPs, and PMR participant contributions to knowledge projects could facilitate this.

One final concern raised by some stakeholders is that the procurement for technical support over-relies on the same repeat consultants.

Table 1 Involvement of PMR participants in the development of technical support resources (multiple responses allowed)²⁷

| | ICP | CP | TP | External observer or expert | World Bank employee | Total |
|--|-----|-----|-----|-----------------------------|---------------------|-------|
| Yes – I have authored or contributed to PMR resources (e.g. handbooks) | 10% | 17% | 38% | 44% | 39% | 25% |
| Yes – I have helped to design or deliver training or other capacity building activities (e.g. workshops) | 15% | - | 25% | 39% | 29% | 24% |
| Net: yes to either or both contribution options | 21% | 17% | 38% | 61% | 61% | 38% |
| No or Don't know | 80% | 83% | 62% | 39% | 39% | 62% |
| Total respondents | 39 | 12 | 8 | 18 | 18 | 100 |

Source: Ipsos MORI survey

3.2.3 Stakeholder feedback on the technical support offered through the TWP

The feedback evaluators received from survey respondents and interviewees regarding the technical support offered by the PMR was generally positive and perceived to be of high quality.

When asked about the main added value of the PMR relative to other initiatives, the second highest response selected was technical assistance and support, such as through workshops (28% of survey respondents; see Figure 9 in Section 3.4). This indicates the TWP is a highly effective and efficient component as many countries, both direct participants as well as others, can benefit from the same output. This usefulness continues over time as new countries become interested in carbon pricing instruments and/or reach a particular stage of implementation addressed by a technical output.

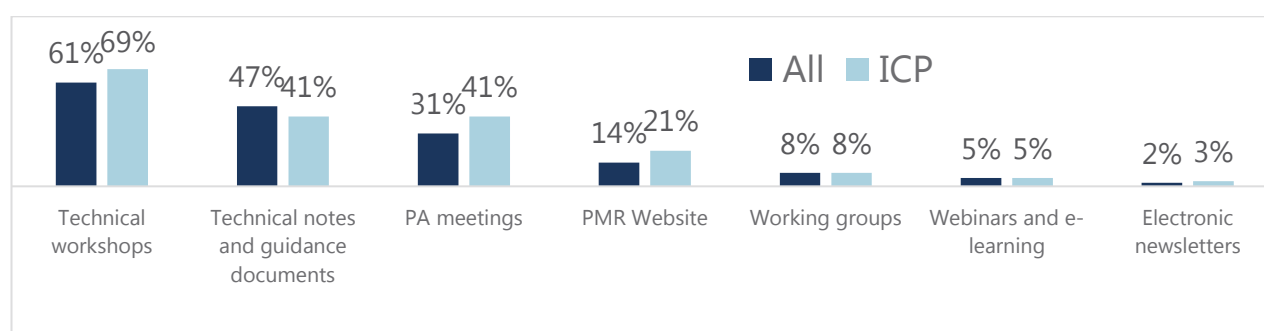
²⁷ Q8i. Are you now, or have you been in the past, involved in designing or delivering PMR resources, such as guidebooks, workshops or training?

“It’s important to keep in touch with other people that are engaged with carbon taxes ... the technical workshop is very useful to understand what other countries are doing and the techniques that can be applied.”

– ICP

Beyond the MRP, as shown in the figure below, the majority (61% all; 69% ICP) of survey respondents reported that technical workshops were the most useful type of support for carbon pricing, followed by technical notes and guidance documents (47% all; 41% ICP). Several ICPs noted that the more practical as opposed to theoretical workshops were the most helpful. Also, CPs and the Secretariat value the workshops as they provide an increased understanding of the status of and issues facing ICPs as they progress on carbon pricing. This allows future support to be better tailored to country needs.

Figure 4 Most useful type of PMR support for supporting market readiness in respondent country²⁸



Source: Ipsos MORI survey

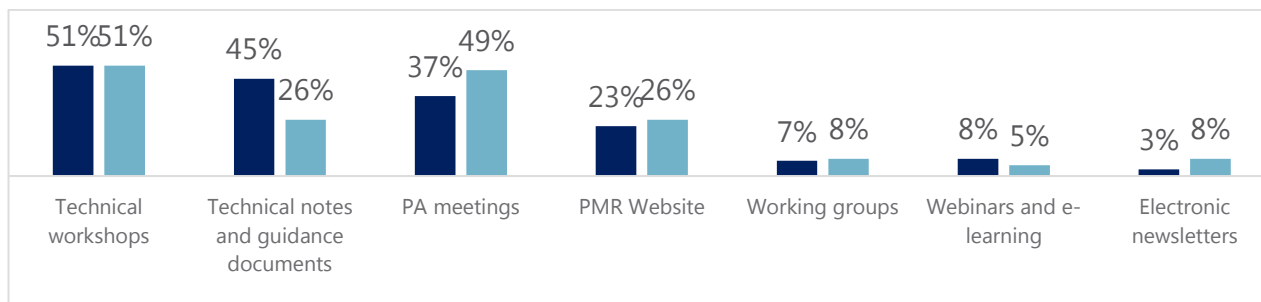
Figure 5 Most useful type of PMR support for sharing knowledge about carbon pricing²⁹

²⁸ Q19. Thinking now about the full range of PMR resources you have used in your role. Which, if any, of the following types of support delivered by the PMR do you think have been ... the most useful in supporting market readiness for carbon pricing in your country / the most useful for sharing knowledge about carbon pricing? / Q19b. What, if any, other topics or types of resources would you find it helpful for the PMR to provide?

Base: All (100), All ICP (39)

²⁹ Q19. Thinking now about the full range of PMR resources you have used in your role. Which, if any, of the following types of support delivered by the PMR do you think have been ... the most useful in supporting market readiness for carbon pricing in your country / the most useful for sharing knowledge about carbon pricing? / Q19b. What, if any, other topics or types of resources would you find it helpful for the PMR to provide?

Base: All (100), All ICP (39)



Source: Ipsos MORI survey

The top three workshops in terms of attendance reported by the survey respondents are as follows:

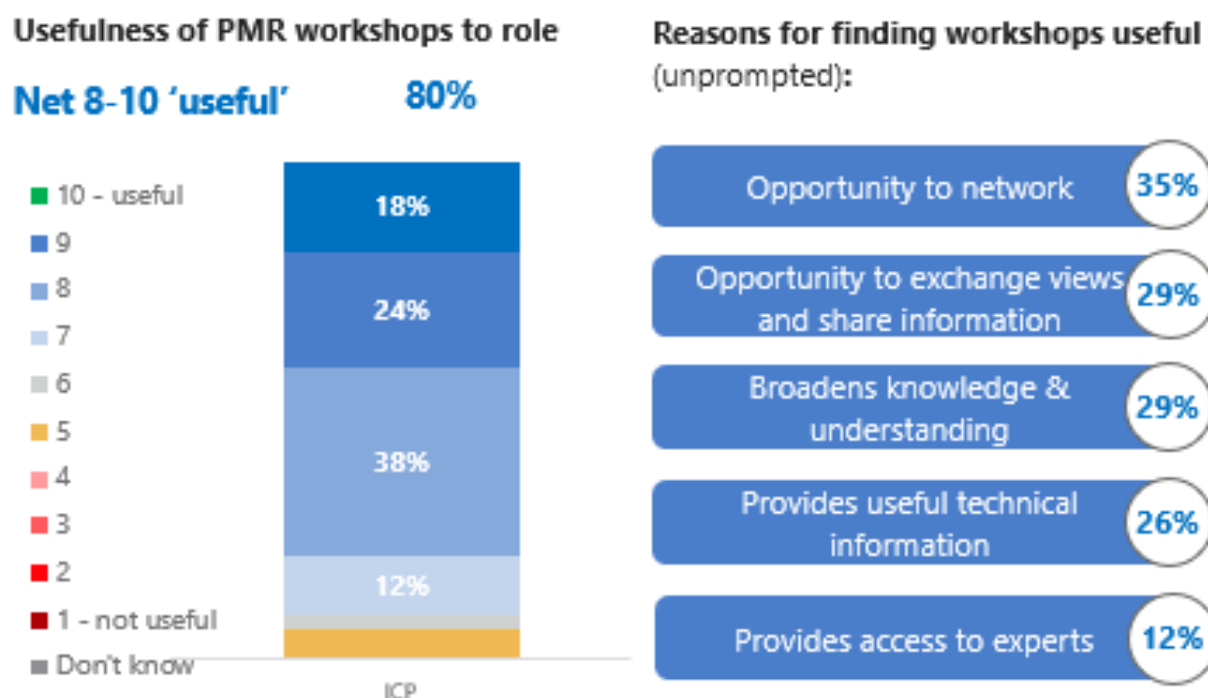
- Technical Workshop 24: Role of Carbon Markets in Global Climate Action and Implications for Market Development Activities (Oct 2017, Tokyo)
- Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi)
- Technical Workshop 20: Post-2020 Accounting: Implications for Carbon Pricing and Registries (Oct 2016, Hanoi)

When asked about the usefulness of the workshops specifically, 80% of ICP respondents reported that the workshops are useful in their role, as shown in the figure below. The most common reason survey respondents offered for why they found the workshops useful is because they provided an opportunity to network (35%). The minority (6%) of all respondent types who did not find the workshops useful found them not to be detailed enough, rushed or too generic.

“The workshops gather representatives from different organizations ...which helps to build the capacity on all levels. Many of the workshops are very technical and practical, information provided there can be easily used by countries. The workshops have also shown to be a good platform for very frank discussions, which helps reaching better understanding.”

–ICP

Figure 6 Feedback from survey on usefulness of PMR workshops to role³⁰



Source: Ipsos MORI survey

The knowledge products also play a key role in supporting ICPs. The figure below shows the top 10 most used and useful of the recent knowledge products according to ICPs surveyed. Two resources related to carbon pricing instruments, the ETS handbook³¹ (51%) and the Carbon Tax Guide (49%) were reported as most likely to have been used to significantly helped progress the ICPs' area of work, followed by the State and Trends of Carbon Pricing (44%). These resources scored similarly highly with Observers, World Bank employees, TPs and CPs.

"We use the ETS handbook frequently. The PMR handbooks and technical outputs are particularly valuable as they help make everything public...this has helped the country team demonstrate to others that they are following best practice."

–ICP

Once a knowledge product is complete, it is shared on the PMR website, and a workshop and/or webinar is sometimes organized for capacity building on that topic. Interviewees noted that knowledge products are widely used by interested parties who are not PMR participants. However, several stakeholders expressed concern that the knowledge dissemination and sharing activities are not proactive enough, leading to missed opportunities and hindering their effectiveness. A potential user must know the product exists to visit the website and access it.

Several stakeholders also acknowledged the need to strike a balance between being accessible and relevant to a broad audience, yet specific enough in technical detail to be sufficiently useful. However, this appears to be challenging to accomplish meaningfully for particularly complex topics. For example, one interviewee commented

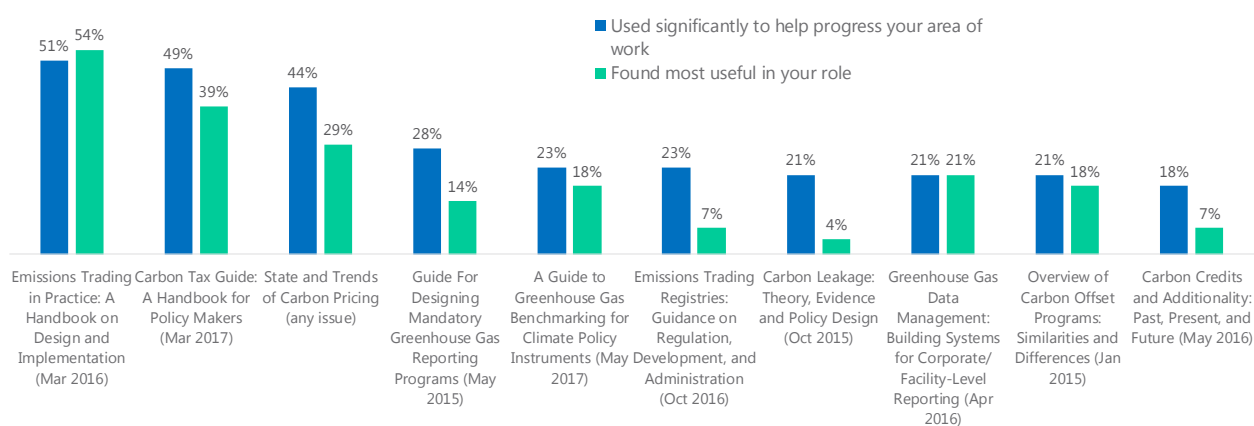
³⁰ Q16. On a scale of 1 to 10, how useful or not do you tend to find PMR workshops for you in your role? / Q16a1. Please briefly explain why you gave this response about the usefulness of the PMR workshops? Base: All ICPs attended a workshop (34)

³¹ . For example, the ETS Handbook has been downloaded over 15,000 times and has been translated into other languages

that it is difficult to generalize the technical guidance relating to developing emission registries, as later steps depend significantly on earlier choices and the national context. Any guidebook on a topic this complex can provide a roadmap, but would not likely be able to detail all technical information needed to implement later stages in their different permutations or to link to other systems. However, more targeted outputs for a subset of contexts could go into sufficient detail.

Some felt the knowledge products have gotten more useful over time, evolving from general examples to real guidance, while others expressed that opinion that recent outputs are less valuable in the past, e.g. due to repetition or being too general/not specific enough. Given that some topics are very difficult to cover comprehensively in a guidebook format due to the complexity of options (e.g. the registries example provided above), more or additional targeted support addressing different permutations or subgroups may be needed to increase effectiveness and efficiency.

Figure 7 The top 10 PMR knowledge products produced in 2015-2017 for ICPs³²



Source: Ipsos MORI survey

Significant resources go into planning and travel for workshops, and they are primarily only of value for attendees, though the documentation is publicly available afterwards on the website. While their reach is narrower than knowledge products, their value as one possible avenue for dialogue between those participants was reported to be extremely high. This supports the PMR's hypothesis that a package of resources is needed to be effective and efficient.

"I get to engage with colleagues doing similar work, facing similar challenges and we share experiences on how to tackle challenges. It is also very refreshing meeting the technical experts face-to-face to discuss some issues more. I learn a lot from the various workshops and they are very practical and you can utilize the knowledge gained in your day to day work."

– ICP

³² Q17. Which, if any, of the following PMR resources produced since January 2015 have you used to significantly help progress an area of your work? / Q18. Which, if any, of these would you say have been...the most useful for you in your role?

Base: All ICP (39), All who have used more than one resource (28*) – caution, very low base for 'found most useful in role'

General suggestions for future technical workshops, included: being more tailored to the level of progress or development in countries, a more interactive format, more gender diversity, and being conducted in other languages, e.g. Spanish. Some stakeholders also expressed a preference for more e-learning to minimize travel.

When asked what other types of resources and topics they would like PMR to address whether it be through a knowledge product or workshop, the most common responses requested more networking e.g. more regional or South-South exchange as well as further sharing of best practices and case studies. Topic suggestions mentioned by multiple survey respondents included:

- Implementation of the Paris Agreement and Article 6 negotiations, aligning with international standards
- NDC Implementation support/linkages to different carbon pricing mechanisms
- Process management support/dealing with political decision making, inter-ministry dynamics
- Tools to estimate impacts of carbon pricing policy/instrument

Some of these requests are already being addressed in the technical support activities currently being developed, or almost complete, which include guidance documents addressing developing verification and accreditation systems, conducting emissions measurement, developing crediting systems and the use of carbon revenues. A case study of the South Africa MRV system is also in progress, as is translation of the popular carbon tax guide into French and Spanish. PMR continues to present at public conferences, such as Innovate4Climate conference in May 2018 and are in the process of developing an online and face-to-face course on carbon taxation, in partnership with the United Nations Institute for Training and Research (UNITAR).

3.2.4 Summary of findings on technical support

The results indicate that the technical support is very relevant and useful and is viewed as a fundamental part of the overall PMR support package by stakeholders. In that way, the TWP appears to be efficient to help achieve PMR goals and objectives. Yet, further optimization is possible, as increasing the relevance and effectiveness of the technical outputs increases their efficiency.

There are several examples of the knowledge products being used by other interested parties not (currently) participating in the PMR, but more could be done to publicize the outputs. The practical technical information covered in the knowledge products has a wider reach and when designed well, appears to be highly efficient, yet while the workshops reach fewer countries, they provide an important vehicle for in-person exchange of ideas. It will be important to carefully consider the balance of how resources are used going forward, particularly as subgroups emerge, with countries at different stages and/or pursuing different instruments and therefore facing different issues, e.g. through increased use of virtual exchanges and/or thematically or regionally targeted events. One example would be an MRV harmonization workshop in the Americas or an Asian workshop to exchange lessons learned in developing ETS markets and exploring potential linkages.

The current paths for deciding upon technical support outputs generally seem flexible enough to capture this evolution in demand over time. As the topic interests and technical support needs are evolving, there is room to better target future outputs to increase effectiveness and efficiency, including through increased collaboration with, and/or utilization of, the outputs of other initiatives, such as IETA and ICAP.

3.3 Knowledge-sharing and exchange

This section considers the effectiveness, efficiency and relevance of PMR-facilitated knowledge exchange, including the sharing of learning across countries, through channels beyond those formalized in the TWP (described above). This includes, for example, knowledge exchange facilitated through the PA meetings, side-events around the PA meetings, technical discussions and country-to-country exchanges.³³

The PMR aims to be a platform for knowledge exchange, primarily between all its participants (CPs, ICPs and TPs), but also to wider parties interested in carbon pricing. The potential for peer-to-peer exchange is seen as a key strength of the PMR, reinforced by the number and diversity of countries participating, and the opportunity this provides for networking and learning from one another's experiences.

The key channel for facilitating knowledge-sharing in the PMR (beyond the technical workshops and products already discussed) is regarded by stakeholders as the biannual **PA meetings**. Typically, knowledge-sharing elements of the PA meetings include the sharing of experiences and progress by CPs, TPs and ICPs through a mixture of presentations and informal table-based discussion (a typical agenda for a PA meeting, including other governance, decision-making and administrative agenda items is provided in Section 5). Attendees at PA meetings typically include, representatives from each CP, TP and ICP as well as external observers from other initiatives and international organizations (such as, UNDP, ICAP, EBRD).

“PMR is building a robust and applied knowledge base around carbon pricing - it is achieving this through both good technical work, and creating a community around carbon pricing which brings together ICPs and donors on a relatively equally footing.”

– ICP

The PA is viewed by stakeholders as a forum which brings together participants from a wide range of countries with technical knowledge and experience in carbon pricing instruments in a cooperative environment. It is considered of great value that ICPs, TPs and CPs participate in equal terms during the Assemblies and share their experiences implementing carbon pricing instruments. These exchanges help partners (especially ICPs and TPs) understand the types of questions that others are facing in their countries, and provides an opportunity to cross-check that they are thinking through the relevant issues. These exchanges are also valued by CPs, who gain understanding of the practical implementation challenges faced by ICPs. A key outcome of these meetings (reinforced and formalized in the technical knowledge products) is a *shared language* and understanding on carbon pricing issues.

“I think the added value of PMR relies on its vast experience in countries and the interaction with different stakeholders.”

–ICP

“It is really leveraging significant policy influence by bringing the high-level ministers together.”

– World Bank staff

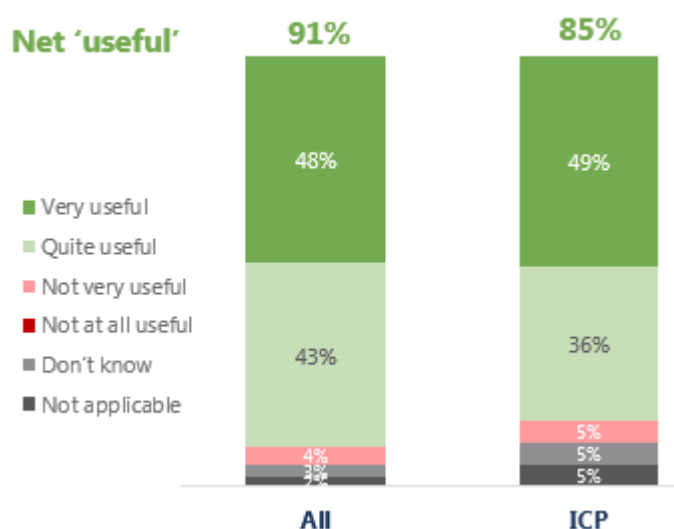
³³ These activities being successfully implemented and followed-up is outcome 3.1 in the PMR logframe.

“In PA, you actually meet other countries, learn from them, follow up on their carbon pricing advancements and challenges. Most important, it gives ownership to the ministries. Ownership in practice is important for success of the project.”

– ICP

The PMR’s role in this regard is recognized by all the stakeholders as one of its main added values. Over 90% of those surveyed agreed that the exchange of knowledge and experience has been useful for them in their roles.

Figure 8 How useful, if at all, has the exchange of knowledge and experience among Contributing Participants, Technical Partners and Implementing Country Participants been to date for you in your role?



Source: Ipsos MORI survey. Base: All respondents (100), All ICPs (39)

However, the potential for knowledge exchange across partners may not be fully realized at the moment. There are challenges related to the format of the PA meetings, such as the level of engagement from the participants, limited opportunities to share in-country generated knowledge, the lack of bilateral dialogue and the lack of use of online communication channels. Each of these challenges is discussed in turn below.

The format of PA meetings does not appear to be encouraging the optimal levels of engagement. While the meetings do include ICP presentations and, more recently, small group table-based discussions of progress made (a format which has been particularly well received), as the size of the PA has grown and the agenda has become more densely packed, many feel that the ability to share knowledge and really discuss experiences has been affected. There is a risk that the format no longer works as effectively as the vision, and partners’ disengagement from the discussion could reduce the potential for learning across the PMR and jeopardize PMR’s position as a platform for exchange of views.

“PMR has been a unique platform for sharing experience and frank discussions. With time the latter has slightly changed, the frank discussions have moved to coffee breaks and evenings, but not in the table setting. It is important to bring the atmosphere back.”

– ICP

In-country generated knowledge (particularly around experiences in the implementation phase) is not yet being sufficiently shared across participants or out to the broader international community. A common view across interviewees is that they would like to have more opportunities to share practical implementation experiences during the PA meetings. For example, some ICPs expressed a desire for ICPs who are more advanced in their implementation to share their experiences of common MRP components or processes in order to pass on learning to other ICPs approaching these stages. Some interviewees have suggested that this type of practical knowledge-sharing could take place in side events focused on certain instruments and addressed to the countries that are working on those, e.g. on ECS, international markets, taxation, to go deep into the discussion. Encouraging the spirit of partnership on these types of issues would be welcome as it would encourage the exchange of views that otherwise tend only to happen for specific milestones (presenting MRPs or ISRs).

Examples of sharing across the PMR (which if facilitated, could be of benefit both ICPs and TPs)

ETS simulator tool

Opensource MRV database

Learnings on setting up Project Implementation Unit

Terms of Reference for procuring consultants to support MRP implementation

Bilateral dialogue happens in an informal way through the networks created among participants during the PA meetings, workshops and other knowledge-exchange activities. The PMR is credited by stakeholders as having improved contact between parties (and additionally to bilateral contacts, a few mention explicitly that it has facilitated improved communication within CPs' and ICP's own teams). Most ICPs commented on the usefulness of bilateral communication with their peers to raise questions and obtain quick answers, and to update each other about shared resources and information; normally such communications occur via email.

Newer members to the PMR found it less easy to quickly benefit from this dialogue given that time and sustained participation are needed to get to know other members and learn about what others are doing. These ICPs were keen to receive greater support with relationship building; this could start with a list of key contacts within PMR participants, ideally identifying any particular areas of interest or expertise.

While face-to-face events are highly valued (and felt essential to forging co-operative relationships), some stakeholders would welcome **the use of online communication channels to facilitate further ongoing (but also efficient) communication**. Some participants have restrictions on the number of meetings they can attend abroad per year. Introducing video-conferencing might increase the possibilities of these countries participating either in PAs and/or in international workshops.

In addition, there are some challenges ahead given that the context in which the PMR operates has changed, which pose risks to the sustained relevance of the PMR:

- Some interviewees have suggested that, as countries become more divergent in their progress on implementation and potentially narrower on the mechanisms they are focusing on, support is needed to create or engage **subgroups of countries** to exchange knowledge and experience. These subgroups could be defined by **carbon pricing instruments, delivery model or region**, as appropriate, with the aim to dive deeper into technical and implementation issues of relevance to the shared group. This need aligns with the suggestion to have side meetings during the PA meetings which cover narrower topics of relevance to particular groups.
- Some interviewees have suggested a particular need to **support regional initiatives**. For example, Latin American countries involved in the PMR and the “Americas Declaration” have created a sub-group to discuss potential cooperation to explore a regional ETS. Although this initiative is happening outside the PMR, a decision should be taken as to whether any kind of support should be provided to this type of initiative, and if not how complementarities and synergies can be exploited.
- The PMR should also think about **how to share knowledge with new TPs and developing countries not participating directly in the PMR** who have made some progress on carbon pricing instruments (examples of countries cited by interviewees: Nigeria, Kenya, Senegal, Rwanda).

3.4 Views of the PMR as an overall package of support

The CWP, and the preparation and implementation of the MRPs, is at the core of the support that the PMR provides to ICPs. However, these activities would not be as effective without the other supporting work programs (the TWP, PAWP, and knowledge-sharing). While the CWP ensures that a roadmap is followed to advance towards carbon pricing instruments in line with the national political context, the TWP provides technical knowledge, support and capacity building on specific implementation issues, the PAWP explores policy options and helps ensure that the roadmap aligns with the NDCs if needed, and the broader knowledge-sharing activities create a community of mutual understanding around carbon pricing instruments, all of which help to position these instruments in the political agendas at both the national and the international level.

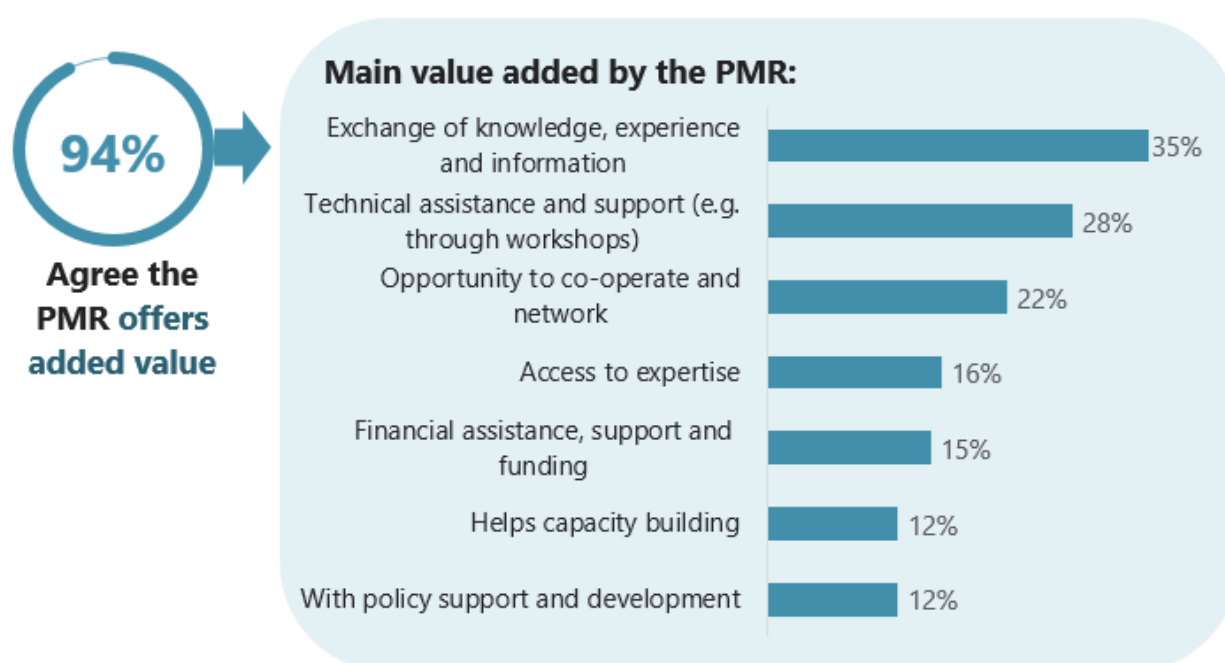
These elements are so interconnected that the PMR is seen as a holistic package of support rather than having distinct work streams by many participants. Such distinction is primarily perceived by the World Bank staff, and to a lesser extent CPs and the personnel in the ICP focal point agencies involved in strategic or administrative tasks. Gathering discrete views for this evaluation on the different work packages has been a challenging task, and this distinction was not necessarily visible to external stakeholders. Rather than a failure of the program to communicate its activities or funding support, this lack of awareness on work packages should be understood as the success of the program in providing a range of support while adapting to changing contexts and needs.

For example, and as previously discussed, the PAWP emerged to address changes that were taking place in the context of the Paris Agreements. For countries that did not already have a clear plan in their MRP, the PAWP allows countries to explore policy options for example to ensure the carbon pricing instruments that they pursue are in line with their NDCs, and also can help position the PMR activities within other Ministries, such as within Treasuries and Ministries of Finance - key stakeholders that the PMR needs to reach to build new legislation at the national level supporting carbon pricing instruments.

The TWP and the knowledge-sharing activities are also interlinked. Technical workshops are perceived by most stakeholders as a tool which provides technical support, but also, and most importantly, as a channel to connect with peers from countries with similar interests and share lessons learned.

The unique support provided by the PMR has been widely recognized by the survey respondents. Stakeholders overwhelmingly acknowledged that the PMR provides unique offerings relative to other initiatives, as well as offering a variety of elements that add unique value. As illustrated in the figure below, when stakeholders were surveyed on the main added value of the PMR, the responses indicate that multiple strands of the PMR's support are highly valued. The top three responses were: the exchange of knowledge, experience and information it offers (35%); the technical assistance and support, such as through workshops (28%); and the opportunity to co-operate and network with others considering or implementing similar mechanisms (22%).

Figure 9 Main value added by the PMR³⁴



Source: Ipsos MORI survey

3.4.1 Key mechanisms within PMR package of support

The key mechanisms within each work program of the PMR which are particularly pinpointed as having been relevant and effective at supporting market readiness are summarized below.

³⁴ Q12. Please now think about how the PMR compares to these other entities contributing to market readiness for carbon pricing. What, if anything, do you see as the main added value offered by the PMR? If you do not agree that the PMR offers added value, please explain why this is.

Base: All respondents (100), All who agree PMR adds value (95)

Table 2 Key mechanisms within each PMR work program

| Key mechanisms driving relevance, effectiveness and efficiency of PMR support | |
|---|---|
| Work package | |
| Country Work Program | <ul style="list-style-type: none"> • Flexibility provided by ICP-driven MRP process and additional funding requests. • Value of expert reviewer role in MRPs. • MRP implementation support from World Bank staff and consultants. • In-country project implementation positions funded through the MRP. • Stakeholder engagement activities have helped to create a knowledge base around carbon pricing instruments and increase the prominence of it in national agendas. |
| Policy Analysis Work Program | <ul style="list-style-type: none"> • Tailor-made policy analysis that supports policy alignment. • Outputs produced help ICPs to understand implications of different policy choices. • Relevant tool to engage stakeholders external to PMR (other ministries/departments and private sector). |
| Technical Work Program | <ul style="list-style-type: none"> • Delivery of handbooks and guidance, which have been largely used by ICPs, TPs and external stakeholders to PMR. • The focus on practical implementation guidance and provision of technical foundations for key steps. • Not only do workshops offer participants technical support, but also opportunities to network, exchange views and share information. • Technical outputs have helped develop common language and understanding around carbon pricing instruments. |
| Knowledge-sharing activities | <ul style="list-style-type: none"> • The PMR was designed as a platform to network, which is perceived as the core value of the PMR. Knowledge-sharing activities keep this spirit of collaboration and network. • PA meetings and other knowledge-sharing activities provide a unique opportunity to learn from what others are doing. |

Source: Summary of findings based on triangulation of data sources

3.5 Chapter summary: Implementation of PMR Support

KEQ 2.1 To date, how EFFECTIVELY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction?

KEQ 3.1 To date, how EFFICIENTLY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction?

Overall, despite delays in the implementation of some MRPs, it can be concluded that **the support offered by the PMR has been highly effective**. The activities offered through the different workstreams are complementary to each other and, where possible, synergies are exploited: CWP and PAWP are seen by most stakeholders as a single package, and the activities developed under the TWP have been relevant and have successfully supplemented the in-country activities. In addition, meetings have complemented knowledge-sharing activities by contributing to the network of exchange.

The evaluation has not identified any area of duplication among workstreams. However, effectiveness could be further improved in the following areas:

- Some countries lack an **intervention logic to guide their MRPs**. Not having objectives and performance metrics impedes countries from assessing their own progress. This is especially relevant for countries with lower political or regulatory support. For example, in those countries where several policy options are being assessed and/or there is no clear pathway on the type of carbon pricing instrument to pursue, an intervention logic could provide guidance and goals to progress towards. This intervention logic would provide concrete outputs, outcomes and impacts that the country seeks to achieve through the PMR. In addition, it would help create targets (i.e. monitoring indicators) to assess progress at national level. While the PMR tracks this at a global level through its logical framework, most PMR ICPs do not have similar tools at a national level.
- The **PA format** may need to be reviewed to ensure the critical topics are covered, yet all stakeholders are engaged and the forum provides the optimal level of support in critical areas, such as reviewing draft and final MRPs. CP engagement is especially crucial to help design high-quality MRPs.
- More space is desired for countries to **exchange knowledge and share lessons learned**.

Similarly, **the support provided by the PMR has been reasonably efficient, given its unique context**. Overall, the stakeholders interviewed are satisfied with the support received by the World Bank staff, especially given the level of effort funded. The PMR Secretariat has so far coordinated well with all stakeholders and has kept up good and timely communication. Nonetheless, the enlargement of the number of participants poses some challenges, and there are some administrative processes that can be improved:

- While experts help ICPs address questions and improve their MRPs, other partners (CPs, TPs and other ICPs) might not be providing enough feedback.³⁵
- As more ICPs move deeper into their implementation phase, **closer monitoring of project implementation** is desired by CPs. ICPs to date have not been able to implement their MRPs at the expected pace, and it is expected by CPs that some ICPs might not be able to spend the allocated funding by the end of the PMR fund period. CPs would like early sight of these spending trajectories so that this can be considered against any request for additional funding.
- Currently, participants need to travel to PA meetings and international workshops. While face-to-face meetings are needed, **online workshops and e-learning training and tools** could be explored as options to reduce travel time and budget, and hence improve efficiency.

³⁵ The role of experts and the importance of feedback in the process is explained in Section Country-specific support

4. Outcomes & impacts of the PMR

This section of the report considers what the PMR has achieved to date as a result of the provision of support detailed in section 4. An extract from the high-level Theory of Change for the PMR is provided here (and contained in full in Appendix 3), highlighting the PMR outcomes and impacts discussed here. These match against the PMR logframe (in wording and numbering), although they have been sequenced in such a way as to tell a logical story around the PMR's activities and how these are anticipated to combine and work together to lead to its expected impacts.

Summary of key findings and recommendations related to the outcomes & impacts of the PMR

It is still relatively early to judge the outcomes and impacts of the PMR, but this evaluation finds that the Theory of Change for the PMR is valid overall, and that it is performing well against its target outcomes.

The PMR's knowledge products, and the knowledge exchange it encourages and facilitates, is informing efforts to design, pilot, and implement carbon pricing instruments. Knowledge products and knowledge exchange are considered high quality and relevant by a wide range of stakeholders, and while there are other initiatives generating knowledge that is also useful to PMR participants, this is often delivered in synergy with the PMR or often adds technical know-how that complements the PMR's policy guidance.

The PMR is also impacting ICPs' capacity and readiness to design, pilot and/or implement carbon pricing instruments and/or the core technical components. In particular, the PMR has had a strong impact on stakeholder engagement and has also impacted MRV systems, benchmarking, and specific mechanisms. Numerous factors internal and external to each country outside of the PMR's control influence the PMR's ability to deliver its intended impacts, yet stakeholders surveyed rate the PMR as having a high level of impact.

The PMR is also having influence on global policy discussions regarding the use of carbon pricing for GHG reductions. Numerous stakeholders believe that the PMR has had an influence on global policy discussions, especially in creating a shared language for discussion.

A key recommendation is to further build and maintain momentum for implementation by engaging audiences in the PMR:

- Re-package existing content from technical workshops to produce concise outputs for broad dissemination e.g. via executive summary reports or public webinars showcasing new resources
- Increase active co-operation with other parts of the WBG, or other donors, e.g. those with programs focusing on communicating political messages around carbon pricing or with departments providing funding on uptake of GHG mitigation and/or adaptation projects. Also cooperate with those who can influence counteractive policies and agendas, for example energy price subsidies or non-liberalised energy markets.
- Proactively encourage bilateral and regional dialogue, including the sharing of resources and possibly involving e-platforms.

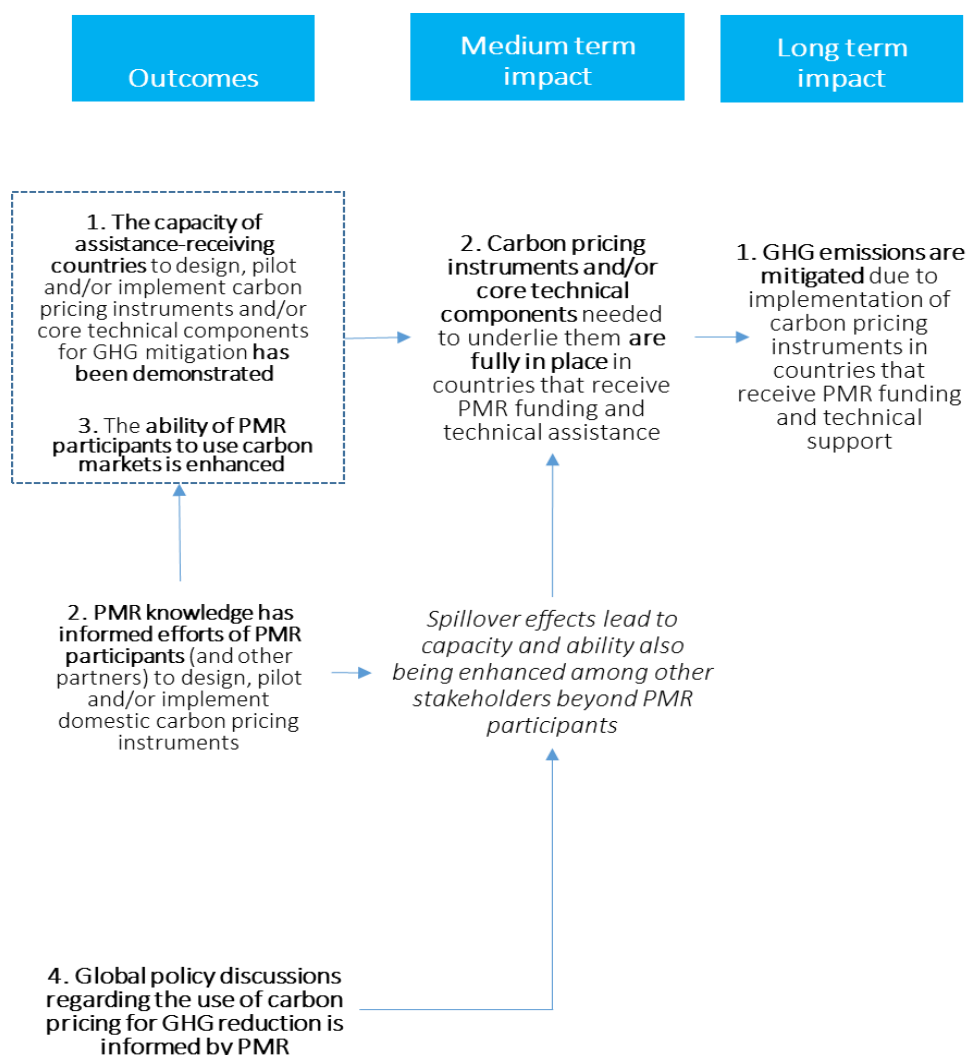
Given it is still relatively early to judge the outcomes and impacts of the PMR (there are two years of the Fund left, and most ICPs are at the early stages of their MRP implementation), this section considers direction of travel towards the intended objectives.

For each outcome, this evaluation has reviewed the extent to which (and how) key assumptions are being met which are required for the PMR's outcomes to be realized. The evaluation has also considered the role of the PMR within its wider context – considering how external factors (both enablers and barriers) interact with the support provided by the PMR, as well as any alternative explanations for how progress against outcomes targeted by the PMR is being achieved³⁶. A summary of these findings is provided in this section of the report, with further detail of the underlying evidence presented in Annex 1³⁷.

³⁶ These elements form the key components of the theory-based Contribution Analysis approach taken to evaluating the impact of the PMR. The full Contribution Analysis framework is provided in Appendix 4. The assumptions tested for each outcome include those documented in the PMR logframe as well as additional assumptions included by the evaluation team.

³⁷ Appendix 4 presents the Contribution Analysis framework which directed the design, delivery, analysis and synthesis of the evidence around the impact of the PMR. In line with this framework, Annex 1 sets out the assumptions underpinning each outcome in the Theory of Change, identifies the performance of the PMR to date relative to these assumptions, and pinpoints the internal and external factors within and around the PMR that contribute to these outcomes. It also considers any alternative ways in which similar outcomes and impacts could have been reached, and draws conclusions on the relative contribution of these compared to the PMR.

Figure 10 PMR Outcomes and Impacts (extract of PMR theory of change)



Source: Ipsos MORI and SQ Consult

4.1 Assessment of PMR Outcomes and Impacts

Outcome 2: "PMR knowledge has informed efforts of PMR participants and other partners to design, pilot and/or implement domestic carbon pricing instruments"

Overall assessment of PMR contribution to this outcome

The PMR is found to be performing well against this outcome. Its knowledge products, and the knowledge exchange it encourages and facilitates, is considered high-quality and relevant by a wide range of internal and external stakeholders. While there are other initiatives generating knowledge on carbon pricing that is also useful to PMR participants, this is often delivered in synergy with the PMR (such as shared workshops with ICAP on ETS), or it is seen to add something distinct to the knowledge base – often described as practical know-how, as opposed to the PMR's higher-level policy guidance, for example.

PMR-generated knowledge is often found (even, or perhaps *especially* in countries that have a less favorable political or economic climate for carbon pricing) to be vital in bringing readiness to the agenda and for engaging key stakeholders and creating buy-in for the concept at a high level.

“[The] added value of PMR is that it places international attention on the activities of ICPs – this can help to drive national momentum as ICPs know they will have to report back on progress at the next PA. Having a forum in which countries showcase what they are doing encourages action.”

–CP

Examples of specific ways in which PMR-generated knowledge has informed ICP efforts

Breaking down long-term visions on carbon pricing into essential building blocks: In some ICPs where there is strong political will for carbon pricing, there can still be challenges in understanding the most effective means of introducing a mechanism. Some ICPs directly credit the PMR with supporting them in breaking down their national vision into effective steps (such as how to lay the foundations for an effective MRV system which can then support ETS). The PMR helped these ICPs to focus efforts on the most impactful foundational steps, as well as managing stakeholder expectations about this sequencing.

Supporting the identification of suitable carbon pricing mechanisms and providing a respected knowledge-base that can engage senior policy audiences: *“The PMR helped us to identify mechanisms and how to convey this message to policymakers for political decisions.”*

– ICP

Increasing understanding of co-benefits to carbon pricing: *“The PMR has been playing a crucial role in helping countries understand the importance and relevance of using carbon pricing as means of equality, efficient use of resources, and possibilities to reduce local pollution (as a co-benefit of tackling climate change and therefore solving some national health issues), among other benefits.”*

– ICP

Examples where PMR-generated knowledge is having an impact within the context of external enablers

Many ICPs credited PMR-generated knowledge with providing vital “noise” around carbon pricing which has been used to engage stakeholders. One ICP reported that they had managed to pass new legislation that will help them to push forwards with an MRV system – *“these discussions had been deadlocked for seven years”*, describing PMR workshops and events as having helped them to raise awareness of the need for such a step.

"Our country officially set out the plan for the launch of its national emissions trading scheme this month, but we still have a lot of job to make our ETS work. PMR has been one of the major sources for supporting our national ETS design. The PMR's activities and support provide us an opportunity to learn other countries' thoughts and practices."

– ICP

Alternative routes to impact

Some PMR participants participate in workshops and events held by other initiatives which also support the creation of a knowledge base around carbon pricing. This includes, for example, ICAP events on emissions trading. However, these are sometimes jointly run with PMR, which ensures synergies between programs. They are not seen as being in competition with one another, but rather working together to facilitate progress towards shared objectives. Further, among those who engage with information around carbon pricing through multiple forums (for example, through the CPLC resource hub), the PMR is often described as doing something different.

"Internationally, PMR is a key and well-known platform for knowledge-sharing and capacity building in carbon pricing. Even though there are other similar initiatives, PMR is recognized for its strengths to generate knowledge on this topic and collaborate in the implementation of this kind of policy instruments in different countries. In my country [PMR] is the only project directly supporting the formulation of carbon pricing and carbon market mechanisms."

– ICP

Outcomes 1 and 3: "The ability of PMR participants to use carbon markets is enhanced, and the capacity of assistance-receiving countries to design, pilot and/or implement carbon pricing instruments and/or core technical components for GHG mitigation has been demonstrated"

PMR Logframe Outcome 1 and 3 are discussed together in this section, as the Contribution Analysis framework identified the same set of assumptions and external influencers to be relevant to each.

Overall assessment of PMR contribution to this outcome

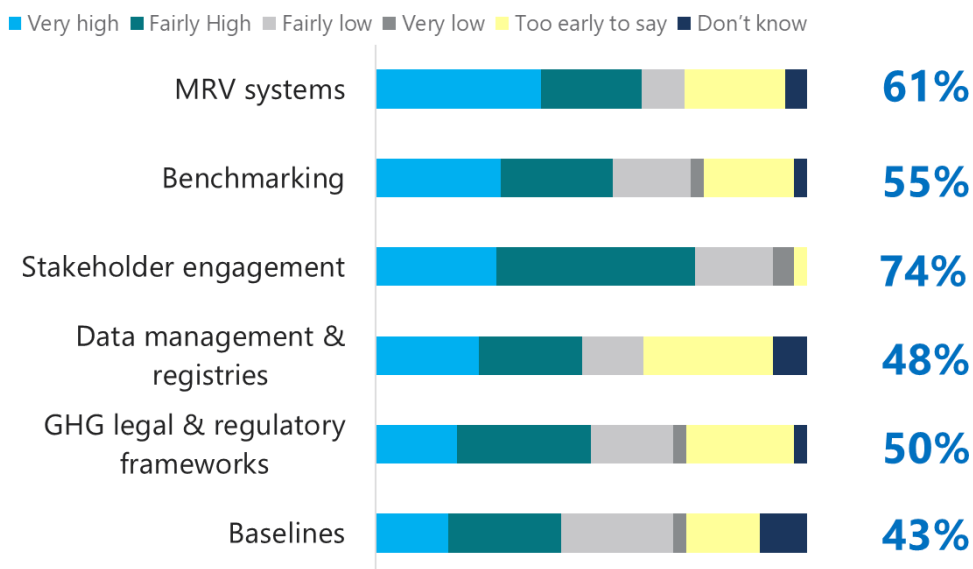
Even at this early stage of implementation in ICPs³⁸, the stakeholders surveyed clearly indicate that PMR is impacting their capacity and readiness to design, pilot and/or implement carbon pricing instruments and/or the core technical components, although it's too early for some countries to begin to assess impact on the specific mechanisms they are seeking to implement, as shown in the figure below. During the survey, ICPs were asked to consider the impact of the PMR to date on key readiness components which are common to many MRPs³⁹. The areas for which over

³⁸ 17 MRPs signed off, 15 ICPs in Implementation Phase with 2 just starting, only 1 MRP complete.

³⁹ Data shown in Figure 8 and Figure 9 is only based on those ICPs for whom these readiness components were relevant (i.e. they formed part of their MRP)

half of the ICPs surveyed reported the PMR had very or fairly high impact were stakeholder engagement (74%), improving MRV systems (61%), and benchmarking (55%).

Figure 11 ICP's view on impact on market readiness infrastructure in their country⁴⁰



Source: Ipsos MORI survey

As shown in the figure below (Figure 12), when asked about the impact on specific mechanisms in their country, almost half of the relevant ICPs reported a very or fairly high impact on offsets and crediting and ETS systems, with impact on carbon tax systems somewhat lower, but still noteworthy at 39%.

“The PMR is a great instrument to boost a new generation of market instruments and to help interested countries build capacity for scaling up their mitigation efforts. It helps countries facilitate and build readiness for MBIs, improves technical and institutional capacity of countries for using market instruments to scale up their mitigation efforts. PMR’s activities provided my country with solid prerequisites for the implementation of market instruments to reduce GHG emissions.”

–ICP

⁴⁰ Q22. In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness “infrastructure” in your country to date? Q23. In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following carbon pricing mechanisms” in your country to date? Base: Applicable ICPs (varying base ~39)

Figure 12 ICPs' view on impact on carbon pricing mechanisms in their country

49% **ETS**

49% **Offsets & crediting**

35% **Carbon Tax**

But **25-35%** say it's
too early to value
impact on mechanisms

Source: Ipsos MORI survey

Examples of ways in which PMR is impacting readiness:

- In some cases, the PMR is fundamental in stimulating in-country engagement and discussion on carbon pricing, serving to increase the prominence of carbon pricing on national agendas and helping to create and sustain policy dialogue. These are fundamental for a country being able to start designing carbon pricing instruments.
- It is also adding value through giving a broader perspective which helps ICPs to break down national policy goals into key component parts. The PMR has, for example, helped get vital components such as the importance of an MRV system into key national policy documents.
- The PMR has improved capacity by supporting countries to develop relevant policies and regulation.
- The PMR has also directly supported the design of carbon market instruments.

"The PMR is very important to our ETS. It has helped develop two documents (regulations) that have been approved at ministry level."

– ICP

"The government is now developing regulation and financial incentive on climate change related programs and activities."

– ICP

"The PMR support has been fundamental for promoting and defining carbon pricing mechanisms in my country, and for the design and implementation of the ETS and the related carbon market simulation exercise."

– ICP

"Component 1 [of our MRP] is helping to assess other market mechanisms and to evaluate the possibility to establish an ETS. Component 2 has been extremely helpful to implement the carbon tax, as it financed consultants and studies to develop the MRV system."

– ICP

Alternative routes to impact

The main alternative route to achievement of outcomes 2 and 3 is the role played by other initiatives to support countries to increase their ability to develop and adopt carbon pricing instruments. While support is provided by other initiatives (as discussed in Section 2), these tend to be mechanism-specific and provide support to countries with a chosen carbon market instrument (for example, ICAP supports countries deciding to pursue ETS). The PMR therefore has added value through its flexible approach, its approach to building political support and commitment, and its approach to the selection of an instrument following detailed analysis of the costs and benefits (where PAWP is provided).

“Capacity is not uniform across countries...If you take into account the baseline before joining PMR, all countries have improved. By the end of this phase, the majority of countries will have some kind of infrastructure in place. This could be MRV systems, etc... There will be also good results in the context of NDCs and reporting requirements.”

– World Bank staff

Outcome 4: “Global policy discussions regarding the use of carbon pricing for GHG reduction is informed by PMR”

As discussed above, it is quite early for evidence regarding outcome 4 to be apparent, yet there are early indications the PMR is having an influence on global policy discussions regarding the use of carbon pricing for GHG reductions. Numerous stakeholders reported their belief that the PMR has had an influence on global policy discussions, e.g. in UNFCCC negotiations, yet, this is difficult to document so far. The evaluation also found that PMR activities are primarily directed to its participants, whereas other initiatives, such as the ICAP or IETA, have more visible presence at international conferences and on social media. Yet, there are many softer influences:

- PMR language quoted in negotiations. Multiple stakeholders noted that a PMR country has directly quoted PMR language from PAs or documents in their statements at international meetings.
- PMR participants more confident in participating in global policy discussions. Several stakeholders noted that participation in the PMR has clearly increased the confidence of ICPs in particular to voice their opinions on carbon pricing issues at international meetings.
- Advocacy documents cite PMR outputs. Position papers and related documents developed by NGOs and other entities advocating issues related to carbon markets and carbon pricing frequently quote the technical information and case examples from PMR sources in their arguments. Multiple interviewees also reported that guidebooks drafted by other bodies have borrowed heavily from PMR outputs.
- New countries are considering carbon pricing instruments due to PMR outputs. Stakeholders report that PMR knowledge products are helping stimulate other countries to think about carbon pricing instruments. Some interviewees also believe that the technical support more generally has helped to demystify components of carbon pricing, and this has helped change perceptions and increased focus on the basic readiness components needed for longer-term policy goals.

- Common language on carbon pricing instruments promoted. More broadly, the PMR has helped to develop a common language internationally about carbon markets and carbon pricing topics.
- Regional collaborations stimulated by PMR participation. Multiple stakeholders expressed the view that positive experiences with participation in the PMR has stimulated increased regional collaboration on topics directly and indirectly related to the PMR.

“Beyond ICPs, it’s important that PMR is stimulating other countries to think about carbon pricing instruments.”

– CP

“Internationally PMR is a key and well-known platform for knowledge-sharing and capacity building in carbon pricing. Even though there are other similar initiatives PMR is recognized for its strengths to generate knowledge on this topic and collaborate in the implementation of this kind of policy instruments in different countries.”

– ICP

However, the evaluators also note that there also seem to be missed opportunities for increased visibility and influence even within the context of existing coordination and exchange efforts. For example, some related initiatives supported by PMR donors do not mention PMR at all on their website (e.g. CF Ready) or do so only in a quite limited way; for example, the CPLC only refers to three PMR knowledge products and the most popular two, the Carbon Tax Guide and the ETS Handbook, are not included.

Impacts

The PMR logframe states two ultimate impacts for the PMR:

- Impact 2: Carbon pricing instruments and/or core technical components needed to underlie them are fully in place in countries that receive PMR funding and technical assistance; and
- Impact 1: GHG emissions are mitigated due to implementation of carbon pricing instruments in countries that receive PMR funding and technical support.

When assessing the impact of the PMR, it is important to note that it is quite early in the anticipated results chain for most implementing countries⁴¹; only one ICP has completed its MRP. Further, while the market readiness infrastructure is expected to be significantly improved upon MRP completion, there may not yet be a fully-functioning mechanism, depending on the scope of the MRP. Therefore, the nature and the timetable by which an impact would be recognized in an ICP varies widely.

Also, while the PMR may contribute, even significantly, to countries’ efforts to implement carbon pricing mechanisms, the decisions ultimately rest with the policymakers in each implementing country. There are also

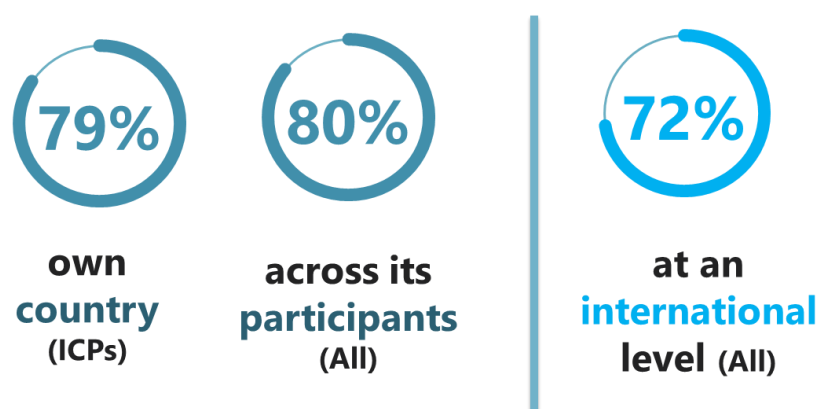
⁴¹ The logframe indicators relating to impacts cite 2020 or 2025 as the goal.

numerous factors internal and external to each country, which are outside of the PMR's control, that influence its progress, as detailed in Section 2.

Within this context, the stakeholders surveyed overwhelmingly report that the PMR has had a high level of impact within ICPs as well as internationally, as illustrated in **Figure 13**. Almost 80% of ICPs reported that the PMR has had a high level of impact in their own country. In addition, 72% of all stakeholders reported that the PMR has had a high level of impact internationally. Survey and interview feedback includes numerous examples from ICPs on the PMR's impact in their own country, which is corroborated by feedback from CPs, TPs, World Bank staff and other observers.

Figure 13 Stakeholder perceptions of PMR's impact amongst participants and internationally⁴²

Agree PMR has had high level of impact on...



Source: Ipsos MORI survey

it is too early to meaningfully estimate long term impacts, such as documentation of fully implemented carbon pricing mechanisms in ICPs, much less to calculate estimates of GHG emission reductions to which PMR activities may have directly contributed at this time. Review of monitoring data and contribution and attribution analysis will be necessary at a later date. However, given the strength of the feedback received from PMR participants so far regarding the PMR's achievement of intended outcomes (as described above), early indications are that the PMR is on track to realize its long-term goals and objectives.

Finally, an unintended impact of the PMR is facilitation of collaboration in other policy areas. One CP noted that the technical level of discussions happening in the PMR context helped deepen relations with another country with which they have a challenging relationship. This increased comfort has directly improved dialogue on other topics, unrelated to the PMR.

⁴² Q21b. What level of impact overall, if any, would you say the PMR has had to date on supporting market readiness for carbon pricing – in your country / across its participants / on an international level? Base: ICPs (39), All respondents (100).

4.2 Summary of external influencers on PMR results chain

This section summarizes the role of the PMR within a wider external context.

As has been demonstrated through this report, there are a range of national and external contextual factors and influencers that may act to either help or hinder the achievement of the PMR. These factors are described in the Theory of Change for the PMR as either assumptions (facilitating factors) or risks (potential hindering factors); for example, factors relating to the national context size and maturity of the market, capacity of players, and mitigation potential in each sector (Appendix 3). In line with the contribution analysis approach, this evaluation determines the contribution of the PMR to outcomes and impacts by qualitatively discussing the role it plays whilst acknowledging the contribution of other actors involved and other influencing factors external to the program.

As shown in Figure 1 in Section 2, the PMR is identified by a wide range of stakeholders (with varying degrees of involvement in the PMR) as the most important entity for supporting market readiness – demonstrating a belief in the role played by the PMR in contributing to the outcomes and impacts discussed in this section. The high rating of the role played by national governments (also shown in Figure 1) is also a positive finding, given PMR aims to be a country-led program and one that works in partnership with its participants.

At the same time, as discussed in the sections above for each of the Outcomes, a number of external factors are also seen to be influencing the progress of the PMR – acting sometimes to help facilitate further or faster progress to support market readiness components or towards carbon pricing instruments, or alternatively acting to hinder this progress.

The table below provides a summary of the contextual factors that can influence the rate and ease of carbon market development, which were identified through a review of relevant literature, stakeholder interviews, and the case studies. These factors are global and national developments that cannot be controlled by the PMR but are likely to significantly impact the adaptiveness to carbon markets within a country. National factors are categorized into factors likely to affect the three core building blocks to market readiness: policy/political readiness, institutional and legal readiness, and technical readiness; in the case of global factors, these were found to cut across these three building blocks.

Table 3 External influencers on PMR results chain

| National factors (within ICPs) | | |
|--|--|--|
| Policy/political factors | Institutional and legal factors | Technical factors |
| <ul style="list-style-type: none"> Political commitment to global targets, policies & protocols Domestic GHG emissions targets Synergistic local initiatives Established energy market strategies and policies (e.g. subsidies or regulated energy prices) Economic growth and fuel prices Strength of industry lobbying | <ul style="list-style-type: none"> Existing legal & regulatory frameworks Existing institutional responsibilities Administrative capacity Role of NGOs and business associations | <ul style="list-style-type: none"> Market size and maturity Technical infrastructure Data management systems and registries Availability of tools and templates (e.g. for reporting) |

| | | |
|---|--|---|
| | | <ul style="list-style-type: none"> • Auctioning and trading platforms • MRV systems • Availability & quality of data |
| Global or regional factors (outside of ICPs) | | |
| <ul style="list-style-type: none"> • International, regional, and/or bilateral political agreements and/or collaborations • Experiences of other countries in introducing carbon market mechanisms • Other initiatives or financial institutions providing related support | | |

4.2.1 Facilitating factors at the national level

In interviews, stakeholders reported that factors related to political support at the national level were two key enabling factors for the PMR:

- High country ownership, with strong political will and appropriate resources committed; and
- Alignment to the broader policy context, e.g. the country's NDC.

Although this is identified as an external enabling factor, the PMR has also been seen to positively influence high-level engagement and momentum. Some ICPs stated that tax mechanisms were sometimes a preferred instrument of governments, which were being introduced in spite of PMR. However, the PMR is not passive in this circumstance, and was often acknowledged to have supported or to be supporting improvements to the tax design and structure. For example, the Chile case study identified that the PMR has made a strong contribution to the carbon tax. Regardless of the PMR, it would have been implemented as it was introduced through a political mandate; however, stakeholders believed PMR support (including a study on which sectors would be affected by the tax, creating a register of companies affected and improving the MRV system) had assisted it in being implemented successfully and on time (something which political commitment alone may not have achieved).

Other national factors which were identified as supportive of carbon market development were:

- Synergistic local initiatives, e.g. air pollution, congestion reduction efforts;
- Effective engagement of local stakeholders/industry; and
- Foundation built for MRV (through other mechanisms if not through a PMR MRP).

4.2.2 Facilitating factors at the global level

Global political agreements, especially the UNFCCC Paris Agreement Article 6, were frequently highlighted by interviewees as a key enabling factor which has shaped the global policy agenda and generated interest in carbon markets generally, as well as generating interest in the PMR.

“There is a lot of activity now as a result of Paris and other political agreements.”

– TP

“The Paris Agreement has completely changed countries’ priorities, and they now realize the importance of political analysis activities.”

– World Bank staff

Other particularly supportive global factors identified in interviews and the case studies included:

- Demonstration effect of successes of instruments in other countries, e.g. China;
- Regional collaborations, e.g. capacity building, MRV harmonization efforts, specific examples cited include: the Paris Declaration on Carbon pricing in the Americas and the Pacific Alliance; and
- Other initiatives providing related support, e.g. those listed in Annex 7. .

The quote below shows how a combination of global and national factors, coupled with PMR support, combine in a positive way, with political will, supportive national policies, global political agreements, and other donor initiatives each being supportive factors but no one factor independently resulting in introduction of carbon markets:

“Climate change was a priority for the government, and it is now setting goals for climate change, and the PMR is a very good instrument for starting to think about the economic mechanism. It has already put in place sector strategies for NDC in alignment with Paris Agreement, but the PMR is helping identify mitigation measures that have potential. Other donor initiatives focus on setting goals, not identifying instruments. PMR has also helped bring other government departments to the table.”

– ICP

4.2.3 External barriers

The absence of these enabling factors poses a risk to the PMR, and this is especially true of political factors. As might be expected, the most common factors stakeholders reported that were limiting the ability of PMR activities to progress within a country were mostly reverse of the supporting factors listed above; for example, a lack of country ownership was likely to hinder the PMR. In particular, an absence of country buy-in was a key hindering factor, and potential changes in elected officials were noted as both an opportunity and risk:

“There will be new government soon, and I’m very skeptical that government is going to be committed on carbon pricing. Nonetheless, we want to start doing studies to prepare documentation for the next government.”

– TP

Several ICPs referred to conflicts between ministries. For example, ministries of Energy, Finance, and Environment were often reported to have different priorities which either led to divergent opinions on the necessity of carbon pricing instruments, or sometimes varying preferences between mechanisms.

“There is a great deal of inter-Ministry fighting, and some ministers in government are anti-carbon pricing. This is some of reason behind our PMR approach: we’re progressing understanding and readiness for a range of approaches, with no commitment to one specific mechanism. The Ministry team(s) want to be ready for what can be pushed when the political and economic agenda allows it. Therefore, for example, they are conducting predictive economic modelling of a variety of different options.”

- ICP

“The Ministry of Finance is main beneficiary of PMR in [our country]; however, we meet a significant amount of resistance from the Ministry of Environment who do not support climate mitigation action.”

- ICP

In addition, the need to gain buy-in of stakeholders beyond policymakers posed challenges.

“The biggest challenge has been to collaborate between different ministries. ETS affects many sectors, and they have to coordinate other ministries. They also have to explain ETS to companies, and this is totally new for them.”

- ICP

Going forward, engagement by the PMR with other stakeholders could therefore be a key step for facilitating this buy-in, as one CP described:

“PMR now needs to do more outreach to politicians and Finance Ministries. Main recipients of PMR are environment/energy departments, but in long-run, the Finance teams need to be engaged given carbon tax, etc. will have revenue implications. Given political willingness is a major challenge, further engagement on this level would help. For example, PMR could collect lessons learned on why challenges can come about and how best to speed them up.”

- CP

| Case-study example: The role of contextual factors in Ukraine | | |
|---|---|---|
| To date, Ukraine has made a number of key achievements against its MRP: | | |
| <p>Draft National Legislative Package for MRV in place</p> <p>Installation-level emission monitoring and reporting pilots underway</p> <p>Industry engagement through training and pilot sites</p> | | |
| PMR has supported Ukraine’s progress via: | National factors supporting progress | Risks to further progress |
| <ul style="list-style-type: none"> Supporting Ukraine to break down its long-term vision for ETS into key readiness stages PMR technical outputs (particularly, ETS Handbook) | <ul style="list-style-type: none"> Clear alignment with the wider agenda of the Ukraine-EU Association Agreement Climate-related policy alignment | <ul style="list-style-type: none"> Institutional reform and capacity (leading to challenges identifying a Competent Authority for MRV) |

| | | |
|---|---|---|
| <ul style="list-style-type: none"> • Expert consultants delivering MRP components • Consultant team coordinating PMR project • Knowledge-sharing from other ICPs • Collaboration with other programs (e.g. ICAP training on ETS, GIZ project) | <ul style="list-style-type: none"> • Experienced and engaged Ministry team | <ul style="list-style-type: none"> • Market structure (monopoly businesses in energy and industrial sectors not favorable for trading) |
|---|---|---|

4.3 Chapter summary: Outcomes and Impacts of the PMR (and their sustainability)

KEQ 4.1 What have been the principal value-added and catalytic effects of the PMR to date at country and global levels?

Overall, the Theory of Change for the PMR appears to be valid, despite numerous external factors that may impede progress within ICPs. This summary provides an assessment of to what extent the PMR's impacts are likely to be sustained over time, as well as the wider impacts of the PMR beyond its members.

The Theory of Change for the PMR indicates medium-term impact through "Carbon pricing instruments and/or core technical components needed to underlie them are fully in place in countries that receive PMR funding and technical assistance" which leads to the ultimate anticipated long-term impact that "GHG emissions are mitigated due to implementation of carbon pricing instruments in countries that receive PMR funding and technical support." In other words, the primary anticipated sustainable results from the PMR are contingent upon full implementation of carbon pricing instruments supported by the PMR, or at least completion of the MRPs.

The preliminary indications are that some type of carbon pricing instrument will be implemented in many of the ICPs, which are expected to result in some level of GHG emission reductions. Yet as discussed above, the decisions ultimately rest with the policymakers in each ICP. There are several lessons learned and recommendations below to increase the efficiency and effectiveness and better to optimize PMR activities in the remaining period until 2020 to maximize the opportunity to influence, educate and support ICPs as they progress with their MRPs. For example, sustained impact over time is only achieved when all relevant stakeholders have been involved in and support implementation of carbon pricing in their country.

While it is already clear that the PMR has opened up capacity building to a wider range of stakeholders, more can be achieved by opening up a larger part of the PMR activities to the wider audience, such as by also involving market actors in the MRP discussions and helping all stakeholders understand and experience the benefit of introducing carbon pricing locally.

This also includes deeper coordination with other parts of the World Bank Group or other donors, as carbon pricing will only achieve its full potential (thus sustained impact) if fossil energy prices are no longer subsidized or when energy markets are liberalized. An example of such World Bank initiatives is the support of the Energy Sector Management Assistance Program (ESMAP) in Ukraine, where residential gas tariffs and district heating tariffs were

raised (protecting vulnerable customers from such price increases) and support is provided to setting up an Energy Efficiency fund to finance retrofitting of apartment buildings to lower heat consumption.

Yet, regardless of the implementation status of any one ICP, there is strong evidence to indicate that the PMR has helped to fundamentally transform the global familiarity, understanding of, and comfort with carbon pricing instruments as viable options to reduce GHG emissions to fulfil national policy goals and meet international commitments. This has already led to additional countries considering or already pursuing carbon pricing instruments as participants in, or outside of, the PMR. There is an opportunity to continue and expand this broader influence through increased marketing and outreach as well as periodic updating of the most salient existing technical outputs, even if no new guidebooks are produced.

5. Governance of the PMR

This section assesses the effectiveness and efficiency of the PMR's governance structures and processes. While earlier sections of this report have already considered the effectiveness and efficiency of the PA and Secretariat in relation to their *technical* functions (e.g. in relation to their role in effectively sharing knowledge, or in providing input to refine and improve MRPs), this section focusses on the *management* and *decision-making* processes of these structures.

Summary of key findings and recommendations related to the governance of the PMR

The PMR's partnership governance model is unique and highly valued, with participants appreciating the familial, equal atmosphere created. However, while most decisions have been successfully achieved through consensus, there are concerns as to how informed these decisions are due to information overload, and how participatory the decision-making truly is. This may place a greater onus on the Secretariat to play a strong role in assessing the quality of MRPs (for example). There are some calls for greater transparency around membership, especially regarding the role of TPs and the strategy for expansion. Overall the perception is that the PMR Secretariat is doing a good job but is stretched and that sometimes the PMR has challenges gaining sufficient visibility within the World Bank.

A key recommendation emerging from this section is to set the focus of Partnership Assembly meetings in the last two years of the PMR more firmly on knowledge sharing. Create 'space' for this type of interaction and exchange in the meeting agendas by reducing the time taken for more administrative items. For example, by increasing the use of dashboard reporting for status updates, and moving some decision-making into webinars in-between full Partnership Assembly meetings.

Overview of governance of the PMR

The PMR has two governance structures:

- **The Partnership Assembly:** The Partnership Assembly (PA) is the decision-making body of the Partnership and consists of representatives of all ICPs and CPs. The PA's primary functions are to provide strategic guidance for the PMR, monitor the PMR's activity and progress, and make final decisions on funding allocations. It meets twice per year and makes decisions through consensus; a voting mechanism exists in the event consensus cannot be reached, but this has not been used in practice. TPs also attend PA meetings although they do not have decision-making power.
- **The PMR Secretariat:** The World Bank acts as the PMR Secretariat, Trustee of the PMR Trust Fund and as a Delivery Partner managing the PMR's operations. It has responsibility for managing day-to-day operations of the PMR, which includes: reviewing funding proposals, due diligence, fund management, dissemination of

information, and managing relationships between the PMR and external partners and experts. It also coordinates PA meetings, including developing guidelines for PA consideration, preparing updates and progress reports, and designing and implementation of M&E systems. It manages relationships with PMR participants. It also provides technical support and administration of grants to ICPs and TPs.

The PMR is funded by its CPs (currently 13) as well as interest income. As of February 2018, the PMR had received US\$ 126.1 million in committed contributions and US\$ 116.8 million in actual received contributions and earned US\$ 3.05 million in investment income. Between FY 2011 and FY 2017, it spent US\$ 27.9 million on its operations and support to countries. The Secretariat proposes an annual budget and presents it to the Partnership Assembly for approval during the second PA meeting of each fiscal year. This budget also includes support for the TWP.

5.1 The Partnership Assembly

As noted in the box above, the PMR's primary decision-making body is the PA, which is formed of both ICPs and CPs. All members are thus in principle given equal opportunities to speak and contribute to decision-making. Relevant documents on which decisions will be taken are submitted to participants for review and comment, within a period of at least 14 days prior to PA meetings. Receipt of written comments and questions is coordinated by the Secretariat. During PA meetings, participants are given further opportunity to raise comments and questions verbally with all attendees (including Observers) present. If there are no objections from participants, decisions (such as MRPs) are automatically endorsed. As evidenced by the quotes below, there is a high degree of participant satisfaction with this model.

"It has been a two-sided engagement relation, a proper relation, where the PMR has provided the opportunity for us to engage on the type of support we need, and the PMR takes into account our needs. It provides an opportunity to engage with donor countries directly and an opportunity to shape the policy agenda of the PMR."

– ICP

"There's high satisfaction with the model. The partnership allows all countries to participate in equal terms, and recipient countries participate in decisions, which increases their ownership."

– ICP

"[The value added of the PMR is] its family character. The participants have known each other for years and have respect for one another. This encourages open and lively discussion which is different to what is achieved under other programs."

– CP

This partnership approach is unique, and is highly valued by members. As discussed earlier in this report in Section 3, members appreciate being able to learn from one another; they also value the partnership approach to

governance and particularly the opportunity to hear the voices of both ICPs and CPs and include them in decision-making. In interviews and the survey, terms like “equal” and “participation” were used to positively describe the character of this governance approach, and these qualities were considered to lead to openness of debate.

“Hearing others is a key part of the PMR. Hearing the views of others is considered vital to understanding the context in which PMR support is delivered and the context in which ICPs are attempting to progress carbon pricing. For example, an ICP may raise a very practical challenge that could affect the decision that would be most appropriate to take.”

– CP

“PMR is unique because of its governance structure. Partnership assemblies bring together countries that are part of decision making. This gives the ownership feeling to the partners.”

– ICP

Inclusion of ICPs in decision-making debates is considered of particular value as it allows members to take into account more angles and the practicalities of receiving and implementing support rather than focusing only on the views and (usually more distanced) experiences of donors. CPs reported that they valued the opportunity to learn from ICPs and that the approach was less “top down” than other initiatives. For ICPs, the partnership approach to decision-making was considered particularly empowering and to increase the relevance of PMR support to them.

5.1.1 PA decision-making processes

The PA makes all decisions on a consensus basis with one vote per member (inclusive of both CPs and ICPs). Votes are held on all major decisions, including the governance framework, funding decisions, strategic direction and new programs. This is a unique model compared to other trust funds, which typically only give voting power to donors. In general, this decision-making model was viewed positively.

“For the PA meeting, the governance is quite good. Every country can have decision on every issue together. We have consensus. ICPs and CPs have the same level of voice.”

–ICP

However, there were concerns among some CPs and ICPs that in practice, not all voices are heard; levels of participation were not always considered sufficient. A number of factors were identified as contributing to this:

- Some ICPs expressed a lack of confidence in sharing their views in front of the full PA.
- Some CPs expressed concerns about raising critical comments and questions diplomatically in such an open setting.
- Debate was sometimes dominated by some individuals.
- The “horseshoe” table format restricted lively debate. Many interviewees suggested creating more side-meeting roundtables focused on specific topics.

- A perception that “there is an unwritten rule that donor countries ultimately decide”⁴³, rather than true consensus in decision-making.

On the other hand, some CPs were concerned by what they perceived as an inability to translate discussion into decision-making, due to too much discussion, and diplomatic sensitivity which prevented CPs from speaking frankly.

“There is too much diplomacy in the PA; it’s hard to ask difficult questions. As a donor we sometimes feel we have to approach the Secretariat in advance if we have doubts and concerns. This just serves to move the discussion away from the PA – things are no longer debated at the table.”

– CP

As a result, some CPs expressed a desire for CP-only side-meetings, to allow them to coordinate responses, make decisions, or for more formalized coordination between CPs to be built into the PMR’s governance and decision-making. Some ICPs also suggested having separate ICP side-meetings to allow them to “feel confident putting forward their views during the Partnership Assembly”⁴⁴.

“There’s an issue with donor coordination. There is no formal process for this, and although the donor group sometimes takes initiative to meet ahead of the PA, this is hard to arrange. There should be a formal demarcation in the decision-making process for donors to speak in private. The current approach makes it difficult for donors to really push hard on MRPs. Expert reviewers are under pressure to give a balanced view to PA. It’s extremely moderated, and not direct enough.”

– CP

“Exchanges across PMR (e.g. at PAs) are becoming more formal, not as frank as they used to be. It is becoming more formal/negotiation style (like UNFCCC). Donors seemed to be more ready to discuss feedback and issues at PA in the past, but now they seem to have more coordination between PA which makes PA more formal/less discursive.”

– ICP

However, creation of CP-specific and ICP-specific meetings could have drawbacks as well in terms of limiting the discussion and debate during PA, and threatening the perception of “partnership” which is valued by members, all of which are considered important for creating senior buy-in and facilitating knowledge transfer, as illustrated by the quote below.

The volume of information presented before and during PA meetings is also challenging. The typical agenda for PA meetings is shown in the box below.⁴⁵

⁴³ CP interview

⁴⁴ ICP interview

⁴⁵ <https://www.thepmr.org/events/eventlist>

Typical agenda of PA meetings

1. Opening and introductions: presentations from member countries, the World Bank, and the PMR Secretariat
2. Information/knowledge-sharing: presentations by PMR Participants and Observers to share technical knowledge and relevant policy developments, and presentations of PMR research/reports
3. Presentation of EOIs, Organizing Frameworks, MRPs, and funding proposals from members or prospective members
4. Progress/operational updates on the PMR (including a discussion of progress toward targets)
5. Status update and discussion of the forthcoming year's work plan for each of the PMR programs
6. Presentation of the current budget and next year's proposed budget
7. Discussion of next steps
8. Adoption of decisions, including allocation of funding
9. Closing

While the analysis above identified that transparency, openness and discussion were valued by members and considered important for securing senior buy-in, there is also a trade off in efficiency; challenges of information overload both at PA meetings and in the document review process⁴⁶ were raised, particularly by CPs. Some participants thought that documentation provided by the Secretariat cannot be reviewed in depth prior to PA, and that important questions and issues are sometimes lost in the volume of information.

This point was especially critical to CPs, who recognize a need to carefully review and provide feedback on MRPs but felt that they did not have sufficient time to do so. Failure to review MRPs in detail was identified as a risk for decision-making, with one CP stating that delays in implementation can often be traced back to flaws in MRP design.

“Reviewing the MRPs is the main element of PMR. But many people do not fully read the MRP in detail, which is a risk towards the decision making at the PA.”

- CP

⁴⁶ As noted above, participants are given 14 days ahead of PA meetings to review and comment on documents on which decisions will be taken.

5.1.2 ICP and TP selection process

In regards to membership processes, the PA formulates eligibility criteria, reviews and approves expressions of interest (EOIs) from interested potential members, and evaluates and endorses MRPs and proposals.

To join as an ICP, the prospective member submits an EOI to the PA and is confirmed as an ICP at a PA meeting. The ICP then is eligible to submit a request for PMR Preparation Phase Funding of US\$ 350,000 to formulate the MRP. The PA considers that the process of joining is well-established, and the Secretariat has proposed expanding the maximum number of ICPs to 20. At the time of reporting, there are 19 ICPs, compared to 16 who joined during the first year of the PMR (between April 2011 and October 2012)⁴⁷.

The TP category was introduced in 2014 following discussions on the strategic direction of the PMR at PA14, in response to growing interest in the PMR and changes in the market context. TPs are countries or sub-national jurisdictions at an advanced stage of carbon mitigation policy development, and they are primarily involved in the PMR to share knowledge and collaborate with the PMR, although they can receive funding under special circumstances. They do not have voting power in the PA. The total number of TPs at the time of reporting is nine.

While the PA is given responsibility for numerous aspects of membership, a theme raised by both CPs and ICPs in the interviews was that there has been a lack of clear strategy for enlarging the PMR over time. ICPs first learned about the PMR through a variety of means, but this often didn't appear to be part of a coherent PMR or country strategy and instead was often due to chance encounters or conversations. This raises risks to the relevance of the PMR's support.

"It would be good to know more about World Bank activities with other countries. Sometimes I'm surprised at suggestions for new TPs or ICPs. I would like the Secretariat to be more transparent with donors on this."

- CP

The creation of the TP category has also raised questions; while the rationale for including some sub-national jurisdictions seemed clear, it was less clear to some interviewees why some TPs had a voice at the table without contributing as donors. Expanding TP participation to other countries – for example to additional countries in Africa – with similar characteristics to existing TPs was also recommended to foster regional coordination. Some TPs are also receiving grant funding (albeit at lower levels than ICPs), while others are defined as "non-assistance receiving", adding to the confusion about the role of TPs.

5.2 The PMR Secretariat

Within the World Bank, the PMR Secretariat sits within the Carbon Markets and Innovation team which manages several other programs, including the Carbon Pricing Leadership Coalition and Carbon Pricing Intelligence Unit, and is staffed by 27 people, around 10 of whom work on the PMR. The Secretariat is managed by the PMR Coordinator; previously, this was a full-time position, but currently, the evaluation period, the Program Manager for the Carbon Markets and Innovation team holds this role. In principle, each of the PMR workstreams has a designated

⁴⁷ PMR 2013 Annual Report, available at https://www.thepmr.org/system/files/documents/PMR%20Annual%20Report_2013_FINAL.pdf

lead within the Secretariat. Further, the work of the Secretariat is supported by 19 regional Task Team Leaders (TTLs), who also support ICPs and delivery of the PMR grants. As noted in Section 3 of this report, beyond the TWP lead, there is no core group/team assigned for the TWP, and instead, development of knowledge products is usually led by the Carbon Markets and Innovations team alongside the TWP lead.

In interviews, CPs, ICPs and TPs noted that they appreciated the Secretariat's work, particularly around preparing for and facilitating PA meetings, helping participants navigate the World Bank policies and processes, and helping move MRPs forward.

“The staff of the PMR makes themselves available to all members equally, and that seems to be appreciated by many.”

– TP

Secretariat staff members noted, however, that they were stretched, and that turnover in the team had caused issues with continuity as well as making it difficult for the Secretariat to maintain its profile within the World Bank, particularly as the Carbon Markets and Innovation team has gone through some restructuring during the evaluation period which temporarily resulted in staff no longer being exclusively dedicated to the PMR. Some interviewees recognized that the PMR has a relatively small budget within the context of the World Bank, which therefore may make it more difficult for the Secretariat to receive central support and advocate for changes in World Bank processes requested by PMR participants. For example, the grant agreement process is a time-consuming administrative process, as discussed in Section 3.

The Secretariat plays an important role in technical delivery of the PMR's support, for example through overseeing development of workshops and knowledge products, and inclusion of experts in the PMR's activities. Yet, ICPs in interviews reported primarily liaising with World Bank staff to resolve operational, rather than technical, issues due to the staff's high workload and the heavy administrative requirements of World Bank processes.

“The heavy workload of World Bank staff gives them limited time to support ICPs. Our focal point is very supportive, but we understand he has a lot of countries to manage, and there are time limitations to receive his feedback. Our contact with them is more around operational issues not technical issues, we haven't discussed any technical points with them.”

– ICP

The Secretariat also plays a key role in coordination with other initiatives. However, numerous ICPs and CPs noted that coordination could be enhanced or expressed uncertainty about to what extent coordination was taking place. Therefore, the evaluation recommends that communication on how this is being achieved (and with what results) could be enhanced, especially as more actors become involved in this space.

As has been discussed earlier in this report in Section 2, there are examples of coordination efforts being made. However, to the extent that these co-ordination activities are being undertaken, some CPs and TPs said that they would appreciate further communication on these efforts and further clarity on the roles and remits of others active in this space, such as ICAP and regional initiatives. Some participants were also keen to understand more about how the PMR was making best use of the World Bank's own network of country offices.

“I have queries on ICAP. I know it has long-running collaboration with PMR on ETS, but I wonder if the technical objectives of PMR are covered by ICAP and so there is too much overlap? ICAP already has both national and sub-national members and an active exchange for technical partners, such as California.”

– CP

“There are other World Bank initiatives; they need to look at how they complement each other. It would be nice if there was more complementarity; should the PMR be facilitating high-level dialogues on policy when the CPLP is already doing this for example? Should they not be tapping into other initiatives of the World Bank? It becomes a challenge for recipient countries to deal with multiple entities.”

- ICP

“The PMR could also do more to link to other bigger investment opportunities that come from the World Bank. This could trigger or motivate ICPs to move forward faster.”

- CP

Another area of responsibility for the PMR Secretariat is budget management and the communication across the PA of disbursement against allocated budgets for each Work Program. This was not an area of the Secretariat's role that received much spontaneous feedback from PA stakeholders interviewed during the evaluation. However, the evaluation team observed the budget presentation, and subsequent discussion, at PA18, and based on this observation, it is the opinion of the evaluation team that earlier, and more transparent communication of the status of the PMR budget may have been helpful for the PA. In spite of documentation on the current financial year expenditure and approaching fiscal year budget proposal⁴⁸ being circulated in advance of the PA (alongside a large volume of other documentation which has already been highlighted as a challenge facing participants), a number of participants appeared surprised by the information presented around budget constraints. This suggested that even earlier circulation of budget information, or a more ongoing approach to providing updated budget information and implications, may have supported the PA to feel better prepared for this discussion. This also linked to surprise on the part of some ICPs who had proposals for additional funding declined, having previously understood their application for such funding to be encouraged by the Secretariat. The discussion at PA18 led some CPs to request more active, and transparent reporting of grant disbursement against grant allocations on the part of ICPs, and earlier communication of budget issues by the Secretariat.

⁴⁸ https://www.thepmr.org/system/files/documents/PMR%20Note%20PA18-2018-01-Statement%20of%20FY18%20Expenditure%20and%20FY19%20Budget%20Proposal_FINAL.pdf

5.3 Chapter summary: Governance of the PMR

KEQ 2.2 How effective is the PMR's governance model, which follows a "partnership" approach to decision making, at achieving PMR objectives?

KEQ 3.2 How efficient is the PMR's governance model in terms of resource use and timely decision making?

The PMR's partnership model is unique and highly valued, with participants (including CPs) appreciating the familial, equal atmosphere created. As noted elsewhere in the report, this approach and the spirit it has fostered contribute to knowledge exchange and to building stakeholder ownership for capacity development and policy change, which is generally considered critical for achieving sustainable development results.

There are some calls for greater transparency around membership, especially regarding the role of TPs and the strategy for expansion. Mechanisms for making potential countries aware of the PMR were unclear, which may mean the PMR isn't reaching countries that could benefit the most from its support. Further, ICP needs are diverging, and the PMR will need to consider in the future whether its focus will be on preparation or implementation stages or both, and what this means for membership. Global needs for the type of support the PMR offers (taking into account countries who may potentially be interested in PMR support) should also be considered as the membership strategy is developed, to ensure that the PMR delivers the most relevant support.

The consensus-based approach to decision-making is also unique, but the evaluation revealed some mixed views on this. While most decisions have been successfully achieved through consensus, there are concerns as to how informed these decisions are due to information overload, and how participatory the decision-making truly is, with some members speaking more than others and some interviewees from CPs and ICPs alike feeling unprepared to share their views in such an open setting. This may place a greater onus on the Secretariat to play a strong role in assessing the quality of proposals; however, there are risks to this: first, the Secretariat may not have the capacity to do this, and second, in the long term, this could erode the validity of the partnership approach if partners no longer see discussion as impactful.

These concerns have already led to separate side-meetings among CPs taking place informally, and some participants (both ICPs and CPs) have called for formal side-meetings, while some CPs have called for more formalized CP coordination and decision-making to be embedded in the PMR governance. However, this may risk jeopardizing the spirit of partnership which elsewhere in the report has been noted to be key to the PMR's success.

The Secretariat's function is well appreciated, and the staff's expertise, availability and support are valued by participants. However, the Secretariat is stretched, and a temporary restructuring of the wider Carbon Markets and Innovation team led to a sense that the PMR did not have dedicated staff, although this has now been reversed. Capacity limitations hinder the Secretariat's ability to support ICPs and to coordinate with other initiatives, both of which are opportunities to enhance the PMR's overall effectiveness.

6. Lessons learned and Recommendations

KEQ 5.1 What can be learned from the PMR's experience thus far to help enhance its relevance, effectiveness and efficiency, strengthen its governance and management, and better guide carbon pricing and other market readiness interventions in the future?

A key aim for this evaluation was not just to look back at the performance of the PMR to date, but also to look forward to identify ways in which the PMR can continue to be as effective, efficient and relevant as possible over its final two years. This section therefore reflects on what has been learned across the breadth of the evaluation in the preceding chapters and provides a summary of lessons learned.

While it was not within scope of the evaluation to recommend the approach for any successor program to the PMR, this section does draw on the evaluation's learnings to offer key considerations for the design of specific processes and activities which may form part of a PMR successor, or indeed any other, programs seeking to support country participants through collaboration and knowledge exchange.

6.1 Recommendations for the remainder of the PMR program

6.1.1 Encouraging greater peer-to-peer learning, particularly the sharing of implementation lessons

To further improve the effectiveness with which PMR-generated knowledge informs efforts on carbon pricing, it will be important for the PMR to remain alert to the evolving needs of its participants, particularly as they move deeper into implementation phases. It will also be important for the mechanisms with which PMR-generated knowledge is exchanged to respond to this different environment, with less need for formal channels communicating top-down learning, to much more active peer-to-peer exchanges on practical implementation. The following recommendations are made to support this:

- ICPs more advanced in their implementation should be encouraged to share their experiences of common MRP components or processes in order to pass on learning to other ICPs approaching these stages. This could help with efficiency gains and ultimately increase the level of progress and impact of the PMR within its lifetime. This type of practical knowledge-sharing could take place in side events focused on certain instruments and addressed to the countries that are working on those, e.g. on ETS, international markets, taxation, to deepen the discussion. Subgroups of countries forming "communities of best practice" (such as defined by carbon pricing instruments, delivery model or region, as appropriate) could exchange knowledge and experience, with the aim to dive deeper into technical and implementation issues of relevance to the shared group. Facilitating exchange visits (for example, between an ICP with a specific support need associated with the experience of a TP, a CP or a more advanced ICP) could also be an effective way of sharing experience that impacts on implementation progress. During such an exchange, these PMR participants could work together on developing a specific part of the carbon pricing system, for example, supporting the drafting of laws to implement the carbon tax system, or conducting a first round review of ETS monitoring plans. Encouraging the PMR's spirit of partnership on these types of issue would be

welcomed by its participants, as it would encourage the exchange of views that currently tend to happen at specific milestones (such as when presenting MRPs or ISRs).

- Connected to the above, and in relation to the mechanisms and forums used to encourage this peer-to-peer learning, there is a need to **define more clearly the function of the PA meetings as the PMR moves into its final stages; whether this is decision-making or knowledge-sharing, and to subsequently prioritize that function.** The PA meetings could, for example, have more strongly curated or tailored workshops, with more of the status updates facilitated through dashboard reporting made available online, and more of the decision-making moved into webinars or subgroups in-between full PA meetings.
- **The PMR should provide more flexible ways to participate in knowledge-sharing and relationship building.** The use of online communication channels to facilitate further ongoing (but also efficient) communication, as well as introducing video-conferencing might increase the possibilities of further countries participating either in PA meetings and/or in international workshops. The hosting of online communities within a structured e-platform could also be explored as a means to connect participants based on their topics of interest.
- **Consider revising the primary function of the TWP to focus on synthesizing the PMR's "lessons learned" , creating a mechanism and outputs to help capture and share in-country implementation success (and challenge) stories from PMR participants.** This could be supported by expanding the current requirement for a "lessons learned" output from ICPs as part of the annual ISR, to be required on completion of key MRP components, completion of the MRP overall and in subsequent implementation years. Such a requirement could also be contained within Terms of Reference for all consultants delivering components of MRPs. These outputs could provide process learnings of wider applicability (for example, how to organize effective stakeholder engagement). Given resource constraints in the final years of the PMR, it is understood, and felt right, that the TWP is focusing less on the generation of new handbooks (given the core topics have now been addressed), but there could be a role for this workstream in synthesizing these lessons learned outputs and communicating them across the partnership. The TWP could also facilitate capturing lessons learned or cases emerging out of the affinity or subgroups described above. Where such topics are too complex to be addressed in guidebook format, a more interactive tool (such as a webinar) or targeted workshop approach may be more effective. Updating existing guidance with more real-time implementation experiences of PMR participants (or case-studies as "addendums") would also be a highly valuable and unique role for the TWP to play.

6.1.2 Minimizing impact of potential bottlenecks during implementation phase and supporting the most efficient delivery against MRPs

To maximize the impact of the PMR it is vital that ICPs are able to progress their implementation plans as far as possible. This will also maximize the learning the PMR is able to gather and share around implementation experiences (to add to the wealth of learning already gathered on the preparation phase). The following recommendations are made to support the smooth and efficient delivery of MRP components:

- **Ensure sight of World Bank Group requirements of key processes at an early stage.** Once grant money is allocated, ensure there is adequate instruction on what to expect in the process involved in getting the

funding flowing. Whilst it is recognized that this will differ depending on the type of grant agreement, a set-piece on the mechanics of this process would be helpful (particularly in light of many PMR clients not sitting within Ministries of Finance, or in other teams with familiarity of such processes) and could then be customized. In addition, earlier sight of other World Bank procedures would help ICPs prepare for key stages, such as when hiring consultants to deliver MRP components.

- **Ensure ICPs have a clear point of contact in the World Bank who can provide support navigating Bank processes.** In addition to written technical guidance, personal guidance from someone deeply familiar with the processes is highly valuable and effective.
- **Continue to share, and actively promote, practical tools that can expedite common processes.** For example, share templates, examples, and learnings around writing effective Terms of Reference for consultant hiring, for assessing technical proposals from consultants, as well as around how to provide feedback on outputs from consultants, and how to know what “good looks like”.
- **Place increased focus on monitoring progress against MRP components and identifying, as soon as possible, any potential underspend.** It is anticipated that some ICPs will not have time within the current PMR program to complete all elements of their MRP. Identifying where this may occur, and supporting ICPs to re-scope their required funding in parallel, may enable the re-allocation of funding to other areas of the PMR, or to other participants, where need could be greater. Alternatively, this increased focus could help identify issues that can be resolved within the implementation timetable. Earlier communication of the PMR budget, and any budget allocation decisions, further in advance of PAs would help the Assembly to be better prepared for these discussions, potentially allowing this to be a shorter agenda item during the meeting itself.

6.1.3 Maximize synergies and cooperation with other initiatives, international and national financiers, and implementing partners to further the rate and scale of progress, and enable the PMR to continue offering value-added support

The scale of impact achieved by the PMR will rely to a degree on the extent to which it can both align and co-operate with other complementary initiatives; this is both to ensure the PMR's own efforts are focused on areas that are value-added (rather than duplicative) and to support the ongoing sustainability of its impacts. The following recommendations are made to support this:

- **Map out potential hand-over points between the agenda of the PMR and the agenda of other initiatives and actors.** PMR has, for example, been seen to be at the forefront of ETS and so it could, in theory, continue to arrange workshops, training, and reports on this topic, but it needs to be careful not to overlap with others who now can also do this, such as ICAP or IETA. Given the breadth of the PMR agenda, it is unlikely to be able to continue taking a lead on such a broad array of topics through its TWP simultaneously, and should more deeply leverage others' expertise and forums to keep momentum going. This would allow the PMR to instead focus on the next topics needing greater support, such as registries or stakeholder engagement, or sharing implementation success stories from PMR participants.
- **Increase leverage of, and coordination with, other initiatives,** explicitly articulating ongoing tasks and functions and the responsible party. There is also value in coordination to facilitate consistency in key

messages and design criteria, to the extent feasible. Further, the PMR should identify the mechanism to update this over time as initiatives evolve and new initiatives emerge. There is also a need to clarify boundaries related to broader outreach – for example, the respective responsibilities across the World Bank Group for liaising with different ministries.

6.1.4 Engage broader audiences in the PMR agenda and its learning to further build and maintain momentum behind implementation and support sustained impact in the longer-term

The sustainability of the PMR's impacts beyond its own lifetime and beyond its own participants will also rely on the extent to which a wider audience can be effectively engaged in its agenda. The following recommendations are made to support this:

- **More broadly publicize and re-package existing material discussed during technical workshops and other activities**, to produce concise outputs that can be used as more general guidance documents for other countries or non-attendees (for example, via executive summary reports or public webinars showcasing new resources or broadcast emails about new resources on Climate-L or similar lists).
- **Encourage greater engagement with private sector stakeholders and civil society organizations during the implementation phase.** Many ICPs are effectively engaging stakeholders during their MRP preparation phase, and at the outset of their implementation phase, but for sustained impact over time all stakeholders need to see and experience the benefit of introducing carbon pricing, and political decision-makers and those involved in the operation of the system (the market actors) need to be engaged. Ongoing and broader engagement as ICPs move deeper into implementation will therefore be valuable. To achieve this, in some cases active cooperation with other parts of the World Bank or other donors may be needed. For example, active cooperation with those programs that focus on communicating political messages around carbon pricing or with departments providing funding for uptake of GHG mitigation and/or adaptation projects for key sectors. Collaboration with other World Bank Group teams to tackle counteractive policies and agendas could also help support wider environments for carbon pricing; which would, for example, have limited (and therefore, non-sustained impact) if energy prices remain subsidized or where energy markets are not liberalized.
- **Explore ways to more proactively encourage bilateral and regional dialogue** whether directly facilitated by the PMR or more informally (for example, seeking active contact with the regional cooperation on carbon pricing in the Americas). The benefit to this is that regional partners can be closer to implementing stakeholders (ensuring increased attention for PMR products and services but also ensuring good alignment with regional needs). There could also be cost-effectiveness benefits from the sharing of resources. Collaborations of this type can also encourage continued attention and help to align momentum of actions and mutually strengthen each other so that carbon pricing messages are consistently repeated. Such regional exchanges could be supported and kept active in an efficient way through e-platforms.

6.2 Considerations for the design of key processes and activities in future programs

Lessons learned from this evaluation also highlight key considerations for any successor or other similar program. Adding to the recommendations above, this section focuses on learnings about elements of the current PMR program which have now passed (for example, the review of MRPs given all ICPs in the current program have now progressed through this process). It is acknowledged that any successor or other future program may not comprise the same processes or stages as the PMR; for example, there may not be an MRP process in the same way as the PMR, and the Partnership Assemblies may take a different format and function. Nonetheless, the following learning, which is based on an evaluation of the PMR and its processes, may still have some relevance for the equivalent processes established in another program.

6.2.1 Key considerations for participant activity planning and approval stage (i.e. equivalent to the PMR MRP approach):

The following lessons have been learned from this evaluation about how to run an effective MRP (or equivalent) review process that maximizes the opportunity for participating countries to have the best starting point for their country-based activities; through facilitating effective engagement and participation in the review and ensuring feedback is provided at impactful points in the planning and preparation process.

- **Provide and disseminate 'concept notes' early in the process of activity planning and preparation** – these would provide an overview of the anticipated direction of the activity (for example, any known instruments of interest, or expected components) and could be used to flag any anticipated challenges. There could be a general one or templates for paths already known e.g. one for very early stage implementers who would like support in determining direction; and/or one for a planned ETS, and one for planned carbon pricing. This could enable ICPs to invite, and receive, earlier tailored input and advice on direction and to 'course-correct' where necessary e.g. to clarify the sequencing of steps needed, such as having a sufficient MRV system in place before considering caps and allocations for an ETS.
- **Retain an independent expert review role** as this is greatly valued by donors and provides a further check on the quality and coherence of proposals. However, review the structure and format of expected review outputs to help facilitate consistency of breadth and depth (using a template for example). Independent reviewers could also help to ensure there is a clear intervention logic for the planned activity to provide the optimal foundation for work in the implementation phase.
- **Consider a two-stage review process following Expert Review starting with a small initial scrutiny review team** who review the full proposal before opening up (potentially, summary version or presented in more creative, visual format) MRPs to further comment. The scrutiny team could either be populated by volunteers from within the PA or via targeted selection based on expertise. An initial presentation of the proposal could also be made by the ICP to the scrutiny team so that this takes place in an environment more conducive to constructive challenge (i.e. not too 'public').
- **Include requirement for maximum 3-page high-level summary within each proposal.** This can be used as a stand-alone document to communicate to national policymakers and the wider audience.

- Encourage ICPs to open up their activity planning and proposal preparation process to a wider range of **national stakeholders** (such as in the private sector, as well as more political audiences, as relevant for the proposed direction) as sustained impact over time is achieved when all relevant national stakeholders have been involved and support the implementation of carbon pricing. While the PMR has effectively opened up capacity building to a wide range of stakeholders, more can be achieved by opening up an even larger part of the PMR (or successor program) activities to the wider audience – such as involving market actors in the discussions of MRPs.

6.2.2 Key considerations for encouraging effective participation (including lessons learned for format and process of Partnership Assembly meetings – or their equivalent)

The following lessons have been learned about how to facilitate effective engagement of Fund participants and stakeholders, whether this be through similar processes to those employed during the PMR (namely, Partnership Assemblies) or through other forums.

- Ensuring PA meetings (or their equivalent), or workshops, continue to have (and increased further beyond the current PMR approach) a mixed format with a variety of plenary sessions (incorporating different media for communicating key messages, such as video), small group table-based discussions and side-events targeted at narrower topics of interest to specific sub-groups that facilitate participant interaction and knowledge exchange.
- Building in sufficient informal time within the agenda of meetings, as this is where much of the relationship building and peer-to-peer exchange between participants happens.
- Improving the efficiency of administrative and organizational matters during PA meetings, could help to create “space” in the agenda items for the recommendations suggested above. For example, agenda items such as the presentation and discussion of the PMR budget could be facilitated via electronic information sharing and Q&A prior to the PA, with only a short summary presentation, Q&A and voting included within the in-person meeting.
- Consider virtual meetings of entire PA and/or subgroups in-between in-person gatherings as needed to ensure agenda items are addressed timely yet to optimize use of necessary travel.

6.2.3 Key considerations for approaches to governance and decision-making

While the equality enshrined in the current PA approach to decision-making is valued, it is worth considering whether the precise one vote per participant construction for all decision making is still optimal depending on future priorities. There may, for example, be value in differentiating between decision-making on financials and operations on the one hand and content decision making (such as voting on technical support or MRPs) on the other hand. The decision-making mandate of a program Secretariat would also need to be defined alongside this. An expanded role for the Secretariat, which allowed for some changes in financial and operational issues without going to a full vote, could be a way to improve the efficiency of program governance.

To further support PA decisions on budgeting, as well as to better monitor progress within ICPs, a more detailed breakdown of country expenditures and an assessment of expenditures relative to planned expenditure, should be provided by each ICP at PA meetings.

6.2.4 Lessons learned on how to encourage effective knowledge exchange

In addition to the lessons highlighted in the section above, a future program may wish to consider that:

- In-person exchange is highly valued (at workshops, and PA meetings) but this is resource-intensive and difficult for some participants to manage.
- Increased co-ordination and deeper strategic thinking may be needed in a future program to identify gaps for TWP-equivalent activities given this space is more crowded now and this comes with risks of duplication of effort and inefficiency. Added value could be found, for example, in a shift towards facilitating more active peer-to-peer exchange, such as via an online platform. Knowledge exchange could be supported through a Q&A function, where participants are encouraged to respond to posted queries from others (with a program administrator ensuring questions are addressed). In addition, a platform such as this could provide active monitoring of progress towards target achievements (providing an overview for all participants, but also stimulating an element of competition to demonstrate progress in implementation).
- Consider deeper participation of PMR participants in developing and providing inputs for technical outputs.

6.2.5 Lessons on the most effective type of support to offer participants

A strategic view will need to be taken on the focus and role of a successor program relative to existing participants as well as other initiatives. There will be a need to define the unique space the successor program will hold, which includes reassessing which mechanisms it wishes to support and to what degree.

If a similar construction continued, the findings of this evaluation would point to the inclusion of upstream policy analysis as a core activity i.e. combining the PAWP within MRPs. Allowing for larger overall proposals may be accompanied with more staging and re-assessment points to ensure continued relevance yet within the context of a longer-term plan.

Appendices

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1 Summary of Evaluation Approach and Implementation

The implementation of the Second Independent Evaluation of the PMR has followed the methodology presented in the Inception report⁴⁹. No deviations of note have been made to the evaluation scope and framing, data collection approach or analysis and synthesis methods. As such, a summary of the approach taken to the evaluation is presented here, and through the subsequent Appendices, but further detail is available in the full Inception report.

As stated in the Inception Report, the approach to deliver this evaluation has been a theory-based approach. During the inception phase the evaluation team developed a theory of change for the project that has been used to draw conclusions about whether and how the PMR achieved the results. The theory of change was complemented with a contribution analysis framework that helped the evaluation team assess the outcomes and impacts achieved, and the contribution of the PMR to the observed results. More information on the contribution analysis is provided in Appendix 4.

The evaluation was grounded in the following key principles:

- **Enabling effective and comprehensive stakeholder engagement** by ensuring all ICPs, CPs and TPs, were offered a convenient channel through which to participate;
- **Providing a broad, overall assessment of the effectiveness of the PMR at a program-level**, through broad engagement across a wide stakeholder group, including the broader market readiness community, supported by in-depth case studies in three countries;
- **Providing analysis of which specific components of PMR support are driving the PMR's overall effectiveness**, and exploring any barriers to effectiveness and how these have been managed by the PMR;
- **Centered on an assessment of the relevance, effectiveness and efficiency of PMR support** based on OECD/DAC criteria, and, although still early in the PMR delivery process, the direction of travel towards the fourth and fifth criteria of impact and sustainability;
- **Providing both backward-looking and forward-looking assessments** of what has been done to date and what could have been done better, and what could be done better going forward to maximize the effectiveness, efficiency, and relevance of the PMR's support, with a particular focus on identifying lessons learned to inform the immediate next two years of delivery under the current PMR as well as longer-term lessons for the future of the PMR under Phase 2; and
- **Contributing to continuous real-time learning** through dissemination of formal evaluation outputs at PA17 and PA18 conferences, as well to the PMR Monitoring and Evaluation Working Group and PMR Secretariat through presentations and discussions at key milestones.
- **Participatory approach to the evaluation** by engaging the PMR Monitoring and Evaluation Working Group, and the wider Partnership Assembly to provide feedback on the deliverables. Regular Skype meetings have been held with the PMR Monitoring and Evaluation Working Group, where the evaluation team presented the methodology,

⁴⁹ Inception Report available at: https://www.thepmr.org/system/files/documents/PMR%20Evaluation%20Scoping%20Report%20DRAFT%20101017%20-%20Submitted%20to%20PA_final.pdf (accessed on 13 July 2018)

preliminary findings, conclusions and recommendations, as well as introductions to the structure of the deliverables. The PMR Monitoring and Evaluation Working Group were given the opportunity to provide feedback during these meetings, as well as written feedback, and all comments received were considered by the evaluation team during project (a similar process was facilitated through the Partnership Assembly meetings for the Inception Report and Early Findings presentation) This process has been key to communicate the evaluation results and to give PMR stakeholders ownership of the evaluation.

Approach to analysis and synthesis, including minimization of bias

This Appendix sets out the methods used to gather data from a broad stakeholder base through various strands of the evaluation. It also sets out the frameworks that have guided the collection, and subsequent analysis of this evidence i.e. the evaluation framework and the Contribution Analysis framework which guided the impact evaluation. During the analysis phase, primary and secondary data from across all the evaluation's work strands were triangulated in order to answer the evaluation questions as set out in the evaluation framework.

Where triangulation of sources was not possible due to lack of additional sources to compare with, it is indicated as such within the reporting. In this instance, evidence is presented as the opinions of a certain group of stakeholders, rather than factual information (ex. "According to X type of interviewee..."). The inclusion of such evidence is limited and concentrated in areas where there were divergent opinions that the evaluation team considered were important to acknowledge. Indeed, it is a common challenge to the synthesis of the outputs from multiple data collection and analysis strands that contradiction in the findings produced has to be dealt with. A "weight of evidence" based principle was applied, in which the evaluation team considered the reliability and validity of each piece of evidence to minimize bias. The weight given to evidence depended on the type of data collection method, the level of stakeholder engagement, and the evaluation question being addressed (whether questions could be answered directly or indirectly through available evidence). Biases in the provision of information by the consulted stakeholders have been handled carefully by the evaluation team. During the scoping phase, the team carried out monitoring information analysis, literature and familiarization interviews that helped the team understand the particularities of the intervention and identify possible biases among the different types of participants. Acknowledging possible biases before and during the consultations, as well as during the analysis phase, allowed the evaluation team to make objective judgments of the information collected. To ensure there was also limited evaluator bias, the analysis has drawn on evidence reviews conducted across different members and organizations in the evaluation team. Cross-team analysis and synthesis sessions were held in advance of each of the key deliverables to assist this process.

Review of any evaluation implementation challenges

As stated above, the evaluation has followed the methodology presented in the Inception report, with no deviations of note. This has been achieved thanks to regular communication with the PMR Secretariat, who supported the evaluation team in ensuring a high level of participation among stakeholders. This, together with a flexible work plan (the data collection phase was lengthened, and included face-to-face engagement around the Partnership Assembly meetings, to further facilitate participation), ensured high response rates were achieved in both the survey and the in-depth interviews which was critical to the evaluation's success. Indeed, the number of interviews conducted in the case-study strand exceeded those planned, and the evaluation team would like to extend their thanks to the invaluable support, and input, of the in-country teams. The main analytical challenge for the evaluation was the assessment of outcomes and impacts. This is discussed in length in the Inception report and the selected approach based on a Contribution Analysis approach is set out in Appendix 4 of this report.

2 Evaluation framework

| Evaluation Questions | | Indicators | | | |
|----------------------|--|--|-------------------------|--|--|
| 1 | Relevance | PMR logframe indicators (<i>see full logframe in Annex for targets</i>) | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 1.1a | How relevant are the PMR objectives and activities within the current international context? | | | -Alignment between PMR objectives and Paris agreement -Alignment between PMR objectives and WB policy frameworks for GHG mitigation | External literature review |
| | | | | -Perceived relevance of PMR objectives (and linked activities) by external stakeholders (e.g. civil society, other international institutions) | Survey |
| | | | | Perceived relevance of PMR objectives (and linked activities) by internal stakeholders (PMR Secretariat, ICPs, TPs, CPs) | In-depth interviews |
| 1.1b | To what extent, and how, is the PMR's governance flexible to respond to changes in the international and the national contexts? | 1.2 Number of countries that have applied for additional PMR funding to move their initial proposal closer towards implementation. | PMR document review | - Perceived flexibility by ICPs to modify their MRP in line with relevant changes in the national regulatory framework or policy strategy - Perceived relevance of PMR support for helping ICPs meet other broader objectives (e.g. their Paris agreements) | In-depth interviews Case-studies Survey |
| 1.1c | Is the PMR providing relevant support to participating countries in a) the preparation phase and b) the implementation phase to design, pilot and implement carbon pricing instruments and/or core technical components for GHG mitigation? If not, why? | | | - Alignment between in-country PMR activities and national policy frameworks for GHG mitigation | PMR document review |
| | | | | -Perceived relevance by ICPs of PMR support for: development of MRP; upstream policy support; technical advice and training; piloting and testing; knowledge sharing. | In-depth interviews Case-studies |
| 1.1d | Is the PMR creating, and maintaining, a relevant knowledge base on carbon pricing instruments that can facilitate relevant information exchange and policy discussions in the current international and national contexts? If not, why? | '1.2.3 A global communication strategy guide on engagement of public and private stakeholders developed by PMR by 2020 | | - Number of downloads of PMR-led documents (from PMR website, PMR Knowledge Centre, WB Open Knowledge Repository) | MI analysis |
| | | 1.2.4 Number of in-country inter-ministerial coordination mechanisms in place by 2020 | | | Survey |
| | | 2.1.5 Online information sharing vehicles (website, newsletters, annual reports, etc.) established and regularly updated | PMR document review | -Proportion of surveyed external stakeholders aware of key PMR outputs - Perceived relevance of PMR-led knowledge base among external stakeholders (e.g. civil society, other international institutions) | |
| | | 2.1.3 % of PMR participants who evaluate the events as demand-driven and technically relevant in events' exit evaluation surveys | PMR document review | -Perceived relevance by ICPs of knowledge shared via: PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters | In-depth interviews Case-studies Survey |
| 1.1e | What complementarities, synergies, overlaps or disconnects are there between PMR workstreams? | | | - Level and nature of overlap of objectives set for each work program, and to what extent they complement each other, if at all, in their contribution to overall PMR objectives - in theory and in practice | PMR document review In-depth interviews Case-studies |
| | | | | - Perceived value added of PAWP by ICPs, TPs and CPs. - Perceived value added of TWP by ICPs, TPs and CPs. | In-depth interviews Case-studies Survey |

| Evaluation Questions | | Indicators | | | |
|----------------------|---|--|-------------------------|---|---|
| 1 | Relevance | PMR logframe indicators (<i>see full logframe in Annex for targets</i>) | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 1.1f | What complementarities, synergies, overlaps or disconnects are there between PMR-funded activities and other programs and activities (at World Bank, national or international levels) also addressing carbon pricing? | | | - Number and nature of initiatives i) within World Bank, ii) external to World Bank, with overlapping objectives with the PMR, and to what extent they complement each other, if at all, in theory and in practice | External literature review In-depth interviews Case studies Survey |
| | | | | - Perceived complementarities/synergies/duplications by national and international stakeholders | Survey In-depth interviews Case studies |
| 2 | Effectiveness | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 2.1 | To date, how EFFECTIVELY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction? | | | | |
| 2.1a | How effective are the PMR activities overall at supporting participating countries in building their capacity to adopt appropriate carbon pricing/and or other market instruments and/or to develop the core technical components? | 1.1 Number of countries that have initiated the implementation phase and plan to complete it by 2020 1.3.1 % of the capitalization of the PMR funding committed | PMR document review | Expanding logframe indicator 1.1 to also assess: -Number of countries that have assigned a governmental body to take responsibility for the implementation of the carbon market instrument -Number of countries that have initiated writing draft legislation to introduce a market-based instrument to address climate change within 18 months of MRP completion | PMR document review |
| | | | | -Perceived effectiveness by all stakeholders of the PMR activities | In-depth interviews Case-studies Survey |
| 2.1b | How effective is each work program at meeting its specific objectives? | 1.2.1 Number of country-led analyses completed by 2020 2.1.1 Number and types of technical workshops, guidebooks and notes; technical trainings; webinars and e-courses/e-learning held by 2020 2.1.2 % of participants who express satisfaction with events held through events' exit evaluation surveys 2.1.4 Number of upstream analytical analysis (country, regional and global) completed by 2020 | PMR document review | -Perceived effectiveness by all stakeholders of the work program activities | In-depth interviews Case-studies Survey |

| Evaluation Questions | | Indicators | | | |
|----------------------|---|---|---|---|---|
| 2 | Effectiveness | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 2.1 | To date, how EFFECTIVELY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction? | | | | |
| 2.1a | How effective are the PMR activities overall at supporting participating countries in building their capacity to adopt appropriate carbon pricing/and or other market instruments and/or to develop the core technical components? | 1.1 Number of countries that have initiated the implementation phase and plan to complete it by 2020 1.3.1 % of the capitalization of the PMR funding committed | PMR document review | Expanding logframe indicator 1.1 to also assess: -Number of countries that have assigned a governmental body to take responsibility for the implementation of the carbon market instrument -Number of countries that have initiated writing draft legislation to introduce a market-based instrument to address climate change within 18 months of MRP completion | PMR document review |
| | | | | -Perceived effectiveness by all stakeholders of the PMR activities | In-depth interviews Case-studies Survey |
| 2.1b | How effective is each work program at meeting its specific objectives? | 1.2.1 Number of country-led analyses completed by 2020 2.1.1 Number and types of technical workshops, guidebooks and notes; technical trainings; webinars and e-courses/e-learning held by 2020 2.1.2 % of participants who express satisfaction with events held through events' exit evaluation surveys 2.1.4 Number of upstream analytical analysis (country, regional and global) completed by 2020 | PMR document review | -Perceived effectiveness by all stakeholders of the work program activities | In-depth interviews Case-studies Survey |
| 2.1c | How effective are the knowledge sharing activities between (a) CPs/TPs and ICPs (b) ICPs with each other, at supporting participating countries in building their capacity to adopt effective carbon pricing/and or other market instruments and/or to develop the core technical components? How effective is the role of the PA in facilitating this knowledge sharing? | 1.2.2 In-country and/or global stakeholder engagement workshops held with PMR assistance 2.1 PMR-generated knowledge is assessed as effective and bringing value-added to the development, piloting and/or implementation of carbon pricing instruments by PMR participants 3.1.1 Number and quality of PA Meetings, Side Events, technical discussions and country-to-country exchanges held by PMR by 2020 | PMR document review | -Perceived effectiveness by all stakeholders of the knowledge sharing activities - Ways suggested by stakeholders to increase participation in knowledge sharing activities and improve its effectiveness - Challenges and barriers identified by stakeholders for the success of the knowledge sharing activities - Factors that underpin the success of the knowledge sharing activities | In-depth interviews Case-studies Survey |
| 2.1d | To what extent, if at all, have the technical exchanges, lessons learned and best practices shared with other institutions (e.g. UNFCCC) informed global policy discussions regarding the use of carbon pricing for GHG reduction? | 4.1 Number of presentations made by PMR staff at UNFCCC technical meetings and with other agencies/institutions 4.2 Joint technical work by PMR with UNFCCC and other institutions undertaken 4.1.1 # of PAs attended by UNFCCC staff 4.1.2 # of technical UNFCCC meetings attended by PMR Secretariat 4.1.3 Number and type of technical work between PMR Secretariat, other technical agencies and institutions completed | PMR document review External literature review | -Perceived extent of, and effectiveness of, PMR-led knowledge exchange informing global policy discussions according to external stakeholders (e.g. civil society, other international institutions) | In-depth interviews Survey |

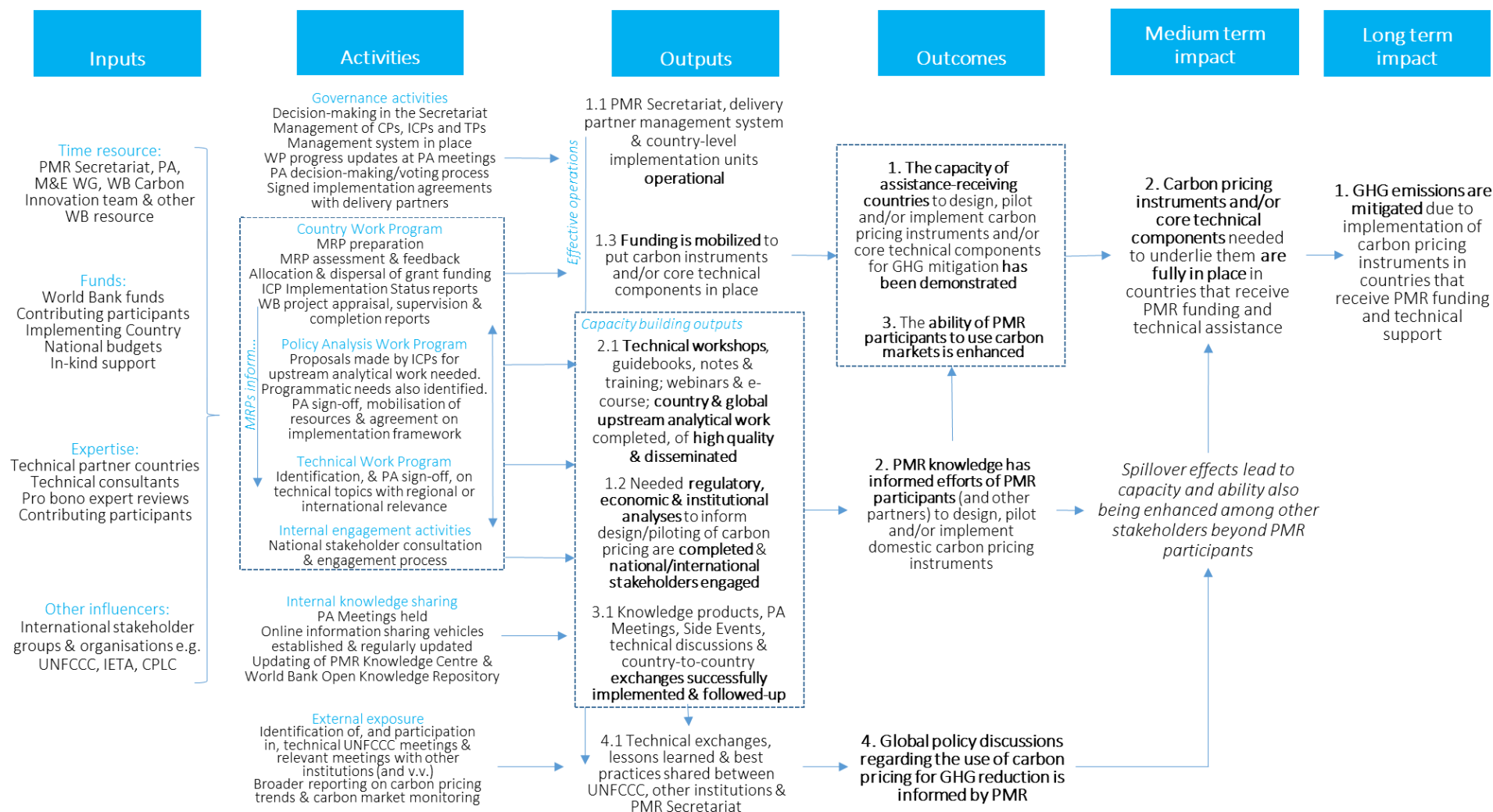
| Evaluation Questions | | Indicators | | | |
|----------------------|--|---|----------------------------|--|---|
| 2 | Effectiveness | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 2.2 | How effective is the PMR's governance model, which follows a "partnership" approach to decision making, at achieving PMR objectives? | | | | |
| 2.2a | How effective is the partnership model at (a) achieving consensus decision-making, and (b) arriving at decisions which support achievement of PMR objectives? | | | -Number of decisions reaching no consensus -Review of PA decisions against PMR objectives - Review of these indicators for PMR partnership model against other possible governance approaches (ex. governance models of other multi-donor trust funds with activities at regional or global level) - Fit for purpose of the governance model against other possible governance approaches (ex. governance models of other multi-donor trust funds with activities at regional or global level) | <i>PMR document review</i> <i>External literature review</i> |
| | | | | - Perceived effectiveness of the partnership model by CPs and ICPs - Perceived inclusiveness in decision-making by ICPs | <i>In-depth interviews</i> |
| 2.2b | How effective is the PMR Secretariat at implementing the direction it receives from the PA on strategy for the PMR objectives? | | | - Perceived effectiveness of the PMR Secretariat by CPs, ICPs | <i>In-depth interviews</i> |
| 3 | Efficiency | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 3.1 | To date, how EFFICIENTLY has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction? | | | | |
| 3.1a | How efficient are the PMR activities overall at supporting participating countries in building their capacity to adopt effective carbon pricing/and or other market instruments and/or to develop the core technical components, in terms of financial and human resources, and timely decision-making? To what extent does it differ for bank-executed and recipient-executed projects? | 1.1.2 Number of country-level project implementation units operational within a year of a signed implementation agreement with the delivery partner | <i>PMR document review</i> | - Time spent to start the implementation phase by country - Time spent in developing the MRP by country - Time spent between the presentation of the MRP and its approval, by country - Time spent until feedback is received, by country and product (MRP, requests for additional funding) - Time spent since approval of MRP until funding is mobilised, by country - Number of staff in each country focal point - Challenges encountered by ICPs to advance the different processes embedded in the PMR | <i>PMR document review</i> <i>Case-studies</i> <i>In-depth interviews</i> |
| 3.1b | How efficient are the internal processes embedded in each work program, in terms of financial and human resources, and timely decision-making? | | | -Review of human resources allocated and timely decision making by work program against volume and effectiveness of activities delivered | <i>PMR document review</i> <i>In-depth interviews</i> |
| | | | | -Perceived efficiency of internal processes within work programs by PMR Secretariat, CPs, ICPs and TPs | <i>In-depth interviews</i> |

| Evaluation Questions | | Indicators | | | |
|----------------------|--|--|-------------------------|--|--|
| 3 | Efficiency | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 3.1c | How efficient are the knowledge sharing activities funded by the PMR (i.e. PA, workshops...) in terms of human and financial resources? | | | -Review of budget and expenditure on knowledge sharing activities with qualitative assessment against volume and effectiveness of activities delivered - Review of adequacy of human resources allocated and timeframes to deliver activities in line with budget | PMR document review In-depth interviews |
| | | | | -Perceived efficiency of knowledge sharing activities by PMR Secretariat, CPs, ICPs and TPs | In-depth interviews |
| 3.1d | What are the complementarities, synergies, inefficiencies or overlaps between the CWP, the PAWP and the TWP in terms of human and financial resources allocated? | | | -Review of indicators for 3.1b and 3.1c across work programs and against indicators for 1.1e | PMR document review In-depth interviews |
| 3.2 | How efficient is the PMR's governance model in terms of resource use and timely decision making? | | | | |
| 3.2a | How efficient is the partnership model in terms of resource use and timely decision making compared to other governance models? | | | - Review of adequacy of financial and human resources allocated to governance activities and its efficiency to: make decisions, integrate feedback from (all) parties, provide coherent guidance to Secretariat and participants - Review of expenditure against funding allocated for governance activities | PMR document review In-depth interviews |
| 3.2b | How efficient is the PMR Secretariat in terms of resource use and timely decision making? | 1.1.1 PMR Secretariat and delivery partner management system in place and functioning by 2011 | PMR document review | -Review of financial and human resources allocated to PMR Secretariat with qualitative assessment against effectiveness of activities delivered - Review of PMR Secretariat expenditure against budget | PMR document review In-depth interviews |
| 4 | Impact | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 4.1 | What have been the principal value-added and catalytic effects of the PMR to date at country and global levels? | | | | Answered through Contribution Analysis |
| 4.1a | To what extent have the PMR funded country-specific activities supported participating countries to design, develop and/or implement carbon pricing instruments? Have there been unanticipated effects, especially relating to GHG emissions reductions? | 2.1 Number and type of carbon pricing instruments that are being designed, piloted and/or implemented in countries that receive PMR support by 2020 2.2 Number and type of core technical components identified in the MRPs that are being designed, piloted and/or implemented in 2020 with PMR assistance | PMR document review | -Reported level of influence of country-specific PMR support (compared to support offered outside the PMR) on carbon pricing design and development among ICPs -Qualitative assessment of unanticipated effects of country-specific PMR support | In-depth interviews Case-studies |
| 4.1b | To what extent have the PMR's broader non-country specific activities supported (a) participating countries and (b) other interested parties to design, develop and/or implement carbon pricing instruments? If not, why? | 3.1 Number of countries involved in the international transfer of mitigation outcomes 3.2 Number of agreements established by PMR participants to link or explore linking carbon pricing instruments | PMR document review | -Reported level of influence of non-country specific PMR activities (e.g. PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters) on carbon pricing design and development among ICPs (compared to support offered outside the PMR) | In-depth interviews Case-studies |
| | | | | -As above for external stakeholder groups | Survey |

| Evaluation Questions | | Indicators | | | |
|----------------------|--|---|-------------------------|--|---------------------------------------|
| 4 | Impact | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 4.1c | To what extent are the lessons learned applied across countries? Are lessons learned gained in one country (for example, where implementation is under way) used to define activities in further/new PMR countries? If not, why? | 5.2.1 Number and types of presentations by PMR Secretariat on lessons learned and best practices on carbon pricing 5.2.1.1 Number of lessons learned and best practices available online | PMR document review | - Perceived helpfulness, and uptake, of lessons shared, by ICPs - Use, if at all, of the PA and other knowledge sharing activities to share lessons learned between ICPs, TPs and ICs | In-depth interviews |
| | | | | - Review of recent MRPs for evidence of lessons learned being applied in design of activities | PMR document review |
| 5 | Sustainability | PMR logframe indicators | Data collection methods | Additional indicators (quantitative & qualitative) | Data collection methods |
| 5.1 | What can be learned from the PMR's experience thus far to help enhance its relevance, effectiveness and efficiency, strengthen its governance and management, and better guide carbon pricing and other market readiness interventions in the future? | | | | |
| 5.1a | What have been the lessons learned by workstream (CWP, PAWP, TWP, Governance) about how to a) improve the relevance, effectiveness and efficiency of processes, and b) build capacity to adopt effective carbon pricing/and or other market instruments and/or to develop the core technical components? | | | Outputs from across logframe | Synthesis across all evidence strands |
| 5.1b | What, if anything, does the PMR need to do differently to respond more appropriately to anticipated future developments? | | | Outputs from across logframe | Synthesis across all evidence strands |
| 5.1c | What indications are there that the national activities supported by the PMR contributed to carbon pricing strategies being further developed with new resources and/or commitment beyond that provided via the PMR? | 1.3.2 Amount in US\$ of in-kind funding committed by countries by the completion of their MRP implementations | PMR document review | - Number of countries with additional in-country funding committed by December 2017 - Number of countries that intend to commit in-country funding beyond the PMR | In-depth interviews Case studies |

Source: Ipsos MORI / SQ Consult

3 Visual Logframe for PMR



Source: Ipsos MORI / SQ Consult (based on PMR Lograme)

4 Contribution Analysis Framework

One of the key aims of the Second Independent Evaluation of the PMR was to explore the extent to which the PMR's activities are successfully contributing to its participants progressing towards the PMR's intended outcomes and impacts (as defined in the logframe). The Contribution Analysis framework helped to guide the evaluation's exploration of outcomes and impacts among PMR participants, and helped to guide its assessment of the extent to which the PMR specifically can be linked to progress against these outcomes, as opposed to a range of external factors and influences. Further detail on the rationale for taking a Contribution Analysis approach to the exploration of the PMR's outcomes and impacts is provided in section 4.2 of the evaluation scoping report⁵⁰.

The Contribution Analysis framework was developed by the evaluation team through the activities described below and drew on the familiarisation interviews conducted during the evaluation's scoping phase, as well as a literature review (of both PMR-related and other initiative-related documentation). The Contribution Analysis framework summarises the findings from these four activities across four columns as indicated in italics below:

- **Developing a Theory of Change for the PMR** overall, and at the level of its intended outcomes and impact – that is, detailing the expected pathway through which the PMR's activities are anticipated to lead to its intended outcomes and impacts. *Summarised in column (ii).*
- **Reviewing the assumptions underpinning the PMR's Theory of Change** – these were detailed in the PMR logframe and are copied here in *column (i)*. As the assumptions detailed in the logframe included a mix of internal assumptions (about the way in which the PMR is expected to lead to its outcomes), as well as external assumptions (about the wider enabling environment in which the PMR is assumed to operate), this text has been reviewed by the evaluation team and relevant assumptions have been split out and then copied across into *column (ii) – internal*, and *column (iii) – external*, as appropriate.
- **Mapping the external factors** that may interact with this pathway, and which may serve to either help or hinder the contribution made by the PMR's activities to each of its intended outcomes and impacts – this is important given the PMR does not exist in a vacuum and a broad range of contextual factors can affect its level of success. *Summarised in column (iii).*
- **Reviewing other complementary or overlapping initiatives** that are also seeking to promote carbon pricing and carbon markets to understand their relationship with the PMR and to develop hypotheses about the way in which they may also support progress towards the PMR's intended outcomes and impacts. *Summarised in column (iv).*

The framework details these elements for each of the four outcomes in the PMR logframe, and also its medium-term impact⁵¹. The first three outcomes are presented in the order Outcome 2–Outcome 3–Outcome 1 as they are considered by the evaluation team to 'cascade' in this sequence (from PMR knowledge informing efforts, to the ability of PMR participants being enhanced, and consequently their capacity demonstrated). Outcome 4 is

⁵⁰ Second Independent Evaluation of the PMR Scoping Report accessible here:
https://www.thepmr.org/system/files/documents/PMR%20Evaluation%20Scoping%20Report%20DRAFT%20101017%20-%20Submitted%20to%20PA_final.pdf

⁵¹ As this mid-term evaluation is occurring before the ultimate impacts from the PMR (GHG emissions mitigated) could be expected to be realized this longer-term impact is not included within this framework.

presented afterwards as a distinct outcome focused on the influence of the PMR on global policy discussions. Finally, the framework presents the medium-term impact of the PMR, which depends on the achievement of all four outcomes.

The framework was used to inform the key areas of exploration during the evaluation's stakeholder consultations, case-study visits and literature review i.e. lines of questioning around the external context and the role played by other initiatives. The framework also guided the analysis of the data collected – providing the theory against which to assess whether the evidence supports or refutes the PMR contribution story as opposed to the alternative performance stories detailed through the external factors and competing sources of support (via other initiatives).

Contribution Analysis framework

| PMR contribution story | | | Alternative performance stories | |
|--|--|---|--|---|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| 2. PMR knowledge has informed efforts of PMR participants (& other partners) to design, pilot and/or implement domestic carbon pricing instruments | <p>2.1 PMR-generated knowledge is relevant and of high quality. Country and global analytical work completed of high quality and disseminated.</p> <p>2.2 Mechanisms to disseminate PMR-generated knowledge are in place and effective</p> <p>2.3 PMR participants consider PMR-generated knowledge necessary to the development and/or implementation of carbon pricing instruments</p> <p>2.1.1 Technical workshops, trainings, webinars and e-courses have been responsive to PMR participants' needs and demands</p> <p>2.1.2 There is demand for the technical guidebooks and notes</p> <p>2.1.3 Resources provided by the PMR have been sufficient to complete the analysis required</p> | <p>All assumptions in column (i) as all internal to PMR. In addition:</p> <ul style="list-style-type: none"> ICPs, TPs and CPs actively participate and engage in the PA meetings. PA meetings, side events, technical discussions and country-to-country exchanges are successfully implemented and followed-up by all participants Electronic newsletters are produced and distributed among PMR stakeholders PMR participants access and use the technical notes and guidance documents produced PMR participants take part in technical workshops, meetings, exchanges and trainings for member countries, webinars and e-learning opportunities PMR generated knowledge is more readily available and/or goes further in | <p>Existing knowledge: PMR participants (and other partners) already have prior experience with instrument in a different context/sector (e.g. trading).</p> <p>Existing inter-country knowledge exchange: PMR participants (and other partners) already have knowledge exchange channels, and feel knowledgeable about experiences of other countries in introducing carbon pricing instruments.</p> <p>Country receptiveness to knowledge generated by PMR:</p> <ul style="list-style-type: none"> PMR participants already have established energy market strategies and policies (e.g. subsidies or regulated energy prices) PMR participants have a political commitment to global targets, policies & protocols PMR participants already have (intent to) linkages to regional initiatives (e.g. path to EU membership implies focus on ETS) Implementing countries are | <p>PMR participants (and other partners) actively participate and engage in technical workshops, carbon market events, webinars and expert exchange organized by other contributing initiatives (such as ICAP or IETA).</p> <p>PMR participants (and other partners) actively use the technical notes and guidance documents produced by other initiatives (such as the guidance from EC on the EU ETS, or from ICAP on ETS).</p> <p>PMR participants (and other partners) actively use knowledge sources (databases, literature lists, etc.) provided by other initiatives (such as the resource hub of the CPLC).</p> |

| PMR contribution story | | | Alternative performance stories | |
|------------------------|---|--|--|---|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| | | adding to resource base compared to other sources. | <p>experiencing economic growth and fuel price increase</p> <p>Enhanced global political commitment stimulates public debate, interest in knowledge generation and use of PMR and other resources to inform efforts in designing, piloting and/or implementing domestic carbon pricing instruments.</p> | |

| PMR contribution story | | Alternative performance stories | | |
|---|--|---|--|---|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| 3. The ability of PMR participants to use carbon markets is enhanced | <p>3.1 PMR participants have received sufficient technical assistance, training and financial support to identify the best approaches, compatibilities and synergies to linking carbon pricing instruments</p> <p>3.2 PMR participants are willing to collaborate and share lessons learned on what works for establishing core components of carbon pricing instruments internationally</p> | <p>All assumptions in column (i) as all internal to PMR, and the achievement of outcome 2 are needed to enhance the ability of PMR participants to use carbon markets.</p> <p>In addition:</p> <p>PMR work increases confidence/ political support for pursuing carbon pricing.</p> <p>PMR demonstrates sufficient flexibility in its delivery of relevant support to meet evolving needs of PMR participants</p> | <p>External factors related to Outcome 2 will interact with ability of PMR to drive progress against Outcome 3.</p> <p>Existing institutional and legal environment:</p> <ul style="list-style-type: none"> - existing legal and regulatory frameworks - existing institutional responsibilities - administrative capacity | <p>Alternative routes to impact related to Outcome 2 will interact with ability of PMR to drive progress against Outcome 3.</p> <p>Other mechanism-specific initiatives have supported countries to increase their ability to develop and adopt their chosen carbon market instrument (for example ICAP for PMR participants developing ETS).</p> |
| 1. The capacity of assistance-receiving countries to design, pilot and/or implement carbon pricing instruments and/or core technical components | <p>1.1 PMR participants have received sufficient technical assistance, training and financial support from PMR and other sources, identified in their MRPs, to design, pilot and implement carbon pricing instruments and/or core technical components for GHG mitigation</p> <p>1.2 Country enabling environment is in place – i.e.,</p> | <p>The achievement of outcome 2 and 3 is needed for the capacity of assistance-receiving countries to use design ad pilot market mechanisms to be demonstrated.</p> <p>PMR participants have received sufficient technical assistance, training and financial support from PMR and other sources,</p> | <p>Country/political enabling environment is in place – i.e., countries are motivated, have approved effective mechanisms for GHG reduction, and allocated sufficient human and budgetary resources for capacity building.</p> <p>This has allowed appropriate policy, legal and regulatory frameworks to be developed, approved and put in place.</p> | <p>Other carbon pricing initiatives have successfully built up capacity at national level to design, pilot and implement carbon pricing instruments (e.g. EC support to national ETS in China and Republic of Korea).</p> <p>ICAP in countries implementing ETS.</p> |

| PMR contribution story | | | Alternative performance stories | |
|---|---|---|---|--|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| for GHG mitigation has been demonstrated | <p>countries are motivated, have approved effective mechanisms for GHG reduction, and allocated sufficient human and budgetary resources for capacity building</p> <p>1.3 Appropriate policy, legal and regulatory frameworks are approved and in place</p> | identified in their MRPs, to design, pilot and implement carbon pricing instruments and/or core technical components for GHG mitigation | | |
| 4. Global policy discussions regarding the use of carbon pricing for GHG reduction is informed by PMR | 4.1 PMR participants are informed by PMR events and knowledge about global best practices and lessons learned on carbon pricing | <p>PMR deliverables (workshops, notes, guidance, e-learning, training) are well visited/used and knowledge gained is actively used within and beyond PMR ICPs.</p> <p>PMR work is frequently referenced at higher political levels (UNFCCC, national climate policies, in NDCs)</p> <p>PMR contributors and participants are frequently asked to share the knowledge gained in PMR at external activities or events.</p> <p>External (non-PMR participants) engage in global policy discussion after becoming</p> | <p>Enhanced global political commitment stimulates public debate, interest in knowledge generation and use of PMR and other resources to inform efforts in designing, piloting and/or implementing domestic carbon pricing instruments.</p> <p>Global support to, and use of, carbon pricing instruments continued to increase and markets are increasingly linked.</p> <p>Country receptiveness to engage in global policy discussion on use of carbon pricing for GHG reduction:</p> <ul style="list-style-type: none"> - PMR participants already have established energy market strategies and policies (e.g. subsidies or regulated energy prices) - PMR participants have a political commitment to global targets, policies & protocols | Other initiatives/programs fund research and/or policy papers targeted at the global policy level (for example, via CPLC, OECD and some national Governments such as Germany). |

| PMR contribution story | | | Alternative performance stories | |
|------------------------|---|--|---|---|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| | | familiar with PMR outputs. | <ul style="list-style-type: none"> - PMR participants already have (intent to) linkages to regional initiatives (e.g. path to EU membership implies focus on ETS) - Implementing countries are experiencing economic growth and fuel price increase <p>PMR participants therefore find it strategic to discuss carbon pricing (experiences) in global policy discussions.</p> | |

| PMR contribution story | | | Alternative performance stories | |
|--|--|---|--|---|
| | Assumption underpinning TOC (from PMR logframe, mix of internal/external) (i) | Causal assumption behind PMR contribution to outcome (ii) | Other contributing factors (external to PMR) (iii) | Alternative routes to impact e.g. other contributing initiative (iv) |
| Outcome | Assumptions from logframe | Internal assumptions only | | |
| MEDIUM-TERM IMPACT: Carbon pricing instruments and/or core technical components needed to underlie them are fully in place in countries that receive PMR funding and technical assistance | <p>MRPs have been successfully implemented with PMR grant resources and technical assistance channeled through the World Bank and/or other Delivery Partners</p> <p>2.2 There is continued support for implementation of carbon pricing instruments at national level</p> <p>2.3 Necessary regulatory, institutional, and legislative changes take effect for the implementation of such instrument to be successful</p> <p>2.4 ICPs have received sufficient training, support and resources to design such instruments; needed co-financing (or in-kind contributions) for MRP implementation mobilized with assistance from PMR</p> | <p>MRPs have been successfully implemented with PMR grant resources and technical assistance channeled through the World Bank and/or other Delivery Partners</p> <p>PMR has informed design of necessary regulatory, institutional, and legislative changes</p> <p>ICPs have received sufficient training, support and resources to design such instruments; needed co-financing (or in-kind contributions) for MRP implementation mobilized with assistance from PMR</p> | <p>Enhanced global political commitment stimulates public debate, knowledge and social acceptance on the use of carbon pricing instruments.</p> <p>Political commitment: Continued support for implementation of carbon pricing instruments at national level.</p> <p>May be connected to commitments to global targets, policies & protocols and/or domestic GHG emissions target.</p> <p>This enables necessary regulatory, institutional, and legislative changes to come into effect.</p> <p>Context of national 'readiness': Implementing countries already have established energy market strategies and policies (e.g. subsidies or regulated energy prices)</p> <p>Implementing countries are influenced by the strength of industry lobbying</p> | <p>Continued support from other initiatives for successful implementation of carbon pricing instruments at national level:</p> <p>a) by continued support from and to the enabling environment (e.g. UNFCCC)</p> <p>b) by successful further learning and exchange of lessons learned with other pricing regimes (e.g. ICAP, CPLC)</p> <p>c) by successful engagement of stakeholders (e.g. NGOs, business associations, IETA)</p> <p>Carbon implementation initiatives (e.g. UNDP or CF ready) successfully develop mitigation projects.</p> |

5 Survey methodology & questionnaire

To ensure the evaluation gathered views from a broad stakeholder audience, an online survey of PMR members and other stakeholders was implemented by Ipsos MORI between December 2017 and February 2018. This survey engaged CPs, ICPs, TPs, the PMR Secretariat, wider World Bank staff, and Observers to collect quantitative and qualitative data related to the Fund's relevance, effectiveness and impact.

Questionnaire development

Initial questions in the survey captured the nature of the respondent's relationship with the PMR, including how recently they engaged with the PMR and the type of/reason for their engagement with the PMR. The main body of the survey questionnaire was developed in line with the evaluation questions. The survey consisted of a mix of closed and open-questions, the latter ensuring stakeholders had an opportunity to respond more freely on points of particular interest to them. It included questions that were broad enough to apply to a range of stakeholder groups, such as overarching questions on the perceived value of the PMR, as well as targeted questions which applied only to specific respondents to whom those questions were routed. The survey was set up in a modular fashion so that sections of questions addressed, for example, each of the Work Programs, or the wider dissemination of learning and knowledge.

The questionnaire was drafted by Ipsos MORI and SQ Consult and reviewed by the PMR Secretariat and M&E Working Group before being finalized. A "soft launch" of the survey was conducted, whereby responses received in the first few days were monitored (e.g. to identify any questions where respondents were disproportionately selecting "don't know" or stopped responding to the survey). The full final questionnaire is provided below.

The survey ran alongside the evaluation's other data collection activities. This provided an opportunity to explore data trends from the survey with stakeholders during the in-depth interviews, as well as to follow up with individual survey respondents regarding their responses where they were also selected for stakeholder consultations (described in Appendix 6).

Sample and response rates

The PMR Secretariat provided a sample of 491 contacts, which included details of the contact's name, relationship to the PMR, title and organization, and email address. In most cases, multiple contacts were provided for each country, enabling respondents to respond as individuals rather than submitting a single coordinated response at the country-level.

Ipsos MORI sent e-mail invitations to all contacts in the sample, which included a link to the survey. Reminder emails were also sent to the sample, and where contacts were also selected for stakeholder consultations, they were again reminded to complete the survey prior to the interview. While the questionnaire was written in English, respondents were invited to submit open-ended responses in English, Spanish, or French, and these were subsequently translated by Ipsos MORI's translation team.

One hundred respondents completed the survey (12 CPs, 39 ICPs, 8 TPs, 18 World Bank staff, 7 Observers and 16 Other interested parties), resulting in a response rate of 20.4%.

Questionnaire

The online survey questionnaire is reproduced in full below.

Thank you for helping this independent evaluation of the PMR. Please answer the following questions as honestly as possible.

We are interested in your own personal point of view, rather than the perspective of your wider organisation or country. The survey should only take 10 minutes. If there are questions that you do not feel you can answer you will be able to tell us this.

The questions are asked in English but where you are invited to provide a longer response, please feel free to provide this in either English, Spanish or French.

Your answers will be reviewed and analysed by Ipsos MORI and their evaluation partner, SQ Consult. **Anonymous and aggregated responses will be reported for the purpose of the evaluation.**

This survey is the first stage of the evaluation and will help to inform more detailed discussions at a later stage with some key stakeholders. Your answers will therefore be reviewed by the independent evaluation team but never passed on with your name or organisation to the World Bank.

Module A. Respondent characteristics and involvement with the PMR

ASK ALL:

Q1. What is your relationship with the Partnership for Market Readiness (PMR)?

1. I am responding from an implementing country participant (ICP)
2. I am responding from a contributing participant (CP)
3. I am responding from a technical partner country
4. I am an observer to the PMR
5. I am an expert/interested party but not a formal observer to the PMR
6. I work in the PMR Secretariat
7. I work in the World Bank
8. Other (please specify_____)

ASK ALL:

Q2. Which of the following best describes how frequently your work tends to involve engaging with the PMR?

This could be through attending PMR meetings, workshops or webinars, reading PMR guidebooks or other resources, preparing progress reports or reviewing other countries' documents or working on the preparation or implementation of a Market Readiness Proposal

1. Most days
2. A few times a month
3. Once a month
4. A few times a year
5. Once a year
6. Less frequently than once a year
7. I no longer frequently engage with the PMR, but did closely in a former role
8. Never

IF Never engaged with PMR (Q2 code 7)

QX. Thank you for taking the time to start responding to our survey. The rest of the questions are for people involved in the PMR on a more regular basis. Whilst you are here, do you have any comments you would like to make on the PMR?

OPEN TEXT BOX

Thank you. [SURVEY CLOSE]

IF ENGAGE WITH PMR A FEW TIMES A YEAR OR LESS (Codes 4-7 at Q2)

Q2a. When was the last time you attended, or engaged closely, with something related to the PMR?

1. Within the last two months
2. Within the last six months
3. Within the last year
4. Within the last 18 months
5. Longer than 18 months ago
6. Don't know / Can't remember

ASK ALL:

Q3. What type of organisation are you responding from? [select one]

1. Government Ministry / Department
2. Government agency
3. Consultancy firm / Independent consultant
4. Financial institution / Development bank
5. Industry Association
6. University / Academic organisation
7. Non-governmental organisation (NGO)
8. Other (please specify _____)

ASK IF GOVERNMENT MINISTRY/DEPT/AGENCY (code 1 or 2 at Q3):

Q3a. What is the core focus of your Ministry / Department? [select one]

1. Energy
2. Environment
3. Finance
4. Foreign Affairs
5. Other (please specify _____)

ASK ALL:

Q4. Which, if any, of the following themes relating to carbon pricing are directly relevant for your work? [check all that apply]

1. Emissions trading systems (ETS)
2. Carbon tax
3. Offsets and crediting
4. Energy certificate schemes
5. Other (please specify _____)
6. None of these

ASK ALL:

Q5. Which, if any, of the following types of activity are directly relevant for your work?

These might be activities you are already working on, or which you are currently building capacity around for the future.

[check all that apply]

1. Monitoring, reporting and verification (MRV)
2. Data management and registries
3. Baselines
4. Benchmarking
5. Competitiveness and carbon leakage
6. Stakeholder engagement and preparedness
7. Other (please specify_____)
8. None of these

IF ICP, CP or TP (codes 1-3 at Q1):

Q6a. Please select the ICP / CP / TP you are responding from?

SELECT FROM LIST [RELEVANT COUNTRY LIST SHOWN FOR EACH GROUP]

LIST FOR ICP (code 1 at Q1): Argentina, Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, South Africa, Sri Lanka, Thailand, Tunisia, Turkey, Ukraine, Vietnam

LIST FOR CP (code 2 at Q1): Australia, Denmark, European Commission, Finland, Germany, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, United States

LIST FOR TP (code 3 at Q1): Alberta, British Columbia, California, Cote d'Ivoire, Kazakhstan, New Zealand, Panama, Philippines, Quebec

(Show 'Would rather not say' option only if try to click through with no country selected)

IF Observer, WB, Other (codes 4-7 at Q1):

Q6b. Which country,

countries or region do you tend to focus on for your carbon pricing related work?

1. I focus on the following country / countries / region:
OPEN TEXT BOX

2. I don't focus on any particular country or region
3. I don't do any carbon pricing related work

IF ICP (code 1 at Q1) AND REFUSED AT Q6A

Q6c. Please indicate whether the country you are responding from joined the PMR before or after January 2015?

1. Joined before January 2015
2. Joined in or after January 2015
3. Don't know

IF ICP (code 1 at Q1) AND REFUSED AT Q6A

Q6c. Is the country you are responding from at the preparation or implementation stage of the PMR?

1. PMR preparation phase
2. PMR implementation phase
3. Don't know

ASK ALL:

Q7. Are you now, or have you been in the past, a member of any of the following PMR Working Groups? [check all that apply]

1. Benchmarks
2. Carbon taxes

3. Emissions trading
4. Monitoring, reporting and verification (MRV)
5. Offsets and crediting
6. Monitoring and evaluation
7. Other (please specify_____)
8. None of these
9. Don't know / Can't remember

ASK ALL:

Q8. Are you now, or have you been in the past, involved in designing or delivering PMR resources, such as guidebooks, workshops or training?

1. Yes – I have authored or contributed to PMR resources (e.g. handbooks)
2. Yes – I have helped to design or deliver training or other capacity building activities (e.g. workshops)
3. No
4. Don't know / Can't remember

Module B. The relevance and value of the PMR in international and national context

ASK ALL:

Q9. The PMR aims to provide a platform for sharing experience, fostering new and innovative market-based instruments, and building market readiness capacity for countries to scale up climate change mitigation efforts. Full detail of the PMR's objectives is presented here: <https://www.thepmr.org/content/supporting-action-climate-change-mitigation>

In the following questions, the term 'carbon pricing' is used to refer to carbon taxes, crediting and offset mechanisms, and emissions trading schemes.

On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the overall objectives of the PMR are currently for:

- a. supporting market readiness for carbon pricing internationally
- b. supporting market readiness for carbon pricing in your country specifically [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

Here, and throughout the survey, we are interested in your own personal point of view, rather than the perspective of your wider organisation or country.

WRITE SCORE 1 TO 10 [ALLOW Don't know]

ASK ALL:

Q10. On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the activities and support delivered by the PMR are for:

- a. supporting market readiness for carbon pricing internationally
 - b. supporting market readiness for carbon pricing in your country specifically
- [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

WRITE SCORE 1 TO 10 [ALLOW Don't know]

ASK ICPs ONLY (Code 1 at Q1):

Q10a. Please briefly explain why you gave this response about the relevance of the PMRs activities and support for your country.

Please answer in either English, Spanish or French.

OPEN TEXT BOX

ASK ALL

Q11. Looking at the list below, please select the entity you think is most important in terms of the contribution it makes to supporting market readiness for carbon pricing ...

- a. Internationally
- b. In your country specifically [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

RANDOMISE RESPONSE OPTIONS APART FROM CODE H AND I. SINGLECODE

- A. UNFCCC
- B. PMR
- C. Other international platforms (for example, WRI, ICAP, GIZ)
- D. NGOs
- E. National governments
- F. Regional governments
- G. Private sector / corporate organisations
- H. Other (please specify_____)
- I. Don't know

ASK ALL

Q11a. And which other entities would you say also make an important contribution to supporting market readiness for carbon pricing ...Please pick two more from the list below.

- a. Internationally
- b. In your country specifically [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

SHOW CODE LIST IN SAME ORDER AS Q11. REMOVE CODE GIVEN AT Q11

MULTICODE UP TO TWO RESPONSE [APART FROM CODE I]

- A. UNFCCC
- B. PMR
- C. Other international platforms (for example, WRI, ICAP, GIZ)
- D. NGOs
- E. National governments
- F. Regional governments
- G. Private sector / corporate organisations
- H. Other (please specify_____)
- I. Don't know

ASK ALL

Q12. Please now think about how the PMR compares to these other entities contributing to market readiness for carbon pricing. What, if anything, do you see as the main added value offered by the PMR? If you do not agree that the PMR offers added value, please explain why this is.

Please answer in either English, Spanish or French.

- 1. I agree the PMR offers added value: OPEN TEXT BOX
- 2. I do not agree the PMR offers added value: OPEN TEXT BOX

[Allow Don't know]

Module C. The relevance and value of the PMR for ICPs

ASK ICPs, CPs or TPs (Code 1-3 at Q1)

Q14. To what extent would you agree or disagree with the following statement:

The support offered by the PMR has been flexible enough to meet the needs of my country?

- 1. Strongly agree

2. Tend to agree
3. Tend to disagree
4. Strongly disagree
5. It's too early to say
6. Don't know

Module D: Use and impact of PMR resources

ASK ALL:

Q15. Which, if any, of the following PMR workshops or trainings have you attended in the past two years? [check all that apply]

1. Technical Workshop 24: Role of Carbon Markets in Global Climate Action and Implications for Market Development Activities (Oct 2017, Tokyo)
2. Technical Dialogue 23: New Perspectives on International Cooperation: Carbon Markets and Climate Finance under the Paris Agreement (May 2017, Barcelona)
3. Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi)
4. Technical Workshop 21: Paving the Way for NDC Implementation: Analyzing Policy Options and Modelling Carbon Pricing (Dec 2016, San José)
5. Technical Workshop 20: Post-2020 Accounting: Implications for Carbon Pricing and Registries (Oct 2016, Hanoi)
6. Technical Workshop 19: Implications of the Paris Agreement for a New Generation of International Market Mechanisms (May-Jun 2016, Paris)
7. Technical Workshop 18: Implications of the Paris Agreement on PMR Activities (Apr 2016, Lima)
8. Technical Workshop 17: Carbon Pricing: Latest Developments on Carbon Taxes (Mar 2016, Zurich)
9. Technical Workshop 16: Emissions Trading: Leveraging a Decade of Global Experience (Mar 2016, Zurich)
10. Technical Workshop 15: Post-2020 Mitigation Scenarios & Carbon Pricing Modelling (Feb, 2016, Brasília)
11. Technical Workshop 14: Carbon Leakage: Theory, Evidence and Policy (Oct 2015, Sweimeh, Dead Sea)
12. Technical Workshop 13: PMR Insights on Post-2020 Carbon Markets (Oct 2015, Sweimeh, Dead Sea)
13. None of these
14. None of these – but I attended PMR workshops or training more than two years ago
15. Don't know / Can't remember

[If checked any workshops: any of code 1-12 at Q15, or code 14 at Q15]

Q16a. On a scale of 1 to 10, how useful or not do you tend to find PMR workshops for you in your role?

[1 = not at all useful; 10 = extremely useful; allow Don't Know]

ASK ALL WHO ATTENDED ANY WORKSHOP (any of Code 1-12 at Q15, or code 14 at Q15):

Q16a1. Please briefly explain why you gave this response about the usefulness of the PMR workshops?

Please answer in either English, Spanish or French.

OPEN TEXT BOX

[If more than 1 workshop checked above]

Q16b. Which, if any, of these PMR workshops would you say have been...

i) the most useful for you in your role?

ii) the most useful in supporting market readiness for carbon pricing in your country? [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

LIST WORKSHOPS CHECKED ABOVE

[please select up to three for i) and ii) allow Don't Know]

ASK ALL:

Q17. Which, if any, of the following PMR resources produced since January 2015 have you used to significantly help progress an area of your work? [check all that apply]

Carbon Pricing Instruments

1. Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016)
2. Emissions Trading Registries: Guidance on Regulation, Development, and Administration (Oct 2016)
3. Establishing scaled-up crediting program baselines under the Paris Agreement: Issues and options (Nov 2017)
4. Carbon Tax Guide: A Handbook for Policy Makers (Mar 2017)
5. Overview of Carbon Offset Programs: Similarities and Differences (Jan 2015)

Carbon Pricing Readiness

6. Carbon Credits and Additionality: Past, Present, and Future (May 2016)
7. Greenhouse Gas Data Management: Building Systems for Corporate/ Facility-Level Reporting (Apr 2016)
8. A Guide to Greenhouse Gas Benchmarking for Climate Policy Instruments (May 2017)
9. Crediting-Related Activities Under the PMR: Status and Support for Implementation (Aug 2015)
10. Options to Use Existing International Offset Programs in a Domestic Context (Aug 2015)
11. Carbon Leakage: Theory, Evidence and Policy Design (Oct 2015)
12. Guide For Designing Mandatory Greenhouse Gas Reporting Programs (May 2015)
13. Checklist on Establishing Post-2020 Emissions Pathways (Mar 2015)
14. Preparing for Carbon Pricing: Case Studies from Company Experience (Jan 2015)

Other Resources

15. State and Trends of Carbon Pricing (any issue)
16. China Carbon Market Monitor (any issue)
17. Pursuing an Innovative Development Pathway: Understanding China's INDC?
18. Other (please list up to three other main PMR resources you have used_____)
19. None of these
20. Don't know / Can't remember

[If more than 1 resource checked above]

Q18. Which, if any, of these PMR workshops would you say have been...

i) the most useful for you in your role?

ii) the most useful in supporting market readiness for carbon pricing in your country? [ONLY IF ICP, CP or TP – codes 1-3 at Q1]

LIST WORKSHOPS CHECKED ABOVE

[please select up to three for i) and ii), allow Don't Know]

ASK ALL

Q19. Thinking now about the full range of PMR resources you have used in your role. Which, if any, of the following types of support delivered by the PMR do you think have been:

- a) the most useful in supporting market readiness for carbon pricing in your country? [ASK ONLY IF ICP, CP or TP – code 1 -3 at Q1]
- b) the most useful for sharing knowledge about carbon pricing?

[SELECT UP TO TWO]

1. PA meetings
2. Technical workshops
3. Webinars and e-learning
4. Technical notes and guidance documents
5. Electronic newsletters
6. Working groups
7. PMR Website
8. Other (please specify)
9. None – I don't think the PMR facilitates effective knowledge sharing
10. Don't know

ASK ALL

Q19a. What, if any, other topics or types of resources would you find it helpful for the PMR to provide?

OPEN TEXT BOX

ASK ALL

Q20. How useful, if at all, has the exchange of knowledge and experience among Contributing Participants, Technical Partners and Implementing Country Participants been to date for you in your role?

1. Very useful
2. Quite useful
3. Not very useful
4. Not at all useful
5. Don't know
6. Not applicable

Module E: Overall impact of PMR

ASK ALL

Q21. What level of impact overall, if any, would you say the PMR has had to date on supporting market readiness for carbon pricing...

- a. in your country [ASK ICP, CP or TP ONLY – code 1-3 at Q1]
- b. across its participants
- c. on an international level

Would you say it has had...?

1. A very high level of impact
2. A fairly high level of impact
3. A fairly low level of impact
4. A very low level of impact
5. It's too early to say
6. Don't know

ASK ICP, CP and TP ONLY (Code 1-3 at Q1)

Q22. In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness "infrastructure" in your country to date?

- a. Monitoring, reporting and verification (MRV) systems
- b. Data management and registries
- c. Baselines
- d. Benchmarking
- e. Stakeholder engagement and preparedness
- f. Legal and regulatory frameworks for GHG mitigation

- 1. A very high level of impact
- 2. A fairly high level of impact
- 3. A fairly low level of impact
- 4. A very low level of impact
- 5. It's too early to say
- 6. Not applicable
- 7. Don't know

ASK ICP, CP or TP ONLY (Code 1-3 at Q1)

Q23. In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following carbon pricing mechanisms in your country to date?

- a. Emissions trading systems (ETS)
- b. Carbon tax
- c. Offsets and crediting

- 1. A very high level of impact
- 2. A fairly high level of impact
- 3. A fairly low level of impact
- 4. A very low level of impact
- 5. It's too early to say
- 6. Not applicable
- 7. Don't know

6 Stakeholder consultation methodology

Stakeholder consultations were held with the objective of obtaining views on the implementation of the PMR, with a focus on assessing the processes underpinning delivery, the Fund's rationale and relevance to national context, and any impacts achieved. In line with the evaluation framework, this data collection strand was a key data source for both the process and impact components of this evaluation and provided inputs to generate lessons for the future.

Consultations were held for up to one hour. The majority of interviews were held by telephone/Skype, but some were also held face-to-face at PA meetings.

Topic guide development

Consultations followed topic guides for each stakeholder group, which are included in full below. The topic guides were drafted by Ipsos MORI and SQ Consult and reviewed by the PMR Secretariat before being finalized. A "soft launch" of the topic guide took place, whereby responses to the first few consultations in each stakeholder category were discussed by the evaluation team, and the topic guides were amended as required.

Further, prior to each consultation, the interviewer reviewed online survey response for the contact (if available) and relevant documentation (such as country profiles and MRPs from the PMR website) to prepare for the interview and ensure the most relevant questions were prioritized for each contact.

All interview notes were recorded in an individual document, and responses were summarized in an Excel template designed to support the consistent capturing of stakeholder views against the evaluation questions.

Sample

Contacts were provided by the PMR Secretariat and were a sub-set of those contacts provided for the online survey. The PMR Secretariat provided assistance in identifying the stakeholders in each country/organization with the highest level of engagement with the PMR, and this was used to prioritize the contacts, with the aim of interviewing at least one representative from each CP, ICP, and TP.

Ipsos MORI and SQ Consult led 39 in-depth telephone and face-to-face interviews with representatives from CPs, ICPs, TPs, the PMR Secretariat, wider World Bank staff, and Observers.

Topic guide for ICPs

Thank you for agreeing to take part in this interview. Ipsos MORI, alongside SQ Consult, have been contracted by the World Bank to undertake an Evaluation of the PMR. This evaluation will assess the effectiveness, efficiency and relevance of the PMR so far in both the international and the national contexts. The aim is to extract lessons learned that could be applied in the next 2 years of the partnership and to help design the next phase of the PMR, after 2020.

[ONLY FOR CASE STUDIES] As part of this evaluation, we are visiting 3 countries to analyse more in depth the effectiveness and impact of the PMR in the national mitigation efforts and how the activities developed within the PMR fit with the national policies and other initiatives tackling climate change.

Please be assured that all comments made during the course of the interview will be treated in the strictest confidence. Your responses will not be attributed to you (unless you would like them to be) and will only be reported in aggregate.

[FOR CASE STUDIES] We will be writing a summary report based on each country, this will not name or attribute comments to specific individuals but from the context it may be more likely that some things are identifiable – perhaps at the level of the Ministry or stakeholder group. If anything comes up in our discussions that is sensitive and you would not like to be included in our reporting, please just let us know.

[Ask for permission to record the interview – reassure respondent that this will not be shared with anyone beyond the independent evaluation team, but is to help refer back to later when writing up notes]

This interview will last around 45 minutes to 1 hour, and we will cover the following aspects:

Roles and responsibilities

1. Please, could you explain a little more about your role in relation to the PMR?
 - a) What are your key responsibilities in relation to the PMR?
 - b) Has your role, or the extent of your involvement, changed throughout the lifetime of the PMR? And is it expected to change over the next year in any way?

Rationale and strategic context for becoming an ICP under the PMR [ASK ALL THIS SECTION]

2. How would you describe the main aim for [COUNTRY] of participating in the PMR as an ICP? Overall, what does [COUNTRY] hope to achieve through participating in the PMR?
 - a) And beyond this main aim, are there any other broader objectives that it is hoped the PMR will help [COUNTRY] to achieve / make progress against, even if more indirectly?

[N.B. Avoid getting into too much detail here about the specific activities/work packages being implemented through PMR as that will be discussed later]

3. What were the main drivers for [COUNTRY] getting involved in the PMR in the first instance?
 - a) Which Ministries / specific policy frameworks were providing these drivers?
 - b) Related to which specific political commitments to global targets, policies and protocols?
 - c) To what extent did [COUNTRY] approach the PMR with a fixed idea of what it wanted to achieve through being involved in the Partnership, or did the PMR help to provide this direction?
4. What does the national policy picture that sits around the PMR participation in [COUNTRY] look like now?
 - a) To what extent are there similar or different drivers in place which direct your activities under the PMR now, compared to at the outset?
 - b) Do you expect any further changes/shifts coming in the near future that might affect your approach and activities under the PMR?
 - PROBE for key: Ministries, policy frameworks, political commitments
 - PROBE on: any energy market strategies affecting direction/focus of PMR in [COUNTRY]?
 - PROBE on: any other wider factors, trends, policy decisions affecting direction/focus of PMR in [COUNTRY]?
 - c) Has participating in the PMR itself affected this wider landscape and led to any changes in policy or regulatory direction, or have these changes happened external to the PMR project in [COUNTRY] and then affected it?

Comparing the PMR to other donor programmes and initiatives [ASK ALL THIS SECTION]

5. What other programmes or initiatives are you aware of that are helping [COUNTRY] make progress in similar areas to the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities? Is this something that is in place across your Region?

- a) How does the PMR project in [COUNTRY] align with these other programmes? PROBE: is their alignment in the overall objectives, and/or specific activities being supported?
- b) What, if any, distinguishing features does the PMR have relative to these other programmes? PROBE: differences in overall objectives, and/or specific activities being supported?
- c) In what ways, if at all, does [COUNTRY] try exploit synergies and/or avoid overlaps?
- d) Are you aware of any other initiatives to implement market mechanisms where [COUNTRY] is not involved yet?

6. Are you aware of any other programmes or initiatives that have competing objectives, or are supporting contradictory activities in [COUNTRY] to those being progressed with the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities?

PROBE: are there other competing policies/drivers in your country or across your Region, such as fuel subsidies, regulated energy prices? How do they hamper PMR activities or objectives?

Overview of key activities being progressed through PMR

[ASK ALL THIS SECTION but N.B. some respondents may only be able to answer in relation to the specific element of the MRP that they are involved in – if so, focus on this element over next few sections of interview]

I understand from your EOI / MRP / latest Implementation Status report *[refer to as appropriate]*, that the key PMR work packages you are pursuing in [COUNTRY] include [INTERVIEWER TO GIVE BRIEF OVERVIEW OF KEY ELEMENTS OF PMR ACTIVITY]

- 7. Are there any other key elements to the PMR activity in [COUNTRY] to add to this?
- 8. Are there any further updates to your latest EOI/MRP/ISR published on the PMR website that I should be aware of?
PROBE ON: any recent changes in timelines, changes in direction
- 9. In your view, which of these work packages is most important to meeting the overall aims and needs of [COUNTRY] that we discussed at the beginning of our conversation? Why do you say this? Is there any activity that you think should be carried out in your country, that is not been developed yet?
- 10. IF CHANGES IN DRIVERS WERE DISCUSSED ABOVE: To what extent has the PMR process been flexible enough to adjust to the changes we discussed in the national regulatory framework or the policy strategy? Why do you say this?
In what ways has it been flexible / not flexible?

Reviewing ICP progress to date

[ASK ALL THIS SECTION but N.B. some respondents may only be able to answer in relation to the specific element of the MRP that they are involved in – if so, focus on this element over next few sections of interview]

- 11. How would you describe the progress that [COUNTRY] has made in the design and implementation of carbon pricing instruments? What has been the contribution of the PMR to this progress?
- 12. Thinking about what [COUNTRY] has progressed to date as a result of the PMR...?
 - a) What would you highlight as the main outcomes/achievements/milestones that have been achieved to date? Which are the main PMR activities/characteristics that has helped achieving this?
 - b) Which of these milestones have been most challenging to achieve? Why?

- c) Which of these milestones have been easiest to achieve? Why?
13. How would you describe the rate of progress that [COUNTRY] has made so far in the implementation of the MRP/ design of MRP? Is this similar to the rate of progress you expected or not?
- a) What elements have progressed faster than expected? Slower than expected? As expected?
14. What do you think has contributed to this rate of progress? PROBE for:
- a) Factors related to World Bank / PMR procedures
- b) Factors related to [COUNTRY] policy context, political commitment/direction, strength and impact of industrial lobbying
- c) Other internal factors related to [COUNTRY] capacity, resources, skills
- d) Wider external factors (global politics, state of economic markets etc.)
15. Overall, what would you say has been the main challenge for [COUNTRY] in progressing its PMR activity?
16. Thinking about the [COUNTRY] political factors / other internal factors you have just mentioned ...
[i.e. b) and c) at Q13]
- a) In what ways, if at all, do you think the PMR itself is providing support to help address these issues?
- b) Do you consider any of these issues to be outside of the responsibility of the PMR? Whose responsibility do you think they are?
- c) Are there any other programmes or initiatives that are supporting [COUNTRY] in addressing these issues? Which? in what ways?
17. Do you think your country will require additional funding to complete its MRP? Who will likely provide this additional funding? Are there any plans to request additional funding from PMR to complete MRP for additional needs?
18. Are you aware of any additional funding that your country is willing to commit beyond the PMR to the design of carbon pricing instruments?
19. What role, if any, does the PMR play in helping your country or region attract further funding i.e. does it act as catalyst for attracting further financial support?
20. How important or not do you think it is to have conformation of political commitment in place as part of the requirement for requests for additional funding through the PMR? Why do you say this?

ICP experiences of key stages in PMR process, and support provided through different Work Programs

21. Thinking about the MRP preparation and feedback process... [ASK IF INVOLVED IN THIS STAGE]

- a) What worked well about this process?
- b) Anything work less well? Why? How could this have been improved?

PROBE ON:

- EOI process requirements
- Ease / suitability of completing MRP template - was it fit for purpose?
- Input and feedback provided by WB appointed external expert reviewers?
- Presentation of MRP at PA
- Feedback process prior to, at and after PA – how useful or not was feedback received? Why?

22. And thinking now about the grant agreement and grant dispersal process...

- a) What worked well about this process?
- b) Anything work less well? Why? How could this have been improved?

PROBE ON:

- Timings involved – any issues encountered? How resolved?
- Selection of grant executing body – any issues encountered? How resolved?

[IF APPLICABLE] And thinking about your **experience of procuring consultants to help design, or deliver elements of their MRP...**

- a) What worked well about this process
- b) Anything work less well? Why? How could this have been improved?

PROBE ON:

- Experience of working with the WB procurement rules?
- Any support received to prepare the terms of reference for these appointments? From who - WB / external consultant?
- Ease of finding consultants with appropriate sets of skills? Local or international?
- Satisfaction with performance / outputs of the consultants commissioned?

Did the WB provide any technical support to assess the outputs produced by the external consultants? How would you rate the technical support provided by the WB? Has this support been consistent along the life of the PMR?

23. Which have been the most useful activities supported by the PMR in supporting market readiness for carbon pricing in your country? Why this activity? What has the outcome of this support been?

PROBE as appropriate given their MRP/ISR: e.g.

- preparatory work for informed decision-making on use of market instruments;
- policy analysis work, policy mapping, scenario modelling *[N.B. PAWP is explored in more detail below, but it may come up here if respondent doesn't split out WPs in own mind]*
- stakeholder engagement activity (e.g. with key industry sectors, policymakers);
- development of market readiness infrastructure and core market readiness components (legislative frameworks, data reporting tools, MRV components etc.);
- designing and piloting of market mechanisms.

[N.B. Interviewer to check in advance of the interview which products have been produced with the assistance of PAWP]

24. [IF COUNTRY RECEIVED PAWP ASSISTANCE] Your country has received assistance from the PAWP. How did you decide which activities would be included in the proposal to receive support from PAWP?

25. [IF COUNTRY RECEIVED PAWP ASSISTANCE] **How satisfied or not are you with the policy analysis support provided through the PMR?** Why? [Interviewer to cite the outputs produced by PAWP]

- a) In what ways have the outputs of this policy analysis been used? By who? For what decisions?
- b) To what extent have the policy analysis outputs provided you with new knowledge/information that you would not otherwise have had access to? Would you have been able to fund these activities in the absence of PAWP?
- c) Have the outputs produced been promoted widely? To who? For what intended use/impact?
- d) Have the relevant stakeholders engaged with the outputs produced?
- e) What do you feel are some of the key strengths of this part of the PMR?
- f) Any elements of this part of the PMR support that you feel work less well? Why? What is your evidence for this?
- g) Are there specific elements that are missing or that you would recommend for future support?
- h) In what ways, if at all, could the outputs produced from the Policy Analysis work be improved in the future? What difference could this make?
- i) **Have you received any similar type of support / outputs from other workstreams/ initiatives outside of the PMR? What were similarities/differences to PMR policy analysis?**
- j) Are you aware of any similar type of support, whether you have used it or not?

PROBE: how these other outputs were used compared to PMR outputs, which were more helpful, for what and why

26. Have you participated in any PMR-led training or workshop activity? Or do you make use of technical notes and guidance documents produced by the PMR?

- a) Overall, how satisfied or not have you been with the training/guidance provided? Why?

- b) Which topics do you find the most relevant in your role? The most useful in supporting market readiness for carbon pricing in your country?
- c) What existing resources do you anticipate needing (or will become relevant) in the future?
[Probe Thematic Work Streams: ETS (since 2012), Offset crediting (2012) and Carbon tax (2014); and Technical Work Streams: MRV, Data management & registries, Baselines, Benchmarking, and Stakeholder consultation & preparedness]
- d) To what extent has the PMR training/guidance provided you with new knowledge/information that you would not otherwise have had access to?
- e) Have you got any recommendations for further improvements of training activities? [PROBE for recommendations in content and approach]
- f) How engaged or not do you think the relevant stakeholders in your country have been in these activities? What could improve levels of engagement?
- g) Any areas you feel may be working less well? Why? What is your evidence for this? What else they would like to see relating to training/guidance?
- h) **Have you received or are you aware of any similar type of training / guidance from other workstreams/initiatives outside of the PMR? What were similarities/differences to PMR training/guidance?**

PROBE: how these other sessions/outputs were used compared to PMR sessions/outputs, which were more helpful, for what and why

Knowledge sharing activities [ONLY ASK this section if relevant i.e. respondent attends PA meetings, or has attended technical workshops]

27. Thinking now about the PMR, but also any other initiatives or programmes you are involved in, from where do you think you've received the most useful support and guidance given the element of carbon pricing you are focusing on in your role? PROBE:

- a) From which sources – organisations/teams
- b) Through which channels – formal knowledge exchange sessions / informal relationships
- c) **What would you describe as the impact of this support and guidance on the progress you are making in your area of focus? On the progress [COUNTRY] is making overall in improving its market readiness?**

28. IF NOT COVERED ABOVE: In your opinion, how have the knowledge sharing activities of the PMR, such as PA meetings and technical workshops, helped [COUNTRY] advance its market readiness?

- a) What are the most effective knowledge sharing channels within the PMR and why?
PROBE fully: PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters, other informal channels/bilaterals

IF ATTENDS PA MEETINGS, PROBE to find out most useful parts of PA meetings

- What sessions at PA17 (or the last PA you attended) did you find most useful? Why? Was this due to the content shared, or the format of this session? Useful for what? What have you done as a result?
- Have you shared any of the presentations with others? Who? For what purpose?

PROBE on views on usefulness of these elements of PA meetings:

- updates provided by PMR Secretariat on TWP, PAWP, CW;
 - informal discussion tables where selected ICPs give update on ISRs;
 - presentations by CPs/TPs/other countries in implementation of their experience and learning
 - To what extent do you find it helpful to hear examples during the PA from CPs or TPs of their experience developing carbon markets? What do they take away from these presentations?
- b) Who does the most effective knowledge sharing happen between: CPs and ICPs, ICPs and ICPs, or TPs and ICPs?
 - c) Have you been approached by other ICPs, CPs or TPs to share your own experiences of progressing your country's market readiness? Approached how? What were you able to share?

- d) Have you approached other ICPs, CPs or TP's for assistance? For what support? What was outcome?
- e) What are the challenges and barriers for effective knowledge sharing activities; which are the factors that contribute to its success?
- f) How could stakeholder participation in knowledge sharing activities be further increased? (examples: for suggestions on the format of knowledge exchange, a segmentation of the participants, more active preparation)

29. **Do you have any knowledge exchange channels with other countries other than PMR?** How knowledgeable or not do you feel about the experiences of other countries in introducing carbon pricing instruments? Where does this knowledge come from (PMR or somewhere else)?

Governance model for the PMR

I'd now like to talk about the way in which the PMR is set-up, delivered and governed.

30. **In your view, what does the "partnership" approach to decision making mean in practice?**

31. **What do you think are some of the key strengths of the governance model for the PMR? Any areas you feel may be working less well? Why? What is your evidence for this?**

- a) How well suited is this delivery approach for the objectives of the PMR?
- b) To what extent do you think the decision-making process is appropriate?
 - a) Are you satisfied with the decisions made overall?
 - b) Is the model making timely decisions?
- c) How similar or different is the governance model for the PMR to the governance processes in other similar initiatives your country is involved in?
- d) To what extent do you think the model manages to achieve the necessary level of participation from all members? How could participation be improved?
- e) **How appropriate do you feel the partnership approach is likely to be going forwards?**
 - a) Over the next two years of the current phase of the PMR?
 - b) Under a future phase of the PMR?

32. **How satisfied or not are you with the work of the Secretariat? Why?**

- a) What do you think the Secretariat is doing well, and what could be improved?

Linking PMR processes/delivery model to objectives and targeted outcomes

ONLY COVER THIS IF TIME AND LIKELY TO BE USEFUL GIVEN DISCUSSION SO FAR – MAY HAVE ALREADY BEEN COVERED

(Going back to some of the key objectives and outcomes that we discussed earlier...), I'd like to ask you about which processes within the PMR you see as critical in driving progress against those objectives and ultimately in helping [COUNTRY] to meet its goals.

33. **In your view, which processes in the PMR are working well? And which ones could be improved?**

- a) In the preparation phase
- b) In the first steps of the implementation phase
- c) In the Work Programmes
- d) Within the Secretariat
- e) Within the focal point
- f) In the decision-making processes
- g) In the knowledge sharing activities

34. **Do you think the resources allocated in the focal point are adequate to develop its activities?**

35. **Are all the roles clear in the focal point and within the stakeholders involved in the PMR in your country?**

Summing up and Lessons learned

36. From your experience of the PMR, what would you say are the overall strengths of the Partnership? Why do you pick this out? In what ways is this similar or different to what's offered by other initiatives?
37. In what areas, if any, do you think the PMR is weaker?
- PROBE to ensure unpick whether PMR strengths/weaknesses relate to: overall objectives, governance, skills/knowledge available, knowledge transfer, implementation processes involved
38. How would you summarise overall, the impact of the PMR's support so far for [COUNTRY]? Overall, what do you think the PMR to date has helped [COUNTRY] to achieve?
39. What do you think has been the most significant step towards market readiness in [COUNTRY] that has been as a result of PMR support? Why is this the most significant step? What specifically did the PMR help to provide/support that has led to this being achieved?
40. Bearing in mind the other initiatives, programmes and external factors we've discussed during our discussion, how far towards this step do you think [COUNTRY] may have progressed in the absence of the PMR? What would look different? Why?
41. Thinking about your overall experience of participating in the PMR, what do you think are the main things that could be improved in the future to help your country achieve further progress towards market readiness?
42. What could be improved in order to improve the support other countries, in general, participating in the PMR receive? What could be improved in order to improve the process through which this support is delivered?
- a) Which of these suggested improvements do you think it is most important for the PMR Secretariat to focus on?

Close interview

Topic guide for CPs

Thank you for agreeing to take part in this interview. Ipsos MORI, alongside SQ Consult, have been contracted by the World Bank to undertake an Evaluation of the PMR. This evaluation will assess the effectiveness, efficiency and relevance of the PMR so far in both the international and the national contexts. The aim is to extract lessons learned that could be applied in the next 2 years of the partnership and to help design the next phase of the PMR, after 2020.

[ONLY FOR CASE STUDIES] As part of this evaluation, we are visiting 3 countries to analyse more in depth the effectiveness and impact of the PMR in the national mitigation efforts and how the activities developed within the PMR fit with the national policies and other initiatives tackling climate change.

Please be assured that all comments made during the course of the interview will be treated in the strictest confidence. Your responses will not be attributed to you (unless you would like them to be) and will only be reported in aggregate.

[FOR CASE STUDIES] We will be writing a summary report based on each country, this will not name or attribute comments to specific individuals but from the context it may be more likely that some things are identifiable – perhaps at the level of the Ministry or stakeholder group. If anything comes up in our discussions that is sensitive and you would not like to be included in our reporting, please just let us know.

[Ask for permission to record the interview – reassure respondent that this will not be shared with anyone beyond the independent evaluation team, but is to help refer back to later when writing up notes]

This interview will last around 45 minutes to 1 hour, and we will cover the following aspects:

Roles and responsibilities [ASK ALL THIS SECTION]

2. Please could you explain your current role? Which Ministry do you work in, and what are the key areas of focus for that Ministry?
3. And please, could you explain a little more about your personal role in relation to the PMR?
 - b) How long have you been involved in the PMR?
 - c) What are your key responsibilities in relation to the PMR?
 - d) Has your role, or the extent of your involvement, changed throughout the lifetime of the PMR? And is it expected to change over the next year in any way?

Rationale and strategic context for becoming an CP under the PMR [ASK ALL THIS SECTION]

43. How long has [COUNTRY] been a donor to the PMR?
44. How would you describe the main aims for [COUNTRY] of being a donor to the PMR as an CP? Overall, what does [COUNTRY] hope to achieve through contributing to the PMR? How is the PMR aligned to [COUNTRY]'s mission or strategy?
45. How similar or not do you think the aims [COUNTRY] has for its involvement in the PMR are to other donor countries? If you think there are differences – what is the implication of this?
46. And how well aligned do you feel that [COUNTRY]'s objectives and expectations for the PMR are with the focus of PMR, the direction it's going, and where it's headed?

Overview of key activities being progressed through PMR

47. In your view, which aspects of the PMR, and which of its work packages, are most important to meeting the overall aims and needs that [COUNTRY] has for the PMR? Why do you say this?

Why this activity? What has the outcome of this support been? How does this vary by ICP?

PROBE as appropriate given their MRP/ISR: e.g.

- preparatory work for informed decision-making on use of market instruments;
- policy analysis work, policy mapping, scenario modelling [*N.B. PAWP is explored in more detail below, but it may come up here if respondent doesn't split out WPs in own mind*]
- stakeholder engagement activity (e.g. with key industry sectors, policymakers);
- development of market readiness infrastructure and core market readiness components (legislative frameworks, data reporting tools, MRV components etc.);
- designing and piloting of market mechanisms.

Are there any areas or types of activity or support where [COUNTRY] would you like to see more focus? Any where you'd like to see less focus? Are there any areas of support or activities which you think are missing from the PMR?

Reviewing PMR progress to date

48. How would you describe the rate of progress that the PMR has made so far in supporting market readiness? Is this similar to the rate of progress [COUNTRY] expected or not?
- Where do you think it's delivering most successfully against its objectives?
Where is it doing less well against its objectives?
 - What elements have progressed faster than expected? Slower than expected? As expected?
49. What do you think has contributed to this rate of progress? PROBE for:
- Factors related to World Bank / PMR procedures
 - Factors related to ICP policy context, political commitment/direction, strength and impact of industrial lobbying
 - Other internal factors related to ICP capacity, resources, skills
 - Wider external factors (global politics, state of economic markets etc.)
50. Overall, what would you say has been the main challenge for the PMR progressing its activity?
51. Thinking about the political factors / other internal factors you have just mentioned ...
[i.e. b) and c) at Q8]
- In what ways, if at all, do you think the PMR itself is providing support to help address these issues?
 - Do you consider any of these issues to be outside of the responsibility of the PMR? Whose responsibility do you think they are?
 - Are there any other programmes or initiatives that are supporting [COUNTRY] in addressing these issues? Which? In what ways?
52. How important or not do you think it is to have confirmation of political commitment in place as part of the requirement for requests for additional funding through the PMR? Why do you say this?

Governance model for the PMR

I'd now like to talk about the way in which the PMR is set-up, delivered and governed.

53. In your view, what does the "partnership" approach to decision making mean in practice?
54. What do you think are some of the key strengths of the governance model for the PMR? Any areas you feel may be working less well? Why? What is your evidence for this?
NB: By "governance model", I mean things like the roles of ICPs, CPs and TPs; the processes of the Partnership Assembly (PA), the process of joining the PMR, and the process of funding and allocating funds.
- How well suited is this delivery approach for the objectives of the PMR?
 - To what extent do you think the decision-making process is appropriate?
 - Are you satisfied with the decisions made overall?
 - Is the model making timely decisions?
 - How similar or different is the governance model for the PMR to the governance processes in other similar initiatives your country is involved in?
 - To what extent do you think the model manages to achieve the necessary level of participation from all members? How could participation be improved?
 - How appropriate do you feel the partnership approach is likely to be going forwards?**
 - Over the next two years of the current phase of the PMR?
 - Under a future phase of the PMR?
55. How satisfied or not are you with the work of the Secretariat? Why?
- What do you think the Secretariat is doing well, and what could be improved?
Probe on: technical support and leadership, administrative functions such as due diligence and signing Grant Agreements, coordinating PA meetings, and the support of delivery of PMR grants by Task Team Leaders or Secretariat staff.

CP views on key stages in PMR process, and support provided through different Work Programs

56. Thinking about the MRP preparation and feedback process...

- a) What works well about this process?
- b) Anything work less well? Why? How could this have been improved?

PROBE ON: Satisfaction with quality /content / type of information provided at:

- EOI stage
- Full MRP stage
- Input and feedback provided by WB appointed external expert reviewers?
- Presentation of MRP at PA
- Do you get enough/the right type of information to make your decision on whether to support the grant as a donor?
- Experience of feedback process prior to, at and after PA – how well does this process work? Anything that could be improved?

Knowledge sharing activities [ONLY ASK this section if relevant i.e. respondent attends PA meetings, or has attended technical workshops]

57. IF NOT COVERED ABOVE: In your opinion, how have the knowledge sharing activities of the PMR, such as PA meetings and technical workshops, helped [COUNTRY] advance its market readiness?

- a) What are the most effective knowledge sharing channels within the PMR and why?
PROBE fully: PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters, other informal channels/bilaterals

How satisfied or not are you with the level of contribution/involvement made by other donors in these events? By ICPs? By technical partners?

58. Have you participated in any PMR-led training or workshop activity, including at PA meetings? Or do you make use of technical notes and guidance documents produced by the PMR?

- a) Overall, how well or not do you think the training/guidance has been designed/set up /delivered? Why? Examples of it working well/less well?
- b) To what extent has the PMR training/guidance provided ICPs with new knowledge/information that they would not otherwise have had access to?
- c) Have you been involved in any similar type of training / guidance from other workstreams/initiatives outside of the PMR? What were similarities/differences to PMR training/guidance?

PROBE: how these other sessions/outputs were used compared to PMR sessions/outputs, which were more helpful, for what and why

IF ATTENDS PA MEETINGS, PROBE to find out most useful parts of PA meetings

- What sessions at PA17 (or the last PA you attended) did you find most useful? Why? Was this due to the content shared, or the format of this session? Useful for what? What have you done as a result?
- Have you shared any of the presentations with others? Who? For what purpose?

PROBE on views on usefulness of these elements of PA meetings:

- updates provided by PMR Secretariat on TWP, PAWP, CW;
- informal discussion tables where selected ICPs give update on ISRs;
- presentations by CPs/TPs/other countries in implementation of their experience and learning

- To what extent do you find it helpful to hear examples during the PA from CPs or TPs of their experience developing carbon markets? What do they take away from these presentations?
- a) Who does the most effective knowledge sharing happen between: CPs and ICPs, ICPs and ICPs, or TPs and ICPs?
 - b) Have you been approached by other ICPs, CPs or TPs to share your own experiences of progressing your country's market readiness? Approached how? What were you able to share?
 - c) Have you approached other ICPs, CPs or TPs for assistance? For what support? What was outcome?
 - d) What are the challenges and barriers for effective knowledge sharing activities; which are the factors that contribute to its success?
 - e) How could stakeholder participation in knowledge sharing activities be further increased? [suggestions on the format of knowledge exchange, a segmentation of the participants, more active preparation, etc]

What role, if any, do you think PMR-generated knowledge plays in informing global policy discussions?

In which forums? How effectively?

Has it added to consistency across different initiatives e.g. those sparked by the NDC requirements?

59. Do you have any knowledge exchange channels with other countries other than PMR? How knowledgeable or not do you feel about the experiences of other countries in introducing carbon pricing instruments? Where does this knowledge come from (PMR or somewhere else)?

Linking PMR processes/delivery model to objectives and targeted outcomes [ONLY COVER THIS IF TIME AND LIKELY TO BE USEFUL GIVEN DISCUSSION SO FAR – MAY HAVE ALREADY BEEN COVERED]

(Going back to some of the key objectives and outcomes that we discussed earlier...), I'd like to ask you about which processes within the PMR you see as critical in driving progress against those objectives and ultimately in helping [COUNTRY] to meet its goals.

60. In your view, which processes in the PMR are working well? And which ones could be improved?

- a) In the preparation phase
- b) In the first steps of the implementation phase
- c) In the Work Programmes
- d) Within the Secretariat
- e) Within the focal point
- f) In the decision-making processes
- g) In the knowledge sharing activities

61. Do you think the resources allocated in the focal point are adequate to develop its activities?

62. Are all the roles clear in the focal point and within the stakeholders involved in the PMR in your country?

Comparing the PMR to other donor programmes and initiatives [ASK ALL THIS SECTION]

63. What other programmes or initiatives is [COUNTRY] involved with that support progress in similar areas to the PMR? *PROBE:* which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities? Is this something that is in place across your Region?

- e) How does the PMR align with these other programmes? *PROBE:* is their alignment in the overall objectives, and/or specific activities being supported?
- f) What, if any, distinguishing features does the PMR have relative to these other programmes? *PROBE:* differences in overall objectives, and/or specific activities being supported?
- g) In what ways, if at all, does [COUNTRY] try to exploit synergies and/or avoid overlaps?

h) How well do you think it manages to achieve this?

64. Are you aware of any other programmes or initiatives that have competing objectives, or are supporting contradictory activities in ICPs to those being progressed with the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities?

PROBE: are there other competing policies/drivers in your country or across your Region, such as fuel subsidies, regulated energy prices? How, if at all, do these hamper the PMR activities or objectives?

Summing up and Lessons learned

65. From your experience of the PMR, what would you say are the overall strengths of the Partnership? Why do you pick this out? In what ways is this similar or different to what's offered by other initiatives?

66. In what areas, if any, do you think the PMR is weaker?

PROBE to ensure unpick whether PMR strengths/weaknesses relate to: overall objectives, governance, skills/knowledge available, knowledge transfer, implementation processes involved

67. How would you summarise overall, the impact of the PMR's support so far across its ICPs? Would you pick out any particular success stories? Any particular challenges/disappointments?

68. What do you think has been the most significant step towards market readiness in ICPs that has been as a result of PMR support? Why is this the most significant step? What specifically did the PMR help to provide/support that has led to this being achieved?

69. Bearing in mind the other initiatives, programmes and external factors we've discussed during our discussion, how far towards this step do you think ICPs may have progressed in the absence of the PMR? What would look different? Why?

70. What could have been better over last few years? What could be better in remaining years of current phase? What should be different in next phase?

71. Thinking about your overall experience of participating in the PMR, what do you think are the main things that could be improved in the future to help ICPs achieve further progress towards market readiness?

72. What could be improved in order to improve the support other countries, in general, participating in the PMR receive? What could be improved in order to improve the process through which this support is delivered?

a) Which of these suggested improvements do you think it is most important for the PMR Secretariat to focus on?

Close interview

Topic guide for TPs

Thank you for agreeing to take part in this interview. Ipsos MORI, alongside SQ Consult, have been contracted by the World Bank to undertake an Evaluation of the PMR. This evaluation will assess the effectiveness, efficiency and relevance of the PMR so far in both the international and the national contexts. The aim is to extract lessons learned that could be applied in the next 2 years of the partnership and to help design the next phase of the PMR, after 2020.

Please be assured that all comments made during the course of the interview will be treated in the strictest confidence. Your responses will not be attributed to you (unless you would like them to be) and will only be reported in aggregate.

[Ask for permission to record the interview – reassure respondent that this will not be shared with anyone beyond the independent evaluation team, but is to help refer back to later when writing up notes]

This interview will last around 45 minutes to 1 hour, and we will cover the following aspects:

Roles and responsibilities [ASK ALL THIS SECTION]

4. Please could you explain your current role? What organisation do you work in, and what are the key areas of focus for that organisation?
5. And please, could you explain a little more about your personal role in relation to the PMR?
 - b) How long have you been involved in the PMR?
 - c) What are your key responsibilities in relation to the PMR?
 - d) Has your role, or the extent of your involvement, changed throughout the lifetime of the PMR? And is it expected to change over the next year in any way?

Rationale and strategic context for becoming an TP under the PMR [ASK ALL THIS SECTION]

73. Please describe [COUNTRY]'s role as a TP in the PMR. How long has [COUNTRY] been a TP of the PMR? Does [COUNTRY] contribute technical expertise/receive technical expertise/receive any funding from the PMR?
74. How would you describe the main aim for [COUNTRY] of participating in the PMR as a TP? Overall, what does [COUNTRY] hope to achieve through participating in the PMR?
 - a) And beyond this main aim, are there any other broader objectives that it is hoped the PMR will help [COUNTRY] to achieve / make progress against, even if more indirectly?

[N.B. Avoid getting into too much detail here about the specific activities/work packages being implemented through PMR as that will be discussed later]
75. What were the main drivers for [COUNTRY] getting involved in the PMR in the first instance?
 - a) Which Ministries / specific policy frameworks were providing these drivers?
 - b) Related to which specific political commitments to global targets, policies and protocols?
 - c) To what extent did [COUNTRY] approach the PMR with a fixed idea of what it wanted to achieve through being involved in the Partnership, or did the PMR help to provide this direction?
76. What does the national policy picture that sits around the PMR participation in [COUNTRY] look like now?
 - a) To what extent are there similar or different drivers in place which direct your activities under the PMR now, compared to at the outset?
 - b) Do you expect any further changes/shifts coming in the near future that might affect your approach and activities under the PMR?
 - PROBE for key: Ministries, policy frameworks, political commitments
 - PROBE on: any energy market strategies affecting direction/focus of PMR in [COUNTRY]?
 - PROBE on: any other wider factors, trends, policy decisions affecting direction/focus of PMR in [COUNTRY]?
 - c) Has participating in the PMR itself affected this wider landscape and led to any changes in policy or regulatory direction, or have these changes happened external to the PMR project in [COUNTRY] and then affected it?
77. And how well aligned do you feel that [COUNTRY]'s objectives and expectations for the PMR are with the focus of PMR, the direction it's going, and where it's headed?

Overview of key activities being progressed through PMR

I understand from your EOI / MRP / latest Implementation Status report *[refer to as appropriate]*, that the key PMR work packages you are pursuing in [COUNTRY] include [INTERVIEWER TO GIVE BRIEF OVERVIEW OF KEY ELEMENTS OF PMR ACTIVITY]

78. Are there any other key elements to the PMR activity in [COUNTRY] to add to this?

79. Are there any further updates to your latest EOI/MRP/ISR published on the PMR website that I should be aware of?
PROBE ON: any recent changes in timelines, changes in direction

80. In your view, which of these work packages is most important to meeting the overall aims and needs of [COUNTRY] that we discussed at the beginning of our conversation? Why do you say this? Is there any activity that you think should be carried out in your country, that is not been developed yet?

Are there any areas or types of activity or support where [COUNTRY] would you like to see more focus? Any where you'd like to see less focus? Are there any areas of support or activities which you think are missing from the PMR?

81. IF CHANGES IN DRIVERS WERE DISCUSSED ABOVE: To what extent has the PMR process been flexible enough to adjust to the changes we discussed in the national regulatory framework or the policy strategy? Why do you say this? In what ways has it been flexible / not flexible?

Reviewing PMR progress to date

82. How would you describe the rate of progress that the PMR has made so far in supporting market readiness, in [COUNTRY] and elsewhere? Is this similar to the rate of progress [COUNTRY] expected or not?

- a) Where do you think it's delivering most successfully against its objectives?
Where is it doing less well against its objectives?
- b) What elements have progressed faster than expected? Slower than expected? As expected?

83. What do you think has contributed to this rate of progress? PROBE for:

- a) Factors related to World Bank / PMR procedures
- b) Factors related to ICP/TP policy context, political commitment/direction, strength and impact of industrial lobbying
- c) Other internal factors related to ICP/TP capacity, resources, skills
- d) Wider external factors (global politics, state of economic markets etc.)

84. Overall, what would you say has been the main challenge for [COUNTRY] in progressing its activity?

85. Thinking about the political factors / other internal factors you have just mentioned ...

[i.e. b) and c) at Q8]

- a) In what ways, if at all, do you think the PMR itself is providing support to help address these issues?
- b) Do you consider any of these issues to be outside of the responsibility of the PMR? Whose responsibility do you think they are?
- c) Are there any other programmes or initiatives that are supporting [COUNTRY] in addressing these issues? Which? In what ways?

86. Do you think your country will require additional funding to complete its MRP? Who will likely provide this additional funding? Are there any plans to request additional funding from PMR to complete MRP for additional needs?

87. Are you aware of any additional funding that your country is willing to commit beyond the PMR to the design of carbon pricing instruments?

88. What role, if any, does the PMR play in helping your country or region attract further funding i.e. does it act as catalyst for attracting further financial support?
89. How important or not do you think it is to have confirmation of political commitment in place as part of the requirement for requests for additional funding through the PMR? Why do you say this?

Governance model for the PMR

I'd now like to talk about the way in which the PMR is set-up, delivered and governed.

90. In your view, what does the "partnership" approach to decision making mean in practice? In your view, is the relationship of TPs to the PA effective?
91. What do you think are some of the key strengths of the governance model for the PMR? Any areas you feel may be working less well? Why? What is your evidence for this?
- NB: By "governance model", I mean things like the roles of ICPs, CPs and TPs; the processes of the Partnership Assembly (PA), the process of joining the PMR, and the process of funding and allocating funds.*
- How well suited is this delivery approach for the objectives of the PMR?
 - To what extent do you think the decision-making process is appropriate?
 - Are you satisfied with the decisions made overall?
 - Is the model making timely decisions?
 - How similar or different is the governance model for the PMR to the governance processes in other similar initiatives your country is involved in?
 - To what extent do you think the model manages to achieve the necessary level of participation from all members? How could participation be improved?
 - How appropriate do you feel the partnership approach is likely to be going forwards?**
 - Over the next two years of the current phase of the PMR?
 - Under a future phase of the PMR?

92. How satisfied or not are you with the work of the Secretariat? Why?
- What do you think the Secretariat is doing well, and what could be improved?
- Probe on: technical support and leadership, administrative functions such as due diligence and signing Grant Agreements, coordinating PA meetings, and the support of delivery of PMR grants by Task Team Leaders or Secretariat staff.*

TP views on key stages in PMR process, and support provided through different Work Programs

93. Are you involved in the MRP process? [If so:]
- Is the process suited to the needs of TPs?
 - What works well about this process?
 - Anything work less well? Why? How could this have been improved?

PROBE ON: Satisfaction with quality /content / type of information provided at:

- EOI stage
- Full MRP stage
- Input and feedback provided by WB appointed external expert reviewers?
- Presentation of MRP at PA
- Experience of feedback process prior to, at and after PA – how well does this process work? Anything that could be improved?

94. Are you involved in the grant approval and dispersal process? [If so:]
- What worked well about this process?
 - Anything work less well? Why? How could this have been improved?

PROBE ON:

- Timings involved – any issues encountered? How resolved?
- Selection of grant executing body – any issues encountered? How resolved?

[IF APPLICABLE] And thinking about your experience of procuring consultants to help design, or deliver elements of their MRP...

- What worked well about this process
- Anything work less well? Why? How could this have been improved?

PROBE ON:

- Experience of working with the WB procurement rules?
- Any support received to prepare the terms of reference for these appointments? From who - WB / external consultant?
- Ease of finding consultants with appropriate sets of skills? Local or international?
- Satisfaction with performance / outputs of the consultants commissioned?

Did the WB provide any technical support to assess the outputs produced by the external consultants? How would you rate the technical support provided by the WB? Has this support been consistent along the life of the PMR?

95. Which have been the most useful activities supported by the PMR in supporting market readiness for carbon pricing in your country? Why this activity? What has the outcome of this support been?

PROBE as appropriate given their MRP/ISR: e.g.

- preparatory work for informed decision-making on use of market instruments;
- policy analysis work, policy mapping, scenario modelling *[N.B. PAWP is explored in more detail below, but it may come up here if respondent doesn't split out WPs in own mind]*
- stakeholder engagement activity (e.g. with key industry sectors, policymakers);
- development of market readiness infrastructure and core market readiness components (legislative frameworks, data reporting tools, MRV components etc.);
- designing and piloting of market mechanisms.

[N.B. Interviewer to check in advance of the interview which products have been produced with the assistance of PAWP]

96. [IF COUNTRY RECEIVED PAWP ASSISTANCE] Your country has received assistance from the PAWP. How did you decide which activities would be included in the proposal to receive support from PAWP?

97. [IF COUNTRY RECEIVED PAWP ASSISTANCE] How satisfied or not are you with the policy analysis support provided through the PMR? Why? [Interviewer to cite the outputs produced by PAWP]

- In what ways have the outputs of this policy analysis been used? By who? For what decisions?
- To what extent have the policy analysis outputs provided you with new knowledge/information that you would not otherwise have had access to? Would you have been able to fund these activities in the absence of PAWP?
- Have the outputs produced been promoted widely? To who? For what intended use/impact?
- Have the relevant stakeholders engaged with the outputs produced?
- What do you feel are some of the key strengths of this part of the PMR?
- Any elements of this part of the PMR support that you feel work less well? Why? What is your evidence for this?
- Are there specific elements that are missing or that you would recommend for future support?
- In what ways, if at all, could the outputs produced from the Policy Analysis work be improved in the future? What difference could this make?

- i) Have you received any similar type of support / outputs from other workstreams/ initiatives outside of the PMR? What were similarities/differences to PMR policy analysis?
 - j) Are you aware of any similar type of support, whether you have used it or not?
- PROBE: how these other outputs were used compared to PMR outputs, which were more helpful, for what and why

Knowledge sharing activities [ONLY ASK this section if relevant i.e. respondent attends PA meetings, or has attended technical workshops]

98. IF NOT COVERED ABOVE: In your opinion, how have the knowledge sharing activities of the PMR, such as PA meetings and technical workshops, helped [COUNTRY] advance its market readiness?

- a) What are the most effective knowledge sharing channels within the PMR and why?
PROBE fully: PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters, other informal channels/bilaterals

How satisfied or not are you with the level of contribution/involvement made by CPs in these events? By other TPs? By ICPs?

99. Have you participated in any PMR-led training or workshop activity, including at PA meetings? Or do you make use of technical notes and guidance documents produced by the PMR?

- a) Overall, how well or not do you think the training/guidance has been designed/set up /delivered? Why? Examples of it working well/less well?
- b) To what extent has the PMR training/guidance provided TPs and ICPs with new knowledge/information that they would not otherwise have had access to?
- c) Have you been involved in any similar type of training / guidance from other workstreams/initiatives outside of the PMR? What were similarities/differences to PMR training/guidance?

PROBE: how these other sessions/outputs were used compared to PMR sessions/outputs, which were more helpful, for what and why

IF ATTENDS PA MEETINGS, PROBE to find out most useful parts of PA meetings

- What sessions at PA17 (or the last PA you attended) did you find most useful? Why? Was this due to the content shared, or the format of this session? Useful for what? What have you done as a result?
- Have you shared any of the presentations with others? Who? For what purpose?

PROBE on views on usefulness of these elements of PA meetings:

- updates provided by PMR Secretariat on TWP, PAWP, CW;
 - informal discussion tables where selected ICPs give update on ISRs;
 - presentations by CPs/TPs/other countries in implementation of their experience and learning
 - To what extent do you find it helpful to hear examples during the PA from CPs or other TPs of their experience developing carbon markets? What do they take away from these presentations?
- f) Who does the most effective knowledge sharing happen between: CPs and ICPs, ICPs and ICPs, or TPs and ICPs?
 - g) Have you been approached by TPs, ICPs, or CPs to share your own experiences of progressing your country's market readiness? Approached how? What were you able to share?
 - h) Have you approached other TPs, ICPs, or CPs for assistance? For what support? What was outcome?
 - i) What are the challenges and barriers for effective knowledge sharing activities; which are the factors that contribute to its success?
 - j) How could stakeholder participation in knowledge sharing activities be further increased? [suggestions on the format of knowledge exchange, a segmentation of the participants, more active preparation, etc]

What role, if any, do you think PMR-generated knowledge plays in informing global policy discussions? In which forums? How effectively?

Has it added to consistency across different initiatives e.g. those sparked by the NDC requirements?

100. Do you have any knowledge exchange channels with other countries other than PMR? How knowledgeable or not do you feel about the experiences of other countries in introducing carbon pricing instruments? Where does this knowledge come from (PMR or somewhere else)?

Linking PMR processes/delivery model to objectives and targeted outcomes [ONLY COVER THIS IF TIME AND LIKELY TO BE USEFUL GIVEN DISCUSSION SO FAR – MAY HAVE ALREADY BEEN COVERED]

(Going back to some of the key objectives and outcomes that we discussed earlier...), I'd like to ask you about which processes within the PMR you see as critical in driving progress against those objectives and ultimately in helping [COUNTRY] to meet its goals.

101. In your view, which processes in the PMR are working well? And which ones could be improved?

- a) In the preparation phase
- b) In the first steps of the implementation phase
- c) In the Work Programmes
- d) Within the Secretariat
- e) Within the focal point
- f) In the decision-making processes
- g) In the knowledge sharing activities

102. [IF RECEIVING FUNDING FROM THE PMR] Could you please explain how the process for receiving funding from the PMR work for TPs? Do you think the resources allocated in the focal point are adequate to develop its activities?

103. Are all the roles clear within the stakeholders involved in the PMR in [COUNTRY]?

Comparing the PMR to other donor programmes and initiatives [ASK ALL THIS SECTION]

104. What other programmes or initiatives is [COUNTRY] involved with that support progress in similar areas to the PMR? *PROBE:* which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities? Is this something that is in place across your Region?

- i) How does the PMR align with these other programmes? *PROBE:* is their alignment in the overall objectives, and/or specific activities being supported?
- j) What, if any, distinguishing features does the PMR have relative to these other programmes? *PROBE:* differences in overall objectives, and/or specific activities being supported?
- k) In what ways, if at all, does [COUNTRY] try to exploit synergies and/or avoid overlaps?
- l) How well do you think it manages to achieve this?

105. Are you aware of any other programmes or initiatives that have competing objectives, or are supporting contradictory activities in TPs or ICPs to those being progressed with the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities?

PROBE: are there other competing policies/drivers in your country or across your Region, such as fuel subsidies, regulated energy prices? How, if at all, do these hamper the PMR activities or objectives?

Summing up and Lessons learned

106. From your experience of the PMR, what would you say are the overall strengths of the Partnership? Why do you pick this out? In what ways is this similar or different to what's offered by other initiatives?

107. In what areas, if any, do you think the PMR is weaker?

PROBE to ensure unpick whether PMR strengths/weaknesses relate to: overall objectives, governance, skills/knowledge available, knowledge transfer, implementation processes involved

108. How would you summarise overall, the impact of the PMR's support so far for [COUNTRY]? Overall, what do you think the PMR to date has helped [COUNTRY] to achieve?

109. What do you think has been the most significant step towards market readiness in TPs and ICPs that has been as a result of PMR support? Why is this the most significant step? What specifically did the PMR help to provide/support that has led to this being achieved?

110. Bearing in mind the other initiatives, programmes and external factors we've discussed during our discussion, how far towards this step do you think TPs and ICPs may have progressed in the absence of the PMR? What would look different? Why?

111. What could have been better over last few years? What could be better in remaining years of current phase? What should be different in next phase?

112. Thinking about your overall experience of participating in the PMR, what do you think are the main things that could be improved in the future to help TPs and ICPs achieve further progress towards market readiness?

113. What could be improved in order to improve the support other countries, in general, participating in the PMR receive? What could be improved in order to improve the process through which this support is delivered?

- a) Which of these suggested improvements do you think it is most important for the PMR Secretariat to focus on?

Close interview

Topic guide for World Bank staff

Thank you for agreeing to take part in this interview. As I am sure you are aware, Ipsos MORI, alongside SQ Consult, have been contracted by the World Bank to undertake an Evaluation of the PMR. This evaluation will assess the effectiveness, efficiency and relevance of the PMR so far in both the international and the national contexts. The aim is to extract lessons learned that could be applied in the next two years of the partnership and to help design the next phase of the PMR, after 2020.

Please be assured that all comments made during the course of the interview will be treated in the strictest confidence. Your responses will not be attributed to you (unless you would like them to be) and will only be reported in aggregate.

[Ask for permission to record the interview – reassure respondent that this will not be shared with anyone beyond the independent evaluation team, but is to help refer back to later when writing up notes]

This interview will last around 45 minutes to 1 hour, and we will cover the following aspects:

Roles and responsibilities

6. We understand that you are [role] and are responsible for..... Please could you explain ...
 - b) What your key responsibilities are currently in relation to the Platform?
 - c) How long have you been involved in the PMR?

- d) Whether your role, or the extent of your involvement, has changed throughout the lifetime of the Platform? And is it expected to change over the next year in any way?

Interviewer: please note key responsibilities to inform which sections of the guide to focus on during the interview. Please ensure that you probe in more depth on process areas where the interviewee has significant responsibility.

Vision of success for current phase of the PMR

I'd like you to think first of all about the current phase of the PMR and what success would look like by the end of this period.

114. What are you hoping the PMR will be able to achieve by the end of its current Phase?

PROBE ON:

- a) How many ICPs will have completed their MRPs?
- b) How would you describe the state of readiness that the PMR will have supported? How are you defining 'ready'?

115. What is informing what you think is achievable by the PMR within the current phase?

PROBE ON:

- Current rate of progress of ICPs against their MRP
- Wider contextual factors that might drive / hinder further progress

Reviewing PMR progress to date

116. How would you describe the rate of progress that the PMR has made so far in supporting market readiness? Is this similar to the rate of progress you expected or not?

- a) Where do you think it's delivering most successfully against its objectives?
Where is it doing less well against its objectives?
- b) What elements have progressed faster than expected? Slower than expected? As expected?

117. What do you think has contributed to this rate of progress? PROBE for:

- a) Factors related to World Bank / PMR procedures
- b) Factors related to ICP policy context, political commitment/direction, strength and impact of industrial lobbying
- c) Other internal factors related to ICP capacity, resources, skills
- d) Wider external factors (global politics, state of economic markets etc.)

118. Overall, what would you say has been the main challenge for the PMR progressing its activity?

119. Thinking about the political factors / other internal factors you have just mentioned ...

[i.e. b) and c) at Q5]

- a) In what ways, if at all, do you think the PMR itself is providing support to help address these issues?
- b) Do you consider any of these issues to be outside of the responsibility of the PMR? Whose responsibility do you think they are?

Overview of key activities being progressed through PMR

120. In your view, which aspects of the PMR, and which of its work packages, have been most important to date in meeting its overall aims and the needs of its ICPs?

- a) Why this activity? What has the outcome of this support been? How does this vary by ICP?

PROBE ON:

- policy analysis work, policy mapping, scenario modelling
- technical capacity building through workshops, handbooks, guidance
- country-specific preparatory work for informed decision-making on use of market instruments

- development of market readiness infrastructure and core market readiness components (legislative frameworks, data reporting tools, MRV components etc.)
- designing and piloting of market mechanisms
- stakeholder engagement activity (e.g. with key industry sectors, policymakers)

121. And thinking back to your vision of success for the current PMR phase, which aspects of its activities do you think will be most important going forward to meet these expectations? Why these activities?

- Are there any types of activity or support that you think are missing from the PMR to help meet these expectations? Or any current activities that need to be given more / less focus?

Views on key stages in PMR process, and support provided through different Work Programs

I'd now like us to talk in more detail about some of the specific activities within the PMR.

Adjust focus/time spent on these sections as appropriate to respondent

122. Thinking about the **MRP preparation and feedback** process...

- What do you think works well about this process?
- Anything work less well? Why? How could this have been improved?

PROBE ON: Satisfaction with quality /content / type of information provided at:

- EOI stage
- Full MRP stage
- Presentation of MRP at PA by ICP
- Input and feedback provided by WB appointed external expert reviewers
- Input and feedback provided by donor countries

123. What value do you think the addition of the **Policy Analysis Work Program** has made to the PMR? Are there any ways in which the support offered through it could be further improved?

124. What sessions at the **Partnership Assemblies** do you tend to find most useful for assessing the progress of the PMR and understanding how well it is working against its objectives? Why?

- Are there any changes you would like to see to how the PA is run?

PROBE: content of sessions, format of sessions, level of participation from attendees

125. In your opinion, how have the **knowledge sharing activities** of the PMR, such as PA meetings and technical workshops, helped ICPs to advance their market readiness?

- What do you feel are the most effective knowledge sharing channels within the PMR and why?

PROBE fully: PA meetings; technical workshops, meetings, exchanges, trainings; webinars and e-learning; technical notes and guidance documents; electronic newsletters, other informal channels/bilaterals

126. Overall, how well or not do you think the **Technical Work Program** workshops, training and guidance have been designed/set up /delivered? Why? Examples of it working well/less well?

127. What role do you think PMR-generated knowledge plays in informing global policy discussions? PROBE: In which forums? How effectively? Has it added to consistency across different initiatives e.g. those sparked by the NDC requirements?

Comparing the PMR to other donor programmes and initiatives [ASK ALL THIS SECTION]

128. How well do you think the PMR is managing to align with other programmes supporting similar objectives?

- Which other initiatives are you thinking about? PROBE: other World Bank initiatives, other donor initiatives.
- Is their alignment in the overall objectives, and/or specific activities being supported and/or specific geographies being supported?
- What would you pick out as distinguishing features of the PMR relative to these other programmes?

- d) What are the key ways you are managing this alignment?
- e) How could this further improve?

Governance model for the PMR

I'd now like to talk about the way in which the PMR is set-up, delivered and governed.

129. What do you think the "partnership" approach to decision making has meant in practice for the PMR over the last couple of years?

PROBE ON: In your view, what has it meant for...

- a) how decisions have been made?
- b) how efficiently decisions have been made?
- c) the appropriateness of decisions made?

130. What do you think are some of the key strengths of the governance model for the PMR? Any areas you feel may be working less well? Why? What is your evidence for this?

NB: By "governance model", I mean things like the roles of ICPs, CPs and TPs; the processes of the Partnership Assembly (PA), the process of joining the PMR, and the process of funding and allocating funds.

131. To what extent do you think the model manages to achieve the necessary level of participation from all members? How could participation be improved?

PROBE FOR VIEW ON level of participation by: donors, ICPs, TPs

132. How appropriate do you feel the partnership approach is likely to be going forwards?

- a) Over the next two years of the current phase of the PMR?
- b) Under a future phase of the PMR?

Summarising any improvements identified in key elements of PMR

133. Thinking back over the discussion we have had, in your view, which processes in the PMR could be further improved?

- a) In the preparation phase
- b) In the first steps of the implementation phase
- c) In the Work Programmes
- d) Within the Secretariat
- e) Within the focal point
- f) In the decision-making processes
- g) In the knowledge sharing activities
- h) In its alignment with other policies

134. How would you like to see these processes running under a future phase of the PMR? What would you like to keep the same / different...?

PROBE ON:

- a) ICPs involved
- b) Level of funding given to each ICP
- c) Focus of activities supported
- d) Governance approach (likely to have already been covered)

Summing up and Lessons learned

135. Overall what do you see as the key strengths of the Partnership? Why do you pick this out? In what ways is this similar or different to what's offered by other initiatives?

136. In what areas, if any, do you think the PMR could further improve?

PROBE to ensure unpick whether PMR strengths/weaknesses relate to: overall objectives, governance, skills/knowledge available, knowledge transfer, implementation processes involved

137. How would you summarise overall, the impact of the PMR's support so far across its ICPs? Would you pick out any particular success stories? Any particular challenges/disappointments?
138. What do you think has been the most significant step towards market readiness in ICPs that has been as a result of PMR support? Why is this the most significant step? What specifically did the PMR help to provide/support that has led to this being achieved?
139. Bearing in mind the other initiatives, programmes and external factors we've discussed during our discussion, how far towards this step do you think ICPs may have progressed in the absence of the PMR? What would look different? Why?

Close interview

Topic guide for external stakeholders

Thank you for agreeing to take part in this interview. Ipsos MORI, alongside SQ Consult, have been contracted by the World Bank to undertake an independent evaluation of the Partnership for Market Readiness. This evaluation will assess the effectiveness, efficiency and relevance of the PMR so far in both the international and the national contexts. The aim is to extract lessons learned that could be applied in the next 2 years of the partnership and to help design the next phase of the PMR, after 2020.

We are talking to people in a wide range of roles and organisations about not just the PMR specifically, but also the broader climate mitigation agenda in different countries, as well as with sectors and industries that may be affected by the types of policy and market changes that the PMR and other similar initiatives are seeking to bring about – such as carbon taxes, crediting and offset mechanisms or emission trading schemes.

[ONLY FOR CASE STUDIES] As part of this evaluation, we are visiting 3 countries to analyse more in depth the effectiveness and impact of the PMR in the national mitigation efforts and how the activities developed within the PMR fit with the national policies and other initiatives tackling climate change.

Please be assured that all comments made during the course of the interview will be treated in the strictest confidence. Your responses will not be attributed to you (unless you would like them to be) and will only be reported in aggregate.

[FOR CASE STUDIES] We will be writing a summary report based on each country, this will not name or attribute comments to specific individuals but from the context it may be more likely that some things are identifiable – perhaps at the level of the Ministry or stakeholder group. If anything comes up in our discussions that is sensitive and you would not like to be included in our reporting, please just let us know.

[Ask for permission to record the interview] – reassure respondent that this will not be shared with anyone beyond the independent evaluation team, but is to help refer back to later when writing up notes]

This interview will last around 45 minutes to 1 hour, and we will cover the following aspects _____

Roles and responsibilities

7. Please could you tell me about the main focus and activities of your organisation, and of your specific team/Department? How long ago was this organisation/team/Department established? Have there been any changes in its area of focus in recent years?

8.

And what are your main roles and responsibilities? PROBE: what themes relating to carbon pricing are relevant for you and your organisation? Emissions Trading Schemes? Carbon Tax? Offsets and crediting? Energy certification schemes? Other?

In what ways does your organisation have some connection with, or interest in, the PMR? And what connection do you have to the PMR in your particular role?

- a. How long has this been the case?
- b. How did you/your organisation first become aware of the PMR?
- a) Has your role, or the extent of your connection with the PMR, changed in any way over the last few years? And is it expected to change over the next year?

PROBE ON: do they attend PMR events, read PMR guidance documents, been involved in any PMR workshops, or scoping or piloting activities? Or are they less actively engaged in the PMR but have a view on it due to overlaps with their organisation's area of business/focus

- a) Do you think your views, or the views of the organisation you represent, are considered somehow in the decision-making processes of the PMR in your country? Through what channels? Can you give me an example of when/how this has happened in the past?

Rationale and strategic context of the PMR in [COUNTRY]

140. What do you understand to be the main aim for [COUNTRY] of participating in the PMR? Overall, what does [COUNTRY] hope to achieve through participating in the PMR?

- a) Whose aim/ambition would you say this is?
- b) To what extent do you support or oppose this aim? Why do you say this?

CHECK: To what extent do you think your view is shared by your wider organisation, or is this a personal view or a view specific to your particular team/Department?

141. [ASK ONLY IF INTERVIEWEE/ORGANISATION INVOLVED SINCE THE OUTSET] What do you think were the main drivers for [COUNTRY] getting involved in the PMR in the first instance?

- a) Which Ministries / specific policy frameworks were providing these drivers?
- b) Related to which specific political commitments to global targets, policies and protocols?

142. What does the wider picture that sits around the PMR look like now?

- a) To what extent are there similar or different drivers in place now, compared to at the outset of [COUNTRY] being involved in the PMR?
 - PROBE for key: Ministries, policy frameworks, political commitments
 - PROBE on: any energy market strategies affecting direction/focus of PMR in [COUNTRY]?
 - PROBE on: any other wider factors, trends, policy decisions affecting direction/focus of PMR in [COUNTRY]?

What do you think the impact of this wider picture is on the way in which your country is participating in the PMR? To what extent do you support or oppose this?

Comparing the PMR to other donor programmes and initiatives [ASK ALL THIS SECTION]

143. What other programmes are you aware of that are helping [COUNTRY] make progress in similar areas to the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities? Are you aware of any regional initiatives established?

- m) How does the PMR align with these other programmes? PROBE: is their alignment in the overall objectives, and/or specific activities being supported?
- n) What, if any, distinguishing features does the PMR have relative to these other programmes? PROBE: differences in overall objectives, and/or specific activities being supported?

144. Are you aware of any other programmes or initiatives that have competing objectives, or are supporting contradictory activities in [COUNTRY] to those being progressed with the PMR?

PROBE: which programmes? Which donors are involved? Which Ministries/teams co-ordinate these activities?

PROBE: are there other competing policies/drivers in your country or across your Region, such as fuel subsidies, regulated energy prices?

Reviewing [COUNTRY] progress to date

[ASK ALL THIS SECTION but N.B. some respondents may only be able to answer in relation to the specific element of the MRP that they are involved in – if so, focus on this element over next few sections of interview]

145. Thinking about the progress that [COUNTRY] has made towards implementing carbon pricing to date, [IF FAMILIAR WITH PMR ALSO MENTION... and the role played by the PMR in this ...?

- a) What would you highlight as the main outcomes/achievements/milestones that have been achieved to date in increasing the market readiness of [COUNTRY]?
- b) And what role do you think PMR has played specifically in contributing to this? Why do you say this? What evidence are you considering when you make this assessment?
- c) What are the most important other factors external to the PMR that you think have contributed to this?

146. IF NEEDED PROBE FURTHER: What do you think has contributed to this progress? PROBE for:

- a) Factors related to World Bank / PMR procedures
- b) Factors related to [COUNTRY] policy context, political commitment, direction
- c) Other internal factors related to [COUNTRY] capacity, resources, skills
- d) Wider external factors (global politics, state of economic markets etc.)

147. Overall, what would you say have been the main challenges for [COUNTRY] in progressing its market readiness?

- a) Which of these challenges are related to its PMR activity? How?

148. Thinking about the [COUNTRY] political factors / other internal factors you have just mentioned ...

[i.e. b) and c) at Q13]

- a) In what ways, if at all, do you think the PMR itself is providing support to help address these issues?
- b) Do you consider any of these issues to be outside of the responsibility of the PMR? Whose responsibility do you think they are?
- c) Are there any other programmes or initiatives that are supporting [COUNTRY] in addressing these issues? Which? in what ways?

149. Are you aware of any additional funding that your country is willing to commit beyond the PMR to the design of carbon pricing instruments?

Work Programs

150. Which have been the most useful activities supported by the PMR in supporting market readiness for carbon pricing in your country? Why this activity? What has the outcome of this support been?

PROBE as appropriate given their MRP/ISR: e.g.

- preparatory work for informed decision-making on use of market instruments;
- policy analysis work, policy mapping, scenario modelling [*N.B. PAWP is explored in more detail below, but it may come up here if respondent doesn't split out WPs in own mind*]
- stakeholder engagement activity (e.g. with key industry sectors, policymakers);
- development of market readiness infrastructure and core market readiness components (legislative frameworks, data reporting tools, MRV components etc.);
- designing and piloting of market mechanisms.

151. Have you participated in any PMR-led training or workshop activity? Or do you make use of technical notes and guidance documents produced by the PMR?

- a) Overall, how satisfied or not have you been with the training/guidance provided? Why?
- b) Which topics do you find the most relevant in your role? the most useful in supporting market readiness for carbon pricing in your country? [Probe Thematic Work Streams: ETS (since 2012), Offset crediting (2012) and Carbon tax (2014); and Technical Work Streams: MRV, Data management & registries, Baselines, Benchmarking, and Stakeholder consultation & preparedness]
- c) How engaged or not do you think the relevant stakeholders in your country have been in these activities? What could improve levels of engagement?
- d) Any areas you feel may be working less well? Why? What is your evidence for this?
- e) Have you received any similar type of training / guidance from other workstreams/initiatives outside of the PMR? What were similarities/differences to PMR training/guidance?

PROBE: how these other sessions/outputs were used compared to PMR sessions/outputs, which were more helpful, for what and why

152. Have you been involved in the preparation of any training, workshop, policy papers or technical notes in your country?

- a) How far do you think the outputs you contributed to produce have influenced the decisions made in your country?
- b) What are the strengths of these outputs? Which ones are more relevant? And less relevant?
- c) How could these outputs be improved to further increase their relevance and impact in the decision-making?

Knowledge sharing activities

153. Thinking now about the PMR, but also any other initiatives or programmes you are involved in, from where do you think you've received the most useful support and guidance given the element of carbon pricing you are focusing on in your role? PROBE:

- a) From which sources – organisations/teams
- b) Through which channels – formal knowledge exchange sessions / informal relationships
- c) What would you describe as the impact of this support and guidance on the progress you are making in your area of focus? On the progress [COUNTRY] is making overall in improving its market readiness?

154. IF NOT COVERED ABOVE: Have you participated in any PMR knowledge sharing activities at a cross-national level, such as technical workshops, meetings, exchanges, trainings, webinars and e-learning? If not, why?

- a) Overall, how satisfied or not have you been with the activities in which you have participated?
- b) In what ways, and to what extent, have they influenced your work, or helped you in your role?
- c) Looking forward, how could these activities be improved? How might participation be improved?

155. How regularly or not do you make use of the PMR technical notes and guidance documents produced for use across different countries? Do you follow the electronic newsletters?
- a) Overall, what is your opinion of the outputs produced?
 - b) How have you used them? Are they relevant for your work? Which ones do you feel are more relevant? And which are less relevant? Why?
156. Do you have any knowledge exchange channels with other countries other than PMR? How knowledgeable or not do you feel about experiences of other countries in introducing carbon pricing instruments? Where does this knowledge come from (PMR or somewhere else)?

Governance model for the PMR

I'd now like to talk about the way in which the PMR is set-up, delivered and governed in [COUNTRY]

157. Could you describe what you know of how the PMR is set-up, delivered and governed in your country?
158. What do you think are some of the key strengths of this approach to the PMR in your country? How well suited in this delivery approach for the objectives of the PMR?
159. Do you think the resources allocated in the focal point are adequate to develop its activities?
160. Are all the roles clear in the focal point and within the stakeholders involved in the PMR in your country?
161. Are you satisfied with the work of the focal point and the coordinators of the PMR in your country? Why?
- a) What do you think they are doing well, and what could be improved?
162. Are you satisfied with the work of the [CONSULTATIVE GROUPS, STEERING COMMITTEE...] of the PMR in your country? Why?
- a) How well defined and suitable do you feel their responsibilities are?
 - b) How engaged or not are their members in the PMR?
 - c) How adequate and relevant are the outputs they produce?
 - d) To what extent are these outputs being considered in political or technical decisions? What is your evidence of this?
 - e) What do you think they are doing well, and what could be improved?

Summing up and Lessons learned

163. From your experience of the PMR, what would you say are the overall strengths of the Partnership? Why do you pick this out? In what ways is this similar or different to what's offered by other initiatives?
164. In what areas, if any, do you think the PMR is weaker?
- PROBE to ensure unpick whether PMR strengths/weaknesses relate to: overall objectives, governance, skills/knowledge available, knowledge transfer, implementation processes involved
165. How would you summarise overall, the impact of the PMR's support so far for [COUNTRY]? Overall, what do you think the PMR to date has helped [COUNTRY] to achieve?
166. What do you think has been the most significant step towards market readiness in [COUNTRY] that has been as a result of PMR support? Why is this the most significant step? What specifically did the PMR help to provide/support that has led to this being achieved?

167. Bearing in mind the other initiatives, programmes and external factors we've discussed during our discussion, how far towards this step do you think [COUNTRY] may have progressed in the absence of the PMR? What would look different? Why?
168. Thinking about your overall experience of participating in the PMR, what do you think are the main things that could be improved in the future to help your country achieve further progress towards market readiness?
169. What could be improved in order to improve the support other countries, in general, participating in the PMR receive? What could be improved in order to improve the process through which this support is delivered?
- a) Which of these suggested improvements do you think it is most important for the PMR Secretariat to focus on?

Close interview

6 Case study methodology

Ipsos MORI and SQ Consult staff undertook three in-depth case studies of ICPs (Chile, Costa Rica, and Ukraine). These consisted of both a desk-based review of country-level documents and data, as well as field visits to carry out detailed interviews with stakeholders associated with the national PMR projects, including representatives of government, industry, civil society and consultancy. The case studies provided a means of exploring areas of interest for the evaluation in-depth in the context of a specific ICP. In particular, the case-studies supported the evaluation's evidence base around the effectiveness, efficiency, impact, sustainability and relevance of support provided through the PMR's PAWP and CWP workstreams, as well as the support received during the MRP preparation phase. The case studies were not intended to be representative of the PMR overall; instead, they offered an opportunity to provide detailed understanding of the broader findings from across all ICPs.

Selection of case study countries

The process for selecting case study locations started with two eligibility criteria:

- 1. Stage of implementation of the PMR:** Given the aim to assess the effectiveness and efficiency of the PMR along the whole process, only countries with an allocated grant that have already started the implementation phase were considered for selection. Following this exclusion criterion, the following countries were not eligible: Argentina, Colombia, India, Mexico, Sri Lanka, Tunisia and Vietnam.
- 2. To avoid overlap with the first independent evaluation,** countries that were subject of the case studies in the first evaluation were not considered for this evaluation. Following this exclusion criterion, the following countries were not eligible: China, Turkey, Mexico and Vietnam.

Therefore, the long list of countries from which the case studies were selected included: **Brazil, Chile, Costa Rica, Indonesia, Jordan, Morocco, Peru, South Africa, Thailand and Ukraine.**

In addition, to ensure the selected locations reflected the range of PMR experiences of ICPs, the following criteria were applied for sample selection:

- At least one country whose PMR program is executed by the World Bank, and one country by the recipient;
- Including a country where the time taken to launch the implementation phase took longer than expected despite having political support;
- At least two countries that have received PAWP country-level funding;
- Geographical spread, with the case-study sample covering at least two different regions; and
- Coverage of a variety of instruments being developed.

Additionally, the process of shortlisting locations for the case study work took into account factors such as: the experience of the countries in the implementation phase (measured as the length of time they have been implementing the CWP) and the amount of funding committed and/or mobilized, the variety of activities developed and funded by the CWP, PAWP and TWP, and the length of time taken to finalize the grant agreement.

The table below sets out these criteria and a grading of each country on its attractiveness for the case study strand of the evaluation, where those countries that received higher scores had: more experience in implementing the MRP, funding committed, additional funding allocated, and providing a range of other interesting circumstances to explore.

Exploring the reasons for the existence of long periods of time between the allocation of funding and the start of the implementation phase was one of the objectives of the case studies. Consequently, the inclusion of Costa Rica seemed relevant, as it was the only country in the list where the time spent in the finalization of its grant agreement (30 months) could not be explained by internal political factors.

This analysis led to a shortlisted sample composed of Chile, Thailand, Costa Rica, Ukraine and Morocco. These countries all met the criteria set out above and would be likely to provide a wide range of insights for the evaluation. This shortlist was further prioritized to recommend case-studies in Chile, Costa Rica and Ukraine. This was based on the availability of key stakeholders within these countries during the timeframe of the evaluation and given Morocco had recently undertaken a detailed review exercise.

Factors for selecting case study countries

| ICP | Execution type | Time to finalize grant agreement ⁽¹⁾ | Length of MRP grant implementation period to date | Geography | Funding committed ⁽²⁾ | Received PAWP support | Additional PMR funding allocated | Type of mechanism | Qualitative score ⁽³⁾ |
|--------------|-----------------------------|---|---|--|----------------------------------|-----------------------|----------------------------------|--|----------------------------------|
| Score key | 1 WB; 2 Recip; 3 UNDP | 1: < 1 year 2: 1-2 years 3: >2years | 1: < 1 year 2: 1-2 years 3: >2years | 1 Latin America; 2 Asia; 3 MENA; 4 SSA; 5 Europe | 0 no; 1 yes | | 0 no; 1 yes | | 1 low; 2 moderate; 3 high |
| Brazil | 1 | 1 | 3 | 1 | 1 | 1 | 0 | Scoping/modelling studies for carbon tax and ETS | 1 |
| Chile | 2 | 2 | 3 | 1 | 1 | 1 | 1 | Carbon tax, GHG registry | 3 |
| Costa Rica | 1 | 3 | 2 | 1 | 0 | 1 | 0 | Domestic carbon market | 3 |
| Indonesia | 3 | 3 | 1 | 2 | 0 | 0 | 0 | Domestic carbon market, MRV framework | 1 |
| Jordan | 1 | 1 | 2 | 3 | 1 | 0 | 0 | Crediting for NAMAs | 2 |
| Morocco | 2 | 2 | 3 | 3 | 0 | 1 | 0 | Pilot market-based approaches, GHG registry, MRV framework | 3 |
| Peru | 3 | 1 | 1 | 1 | 0 | 0 | 0 | GHG registry, GHG crediting instruments | 1 |
| South Africa | 2 | 2 | 1 | 4 | 0 | 0 | 0 | Assess the impact and refine the design features of a proposed | 1 |

| ICP | Execution type | Time to finalize grant agreement ⁽¹⁾ | Length of MRP grant implementation period to date | Geography | Funding committed ⁽²⁾ | Received PAWP support | Additional PMR funding allocated | Type of mechanism | Qualitative score ⁽³⁾ |
|----------|----------------|---|---|-----------|----------------------------------|-----------------------|----------------------------------|---|----------------------------------|
| | | | | | | | | carbon tax and complementary offset mechanism | |
| Thailand | 2 | 2 | 2 | 2 | 1 | 0 | 1 | Energy Performance Certificate, MRV system, ETS study | 3 |
| Ukraine | 1 | 2 | 2 | 5 | 1 | 0 | 0 | MRV system, ETS | 3 |

⁽¹⁾ Time between signature of resolution of funding allocation and signature of grant agreement.

⁽²⁾ As per last PMR Project Implementation Status Report. Countries without any Status Report submitted are assigned the value 0.

⁽³⁾ Qualitative assessment against further factors of interest for case-studies (e.g. type of activities being developed, any specificities in the implementation in each country)

Approach to delivery of in-country case-studies

To ensure consistency across the three case studies, the same research tools (questionnaires and topic guides) were used in each and adapted to the national context; these were also aligned with the evaluation framework. Further, a common report template was used to summarize the key findings of the case studies.

After designing the research tools and the case study template, a briefing note for the team was developed to ensure that each case study lead knew the evaluation objectives.

The case studies followed a two-step process:

- **First phase:** desk research reviewing relevant scheme documentation (such as MRPs, or any scenario-modelling outputs) as well as broader national policy literature.
- **Second phase:** 3-day in-country visit, involving interviews (or mini-focus groups, as appropriate) with key stakeholders. These were mapped individually for each country in consultation with the PMR Secretariat, TTLs, and other contacts in-country prior to the field visit. The table below shows the types of stakeholders consulted and the purpose of engaging each.

Stakeholders engaged in case studies

| Stakeholder type | To explore.... |
|--|--|
| Executing agency | Grant execution process |
| Implementing agency (Consultants) | Experience of MRP process, what has worked well/less well about WB procedures, factors influencing progress against MRP (both internal & external), views on key elements of PMR process e.g. PAs, knowledge sharing activity etc., views on overall role/value of PMR within national context |
| Key Ministries involved in PMR | |
| Other Government stakeholders – other Ministries with related agendas e.g. climate, energy, finance | Perceptions of PMR in broader national context, and how/whether it supports ICPs to meet other broader objectives vs. competes with other agendas; impact of PMR |
| External consultants supporting MRP | Experiences of delivering work under PMR, perceptions of PMR/WB procurement processes. Briefly explore other areas of their work and to what extent similar or different to work commissioned under PMR |
| External stakeholders – industry, NGO, civil society with viewpoint on policies/direction (or may be affected by proposals e.g. sectors included in carbon tax / future ETS) | Understanding wider views on national policies/direction, exploring external factors that could help or hinder progress against goals; impact of PMR |
| Leads for other donor programmes | Explore complementary/ synergies/ duplications between PMR and other initiatives; their perception of the impact of PMR in-country |

7 Terms of Reference for Second Independent Evaluation of the PMR

DRAFT Terms of Reference (TOR):

Second Independent Evaluation of the Partnership for Market Readiness (PMR)

June 6, 2017

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PMR Overview

1. The Partnership for Market Readiness (PMR) is a World Bank trust fund that provides a platform for countries to design new and innovative carbon pricing approaches to greenhouse gas (GHG) mitigation in line with their domestic priorities and capabilities. In particular, the PMR supports the design, piloting and implementation of emissions trading systems, offset crediting mechanisms and carbon taxes. The platform brings together developed and developing countries in order to share experiences and lessons learned with regard to these instruments. Developing country participants receive financial assistance and technical advice from the PMR to support the implementation of carbon pricing policies or the readiness activities that can support them (such as baseline setting; registry set up; data collection and maintenance; monitoring, reporting and verification (MRV) strengthening; and stakeholder engagement).
2. In total, 33 countries participate in the PMR.⁵² In addition, three sub-national jurisdictions also participate: California, Alberta and Québec. Countries that receive funding prepare a Market Readiness Proposal (MRP), which outlines specific activities that will support the domestic promotion of and/or use of carbon pricing policies. On the basis of the MRP, countries are awarded a grant of US\$3, US\$5 or US\$8 million to carry out the activities outlined in the proposal (usually over about five years)⁵³.
3. In addition to supporting country-specific work based on MRPs, the PMR has two other work streams that provide funding and technical assistance to support carbon pricing. Through its [Policy Analysis Work Program](#) (PAWP), the PMR provides country-specific upstream policy support to help countries think through how the addition of a new policy will fit into the existing political framework. This work often involves modeling exercises and scenario considerations around the blending of various policy instruments. Finally, through its [Technical Work Program](#) (TWP), the PMR offers technical advice and training on a host of topics related to carbon pricing. For the most part, this support is directed at topics that impact (or are of interest to) various countries instead of focusing on the issues experienced in any one country. Both the PAWP and the TWP aim to inform and enhance participants' specific PMR country work in the MRP.
4. Together all three streams are designed to provide the analytical work necessary to underpin a decision about the use of a carbon pricing instrument as well as to provide the necessary financial and technical support to design and implement such a policy. Countries are encouraged to share their experiences with each work stream during PMR assembly meetings; in this way, lessons are shared.

⁵² Donors to the PMR – called Contributing Participants or CPs – include Australia, Denmark, the European Commission, Finland, Germany, Japan, Norway, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom and the United States. Developing and emerging market country participants – called Implementing Country Participants or ICPs – include Argentina, Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, South Africa, Sri Lanka, Thailand, Tunisia, Turkey, Ukraine and Vietnam. Kazakhstan also received financial and technical assistance from the PMR. Its participation is slightly different from other countries receiving funding or technical assistance because it has already implemented a carbon pricing instrument and seeks support to strengthen aspects of it instead of a wholesale design.

⁵³ Countries also have an opportunity to request additional funding to “top up” their initial allocations.

5. The PMR became operational in April 2011. The program is scheduled to operate through 2020; the World Bank and the Partnership Assembly (PA) (the PMR's decision-making body) are discussing a second phase of the PMR which would ensure uninterrupted operation post-2020. These discussions are on-going.
6. The [World Bank Group](#) serves as the secretariat for the PMR, trust fund manager, and primary implementing agency for the implementation of PMR-funded activities.
7. The PMR objectives⁵⁴, as stated in the [Governance Framework](#), are to:
- a. provide grant financing to countries for building market readiness components;
 - b. pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage;
 - c. create a platform to enable policy makers, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote cooperation amongst emerging and developing countries, and explore and innovate together on new instruments and approaches;
 - d. create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
 - e. share lessons learned, including with the UNFCCC.
8. Building on the objectives, the PMR operates in accordance with the following principles:
- a. to be country-led and to build on nationally-defined and prioritized mitigation policies, according to each participant's national circumstances;
 - b. to coordinate with other readiness efforts to avoid duplication and ensure effective use of resources;
 - c. to cooperate with other actors and processes that are undertaking similar initiatives, such as UN agencies and other multilateral development banks; and
 - d. to promote learning-by-doing through early and integrated efforts.
9. Other relevant background information on the PMR is available in the [Design Document](#) and the [PMR Governance Framework](#) on the PMR website at www.thepmr.org.

PMR Evaluation Background

10. In April 2015, the [First Independent Evaluation](#) of the PMR was completed, covering the period from 2011 to early 2015. The objectives of the evaluation were to: (i) develop a detailed Evaluation Framework for periodic

⁵⁴ The PMR objectives are currently under revisions, following the recommendation put forward by the First Independent Evaluation. The revised objectives are expected to be finalized by June 30, 2017 and will be shared with the evaluation team at that time.

evaluations; (ii) assess the effectiveness of the governance structure of the PMR and the operational effectiveness of the grant allocation mechanism, and suggest ways of enhancing PMR support to its participants; and (iii) conduct an evaluation of the PMR's technical work, knowledge sharing and capacity building program at the country, regional and global levels. It was recognized from the outset that it was too early to evaluate the PMR's impacts and sustainability because implementation of its principal activities at the country level had barely begun. Thus, it was agreed that the first evaluation would be "formative" rather than "summative" and, as such, would focus on the first three of the OECD/DAC standard evaluation criteria: relevance, effectiveness, and efficiency. An important function of the evaluation was to identify current strengths and weaknesses of the PMR with an eye toward recommending ways in which it could become more relevant, effective and efficient in the future. To this end, it was guided and overseen by a Monitoring & Evaluation Working Group (M&E WG)⁵⁵, composed of representatives of PMR participating countries.

11. In addition to the Evaluation, an [Evaluation Framework](#) for conducting future evaluations was developed, which includes a proposed Logical Framework for the PMR and proposed evaluation questions for any future evaluations. The Logical Framework was later revised by the PMR Secretariat in collaboration with the M&E WG (see Annex I).

12. The Partnership Assembly (PA) has also put forward a [Results Framework](#) to establish a system to evaluate the performance of the PMR as a whole (endorsed at its Seventh Meeting in Marrakesh, in October 2013). The proposed framework's structure includes periodic evaluations performed mainly at the global level, as well as a monitoring system focused on performance at the country level. The latter is currently being revised to include a monitoring tool to report on PMR's performance annually.

Scope of Work

The Second Independent Evaluation of the PMR

13. A second independent evaluation of the PMR is planned to begin in the latter half of 2017. The Second Independent Evaluation will be another formative evaluation with the aim to inform the final two years of the first Phase of the PMR, as well as to identify lessons that could be applied to the design of Phase II, proposed to begin operation in 2021 (see Evaluation Objective).⁵⁶

14. The objectives of the Second Independent Evaluation will be to assess the PMR's performance, strengths, weaknesses and results of the following elements:

- a. PMR Country Work Program, including the grant allocation mechanism and grant implementation mechanism;
- b. PMR Policy Analysis Work Program;
- c. PMR Technical Work Program; and

⁵⁵ This working group was originally called the "Evaluation Working Group" (EWG). It was renamed following the completion of the first independent evaluation to better reflect its role in providing input on aspects related to monitoring of the PMR as well.

⁵⁶ Discussions on the design of Phase II of the PMR are already underway. It is the hope that this evaluation can help to inform the design process for Phase II and that this second phase is ready to commence such that there is no break between the conclusion of Phase I in 2020 and the start of Phase II.

- d. PMR Governance Framework.

15. For the above evaluation, the evaluation team is expected to:

- a. Collect data needed to assess PMR's performance against its Logical Framework (See Annex I);
- b. Assess PMR's performance with regard to OECD/DAC criteria of effectiveness, efficiency and relevance;
- c. Propose an assessment of the PMR's medium-term impact (as described in the Logical Framework), with focus on PMR's value-added at the country and global level⁵⁷;
- d. Suggest ways to enhance PMR support to countries to ensure that resources are directed to the activities that are most likely to contribute to carbon pricing readiness in the future;
- e. Compile lessons learned and identify best practices that could be used to inform a second phase of the PMR, which would begin operation in 2021.

Evaluation Period

16. The Second Independent Evaluation will cover the period from December 2014 to December 2017.

Audience

17. The evaluation is of interest to the PMR PA and its observers, the World Bank Group Management, and the broader market readiness community (see list of relevant stakeholders in Annex 3). The feedback and recommendations resulting from this periodic evaluation will be taken into account in the PMR's operations at the country and global levels and will be aimed at enhancing PMR's processes and outcomes.

Evaluation Methodology

18. The evaluation team is expected to formulate a detailed methodology and design for the Second Evaluation and make it available to the PMR Secretariat for feedback. The Consultant will be expected to gather and analyze data and deliver aggregate qualitative (and quantitative, where relevant) conclusions on the basis of diverse materials collected.

19. In collecting and analyzing data and drawing conclusions and recommendations, the evaluation methodology should be based on a wide variety of sources of information and utilize methods that will result in a valid, credible and evidence-based report. Among the methodological approaches, the evaluation team could consider including, for example, a detailed document review, structured interviews, stakeholder surveys, and selected country visits. The evaluation team is expected to develop an approach that allows for continuous incorporation of feedback in real-time during the evaluation period. In addition, it will be important for the Evaluation Team to employ a methodology that ensures that all PMR Participants (i.e., Contributing Participants and Implementing Country Participants) are consulted as part of the evaluation, whether in the course of a field visit, phone interview, or in-person interview during one of the PMR's Participant Assembly meetings.

⁵⁷ The Evaluation should also consider how the PMR can account for its contribution to the longer-term goal of GHG emissions mitigation as detailed in the Logical Framework.

Determining Key Evaluation Questions

20. The Second Independent Evaluation will offer a broad and representative perspective on the achievements and challenges in the PMR. The framework questions will be based on the standard OECD/DAC Results Based Management, Monitoring and Evaluation Framework (RBM MEF), consisting of inputs, outputs, outcomes and impacts (Figure 1). In the case of the Second Evaluation, the causal chain of the PMR's Logical Framework should be reviewed, including assessment of outcomes and medium-term impact, as appropriate.

21. OECD/DAC Standard Evaluation Criteria include **relevance, effectiveness, efficiency**, impacts and sustainability.⁵⁸ The Second Independent Evaluation should address the first three criteria and will attempt to create a framework for assessment of the medium-term impact. This evaluation should review the progress made toward reaching the PMR's objectives, identify constraints that make achievement of specific objectives difficult or impossible, and recommend adjustments so that they can be achieved.

22. Key evaluative questions include:

- a. To date, in what manner and how effectively and efficiently has the PMR supported ICPs and engaged CPs and other stakeholders in building their capacity to adopt effective carbon pricing and/or other market instruments and/or to develop the core technical components required to underlie and support such mechanisms for GHG reduction?
- b. Has the PMR responded adequately to the recent developments and likely future prospects of international carbon markets?
- c. What have been the principal value-added and catalytic effects of the PMR to date at country and global levels?
- d. What can be learned from the PMR's experience thus far to help enhance its relevance, effectiveness and efficiency, strengthen its governance and management, and better guide carbon pricing and other market readiness interventions in the future?
- e. How effective is the PMR's governance model, which follows a "partnership" approach to decision making, in terms of resource use, timely decision making, and achieving PMR objectives?

Deliverables Expected from Evaluation Team

23. It is expected that the evaluation team will:

1. Prepare an inception report that includes a proposed methodology (including key criteria, indicators and data collection strategy for each cluster of evaluation questions) and a set of

⁵⁸ [The World Bank's Internal Evaluation Group \(IEG\)](#) has adapted these OECD/DAC criteria to meet the needs of global programs. Despite these improvements to the original criteria, the prevailing evaluation methodologies for the assessment of global programs have several known shortcomings. These would need to be addressed in the evaluation framework for PMR, when the evaluation methodologies are drafted by the evaluation team. For example, the relevance of a global activity is considered, not simply in terms of international consensus in support of that activity, but also in terms of the extent of country ownership. The latter takes into account, among other things, the subsidiary principle, i.e., the extent to which an activity is being carried out at the most appropriate level, and the actual or likely winners and losers among stakeholders using the so-called horizontal considerations.

evaluation questions to be agreed to with the PMR Secretariat before the start of actual evaluation work.

2. Implement and independently undertake the necessary evaluative work for each cluster. Evaluate relevant sources of information through desk reviews and literature studies, conduct PMR countries' field visits, report on these visits and findings for evaluation purposes, and interact with representatives of PMR member countries, PMR Secretariat, M&E WG, NGOs, CSOs and stakeholder groups (representative list in Annex II);
3. Participate in the PA17 Meeting in Tokyo, Japan in October 2017 in order to present the agreed upon methodology to the PA and begin stakeholder consultations with PMR Participants;
4. Prepare a draft report and accompanying draft PPT that includes interim findings and emerging recommendations for each cluster.
5. Participate in PA18 (location TBD) in April 2018 to present draft PPT during and seek feedback from the PA; and
6. Prepare a final Report and final PPT that reflects feedback received from the PMR Secretariat and PA gathered during the draft process. The final report should be completed by June 30, 2018.

All deliverables shall be in English.

Tentative Delivery Schedule

24. The desired timeline for the evaluation is as follows. Prospective evaluation teams should keep in view the following milestones and timeline in submitting their proposals. A final timeline would be negotiated with the selected evaluation team.

| | <i>Aug 17</i> | <i>Sept 17</i> | <i>Oct 17</i> | <i>Nov 17</i> | <i>Dec 17</i> | <i>Jan 18</i> | <i>Feb 18</i> | <i>Mar 18</i> | <i>Apr 18</i> | <i>May 18</i> | <i>Jun 18</i> |
|---|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Select Evaluation Team; contract signing</i> | | | | | | | | | | | |
| <i>Inception report; evaluation methodology review; refining of TOR</i> | | | | | | | | | | | |
| <i>PA17 Tokyo, Japan</i> | | | | | | | | | | | |

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|--|--|--|--|--|--|--|--|--|--|--|--|
| <i>Information gathering</i> | | | | | | | | | | | |
| <i>Prepare draft Evaluation Report</i> | | | | | | | | | | | |
| <i>Present draft Evaluation Report at PA18 (location, TBD)</i> | | | | | | | | | | | |
| <i>Evaluation Report Feedback Process</i> | | | | | | | | | | | |
| <i>Final Evaluation</i> | | | | | | | | | | | |

Role of the PMR Secretariat

25. The PMR Secretariat is supported by the M&EWG on all matters related to PMR M&E. The PMR Secretariat and the M&E Working Group will be available to provide guidance and feedback to the evaluation team, including clarification on expectations and deliverables. The PMR Secretariat will also serve as the primary point of contact to the evaluation team and will facilitate access to necessary data and background documents, support arrangements for in-country field visits and engage the M&E Working Group as needed.

Budget

26. A budget shall be proposed by the Evaluation Team based on the team's composition, personnel requirements, and the expected travel and subsistence expenses for travel. Travel requirements will be as follows:

- a. **Partnership Assembly Meetings:** PA17 (Tokyo, Japan in October 2017) and PA18 (TBD in April 2018). Each meeting will last 4-5 days.
- b. **Three country field visits:** selection of countries for field visits will be done in collaboration with the PMR Secretariat. For budgeting purposes, assume that one visit will take place in Asia, one in North Africa and one in Central or Latin America.

Evaluator's Qualifications

27. The evaluation team is expected to have the following expertise:

- Experience monitoring and evaluating large, global partnership and technical assistance programs;
- Demonstrated ability to conduct qualitative and quantitative research for the purposes of evaluating programs and providing feedback and recommendations;
- Strong understanding of carbon pricing policies and carbon markets is required and understanding of global climate change policy is a plus;
- Excellent written and presentation skills in English;

- Proven skills in critical thinking, assessment, and analysis;
- Excellent communication skills, including strong written and presentation skills in English as well as demonstrated ability to work effectively in a multi-cultural environment; and
- Ability to undertake regular field visits to a variety of countries and interact with diverse groups of stakeholders (including representatives from private sector, civil society, government, and the World Bank Group).

Annex I - List of Stakeholders and Potential Interviewees for Evaluation

The stakeholders/beneficiaries whose perspectives would need to be reflected in PMR evaluation include:

- **Stakeholders in Implementing Country Participants:** relevant focal ministries and their representatives to PMR meetings and events, members of the climate change mitigation working groups or equivalent, various ministries and departments with impacts on targeted sectors, environment ministries or equivalents, Ministry of Finance, political bodies concerned with legislation, policy and national planning, civil society representatives, private sector representatives, including private financial institutions, who are market readiness stakeholders and likely to have an interest in the design of carbon pricing strategy options;
- **Contributing Participant stakeholders:** those engaged in market readiness issues, including relevant focal ministries and their representatives to PMR meetings and events, private sector representatives and private financial institutions who are market readiness stakeholders and likely to have an interest in the design of carbon pricing strategy options;
- **Stakeholders in the broader climate change mitigation community:** observers to the PMR and other international organizations engaged in market readiness issues such as NGOs, think tanks, UNFCCC Secretariat, other MDBs, bilateral development agencies, private sector, CCAC, CMIA, IETA, UNDP, UNEP, etc.;
- **Relevant national research organizations of PMR Participants** that work on carbon pricing policies and other GHG mitigation policies and strategies;
- **PMR Secretariat;**
- **World Bank Group units** concerned with the design, management and activities of the PMR and units dedicated to key economic sectors (such as energy, transport and industry);
- **PMR Experts and Expert Reviewers;** and
- **Other evaluation bodies.**

Annex

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1 Evidence within Contribution Analysis Framework

For each PMR outcome, this evaluation has reviewed the extent to which (and how) key assumptions are being met which are required for the PMR's outcomes to be realized. The evaluation has also considered the role of the PMR within its wider context – considering how external factors (both enablers and barriers) interact with the support provided by the PMR, as well as any alternative explanations for how progress against outcomes targeted by the PMR is being achieved.

This Annex details the underlying evaluation evidence which supports the overall assessment of the PMR's achievements against its targeted outcomes, presented in Chapter 4 of the main body of the report. This Annex provides further detail on Outcomes 1, 2 and 3, whilst Outcome 4 and the Medium-Term Impact detailed in the PMR Logframe (and in the Contribution Analysis framework) are covered only within the main report. The underlying evidence for Outcomes 1, 2 and 3 is structured here within the key sections of the Contribution Analysis Framework set out in Appendix 4.

Synthesis of evidence within Contribution Analysis framework - Performance of the PMR to date towards: *Outcome 2: PMR knowledge has informed efforts of PMR participants and other partners to design, pilot and/or implement domestic carbon pricing instruments*

| Assumptions for outcome to be realized | Performance of PMR to date | Evidence of assumption being realized: PMR contribution to outcome |
|---|---|---|
| PMR-generated knowledge is relevant, high quality and necessary | Strong evidence of assumption being realized (although it will be important for the PMR to continue to be responsive to the evolving needs of ICPs in order to remain relevant and impactful) | <p>PMR knowledge products are well regarded for their quality and relevance, by ICPs, CPs and TPs involved in the PMR, as well as by external stakeholders interested in carbon pricing.</p> <p>The relevance of PMR knowledge products is evident through their frequent description as essential reading, reference and training material. The necessity of these products is also demonstrated through the scale of downloads, and translation into further languages. The Carbon Tax Guide, for example, is now being translated into French and Spanish, and there have been 1,200 downloads of the Turkish language ETS handbook.</p> <p>ICPs have fed back that the PMR Secretariat are good at spotting opportunities that will be useful to ICPs and “keeping up” with these as they develop; an example was given of a forthcoming workshop communicating carbon pricing which was considered very timely and to respond to gaps ICPs have experienced in engaging non-technical audiences. Cross-references to PMR knowledge products by other carbon pricing initiatives serve as external validation of their relevance and quality (discussed further under the fourth outcome in this section).</p> <p>Suggestions were also made for ensuring the ongoing relevance of PMR-generated knowledge and that PMR knowledge continues to inform the efforts of PMR participants, particularly as they move further into their implementation of MRP activities. Areas of knowledge-sharing where ICPs would like a greater focus going forward include:</p> |

| | | |
|--|--|---|
| | | <ul style="list-style-type: none"> • Learning from each other's experiences of implementing their MRPs – this is seen as a critical part of the practical learning that PMR can facilitate, in addition to the more content-driven knowledge of its handbooks and workshops. • Further discussion about policies and policy coherence (rather than a focus only on instruments). Some ICPs felt this could help CPs to understand ICP context for implementation, progress, and challenges faced. <p>Further feedback on the PMR's technical knowledge products, and additional topics of interest, is provided in Section 3.2 of the main report.</p> |
| Mechanisms to disseminate PMR-generated knowledge are effective | Some evidence of assumption being realized (mechanisms are reasonably effective but not fully optimized) | <p>Key ways in which the PMR is effectively disseminating knowledge include via:</p> <ul style="list-style-type: none"> • PMR knowledge products (e.g. handbooks): the success of this dissemination route is evident in download figures, and feedback is that usage is high). • Technical Workshops: these are effective avenues for sharing practical and technical information as long as they are pitched at the right level of detail for the target audience and sufficient time is allocated to the session. • PA meetings: these are seen by ICPs, CPs and TPs as an essential connection point for sharing knowledge. Some of their value for knowledge-sharing comes from informal side discussions rather than through formal sessions. <p>While PA meetings are used as a forum for sharing country-level work, there is a limit to the extent to which detailed knowledge can be shared (given the numbers of attendees and the tight scheduling of sessions, and depending on the level of active participation). This can mean that the PA meetings are not the most effective mechanism for informing efforts of other participants, although they can help to raise areas of potential learning, or make connections between stakeholders who can then continue the transfer of more specific learning via other avenues.</p> <p>Further feedback on the role played by the PA meetings in knowledge-sharing is provided in Section 3.</p> |

Table 6.1: External factors contributing to Outcome 2

| Assumptions for testing | Significance of external factor | Evidence of assumption being realized: external factor contribution to outcome |
|--|---|--|
| Country receptiveness to PMR knowledge e.g. established energy market strategies, policies, targets, economic state | Strong influencer – although where policies/political commitment is not aligned with PMR goals, this does not always preclude PMR knowledge informing efforts | <p>This is a key external factor affecting success or failure. A country's receptiveness to PMR knowledge can be fundamentally affected by a wide range of external influencers, and these can act to either significantly accelerate or slow down the impact that PMR-generated knowledge can have on progress towards the implementation of carbon pricing.</p> <p>In some places where MRP implementation is running smoothly and to schedule, this can be linked to complementary agendas – the Ukraine-EU Association Agreement is one such example, or in ICPs where a political decision has been taken for a carbon tax to be introduced.</p> <p>However, less favorable national conditions do not preclude PMR-generated knowledge informing the efforts of some in-country. There are examples of ICPs where the current policy landscape and market structure is less amenable to carbon pricing, but in these locations, PMR-generated knowledge is often seen as essential for continuing to push a carbon pricing</p> |

| | | |
|---|---|---|
| | | agenda, for showcasing the shared vision around this held by many countries around the world, and for facilitating ongoing stakeholder engagement which may, at some future point, evolve into a more conducive external environment. |
| Enhanced global political commitment stimulates interest in PMR knowledge | Strong influencer (but usually less strong than national commitments, depending on openness of economy and extent to which looking at other –often neighboring – markets) | Article 6 of the Paris Agreement, and the requirement for NDCs, has had a strong influence in confirming the future relevance of carbon markets. Global political commitments are seen to help ICPs keep MRP activities on their domestic agenda. This push interacts with the PMR which encourages action in response to such commitments through “social norming” style effects – each ICP reports back in an open-forum to a large number and range of countries from around the world (including countries that may be donors to them for other programs). |
| Existing knowledge already in place | Not often a significant influencer – PMR knowledge stronger influencer | Overall, there is strong evidence that PMR knowledge, rather than, or in addition to, existing knowledge, is contributing to progress towards carbon pricing. Yet, this progress can be accelerated when: <ul style="list-style-type: none"> • Involvement of experienced teams in implementation phase: In some participating countries, where MRP implementation is running smoothly and to schedule, this is linked to experienced teams with prior experience being in place within ICP Ministries (or via appointed World Bank consultants in World Bank-executed countries). • Prior implementation of a carbon pricing instrument: In one or two cases, PMR support is being used to refine, or revise, an existing mechanism (such as an existing tax instrument) and so the starting position does already benefit from prior knowledge, as well as sometimes prior stakeholder engagement and buy-in. |
| Existing inter-country knowledge exchange | Not significant factor – PMR knowledge stronger influencer | Although there are some bilateral discussions on components of carbon pricing (such as between the German government and recipient countries of the GIZ project, which often delivers support on MRV), and also recently more regional dialogue (for example, in the Americas) there is limited evidence of ICP-to-ICP exchange on carbon pricing issues outside of exchanges encouraged, of facilitated by, the PMR. |

Table 6.2: Synthesis of evidence within Contribution Analysis framework - Performance of the PMR to date towards Outcomes 1 and 3

| Assumptions for outcomes to be realized ⁵⁹ | Performance of PMR to date | Evidence of assumption being realized: PMR contribution to these outcomes |
|---|--|--|
| PMR participants have received sufficient technical assistance, training and financial support to design, pilot and implement carbon pricing instruments and to identify the best | Strong evidence of assumption being realized | <p>This evaluation has found high levels of agreement across the broad range of stakeholders engaged that the PMR offers the right package of support; that is, the technical, practical, and financial assistance needed by countries seeking to implement carbon pricing with the aim of linking through carbon markets.</p> <p>A key attribute of the PMR which is highly valued is the flexible support it offers to ICPs which allows them to spend time investigating, testing and selecting the most appropriate carbon pricing instruments for their national context, and for their long-term carbon market vision. Indeed, its instrument agnosticism was an attribute which was identified as making the PMR stand out from other</p> |

⁵⁹ All assumptions underpinning the achievement of PMR Logframe Outcome 2 are also needed to enhance the ability of PMR participants to use carbon markets.

| | | |
|--|---|---|
| approaches, compatibilities and synergies to linking carbon pricing instruments | | <p>initiatives. The PAWP in particular has supported some ICPs with the identification of the best approaches with the most appropriate compatibilities and synergies to the wider policy landscape.</p> <p>There are examples of the PMR pushing, or sometimes re-directing, progress towards more effective carbon pricing instruments. For example, the PMR supported Chile in implementing its carbon tax and is supporting improvements to the tax with additional funding. Others are being supported to bring in the key foundations that will maximize the chance of a successful ETS.</p> <p>There is also some evidence of the PMR encouraging regional-level discussion of carbon pricing and carbon markets, although this should continue to be a topic of greater focus going forwards.</p> |
| PMR participants are willing to collaborate and share lessons learned on what works for establishing core components of carbon pricing instruments internationally | Good evidence of assumption being realized (although facilitating effective sharing of lessons needs to remain a key focus for the PMR) | <p>The collaborative nature of the PMR is one of its most highly valued attributes, and there is strong buy-in to this ethos among its participants. The de-politicized environment of the PMR's meetings and workshops is considered key to creating an atmosphere in which countries are willing to share experiences with one another. ICPs highly value hearing the lessons from other ICPs as well as the experiences of CPs and TPs.</p> <p>The willingness of participants to share with one another is evident from examples of offers made to share learning and other PMR-generated knowledge, products and processes - Mexico, for example, has offered to share its ETS Simulation Tool with others. Other ICPs have offered to share learning from their implementation phase so far, such as the sharing of Terms of Reference for procuring consultants. A priority for the PMR needs to be find effective mechanisms to facilitate this sharing efficiently, particularly given the number of ICPs now seeking to speed-up the efficiency of their implementation phase and wanting to avoid the pitfalls of others.</p> |
| PMR work increases confidence/ political support for pursuing carbon pricing | Mixed evidence of this assumption being realized | <p>Political support for carbon pricing is often a precursor to an ICP being involved in the PMR (it is a requirement for additional funding to be provided, for example, but it also becomes important for recipient-executed grants at the point where a recipient-institution needs to be identified and agreed). However, levels of political support, and the direction in which it is focused (for example, which type of instrument is favored), can change over time, and there are also a few countries participating in the PMR in which political commitment is limited.</p> <p>In some circumstances, the PMR has been found to increase political confidence and support for pursuing carbon pricing through:</p> <ul style="list-style-type: none"> • encouraging early stakeholder engagement • providing advice on the best way of progressing carbon pricing instruments based on a large body of collective expertise • providing a "public" forum in which ICPs provide regular updates and demonstrate their own national progress • providing a channel through which to hear about the experience of others, and in particular the questions and challenges faced which others can seek to avert. <p>However, speaking to a political audience about carbon pricing remains a challenge for some and, for many, the discussion has been largely held at a technical level so far. Many are now finding that the shift towards implementing mechanisms (which often requires the passing of national legislation) is placing greater necessity on effectively engaging more political audiences. The technical outputs of the PMR are less suited to facilitating communication with non-technical audiences. While most participants recognize that this type of engagement falls under the remit of other initiatives, the PMR technical workshop on communicating carbon pricing was welcomed, and ICPs would like to see sharing of lessons between one another around this issue.</p> |

| | | |
|--|--|--|
| PMR demonstrates sufficient flexibility in its delivery of relevant support to meet evolving needs of PMR participants | Strong evidence of assumption being realized | As discussed in Section 3, a key strength of the PMR is the flexibility it offers ICPs, from the formation of MRPs (which can either commit to a carbon pricing instrument or sets out activities to explore multiple options), to its willingness to support changes in the implementation phase where necessary. |
|--|--|--|

Table 6.3: External factors contributing to Outcomes 1 and 3

| Assumptions for testing ⁶⁰ | Significance of external factor | Evidence of assumption being realized: external factor contribution to outcomes |
|---|--|---|
| <p>Existing institutional and legal environment:</p> <ul style="list-style-type: none"> existing legal and regulatory frameworks existing institutional responsibilities administrative capacity <p>Country/political enabling environment is in place, i.e., countries are motivated, have approved effective mechanisms for GHG reduction, and allocated sufficient human and budgetary resources for capacity building.</p> | Can be a significant influencer – acting to either speed up or slow down progress against PMR objectives | <p>There are examples of ICPs where being able to build on existing legal and regulatory foundations has been an enabling factor – for example, where there is already a law providing for a carbon tax (even if this tax is not yet operational or will be reformed with support of the PMR).</p> <p>In addition, the capacity and capability of focal points within ICPs has been identified as a significant factor affecting implementation progress – in some cases, this has acted to stall the commencement of implementation activity (where an institution suitable to act as the grant recipient could not be identified), and in others it has affected the speed of progressing components of the MRP once funds have been dispersed.</p> |

⁶⁰ External factors related to PMR Logframe Outcome 2 will also interact with the ability of the PMR to drive progress against this outcome.

2 Survey topline results

Evaluation of the Partnership for Market Readiness (PMR) Topline results – May 2018

TECHNICAL DETAILS

Ipsos MORI surveyed online 100 stakeholders related to the PMR (further details provided in Appendix 5). Please note that the data provided below is displayed in percentages- care should be taken when reporting these figures where they are related to a low base size (this is shown at the top of each column). Where percentages do not sum to 100 this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers. An asterisk (*) denotes any value of less than half a per cent. Data are based on all adults unless otherwise stated. No weighting has been applied to the data.

TOPLINE RESULTS

Module A. Respondent characteristics and involvement with the PMR

Q1 What is your relationship with the Partnership for Market Readiness (PMR)?

| | Base: All Respondents (n) | 100 |
|--|---------------------------|-----|
| | | % |
| I am responding from an implementing country participant (ICP) | | 39 |
| I am responding from a contributing participant (CP) | | 12 |
| I am responding from a technical partner country | | 8 |
| I am an observer to the PMR | | 7 |
| I am an expert/interested party but not a formal observer to the PMR | | 11 |
| I work in the PMR Secretariat | | 5 |
| I work in the World Bank | | 13 |
| Other (please specify) | | 5 |

Q2 Which of the following best describes how frequently your work tends to involve engaging with the PMR? This could be through attending PMR meetings, workshops or webinars, reading PMR guidebooks or other resources, preparing progress reports or reviewing other countries’ documents or working on the preparation or implementation of a Market Readiness Proposal

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---------------------------|-------|-----|----|----|---------------------------|-------------|
| Base: All respondents (n) | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Most days | 28 | 31 | 0 | 12 | 6 | 67 |
| A few times a month | 30 | 44 | 33 | 25 | 6 | 33 |
| Once a month | 12 | 10 | 17 | 38 | 17 | 0 |
| A few times a year | 24 | 8 | 42 | 25 | 72 | 0 |

| | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|------------|
| Once a year | 0 | 0 | 0 | 0 | 0 | 0 |
| Less frequently than once a year | 3 | 3 | 8 | 0 | 0 | 0 |
| I no longer frequently engage with the PMR, but did closely in a former role | 3 | 5 | 0 | 0 | 0 | 0 |
| Never | 0 | 0 | 0 | 0 | 0 | 0 |
| At least monthly | 70 | 85 | 50 | 75 | 28 | 100 |
| A few times a year or less | 30 | 15 | 50 | 25 | 72 | 0 |

Q2a When was the last time you attended, or engaged closely, with something related to the PMR?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|-----------|-----------|------------|------------|---------------------------|-------------|
| <i>Base: All who engage with PMR a few times a year or less (n)</i> | 30 | 6 | 6 | 2 | 13 | 0 |
| | % | % | % | % | % | % |
| Within the last two months | 40 | 17 | 83 | 50 | 38 | 0 |
| Within the last six months | 33 | 50 | 0 | 50 | 31 | 0 |
| Within the last year | 10 | 0 | 17 | 0 | 15 | 0 |
| Within the last 18 months | 3 | 17 | 0 | 0 | 0 | 0 |
| Longer than 18 months ago | 13 | 17 | 0 | 0 | 15 | 0 |
| Don't know / Can't remember | 0 | 0 | 0 | 0 | 0 | 0 |
| Within the last year | 83 | 67 | 100 | 100 | 85 | 0 |

Q3 What type of organisation are you responding from?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|-----------|-----------|------------|------------|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Government Ministry / Department | 46 | 69 | 92 | 88 | 0 | 6 |
| Government agency | 12 | 13 | 8 | 12 | 22 | 0 |
| Consultancy firm / Independent consultant | 8 | 8 | 0 | 0 | 17 | 0 |
| Financial institution / Development bank | 19 | 0 | 0 | 0 | 17 | 89 |
| Industry Association | 1 | 0 | 0 | 0 | 6 | 0 |
| University / Academic organisation | 2 | 3 | 0 | 0 | 6 | 0 |
| Non-governmental organisation (NGO) | 4 | 5 | 0 | 0 | 11 | 0 |
| Other (please specify) | 8 | 3 | 0 | 0 | 22 | 6 |
| Government | 58 | 82 | 100 | 100 | 22 | 6 |
| Not Government | 42 | 18 | 0 | 0 | 78 | 94 |

Q3a What is the core focus of your Ministry / Department?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All Government ministry/dept/agency (n)</i> | 58 | 32 | 12 | 8 | 4 | 1 |
| | % | % | % | % | % | % |
| Energy | 10 | 12 | 17 | 0 | 0 | 0 |
| Environment | 62 | 59 | 50 | 75 | 75 | 100 |
| Finance | 10 | 12 | 0 | 25 | 0 | 0 |
| Foreign Affairs | 3 | 0 | 17 | 0 | 0 | 0 |
| Other (please specify) | 14 | 16 | 17 | 0 | 25 | 0 |

Q4 Which, if any, of the following themes relating to carbon pricing are directly relevant for your work?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-------|-----|-----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Emissions trading systems (ETS) | 71 | 59 | 75 | 62 | 94 | 78 |
| Offsets and crediting | 71 | 62 | 100 | 62 | 78 | 67 |
| Carbon tax | 64 | 67 | 50 | 25 | 72 | 67 |
| Energy certificate schemes | 33 | 31 | 25 | 0 | 39 | 50 |
| Other (please specify) | 15 | 13 | 25 | 0 | 22 | 11 |
| None of these | 4 | 5 | 0 | 12 | 0 | 6 |

Q5 Which, if any, of the following types of activity are directly relevant for your work? These might be activities you are already working on, or which you are currently building capacity around for the future.

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|-----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Monitoring, reporting and verification (MRV) | 81 | 77 | 75 | 62 | 78 | 100 |
| Stakeholder engagement and preparedness | 77 | 69 | 75 | 100 | 67 | 94 |
| Data management and registries | 66 | 56 | 67 | 50 | 67 | 83 |
| Baselines | 60 | 54 | 67 | 38 | 61 | 72 |
| Benchmarking | 46 | 44 | 42 | 38 | 39 | 61 |
| Competitiveness and carbon leakage | 43 | 28 | 42 | 75 | 56 | 50 |
| Other (please specify) | 17 | 8 | 17 | 38 | 33 | 11 |

| | | | | | | |
|---------------|---|---|---|---|---|---|
| None of these | 2 | 3 | 8 | 0 | 0 | 0 |
|---------------|---|---|---|---|---|---|

Q7 Are you now, or have you been in the past, a member of any of the following PMR Working Groups?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Monitoring, reporting and verification (MRV) | 12 | 18 | 8 | 12 | 6 | 6 |
| Offsets and crediting | 12 | 18 | 17 | 12 | 11 | 0 |
| Monitoring and evaluation | 12 | 15 | 33 | 12 | 6 | 0 |
| Benchmarks | 10 | 10 | 0 | 38 | 6 | 6 |
| Emissions trading | 9 | 8 | 8 | 12 | 11 | 11 |
| Carbon taxes | 8 | 8 | 8 | 25 | 6 | 0 |
| Other (please specify) | 8 | 0 | 8 | 12 | 17 | 11 |
| None of these | 51 | 44 | 42 | 25 | 56 | 78 |
| Don't know / Can't remember | 12 | 18 | 8 | 25 | 11 | 0 |

Q8i Are you now, or have you been in the past, involved in designing or delivering PMR resources, such as guidebooks, workshops or training?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-----------|-----------|-----------|-----------|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Yes – I have authored or contributed to PMR resources (e.g. handbooks) | 25 | 10 | 17 | 38 | 44 | 39 |
| Yes – I have helped to design or deliver training or other capacity building activities (e.g. workshops) | 24 | 15 | 0 | 25 | 39 | 39 |
| No | 58 | 72 | 75 | 62 | 39 | 39 |
| Don't know / Can't remember | 4 | 8 | 8 | 0 | 0 | 0 |
| Yes | 38 | 21 | 17 | 38 | 61 | 61 |

Module B. The relevance and value of the PMR in international and national context

Q9_a On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the overall objectives of the PMR are currently for: Supporting market readiness for carbon pricing internationally

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-----------|-----------|-----------|------------|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | 3 | 3 | 0 | 0 | 11 | 0 |
| 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | 6 | 13 | 8 | 0 | 0 | 0 |
| 6 | 4 | 8 | 0 | 0 | 6 | 0 |
| 7 | 10 | 8 | 8 | 0 | 17 | 11 |
| 8 | 19 | 21 | 25 | 25 | 22 | 0 |
| 9 | 23 | 13 | 25 | 50 | 22 | 39 |
| 10 | 35 | 36 | 33 | 25 | 22 | 50 |
| Don't know | 0 | 0 | 0 | 0 | 0 | 0 |
| Relevant 8-10 | 77 | 69 | 83 | 100 | 67 | 89 |
| Not relevant 1-3 | 3 | 3 | 0 | 0 | 11 | 0 |

Q9_b On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the overall objectives of the PMR are currently for: Supporting market readiness for carbon pricing in your country specifically

| | ICP |
|--|-----------|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| 1 | 0 |
| 2 | 0 |
| 3 | 3 |
| 4 | 0 |
| 5 | 0 |
| 6 | 3 |
| 7 | 13 |
| 8 | 18 |
| 9 | 28 |
| 10 | 36 |
| Don't know | 0 |
| Relevant 8-10 | 82 |
| Not relevant 1-3 | 3 |

Q10_a On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the activities and support delivered by the PMR are for: Supporting market readiness for carbon pricing internationally

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |

| | % | % | % | % | % | % |
|-------------------------|-----------|-----------|-----------|------------|-----------|-----------|
| 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | 2 | 3 | 0 | 0 | 6 | 0 |
| 4 | 1 | 0 | 0 | 0 | 6 | 0 |
| 5 | 2 | 5 | 0 | 0 | 0 | 0 |
| 6 | 5 | 8 | 0 | 0 | 0 | 6 |
| 7 | 14 | 8 | 17 | 0 | 33 | 11 |
| 8 | 22 | 23 | 25 | 25 | 11 | 28 |
| 9 | 25 | 23 | 33 | 50 | 28 | 17 |
| 10 | 26 | 26 | 25 | 25 | 11 | 39 |
| Don't know | 3 | 5 | 0 | 0 | 6 | 0 |
| Relevant 8-10 | 73 | 72 | 83 | 100 | 50 | 83 |
| Not relevant 1-3 | 2 | 3 | 0 | 0 | 6 | 0 |

Q10_b On a scale of 1 to 10, where 1 is not at all relevant and 10 is very relevant, how relevant do you think the activities and support delivered by the PMR are for: Supporting market readiness for carbon pricing in your country specifically

| | ICP |
|--|-----------|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| 1 | 0 |
| 2 | 3 |
| 3 | 0 |
| 4 | 0 |
| 5 | 0 |
| 6 | 8 |
| 7 | 8 |
| 8 | 18 |
| 9 | 21 |
| 10 | 41 |
| Don't know | 3 |
| Relevant 8-10 | 79 |
| Not relevant 1-3 | 3 |

Q10a Please briefly explain why you gave this response about the relevance of the PMRs activities and support for your country. Please answer in either English, Spanish or French.

| | ICP |
|--|------------------|
| <i>Base: All from an ICP (n)</i> | 39 |
| | % |
| <u>EXPLANATION</u> | <u>97</u> |
| The PMR has helped with the design / implementation of market based mechanisms | 51 |

| | |
|--|----|
| The PMR has been helpful / done a good job | 36 |
| The PMR has helped us network with peers / learn from others / share knowledge | 31 |
| The PMR has helped with the technical requirements | 28 |
| The PMR is recognised for its knowledge / work in carbon pricing / developing market instruments | 23 |
| The PMR has taken all stakeholders needs into account / provided relevant support | 15 |
| The PMR has helped with engagement about climate change | 15 |
| The PMR needs to engage with National Government agencies | 8 |
| The PMR has helped with the design / implementation of strategies to reduce greenhouse gas emissions | 5 |
| Further / long term support required | 10 |
| Others | 18 |
| No answer | 3 |

Q11a Looking at the list below, please select the entity you think is most important in terms of the contribution it makes to supporting market readiness for carbon pricing internationally?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| UNFCCC | 14 | 18 | 8 | 0 | 22 | 0 |
| PMR | 39 | 44 | 42 | 25 | 33 | 39 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 3 | 3 | 0 | 0 | 6 | 0 |
| NGOs | 0 | 0 | 0 | 0 | 0 | 0 |
| National governments | 32 | 26 | 42 | 25 | 28 | 56 |
| Regional governments | 1 | 0 | 0 | 12 | 0 | 0 |
| Private sector / corporate organisations | 3 | 3 | 0 | 12 | 0 | 6 |
| Other (please specify) | 4 | 3 | 0 | 25 | 6 | 0 |
| Don't know | 4 | 5 | 8 | 0 | 6 | 0 |

Q11b Looking at the list below, please select the entity you think is most important in terms of the contribution it makes to supporting market readiness for carbon pricing in your country specifically?

| | ICP |
|---|-----|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| UNFCCC | 3 |
| PMR | 46 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 0 |

| | |
|--|----|
| NGOs | 0 |
| National governments | 44 |
| Regional governments | 3 |
| Private sector / corporate organisations | 3 |
| Other (please specify) | 0 |
| Don't know | 3 |

Q11a1 And which, if any, other entities would you say also make an important contribution to supporting market readiness for carbon pricing internationally? Please select up to two responses

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| UNFCCC | 25 | 26 | 17 | 25 | 11 | 44 |
| PMR | 38 | 31 | 50 | 62 | 39 | 33 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 42 | 41 | 58 | 50 | 33 | 44 |
| NGOs | 4 | 5 | 8 | 0 | 6 | 0 |
| National governments | 17 | 23 | 0 | 12 | 22 | 11 |
| Regional governments | 8 | 5 | 0 | 25 | 6 | 11 |
| Private sector / corporate organisations | 17 | 18 | 17 | 0 | 22 | 17 |
| Other (please specify) | 4 | 0 | 8 | 0 | 11 | 6 |
| Don't know | 2 | 3 | 0 | 0 | 6 | 0 |

Q11b1 And which, if any, other entities would you say also make an important contribution to supporting market readiness for carbon pricing in your country specifically? Please select up to two responses.

| | ICP |
|---|-----|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| UNFCCC | 10 |
| PMR | 33 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 41 |
| NGOs | 5 |
| National governments | 26 |
| Regional governments | 5 |
| Private sector / corporate organisations | 33 |
| Other (please specify) | 0 |
| Don't know | 3 |
| None of these | 0 |

Q11a Summary - all important entities 'internationally'

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| UNFCCC | 39 | 44 | 25 | 25 | 33 | 44 |
| PMR | 77 | 74 | 92 | 88 | 72 | 72 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 45 | 44 | 58 | 50 | 39 | 44 |
| NGOs | 4 | 5 | 8 | 0 | 6 | 0 |
| National governments | 49 | 49 | 42 | 38 | 50 | 67 |
| Regional governments | 9 | 5 | 0 | 38 | 6 | 11 |
| Private sector / corporate organisations | 20 | 21 | 17 | 12 | 22 | 22 |
| Other (please specify) | 8 | 3 | 8 | 25 | 17 | 6 |
| Don't know | 6 | 8 | 8 | 0 | 11 | 0 |
| None of these | 2 | 3 | 0 | 0 | 6 | 0 |

Q11b Summary - all important entities 'in your country'

| | ICP |
|---|-----|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| UNFCCC | 13 |
| PMR | 79 |
| Other international platforms (for example, WRI, ICAP, GIZ) | 41 |
| NGOs | 5 |
| National governments | 69 |
| Regional governments | 8 |
| Private sector / corporate organisations | 36 |
| Other (please specify) | 0 |
| Don't know | 5 |
| None of these | 0 |

Q12 Please now think about how the PMR compares to these other entities contributing to market readiness for carbon pricing. What, if anything, do you see as the main added value offered by the PMR? If you do not agree that the PMR offers added value, please explain why this is. Please answer in either English, Spanish or French.

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |

| | | | | | | |
|--|----|----|-----|-----|----|----|
| I agree the PMR offers added value: | 94 | 90 | 100 | 100 | 94 | 94 |
| I do not agree the PMR offers added value: | 1 | 0 | 0 | 0 | 0 | 6 |
| Don't know | 5 | 10 | 0 | 0 | 6 | 0 |

Q12_1 Please now think about how the PMR compares to these other entities contributing to market readiness for carbon pricing. What, if anything, do you see as the main added value offered by the PMR?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 94 | 35 | 12 | 8 | 17 | 17 |
| | % | % | % | % | % | % |
| Sharing / exchange of knowledge / experience / information | 35 | 37 | 42 | 25 | 24 | 41 |
| Technical assistance / support / workshops | 28 | 34 | 17 | 38 | 6 | 41 |
| Co-operation / working together / networking | 22 | 20 | 25 | 25 | 18 | 18 |
| Experts / expertise / experienced | 16 | 20 | 8 | 25 | 6 | 24 |
| Financial assistance / support / funding | 15 | 20 | 8 | 38 | 6 | 6 |
| Policy support / development | 12 | 11 | 25 | 12 | 6 | 6 |
| Capacity building | 12 | 9 | 17 | 0 | 18 | 12 |
| Country-specific | 7 | 6 | 17 | 0 | 18 | 0 |
| Working with developing countries | 6 | 6 | 8 | 25 | 0 | 6 |
| International | 5 | 3 | 17 | 0 | 0 | 12 |
| Focus / focussed | 4 | 6 | 8 | 0 | 0 | 0 |
| Guidance / guidelines | 4 | 3 | 0 | 0 | 6 | 12 |
| Other | 43 | 40 | 42 | 38 | 41 | 53 |
| No answer | 1 | 0 | 0 | 0 | 6 | 0 |

Module C. The relevance and value of the PMR for ICPs

Q14 To what extent would you agree or disagree with the following statement: The support offered by the PMR has been flexible enough to meet the needs of my country?

| | ICP |
|--|-----|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| Strongly agree | 51 |
| Tend to agree | 46 |
| Tend to disagree | 3 |
| Strongly disagree | 0 |

| | |
|-----------------------|-----------|
| It's too early to say | 0 |
| Don't know | 0 |
| Agree | 97 |
| Disagree | 3 |

Module D: Use and impact of PMR resources

Q15 Which, if any, of the following PMR workshops or trainings have you attended in the past two years?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|------------|-----------|-----------|----------|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | <i>100</i> | <i>39</i> | <i>12</i> | <i>8</i> | <i>18</i> | <i>18</i> |
| | % | % | % | % | % | % |
| Technical Workshop 24: Role of Carbon Markets in Global Climate Action and Implications for Market Development Activities (Oct 2017, Tokyo) | 30 | 31 | 50 | 38 | 11 | 28 |
| Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi) | 27 | 31 | 42 | 12 | 22 | 22 |
| Technical Workshop 20: Post-2020 Accounting: Implications for Carbon Pricing and Registries (Oct 2016, Hanoi) | 25 | 36 | 25 | 0 | 17 | 22 |
| Technical Dialogue 23: New Perspectives on International Cooperation: Carbon Markets and Climate Finance under the Paris Agreement (May 2017, Barcelona) | 21 | 26 | 17 | 12 | 11 | 28 |
| Technical Workshop 19: Implications of the Paris Agreement for a New Generation of International Market Mechanisms (May-Jun 2016, Paris) | 18 | 15 | 17 | 0 | 33 | 17 |
| Technical Workshop 18: Implications of the Paris Agreement on PMR Activities (Apr 2016, Lima) | 18 | 15 | 25 | 0 | 17 | 28 |
| Technical Workshop 17: Carbon Pricing: Latest Developments on Carbon Taxes (Mar 2016, Zurich) | 17 | 13 | 33 | 12 | 22 | 17 |
| Technical Workshop 16: Emissions Trading: Leveraging a Decade of Global Experience (Mar 2016, Zurich) | 17 | 13 | 42 | 12 | 22 | 11 |
| Technical Workshop 14: Carbon Leakage: Theory, Evidence and Policy (Oct 2015, Sweimeh, Dead Sea) | 15 | 21 | 17 | 12 | 6 | 17 |

| | | | | | | |
|--|----|----|----|----|----|----|
| Technical Workshop 13: PMR Insights on Post-2020 Carbon Markets (Oct 2015, Sweimeh, Dead Sea) | 15 | 21 | 17 | 0 | 6 | 17 |
| Technical Workshop 15: Post-2020 Mitigation Scenarios & Carbon Pricing Modelling (Feb, 2016, Brasília) | 14 | 21 | 8 | 0 | 11 | 17 |
| Technical Workshop 21: Paving the Way for NDC Implementation: Analyzing Policy Options and Modelling Carbon Pricing (Dec 2016, San José) | 13 | 26 | 0 | 0 | 0 | 11 |
| None of these | 15 | 13 | 17 | 25 | 17 | 6 |
| None of these – but I attended PMR workshops or training more than two years ago | 10 | 5 | 8 | 12 | 11 | 17 |
| Don't know / Can't remember | 1 | 0 | 8 | 0 | 0 | 0 |

Q16a On a scale of 1 to 10, how useful or not do you tend to find PMR workshops for you in your role?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All who have ever attended any PMR workshop (n)</i> | 84 | 34 | 9 | 6 | 15 | 17 |
| | % | % | % | % | % | % |
| 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 1 | 0 | 0 | 0 | 0 | 6 |
| 5 | 6 | 6 | 11 | 17 | 0 | 6 |
| 6 | 1 | 3 | 0 | 0 | 0 | 0 |
| 7 | 27 | 12 | 67 | 17 | 40 | 35 |
| 8 | 30 | 38 | 11 | 33 | 20 | 24 |
| 9 | 15 | 24 | 11 | 0 | 7 | 12 |
| 10 | 17 | 18 | 0 | 33 | 27 | 12 |
| Don't know | 2 | 0 | 0 | 0 | 7 | 6 |
| Useful | 62 | 79 | 22 | 67 | 53 | 47 |
| Not useful | 0 | 0 | 0 | 0 | 0 | 0 |

Q16b Which, if any, of these PMR workshops would you say have been the most useful for you in your role? Please select up to three.

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All who attended more than one PMR workshop in last 2 years (n)</i> | 57 | 22 | 7 | 3 | 11 | 12 |
| | % | % | % | % | % | % |

| | | | | | | |
|--|----|----|----|----|----|----|
| Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi) | 18 | 18 | 14 | 33 | 9 | 17 |
| Technical Workshop 19: Implications of the Paris Agreement for a New Generation of International Market Mechanisms (May-Jun 2016, Paris) | 18 | 14 | 0 | 0 | 36 | 17 |
| Technical Workshop 24: Role of Carbon Markets in Global Climate Action and Implications for Market Development Activities (Oct 2017, Tokyo) | 16 | 14 | 14 | 67 | 9 | 8 |
| Technical Dialogue 23: New Perspectives on International Cooperation: Carbon Markets and Climate Finance under the Paris Agreement (May 2017, Barcelona) | 16 | 18 | 0 | 0 | 18 | 17 |
| Technical Workshop 20: Post-2020 Accounting: Implications for Carbon Pricing and Registries (Oct 2016, Hanoi) | 14 | 9 | 14 | 0 | 18 | 25 |
| Technical Workshop 17: Carbon Pricing: Latest Developments on Carbon Taxes (Mar 2016, Zurich) | 12 | 14 | 14 | 33 | 9 | 8 |
| Technical Workshop 16: Emissions Trading: Leveraging a Decade of Global Experience (Mar 2016, Zurich) | 12 | 5 | 14 | 33 | 27 | 8 |
| Technical Workshop 21: Paving the Way for NDC Implementation: Analyzing Policy Options and Modelling Carbon Pricing (Dec 2016, San José) | 11 | 18 | 0 | 0 | 0 | 8 |
| Technical Workshop 18: Implications of the Paris Agreement on PMR Activities (Apr 2016, Lima) | 9 | 9 | 0 | 0 | 9 | 17 |
| Technical Workshop 15: Post-2020 Mitigation Scenarios & Carbon Pricing Modelling (Feb, 2016, Brasília) | 7 | 9 | 0 | 0 | 0 | 17 |
| Technical Workshop 13: PMR Insights on Post-2020 Carbon Markets (Oct 2015, Sweimeh, Dead Sea) | 5 | 9 | 0 | 0 | 0 | 8 |
| Technical Workshop 14: Carbon Leakage: Theory, Evidence and Policy (Oct 2015, Sweimeh, Dead Sea) | 4 | 9 | 0 | 0 | 0 | 0 |
| None of these | 0 | 0 | 0 | 0 | 0 | 0 |
| None of these – but I attended PMR workshops or training more than two years ago | 0 | 0 | 0 | 0 | 0 | 0 |
| Don't know / Can't remember | 11 | 5 | 57 | 0 | 9 | 0 |

Q16b1 Which, if any, of these PMR workshops would you say have been the most useful in supporting market readiness for carbon pricing in your country? Please select up to three.

| | ICP |
|--|-----|
| <i>Base: All from ICP, CP or TP and who attended more than one PMR workshop (n)</i> | 22 |
| | % |
| Technical Workshop 21: Paving the Way for NDC Implementation: Analyzing Policy Options and Modelling Carbon Pricing (Dec 2016, San José) | 27 |
| Technical Workshop 20: Post-2020 Accounting: Implications for Carbon Pricing and Registries (Oct 2016, Hanoi) | 23 |
| Technical Workshop 19: Implications of the Paris Agreement for a New Generation of International Market Mechanisms (May-Jun 2016, Paris) | 18 |
| Technical Workshop 22: Carbon Tax: Design and Implementation in Practice (Mar 2017, New Delhi) | 14 |
| Technical Workshop 17: Carbon Pricing: Latest Developments on Carbon Taxes (Mar 2016, Zurich) | 14 |
| Technical Workshop 16: Emissions Trading: Leveraging a Decade of Global Experience (Mar 2016, Zurich) | 5 |
| Technical Workshop 15: Post-2020 Mitigation Scenarios & Carbon Pricing Modelling (Feb, 2016, Brasília) | 14 |
| Technical Dialogue 23: New Perspectives on International Cooperation: Carbon Markets and Climate Finance under the Paris Agreement (May 2017, Barcelona) | 9 |
| Technical Workshop 24: Role of Carbon Markets in Global Climate Action and Implications for Market Development Activities (Oct 2017, Tokyo) | 5 |
| Technical Workshop 14: Carbon Leakage: Theory, Evidence and Policy (Oct 2015, Sweimeh, Dead Sea) | 9 |
| Technical Workshop 13: PMR Insights on Post-2020 Carbon Markets (Oct 2015, Sweimeh, Dead Sea) | 9 |
| Technical Workshop 18: Implications of the Paris Agreement on PMR Activities (Apr 2016, Lima) | 0 |
| None of these | 0 |
| None of these – but I attended PMR workshops or training more than two years ago | 0 |
| Don't know / Can't remember | 14 |

Q16a1 Please briefly explain why you gave this response about the usefulness of the PMR workshops? Please answer in either English, Spanish or French.

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All who have ever attended any PMR workshop (n)</i> | 84 | 34 | 9 | 6 | 15 | 17 |
| | % | % | % | % | % | % |

| EXPLANATION | <u>95</u> | <u>97</u> | <u>89</u> | <u>100</u> | <u>93</u> | <u>94</u> |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|
| POSITIVE RESPONSES | <u>88</u> | <u>85</u> | <u>89</u> | <u>100</u> | <u>93</u> | <u>82</u> |
| SHARING (NET) | <u>88</u> | <u>85</u> | <u>89</u> | <u>100</u> | <u>93</u> | <u>82</u> |
| PMR workshops provided an opportunity to - network with peers from similar / different organisations / around the world | 35 | 35 | 22 | 100 | 47 | 12 |
| PMR workshops provided an opportunity to - exchange views / share knowledge / information | 31 | 29 | 22 | 100 | 20 | 18 |
| PMR workshops provided an opportunity to - broaden our knowledge / understanding | 30 | 29 | 44 | 67 | 20 | 18 |
| PMR workshops were useful / helpful (unspecified further) | 24 | 21 | 33 | 17 | 7 | 35 |
| PMR workshops provided useful information - technical detail / information | 19 | 26 | 11 | 0 | 0 | 29 |
| PMR workshops were relevant to my / our needs / supports my role | 15 | 12 | 22 | 33 | 20 | 12 |
| PMR workshops provided useful information - updates / updated information | 15 | 18 | 11 | 17 | 20 | 12 |
| PMR workshops provided access to experts | 14 | 12 | 11 | 0 | 40 | 6 |
| PMR workshops provided an opportunity to - build / design the tools / instruments / formulate the policy | 13 | 15 | 0 | 17 | 7 | 18 |
| PMR workshops provided good discussions | 10 | 15 | 22 | 0 | 0 | 6 |
| Other positive responses | 7 | 9 | 0 | 0 | 13 | 0 |
| PMR workshops provided good presentations / speakers | 5 | 3 | 11 | 0 | 13 | 0 |
| NEGATIVE RESPONSES | <u>21</u> | <u>24</u> | <u>11</u> | <u>0</u> | <u>13</u> | <u>29</u> |
| PMR workshops were not detailed enough / too little information available | 5 | 6 | 0 | 0 | 7 | 6 |
| PMR workshops were too generic / not specific / tailored to our needs | 5 | 6 | 0 | 0 | 7 | 6 |
| PMR workshops were too brief / hurried / rushed | 4 | 6 | 0 | 0 | 7 | 0 |
| PMR workshops were too technical / contained unfamiliar technical jargon | 4 | 3 | 0 | 0 | 0 | 12 |
| Other negative responses | 4 | 0 | 11 | 0 | 0 | 0 |
| PMR workshops do not match the needs of early stage ICP's | 2 | 3 | 0 | 0 | 0 | 6 |
| SUGGESTIONS FOR IMPROVEMENT | <u>5</u> | <u>6</u> | <u>11</u> | <u>0</u> | <u>0</u> | <u>6</u> |
| PMR workshops would benefit from being more practical / participatory | 4 | 6 | 0 | 0 | 0 | 6 |
| Other suggestions for improvement | 2 | 3 | 11 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|----|---|---|---|
| I did not attend any / many PMR workshops | 2 | 0 | 0 | 0 | 7 | 6 |
| No answer | 2 | 3 | 11 | 0 | 0 | 0 |

Q17 Which, if any, of the following PMR resources produced since January 2015 have you used to significantly help progress an area of your work?

| | Total % | ICP | CP % | TP % | External observer /expert % | WB employee % |
|--|------------|-----------|-----------|-----------|-----------------------------|---------------|
| <i>Base: All respondents (n)</i> | <i>100</i> | <i>39</i> | <i>12</i> | <i>8</i> | <i>18</i> | <i>18</i> |
| | % | % | % | % | % | % |
| Carbon Pricing Instruments | 78 | 69 | 67 | 88 | 94 | 78 |
| Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016) | 55 | 51 | 58 | 50 | 50 | 67 |
| Carbon Tax Guide: A Handbook for Policy Makers (Mar 2017) | 41 | 49 | 33 | 25 | 33 | 39 |
| Overview of Carbon Offset Programs: Similarities and Differences (Jan 2015) | 22 | 21 | 25 | 25 | 28 | 11 |
| Emissions Trading Registries: Guidance on Regulation, Development, and Administration (Oct 2016) | 19 | 23 | 8 | 0 | 22 | 22 |
| Carbon Pricing Readiness | 57 | 67 | 42 | 50 | 50 | 61 |
| A Guide to Greenhouse Gas Benchmarking for Climate Policy Instruments (May 2017) | 19 | 23 | 17 | 12 | 17 | 11 |
| Greenhouse Gas Data Management: Building Systems for Corporate/Facility-Level Reporting (Apr 2016) | 17 | 21 | 8 | 0 | 6 | 28 |
| Guide For Designing Mandatory Greenhouse Gas Reporting Programs (May 2015) | 17 | 28 | 8 | 0 | 0 | 22 |
| Options to Use Existing International Offset Programs in a Domestic Context (Aug 2015) | 16 | 18 | 33 | 0 | 6 | 17 |
| Carbon Leakage: Theory, Evidence and Policy Design (Oct 2015) | 15 | 21 | 8 | 25 | 11 | 11 |
| Carbon Credits and Additionality: Past, Present, and Future (May 2016) | 15 | 18 | 25 | 0 | 17 | 11 |
| Preparing for Carbon Pricing: Case Studies from Company Experience (Jan 2015) | 13 | 13 | 8 | 25 | 11 | 17 |
| Checklist on Establishing Post-2020 Emissions Pathways (Mar 2015) | 12 | 10 | 17 | 0 | 0 | 28 |
| Crediting-Related Activities Under the PMR: Status and Support for Implementation (Aug 2015) | 7 | 5 | 25 | 0 | 0 | 11 |

| Other Resources | 57 | 46 | 75 | 75 | 67 | 50 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| State and Trends of Carbon Pricing (any issue) | 55 | 44 | 75 | 62 | 67 | 50 |
| China Carbon Market Monitor (any issue) | 9 | 0 | 8 | 25 | 11 | 17 |
| Pursuing an Innovative Development Pathway: Understanding China's INDC? | 3 | 3 | 0 | 0 | 0 | 6 |
| Other (please list up to three other main PMR resources you have used) | 3 | 0 | 8 | 12 | 0 | 0 |
| None of these | 6 | 10 | 0 | 12 | 0 | 6 |
| Don't know / Can't remember | 9 | 10 | 17 | 0 | 6 | 11 |

Q18 Which, if any, of these PMR resources would you say have been the most useful for you in your role? Please select up to three.

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|---|--------------|------------|-----------|-----------|----------------------------------|--------------------|
| <i>Base: All who used more than one PMR resource (n)</i> | 80 | 28 | 10 | 7 | 16 | 15 |
| | % | % | % | % | % | % |
| Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016) | 44 | 54 | 30 | 43 | 31 | 47 |
| State and Trends of Carbon Pricing (any issue) | 44 | 29 | 70 | 57 | 44 | 53 |
| Carbon Tax Guide: A Handbook for Policy Makers (Mar 2017) | 25 | 39 | 10 | 29 | 6 | 27 |
| Greenhouse Gas Data Management: Building Systems for Corporate/Facility-Level Reporting (Apr 2016) | 12 | 21 | 10 | 0 | 0 | 13 |
| Emissions Trading Registries: Guidance on Regulation, Development, and Administration (Oct 2016) | 11 | 7 | 0 | 0 | 19 | 20 |
| Overview of Carbon Offset Programs: Similarities and Differences (Jan 2015) | 11 | 18 | 0 | 0 | 25 | 0 |
| A Guide to Greenhouse Gas Benchmarking for Climate Policy Instruments (May 2017) | 10 | 18 | 10 | 0 | 6 | 7 |
| Establishing scaled-up crediting program baselines under the Paris Agreement: Issues and options (Nov 2017) | 8 | 0 | 10 | 29 | 19 | 0 |
| Guide For Designing Mandatory Greenhouse Gas Reporting Programs (May 2015) | 6 | 14 | 0 | 0 | 0 | 7 |

| | | | | | | |
|--|----|----|----|----|----|----|
| Carbon Credits and Additionality: Past, Present, and Future (May 2016) | 5 | 7 | 10 | 0 | 6 | 0 |
| Options to Use Existing International Offset Programs in a Domestic Context (Aug 2015) | 4 | 11 | 0 | 0 | 0 | 0 |
| Preparing for Carbon Pricing: Case Studies from Company Experience (Jan 2015) | 4 | 7 | 0 | 0 | 6 | 0 |
| Carbon Leakage: Theory, Evidence and Policy Design (Oct 2015) | 4 | 4 | 0 | 14 | 0 | 7 |
| China Carbon Market Monitor (any issue) | 4 | 0 | 0 | 14 | 6 | 7 |
| Don't know / Can't remember | 4 | 4 | 10 | 0 | 6 | 0 |
| Crediting-Related Activities Under the PMR: Status and Support for Implementation (Aug 2015) | 2 | 7 | 0 | 0 | 0 | 0 |
| Checklist on Establishing Post-2020 Emissions Pathways (Mar 2015) | 2 | 4 | 0 | 0 | 0 | 7 |
| None of these | 0 | 0 | 0 | 0 | 0 | 0 |
| Pursuing an Innovative Development Pathway: Understanding China's INDC? | 0 | 0 | 0 | 0 | 0 | 0 |
| Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016) | 44 | 54 | 30 | 43 | 31 | 47 |
| State and Trends of Carbon Pricing (any issue) | 44 | 29 | 70 | 57 | 44 | 53 |

Q18a Which, if any, of these PMR resources would you say have been the most useful in supporting market readiness for carbon pricing in your country? Please select up to three.

| | ICP |
|--|-----|
| <i>Base: All from ICP, CP or TP and who used more than one PMR resource (n)</i> | 28 |
| | % |
| Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016) | 54 |
| State and Trends of Carbon Pricing (any issue) | 25 |
| Carbon Tax Guide: A Handbook for Policy Makers (Mar 2017) | 39 |
| Greenhouse Gas Data Management: Building Systems for Corporate/Facility-Level Reporting (Apr 2016) | 21 |
| Overview of Carbon Offset Programs: Similarities and Differences (Jan 2015) | 18 |
| Guide For Designing Mandatory Greenhouse Gas Reporting Programs (May 2015) | 14 |
| Preparing for Carbon Pricing: Case Studies from Company Experience (Jan 2015) | 11 |
| A Guide to Greenhouse Gas Benchmarking for Climate Policy Instruments (May 2017) | 11 |

| | |
|---|----|
| Don't know / Can't remember | 0 |
| Options to Use Existing International Offset Programs in a Domestic Context (Aug 2015) | 11 |
| Emissions Trading Registries: Guidance on Regulation, Development, and Administration (Oct 2016) | 7 |
| Carbon Leakage: Theory, Evidence and Policy Design (Oct 2015) | 0 |
| Checklist on Establishing Post-2020 Emissions Pathways (Mar 2015) | 4 |
| Establishing scaled-up crediting program baselines under the Paris Agreement: Issues and options (Nov 2017) | 0 |
| Carbon Credits and Additionality: Past, Present, and Future (May 2016) | 4 |
| Crediting-Related Activities Under the PMR: Status and Support for Implementation (Aug 2015) | 4 |
| China Carbon Market Monitor (any issue) | 0 |
| None of these | 0 |
| Pursuing an Innovative Development Pathway: Understanding China's INDC? | 0 |

Q19 Thinking now about the full range of PMR resources you have used in your role. Which, if any, of the following types of support delivered by the PMR do you think have been the most useful in supporting market readiness for carbon pricing in your country? Please select up to two.

| | Total | ICP | CP | TP |
|--|-------|-----|----|----|
| <i>Base: All from an ICP, CP or TP (n)</i> | 59 | 39 | 12 | 8 |
| | % | % | % | % |
| Technical workshops | 61 | 69 | 33 | 62 |
| Technical notes and guidance documents | 47 | 41 | 50 | 75 |
| PA meetings | 31 | 41 | 8 | 12 |
| PMR Website | 14 | 21 | 0 | 0 |
| Working groups | 8 | 8 | 8 | 12 |
| Webinars and e-learning | 5 | 5 | 0 | 12 |
| Electronic newsletters | 2 | 3 | 0 | 0 |
| Other (please specify) | 3 | 0 | 17 | 0 |
| None – I don't think the PMR facilitates effective knowledge sharing | 0 | 0 | 0 | 0 |
| Don't know | 7 | 3 | 25 | 0 |

Q19a Thinking now about the full range of PMR resources you have used in your role. Which, if any, of the following types of support delivered by the PMR do you think have been the most useful for sharing knowledge about carbon pricing?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|------------------------------|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |

| | | | | | | |
|--|----|----|----|----|----|----|
| Technical workshops | 51 | 51 | 33 | 50 | 67 | 56 |
| Technical notes and guidance documents | 45 | 26 | 83 | 62 | 50 | 50 |
| PA meetings | 37 | 49 | 42 | 25 | 22 | 28 |
| PMR Website | 23 | 26 | 8 | 38 | 17 | 17 |
| Webinars and e-learning | 8 | 5 | 17 | 0 | 11 | 6 |
| Working groups | 7 | 8 | 0 | 12 | 6 | 11 |
| Electronic newsletters | 3 | 8 | 0 | 0 | 0 | 0 |
| Other (please specify) | 3 | 3 | 0 | 0 | 0 | 6 |
| None – I don't think the PMR facilitates effective knowledge sharing | 1 | 3 | 0 | 0 | 0 | 0 |
| Don't know | 3 | 3 | 0 | 0 | 6 | 6 |

Q19b What, if any, other topics or types of resources would you find it helpful for the PMR to provide?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|--|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Carbon pricing (implementation, impacts) | 15 | 13 | 33 | 25 | 0 | 22 |
| Carbon pricing (implementation, impacts) | 15 | 13 | 33 | 25 | 0 | 22 |
| Other | 14 | 8 | 17 | 25 | 6 | 22 |
| Networking / knowledge sharing | 13 | 10 | 25 | 12 | 17 | 6 |
| Nothing / none | 13 | 15 | 8 | 12 | 17 | 11 |
| Paris Agreement / Article 6/9, NDC implementation | 12 | 10 | 25 | 12 | 17 | 6 |
| Best practices / advocacy / case-studies / guidance | 7 | 10 | 8 | 0 | 6 | 6 |
| Seminars / discussions / peer reviews | 6 | 8 | 8 | 0 | 0 | 6 |
| Don't know | 5 | 5 | 8 | 12 | 6 | 0 |
| Policy reform | 4 | 5 | 0 | 0 | 6 | 6 |
| Publications / handbook / newsletter (not specified further) | 4 | 3 | 0 | 0 | 11 | 6 |
| Political decision-making / challenges (guidance / support) | 3 | 5 | 8 | 0 | 0 | 0 |
| Financial resources / funding | 3 | 3 | 0 | 0 | 6 | 6 |
| Technical workshops / assistance | 3 | 8 | 0 | 0 | 0 | 0 |
| Training | 3 | 3 | 0 | 12 | 0 | 6 |
| Documents / guidebooks to be translated into French | 2 | 3 | 0 | 12 | 0 | 0 |
| Carbon tax | 2 | 3 | 0 | 0 | 6 | 0 |

Q20 How useful, if at all, has the exchange of knowledge and experience among Contributing Participants, Technical Partners and Implementing Country Participants been to date for you in your role?

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-----------|-----------|------------|------------|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| Very useful | 48 | 49 | 50 | 50 | 28 | 67 |
| Quite useful | 43 | 36 | 50 | 50 | 61 | 33 |
| Not very useful | 4 | 5 | 0 | 0 | 6 | 0 |
| Not at all useful | 0 | 0 | 0 | 0 | 0 | 0 |
| Don't know | 3 | 5 | 0 | 0 | 6 | 0 |
| Not applicable | 2 | 5 | 0 | 0 | 0 | 0 |
| Useful | 91 | 85 | 100 | 100 | 89 | 100 |
| Not useful | 4 | 5 | 0 | 0 | 6 | 0 |

Module E: Overall impact of PMR

Q21a What level of impact overall, if any, would you say the PMR has had to date on supporting market readiness for carbon pricing...in your country

| | ICP |
|--|-----------|
| <i>Base: All from an ICP, CP or TP (n)</i> | 39 |
| | % |
| A very high level of impact | 38 |
| A fairly high level of impact | 41 |
| A fairly low level of impact | 5 |
| A very low level of impact | 0 |
| It's too early to say | 15 |
| Don't know | 0 |
| High level | 79 |
| Low level | 5 |

Q21b What level of impact overall, if any, would you say the PMR has had to date on supporting market readiness for carbon pricing...across its participants

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|-------|-----|----|----|---------------------------|-------------|
| <i>Base: All respondents (n)</i> | 100 | 39 | 12 | 8 | 18 | 18 |
| | % | % | % | % | % | % |
| A very high level of impact | 24 | 23 | 8 | 38 | 22 | 39 |
| A fairly high level of impact | 56 | 51 | 67 | 62 | 50 | 56 |
| A fairly low level of impact | 4 | 5 | 0 | 0 | 6 | 0 |
| A very low level of impact | 3 | 8 | 0 | 0 | 0 | 0 |
| It's too early to say | 6 | 5 | 17 | 0 | 6 | 6 |
| Don't know | 7 | 8 | 8 | 0 | 17 | 0 |

| | | | | | | |
|-------------------|-----------|-----------|-----------|------------|-----------|-----------|
| High level | 80 | 74 | 75 | 100 | 72 | 94 |
| Low level | 7 | 13 | 0 | 0 | 6 | 0 |

Q21c What level of impact overall, if any, would you say the PMR has had to date on supporting market readiness for carbon pricing...on an international level

| | Total | ICP | CP | TP | External observer /expert | WB employee |
|----------------------------------|--------------|------------|-----------|------------|----------------------------------|--------------------|
| <i>Base: All respondents (n)</i> | <i>100</i> | <i>39</i> | <i>12</i> | <i>8</i> | <i>18</i> | <i>18</i> |
| | % | % | % | % | % | % |
| A very high level of impact | 21 | 18 | 8 | 62 | 11 | 28 |
| A fairly high level of impact | 51 | 62 | 42 | 38 | 56 | 39 |
| A fairly low level of impact | 11 | 3 | 33 | 0 | 17 | 11 |
| A very low level of impact | 4 | 5 | 0 | 0 | 0 | 6 |
| It's too early to say | 6 | 3 | 8 | 0 | 6 | 17 |
| Don't know | 7 | 10 | 8 | 0 | 11 | 0 |
| High level | 72 | 79 | 50 | 100 | 67 | 67 |
| Low level | 15 | 8 | 33 | 0 | 17 | 17 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness "infrastructure" in your country to date? Monitoring, reporting and verification (MRV) systems

| | ICP |
|----------------------------------|------------|
| <i>Base: All respondents (n)</i> | <i>39</i> |
| | % |
| A very high level of impact | 38 |
| A fairly high level of impact | 23 |
| A fairly low level of impact | 10 |
| A very low level of impact | 0 |
| It's too early to say | 23 |
| Not applicable | 0 |
| Don't know | 5 |
| High level | 62 |
| Low level | 10 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness "infrastructure" in your country to date? Data management and registries

| | ICP |
|----------------------------------|------------|
| <i>Base: All respondents (n)</i> | <i>39</i> |
| | % |
| A very high level of impact | 23 |
| A fairly high level of impact | 23 |
| A fairly low level of impact | 13 |
| A very low level of impact | 0 |
| It's too early to say | 28 |

| | |
|-------------------|-----------|
| Not applicable | 5 |
| Don't know | 8 |
| High level | 46 |
| Low level | 13 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness “infrastructure” in your country to date? **Baselines**

| | ICP |
|----------------------------------|------------|
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 15 |
| A fairly high level of impact | 23 |
| A fairly low level of impact | 23 |
| A very low level of impact | 3 |
| It's too early to say | 15 |
| Not applicable | 10 |
| Don't know | 10 |
| High level | 38 |
| Low level | 26 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness “infrastructure” in your country to date? **Benchmarking**

| | ICP |
|----------------------------------|------------|
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 26 |
| A fairly high level of impact | 23 |
| A fairly low level of impact | 15 |
| A very low level of impact | 3 |
| It's too early to say | 18 |
| Not applicable | 13 |
| Don't know | 3 |
| High level | 49 |
| Low level | 18 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness “infrastructure” in your country to date? **Stakeholder engagement and preparedness**

| | ICP |
|----------------------------------|------------|
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 28 |
| A fairly high level of impact | 46 |
| A fairly low level of impact | 18 |
| A very low level of impact | 5 |
| It's too early to say | 3 |

| | |
|-------------------|-----------|
| Not applicable | 0 |
| Don't know | 0 |
| High level | 74 |
| Low level | 23 |

Q22 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following market readiness “infrastructure” in your country to date? Legal and regulatory frameworks for GHG mitigation

| | |
|----------------------------------|------------|
| | ICP |
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 18 |
| A fairly high level of impact | 28 |
| A fairly low level of impact | 18 |
| A very low level of impact | 3 |
| It's too early to say | 23 |
| Not applicable | 8 |
| Don't know | 3 |
| High level | 46 |
| Low level | 21 |

Q23 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following carbon pricing mechanisms in your country to date? Emissions trading systems (ETS)

| | |
|----------------------------------|------------|
| | ICP |
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 18 |
| A fairly high level of impact | 26 |
| A fairly low level of impact | 8 |
| A very low level of impact | 5 |
| It's too early to say | 28 |
| Not applicable | 10 |
| Don't know | 5 |
| High level | 44 |
| Low level | 13 |

Q23 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following carbon pricing mechanisms in your country to date? Carbon tax

| | |
|----------------------------------|------------|
| | ICP |
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 21 |
| A fairly high level of impact | 10 |
| A fairly low level of impact | 18 |
| A very low level of impact | 5 |

| | |
|-----------------------|-----------|
| It's too early to say | 23 |
| Not applicable | 13 |
| Don't know | 10 |
| High level | 31 |
| Low level | 23 |

Q23 In your view, what level of impact, if any, has PMR support had to date on the establishment and/or consolidation of the following carbon pricing mechanisms in your country to date? Offsets and crediting

| | ICP |
|----------------------------------|-----------|
| <i>Base: All respondents (n)</i> | 39 |
| | % |
| A very high level of impact | 15 |
| A fairly high level of impact | 28 |
| A fairly low level of impact | 13 |
| A very low level of impact | 0 |
| It's too early to say | 31 |
| Not applicable | 10 |
| Don't know | 3 |
| High level | 44 |
| Low level | 13 |

3 Case Study summary report: Chile

Background

Appendix 6 of this report set out the methodology for delivering these case-studies as well as the rationale for their selection. As documented there (and with further detail provided in the Evaluation Inception Report), Chile was selected as a case study country as it is one of the most experienced countries in the implementation of the PMR in terms of the length of time it has been implementing the MRP, the variety of activities that it is developing and the amount of funds committed and executed. Besides the initial funding received to develop its MRP (as part of the CWP funding), the country has also received additional funding and PAWP funding.

The data collection methods to develop this case study included a literature review and in-depth face-to-face and telephone interviews, which primarily took place during a field visit to Chile by Ipsos MORI. The literature consulted was publicly available via the PMR website⁶¹ and the PMR Chile Project website⁶², and the interviews conducted are summarised in the table below:

| | |
|--------------------------------|---|
| Field visit dates | 8 to 10 January 2018 |
| Number of interviews conducted | Face to face interviews: 11 Phone/Skype interviews: 2 |
| Stakeholders interviewed | Focal point / Ministry representatives (6) Former staff in the focal points (1) Industry representatives (3) Civil society (1) Other stakeholders (2) |

Summary of PMR activities in Chile

Chile presented a final MRP to the Partnership Assembly in March 2013 and signed the grant agreement in September 2014. Initially, the country received USD 3 million to develop three main components:

- Component 1: analysis of policy options to develop carbon pricing instruments in Chile,
- Component 2: design and implementation of an MRV system for the carbon tax (also referred to as the “impuesto verde” or “green tax”), and
- Component 3: stakeholder engagement.

Activities under component 1 were complemented with activities funded with PAWP support. The country also received USD 2 million of additional funding to continue the implementation of its MRP in March 2017.

The grant recipient is the Chilean International Cooperation and Development Agency (AGCID), and the focal point is located in the Ministry of Energy. The responsibility for the implementation of the grant is shared by

⁶¹ <https://www.thepmr.org/country/chile-0>

⁶² <http://www.precioalcarbonochile.cl/>

two different institutions: the Ministry of Energy, as the focal point coordinating the implementation of components 1 and 3; and the Ministry of Environment, coordinating component 2. In addition, the PMR Steering Committee was established in March 2012 and formed by the Ministries of Foreign Affairs, Finance, Economy, Agriculture, Mining, Transport & Telecommunications, Energy and Environment.

At the time of writing this case study, the country has completed the original components of its MRP and is continuing with additional consecutive activities under component 3.⁶³ In addition, the country has initiated 2 new components:

- a. Enhancing and complementing the existing carbon tax scope and reporting system. The carbon tax has been in place for one year, and the aim now is to evaluate the first year of implementation. The PMR is expected to provide support to the mandatory emissions reporting system.
- b. Evaluation of alternative carbon pricing plans for the energy sector. Under this component, the main objectives are to develop an MRV platform for mitigation actions and a climate policy modelling and simulation tool.

Relevance of the PMR in Chile

National and international policy context

In its MRP, Chile committed to design and implement ETS and MRV, while it would explore complementary policy options as well. However, between the time that the MRP was presented at the Partnership Assembly (March 2013) and the grant was signed (September 2014), the government approved a fiscal reform that introduced a carbon tax on CO₂ emissions and local pollutants from boilers and turbines of 50 MW or more thermal capacity.⁶⁴

The PMR adapted to this new context and, despite the carbon tax not being included in Chile's initial MRP, it supported the design and implementation of MRV System for the carbon tax under component 2 (initially scoped to support an MRV for an ETS). As a result, all the stakeholders interviewed considered that the PMR is flexible and able to adapt to shifts in political priorities.

In December 2015, a new government strategy on energy policy was approved: "Energy 2050"⁶⁵. Among other goals, it sets the objective of generating 60% of electricity from renewable sources by 2035, and 70% by 2050. Although the strategy does not set a clear commitment to develop a concrete policy option in terms of market instruments, it acknowledges the role of the PMR in evaluating policy options and establishes that "economic and market instruments, such as ETS or Cap&Trade, will be assessed for the reduction of carbon emissions and other greenhouse gases in the energy sector".

The latest development in the national policy landscape is the Mitigation Action Plan for the Energy Sector,⁶⁶ which stems from "Energy 2050" and was introduced in June 2017. This document was elaborated by the

⁶³ Source: Chile PMR Project Implementation Status Report 2018

⁶⁴ Ley 20.780 Artículo 8: Impuestos Verdes a las Fuentes Fijas (<http://www.retc.cl/ley-20-780-articulo-8-impuestos-verdes-a-las-fuentes-fijas/>)

⁶⁵ <http://www.energia2050.cl/en/energy-2050/energy-2050-chiles-energy-policy/>

⁶⁶ <http://www.precioalcarbonochile.cl/proyectos-relacionados/plan-de-mitigacion>

Ministry of Energy in collaboration with the PMR through the PAWP. The Action Plan defines a set of mitigation packages for electricity generation, industry and mining, transport and commercial, public and residential sector, in order to achieve Chile's NDC.

In the international sphere, Chile ratified the Paris Agreement in February 2017 and committed to reduce its CO₂ emissions per GDP unit by 30% below their 2007 levels by 2030.⁶⁷ The PMR has been recognised by the interviewees as a useful tool to comply with Chile's NDC. The country is also part of the Pacific Alliance, which has committed to explore the use of market mechanisms in the region to reduce greenhouse gas emissions.

The PMR, therefore, appears to be aligned with policies in both the national and the international contexts, and all interviewees agreed that there is wide public support for climate change mitigation actions.

However, stakeholders interviewed also recognised that the PMR project in Chile lacks clear policy objectives and a logical framework given that there is no clear political mandate in regards to which carbon pricing instruments should be pursued in the future. The analysis of policy options under component 1 does not seem to have helped stakeholders decide on the most suitable instruments to be developed. There are concerns about the quality of the outputs from Component 1 and the relevance of underlying assumptions used to produce them. There is currently no agreement among the stakeholders consulted within the main ministries involved in the implementation of the PMR (Energy, Environment and the Treasury) on the type of instruments that PMR should explore: while some argue that an ETS should be further explored and designed, others think that the country should focus on the green tax only.

This difference in internal priorities and preferences is beyond the PMR support. However, good quality outputs produced by independent experts could provide a "third" point of view and help policy makers take decisions on the most suitable carbon pricing instruments for the Chilean economy. The additional activities under the PMR Chile Project are expected to help with this decision-making process through the development of a climate policy modelling and simulation tool and a discussion process that will go deep into analysing the proposals for carbon pricing alternatives that were developed during the initial MRP phase.

Perspectives on PMR support

PMR-supported activities within all components of the MRP are considered equally important by stakeholders. Component 1 (analysis of policy options) is helping to assess other market mechanisms and to evaluate the possibility to establish ETS in Chile. Component 2 (design and implementation of MRV and a carbon tax) has been recognised as a helpful mechanism to implement the carbon tax successfully. Finally, component 3 (stakeholder engagement) has been key to positioning carbon pricing in the political agenda, and has helped inform and train the relevant stakeholders. At the time of this case study, work on the two new components had just commenced. These new components were expected to complement the activities already completed, and specifically to help the decision-making process on carbon pricing alternatives.

The distinction between the activities funded by the CWP, the PAWP and the TWP was not clear to the stakeholders interviewed. Most stakeholders were not aware of the specific PMR workstreams which resources were coming from, although everyone valued the different angles from which PMR provides support: analysis

⁶⁷ <http://www4.unfccc.int/ndcregistry/PublishedDocuments/Chile%20First/INDC%20Chile%20english%20version.pdf>

of different options and scenarios, technical support to design and implement the MRV and the carbon tax, and capacity building and stakeholder engagement activities.

The PMR technical notes and guidance documents have been used by the staff in the focal point and were considered as highly valuable resources. The most useful guidelines, according to the interviewees, were the ones related to ETS and MRV. Some interviewees considered that a communications guideline to successfully engage stakeholders would be needed.

The PMR technical workshops were also considered useful, although the main beneficial outcomes that interviewees identified from the workshops were the opportunity to discuss with other countries and find synergies and lessons learned, more than the actual technical knowledge acquired. In this sense, interviewees found more useful those workshops where more space was given to knowledge exchange than those with more technical presentations.

Complementarity of PMR support to other initiatives

The PMR has co-existed with other initiatives in Chile, the most complementary ones being as follows:

- PMR was preceded by MAPS⁶⁸, a national programme also funded by international donors, with the aim to analyse mitigation action plans and scenarios.
- The GIZ project, funded by Germany, is complementary to the PMR in Chile. The staff implementing both projects are the same, and activities are normally co-funded by both programmes.
- Other projects with fewer complementarities, but that also support mitigation efforts in the country are: CPLC, Green Climate Fund, CLG Chile⁶⁹, Low Emission Capacity Building (LECB)⁷⁰, FCPF, the Pacific Alliance, the Carbon Pricing for the Americas and the Asia Pacific Carbon Market Roundtable (APCMR).

Most of the stakeholders interviewed highlighted the positive impact of a study visit funded by GIZ in which the consultative group was invited to Germany to share lessons learned. The study visit was organised as a bilateral knowledge exchange where Chilean representatives presented their roadmap towards market instruments, and the German counterpart commented and provided lessons learned from the German experience in designing and implementing ETS. Although this was not part of the PMR's support, the stakeholders engaged were the PMR consultative group participants, and it helped raise awareness and build capacity around carbon pricing instruments.

Effectiveness of the PMR in Chile

Overall progress

According to the latest Implementation Status Report (April 2018), Chile has committed USD 3.6 million of the funding provided by PMR. The original components of Chile's MRP have been fully implemented; and when this case study was carried out, interviewees in the focal point felt confident that the new components

⁶⁸ <http://portal.mma.gob.cl/cambio-climatico/proyecto-maps-chile/>

⁶⁹ <http://clgchile.cl>

⁷⁰ <http://www.lowemissiondevelopment.org/lecbp/about-us>

supported by additional funding received in 2017 would be fully implemented by the closing date, August 2019.

Overall, the stakeholders interviewed agreed that the PMR contributed to:

- **The design and implementation of the carbon tax.** While the tax came from a political mandate and it would have been implemented regardless, most respondents believe the tax would have been likely to fail without the support provided by the PMR. PMR provided consultants (3 people were hired full time), training and technical capacities, and consultancies were carried out to design the MRV system, study which sectors would be affected and set up a register of companies affected. In the absence of PMR funding, stakeholders agreed that it is unlikely that the national budget to the Superintendent of the Environment would have been increased to compensate for the costs of designing and implementing a carbon tax. The consultants hired with PMR funding were, according to all interviewees, a needed resource to successfully implement the carbon tax.
- **Commencing political dialogue in the country on market instruments and the NDC.** For example, the output produced with support from the PAWP has been used as an input in the National Mitigation Plan, that recognises market instruments as a mitigation option.
- **Generating a critical mass of stakeholders** (consultative group, civil servants, consultants, and policy-makers) **informed about market instruments.**

Quality of PMR outputs

In regards to component 1 of Chile's MRP (analysis of policy options), some stakeholders, including the public sector, the focal point and some government representatives fed back that the quality of the studies developed and the outputs produced had not been good enough. There were complaints, in particular, on the macroeconomic assumptions of some studies, and in general on the fact that most studies were not published once they were finished.

As a result, these stakeholders had not been able to use the outputs to take informed decisions, and they believed that further analysis was needed on the different options. Stakeholders interviewed felt that they needed more support from the World Bank to quality assure the studies.

In regards to component 2 (design and implementation of MRV and a carbon tax), the contribution of PMR has been recognised by most of the stakeholders interviewed as a key element for the successful implementation of the tax. However, others argue that most of the studies were developed with some delay compared to the timelines during which the tax was being designed, and that therefore these outputs were only valid to reaffirm what had already been analysed by the team designing the tax. Nonetheless, everyone recognised the importance of the human resources dedicated, who were hired with financial resources from the PMR.

Effectiveness of stakeholder engagement

The third component, the engagement of stakeholders, took place mostly through the consultative group that met once a month. PMR was a participatory process from the outset, with representatives from the

government, the private sector and the civil society taking part in the consultative group. The vast majority of interviewees agreed that the political dialogue on carbon pricing instruments occurred thanks to the PMR, although some challenges still persist:

- The civil society appears to be underrepresented, and the NGOs fail to engage with the PMR (with the exception of Chile Sustentable - an environmental NGO) despite the efforts from the focal point to involve civil society. Stakeholders interviewed recognised that not involving NGOs in the process jeopardises its legitimacy and can pose a problem in the future if they oppose the market instruments. However, few NGOs in Chile are interested in carbon pricing instruments as a mitigation strategy.
- While the energy sector is well represented, other polluting sectors, such as transport, are less engaged in the process (some stakeholders fed back that certain sectors were not participating enough in the consultative group).
- Some representatives from the private sector were dissatisfied with the processes to provide feedback on the studies to analyse policy options (though it is noted that the final outputs had not been published when this case study took place, and therefore the consultative group did not know whether and how their comments were being considered). Other stakeholders, however, were satisfied with the processes to provide feedback and how their comments fed the discussion.

Finally, there are mixed views on the suitability of the governance structure at the country level. While some interviewees consider that the collaboration between the two coordinating ministries has been satisfactory, others think that levels of engagement could be higher, and that the location of the focal point in the Ministry of Energy is not suitable to attract sectors other than energy. The lack of understanding between both ministries is also evident in the different objectives that they have for the PMR as regards the types of market instruments that the country should pursue.

Efficiency

Chile presented its draft MRP in the PA4, in Sydney, in October 2012, and its final MRP in the following Partnership Assembly, in March 2013 in Washington. World Bank staff supported Chile in the process of addressing the comments received after the presentation of their draft MRP. This was highlighted by the focal point as one of the success factors to get their MRP approved by the Assembly.

The implementation was slow at the beginning due, apparently, to the lack of human resources in the focal point ministry and the processes needed to commission consultancy services. The lack of resources was overcome by hiring new staff to work on the PMR, although their workload has always been high, according to the interviewees.

Having the administrative capacity to manage the commissioning of consultancy services has been a particular challenge for the grant recipient. It was flagged, for example, that there were no templates to support them in drafting appropriate Terms of Reference. The staff at the focal point therefore had to intervene and help with these administrative tasks and advance with the implementation of the MRP. The coordination with the TTL has been identified as an important mechanism to strengthen administrative capacity and disseminate World Bank requirements.

Finally, the location of the focal point has also been a matter of some disagreement - both ministries push to attract PMR resources to the components that they respectively coordinate. The lack of a clear political mandate as to which market instrument should be pursued has not helped the discussion.

Impact

The impact of the PMR in Chile has materialised so far with the implementation of the carbon tax. As already explained, although the tax would have likely been implemented regardless, the funding for the research undertaken and tools developed came from the PMR and the consultants were also hired with PMR resources. In addition, the register of companies that are affected by the green tax was also developed with PMR support. Most of the stakeholders interviewed agree that the green tax would not have succeeded without PMR support. What is more, some argued that a failure to successfully design and implement the tax could have positioned the public opinion against carbon pricing instruments.

On the other hand, and looking at the final goal of the PMR, it is not so clear that the carbon tax will help reduce greenhouse gas emissions, at least in the short term. The carbon tax has been designed with a clause that allows companies generating electricity from carbon fuels to claim a higher price for the electricity sold in the market (a compensation), which counteracts the incentives to reduce emissions. Its design is criticised by the private sector and the civil society, and the government acknowledges this problem, arguing that the electricity market is very complex in Chile and that a carbon tax requires further analysis to ensure that no market distortions are produced.

Beyond this impact on the creation of a carbon tax, the PMR has established policy dialogue in Chile on carbon pricing and market instruments. Some interviewees expressed that Article 6 of the Paris Agreement was understood in Chile by the policy-makers thanks to the training and capacity building provided by the PMR. The consultative group, composed by representatives from the Ministry of Energy, the Ministry of Environment, the Superintendent of the Environment, the Treasury, the private sector, the civil society and other stakeholders, meets once a month and holds discussions on policy options. Thanks to PMR, a critical mass of stakeholders now feel more knowledgeable on carbon pricing and feel confident to state opinions.

This debate, however, has not yet reached high-level policy makers. The Steering Committee, which should bring together the Ministries of Energy, Agriculture, Economy, Mining, External Affairs, Transportation and Telecommunication has not met with the frequency expected at the outset. The staff at the focal points expect that the new components that are being developed will help produce a robust analysis of policy options to help design the roadmap on carbon pricing instruments. This analysis is intended to reach policy-makers and contribute to design a draft legislation by August 2019, when their MRP should have been completely implemented.

Sustainability

The staff at the focal point are conscious that it is unlikely that Chile will receive more funding in future (as Chile was classified as a high-income economy by the World Bank in 2013) to design or implement market instruments and are pushing to elevate the discourse at high political level in order to make sure that carbon pricing instruments have political support in the country. To date, the PMR has contributed to position these instruments in the agenda and they are mitigation options in the strategic document "Energy 2050" and the

Energy Sector Mitigation Plan, and currently under the Energy Roadmap for 2018-2022. However, as explained, the country lacks a clear roadmap at the political level on the instruments to be developed.

The stakeholders interviewed aimed to be able to provide an analysis of options by the end of the PMR Phase One with clear and robust conclusions on the advantages and disadvantages of each instrument for Chile, which is something that the studies carried out so far have failed to provide.

The country has also learned from its experience and have extracted some lessons to be applied in the coming year. For example, the focal point is keen to engage better and earlier with other Ministries when studies are commissioned, to ensure that the quality satisfies all parties. In addition, they are conscious of the intensity of the workload and have decided to appoint a manager per MRP component. In addition, the Steering Committee, which has not met with the expected frequency, is now due to meet once a month.

In addition, the carbon tax which has been designed with support from the PMR is being subject to an evaluation which will identify additional lessons learned for the future. This evaluation is planned under the component 5 of the PMR.⁷¹

In the international sphere, the PMR is perceived in Chile as a tool that has helped position middle income countries in the global fight against climate change. Chile, Colombia, Mexico and Peru form the Pacific Alliance, and all of them are also ICPs in the PMR. The Pacific Alliance is seen by the stakeholders interviewed in Chile as an opportunity to explore regional efforts to mitigate climate change, including regional market instruments.

⁷¹ Chile PMR Implementation Status Report 2018 (page 27)

4 Case Study summary report: Costa Rica

Background

Costa Rica was selected as a case-study country as it provides an example of a World Bank-executed grant. It is also an ICP that experienced a delay in the time taken to finalise the grant agreement (in Costa Rica this exceeded two years). Exploring the reasons for the long periods of time between the allocation of funding and the start of grant implementation was one of the objectives of the case studies. Nevertheless, grant implementation has been underway for over a year now in Costa Rica, which has also received PAWP support.

| | |
|--------------------------------|--|
| Field visit dates | |
| Number of interviews conducted | Face to face interviews: 17 Phone/Skype interviews: 1 |
| Stakeholders interviewed | World Bank staff and implementing consultants (8) Executing agency/Focal Point (3) External stakeholders (public sector) (5) Private sector (2) Civil society and NGOs (1) |

This summary draws on feedback provided across the interviews conducted during the in-country visit, as well as on the evaluation team's review of relevant documentation (including the MRP, Implementation Status Reports and national policy documents).

Summary of PMR activities in Costa Rica

Costa Rica submitted its first draft MRP on October 2012 and this was endorsed by the Partnership Assembly on March 2013 with approval for a US\$ 3,000,000 grant. The implementation of the MRP began in March 2016. The time period between MRP approval and grant execution was attributed, by stakeholders interviewed, to difficulties encountered in assigning a local executing entity, as well as the change in the country's administration after elections in 2014. The PMR-Costa Rica (PMR-CR) was ultimately settled as a World Bank-executed project and the original MRP was revised in light of national and international developments: notably the country's intended Nationally Determined Contribution (iNDC) as a result of the Paris Agreement.

The PMR's support in Costa Rica is structured around three main components:

1. Development of the domestic carbon-pricing infrastructure,
2. Strengthening the demand of Costa Rica-specific carbon credits (UCC), and

3. Stimulation of UCC supply.

In practice, this includes the following activities:

- Development of the new National Program for Carbon Neutrality (PPCN) and its functioning;
- Development and implementation of the mitigation-module of a country-wide MRV system (SINAMECC);
- Design and operationalization of the Costa Rican Offset Mechanism (MCCR) which upgrades the former concept of a Domestic Carbon Market;
- Design and implementation of a carbon levy;
- Support to the development of mitigation measures: mainly on energy efficiency & distributed generation;
- Support to the Article 6 and Article 13 negotiations under the UNFCCC, given the interlinkages with the work happening domestically under PMR; and
- Development of a long-term low carbon modelling tool.

In addition, Costa Rica has twice received country-specific support for policy analysis. The first allocation was in 2015 in the context of the PMR Post-2020 Mitigation Scenarios Work. It supported the development of scenarios for the country for the 2015-2050 period, which became a technical input for national discussions on its iNDC. In 2016, a new policy support package was awarded to develop an economy-wide modelling tool to support decision-makers with long-term energy planning.

The work in Costa Rica is not focused on a single carbon pricing instrument but instead aims to address readiness in a systemic way. Stakeholders reported that this was a deliberate decision made in recognition that a carbon market will always require a substantial and matching offer and demand. The PMR-CR is, therefore, designed to look at various carbon pricing instruments, how they connect with each other and how to address the gaps or weaknesses that could make them fail.

As a Bank-executed project, three main World Bank staff (based in Washington) are engaged with the administration of funds and contracts and the coordination of the project within PMR and the Bank. The Costa Rica-based focal point is the Director of the Directorate for Climate Change (DCC) of the Ministry of Environment and Energy (MINAE). The Minister and Vice-Minister of Energy within MINAE are the anchors of the project at the political level. A local technical coordination team is composed of four part-time experts.

Relevance of the PMR in Costa Rica

National and international policy context

Costa Rica has a long track record of work on carbon markets, especially in the forestry sector, and has always been very active in international discussions on carbon markets, notably the design of the CDM mechanism under the UNFCCC. The notion of market mechanisms is wide-spread among local stakeholders and is

generally championed by decision-makers. Therefore, from the outset, a sound enabling environment to deploy the PMR project has been in place in Costa Rica.

The MRP aligns to the country's objective to become carbon neutral by 2021 as established by the National Climate Change Strategy (NCCS) and the 2011-2014 National Development Plan (NDP). A domestic carbon market mechanism was conceived as the pillar to achieve the existing carbon neutrality pledge. A new logical framework was developed during the MRP revision, but the main goal for the PMR remained the same. The delayed start offered the new Government the opportunity to adapt the terms of the project to respond to the country's evolving needs.

The Paris Agreement has changed the landscape for developing countries but the size of Costa Rica makes it challenging to becoming a competitive player in an international carbon market. Fostering a legally binding demand for credits at home, however, could boost the decarbonisation of the economy and contribute to the development of the forestry sector and its environmental services.

Since 2016, and coinciding with the start of the MRP implementation, the NDC sets the new landscape for mitigation policy and steers the PMR agenda to a large extent. Indeed, the PMR Post-2020 Mitigation Scenarios Work supported the development of scenarios for the country for the 2015-2050 period and became a technical input for national discussions on its INDC. The Costa Rican NDC reaffirms the carbon neutrality goal by 2021 and sets an absolute threshold at 9.47 million for CO₂ emissions by 2030, representing a reduction of 25% compared to 2012 emissions. and states the right to use international carbon credits to meet its national objective, or to feed the country's domestic carbon market. Stakeholders fed back that the country is eager to continue fostering carbon markets. PMR-CR fully aligns to the country's and AILAC positions on markets at UNFCCC-level. The PMR work is also feeding the negotiations under Article 6 and Article 13, and vice versa. PMR-CR also adopts a long-term vision, and provides the country with a modelling tool that could be used to develop the UNFCCC-advocated Long-Term Strategies (LTS).

The PMR in Costa Rica is seen to not just align to, but also to be making significant contributions to Paris Agreement-related agendas including the National Energy Plan 2012-2030⁷² and the National Development Plan 2015-2018.

To preserve this alignment to the national policy and the Paris agreement, PMR-CR has had to continuously adapt. The main adjustment was done during the review of the original MRP. The original MRP had the ambition of an economy-wide market mechanism. Based on the in-country experience with carbon offsetting to date, the expectation was for PMR to operationalize the mechanism. However, the 'readiness' level is interpreted differently among stakeholders, even today. Besides the readiness level, the post-Paris landscape changed the role of carbon markets in developing countries. PMR-CR has been able to successfully adapt to country circumstances and policy changes.

Perspectives on PMR support⁷³

⁷² Available at: <http://www.minae.go.cr/recursos/2015/pdf/VII-PNE.pdf>

⁷³ While Costa Rica has received support from two PMR workstreams (PAWP and CWP), a distinction was not made by stakeholders interviewed between these different strands of support.

Stakeholders interviewed were positive about the hands-on support provided via the PMR-funded expert consultants working with them. The team also found peer-to-peer exchanges facilitated by the PMR very insightful. The PMR technical materials on carbon pricing are considered by interviewees to be a distinctive element that has advanced policy design discussions in Costa Rica, but these were seen as complementary to hands-on support. However, stakeholders did raise concerns that the carbon pricing knowledge products created by the PMR lose relevance as Costa Rica moves into implementation. It was reported to be difficult for Costa Rica to keep abreast of other policies, adaptation to local circumstances, and what impacts to expect.

Stakeholder engagement is considered key to achieve results according to all interviewees, although the PMR-CR has had limited intervention in this area. The breadth and depth of the stakeholder engagement that has been identified as a key need is not the focus of the project. A recurrent challenge is the trade-off between progressing specific technical work and managing the process of socialization. It is generally recognized that the project should have the ambition to reach a wider range of stakeholders.

Complementarity of PMR support to other initiatives

Numerous other initiatives are active in Costa Rica alongside the PMR: the EU-funded EUROCLIMA⁷⁴ initiative has contributed to the carbon levy; BID and GEF support is reported to have been useful to undertake specific studies in the transport and energy sector; GIZ funds were described as critical to the development of the initial domestic carbon market (PPCN) and for SINAMECC; FCPF is working on the Costa Rican forestry sector on carbon credits; Climate & Clean Air Coalition (CCAC) supports the development of modelling tools; and, Danish and US cooperation (via Crusa Foundation) funds have supported the development of GHG data and renewable energy.

MINAE has adopted a programmatic approach to co-ordinating donor and cooperation funds with all the resources contributing to interventions planned by Government. The planning comes first from Government, who then seeks resources to programmatically operationalize the plans. The resources are allocated to individual interventions according to the donor requirements and interests. Thus, no conflict of competing initiatives was identified in Costa Rica, and central coordination within MINAE, although resource-intensive, was widely appreciated⁷⁵.

Effectiveness of the PMR in Costa Rica

Overall progress

The PMR-CR project is halfway into its implementation, in line with the total expenditure to date (US\$ 1.5 million) and in line with planned timelines. After a full year focused on planning and designing and operationalizing procurement of expert work, the six months prior to the case study field visit have been focussed on implementation and have produced some tangible results (TIMES model, draft regulation on energy efficiency and distributed energy, advanced draft for an emissions levy regulation, the re-launch of PPCN). The MRP activities should be completed by June 2019. The team has a solid plan to complete the MRP within current budget. Nevertheless, a request for additional funding is in place because it is felt that

⁷⁴ <http://www.euroclima.org/es/>

⁷⁵ The only exception to this was a view that coordination between FCPF and PMR could be improved.

additional resources will be needed to ensure sustainability and an effective scaling up of the impact of the PMR work in the country.

A major factor underpinning the success to date has been the dedication and personal commitment of the PMR-CR coordination team.

Factors hindering effectiveness of PMR-CR

The slow progress in international negotiations (Art. 6 & Art. 13) is reported to have had a direct effect on the local work. There is a tension between waiting for outcomes at an international level and advancing nationally in order to seek to influence negotiations. The internalization of the Paris Agreement also meant the re-consideration of the past strategy.

In spite of the successful adaptation of the project in a developing context, the changes required long discussions. Stakeholders reported that the main constraints came from the Bank's administration side. Other difficulties also emerged from the fact that TORs had to be aggregated and were highly restrictive in detail, as per the Bank's procurement policy. Effectiveness could have been significantly enhanced by greater efficiency in the deployment, administration and planning of this part of the project.

Effectiveness of PMR support overall

Most interviewed rate highly the effectiveness of PMR-CR, with a few exceptions relating to consulting assignments (discussed further below under 'Efficiency'). Stakeholders considered that PMR has been effective in driving a process of sustained change that is conducive to the acceptance and operationalization of carbon pricing instruments with a direct application to policy-making and in responding to the needs that this process uncovered.

The MRP does not focus on a single carbon pricing instrument, but interviewees said that this would not affect the project's effectiveness; while the process to build readiness might be slower, it is thought likely to have a higher likelihood of success in the medium term. The ability to put a hand on every element contributing to a well-functioning carbon pricing mechanism is the rationale for Costa Rica's MRP; this breadth allowed the project to work across teams that would otherwise tend to create silos. Costa Rica has the advantage of being a small country, so covering a larger number of topics is manageable. Moreover, the wide structure enables for adjustments to be made to respond to changing needs of the country. Nonetheless, the complexity of policy implementation, particularly experienced in developing countries with poorly resourced institutions like Costa Rica, is particularly challenging.

A potential obstacle to implementation is institutional tensions that have emerged in relation to data and carbon credit ownership; the development of SINAMECC and transparency aspirations driven by UNFCCC have generated some concerns about the acceptance of the private sector to disclose information. Diverse views exist on the potential of current national legislation to enhance the level of detail required by SINAMECC.

Stronger empowerment of a wider-range of Government actors may have been beneficial. A component of the PMR-CR dedicated to communication and stakeholder engagement has not yet been approved, and could make a difference for the remainder of the implementation phase. There has been an explicit interest from a number of units to be further engaged.

Effectiveness of knowledge-sharing activities

PMR technical workshops and capacity building events have been very useful to interviewees. The Partnership Assembly and technical workshops have been ranked highly by all stakeholders, who highlighted the value in the exchange of experiences among peers. A key strength of the PMR is considered to be the access it provides its participants to world-wide experts and its community of practice. For example, the PMR international activities were compared to the NDC Partnership initiative, and the PMR is seen as more effective in creating a space for positive and pragmatic discussions between developing countries' leaders and donors' representatives. However, as its focus is largely being a technical forum, some stakeholders reported that political actors have lost some interest.

Technical guides and flagship reports have generally been very useful, and specific examples of instances when guides were used in practice were mentioned. They have been a practical technical reference to support the design of instruments, although the technical report on carbon taxes may have not been able to fully cover the particularities of Costa Rica.

One stakeholder suggested the inclusion of industrial sectors and the private sector in the international workshops would enhance effectiveness. Another suggestion is to maximize the value of the PMR as a global platform that can shape negotiations under Article 6, and under Article 13 to some extent, based on technically sound insights and on-the-ground experience. Stakeholders recommended that PMR expertise should be capitalized in the development of future markets and to ensure coherence among the communities of practice and donors working in this field.

Effectiveness of PMR governance

Local governance of PMR-CR has two main pillars: the Steering Committee and the technical coordination team. The Steering Committee is well coordinated and meets monthly to define priorities and take executive decisions and consists of the Vice-Minister of Energy (with support from the Minister), the Director of the DCC and the technical coordination team. The original governance model included the Transport Ministry (MOPT) but political movements resulted in their disconnection. Whereas inter-Ministerial collaboration is perceived to be critical, implementation in practice requires a match with the availability of human resources, capacities and political will.

The technical coordination team has a highly technical profile and it is anchored within Government. The team individuals' profiles and skills have been paramount for the success of the program but would have benefited from being complemented by administrative expertise.

Most stakeholders are unsatisfied with the model of being a World Bank-executed project, arguing that this had implications for the efficiency and effectiveness of the project. While local stakeholders were satisfied with the support and administration team in Washington, perceived disadvantages of Bank-execution were the remote- and part-time management, non-immediate communication, and Bank procedures. There were also concerns about conflict of interest, given the executing team in Washington had a dual role as both donor and implementer.

Having a local executing office was the preferred option for all parties, but finding a suitable arrangement within Costa Rica proved very challenging, making Bank-execution the only feasible solution. Today, some

think that more effort should have been applied to make a local arrangement possible, noting that other institutions are acting as executing agencies for other World Bank projects. Nevertheless, local stakeholders did not perceive that this choice had a negative impact in terms of the country's ownership of the project.

Efficiency

A range of issues were identified in regards to the efficiency of PMR implementation in Costa Rica.

Procurement was highlighted as the major factor affecting the efficiency of the project, causing significant delays. Procurement functions were intended to be carried out by the project team, as stipulated in their TORs, however there was no designated procurement specialist within the PMR-Costa Rica team. The team requested hiring a local procurement expert to improve cost efficiency, but this was never resolved, leading to highly technical carbon markets experts spending time on procurement. A view was also held across the stakeholders interviewed that the project team's ToR required too stringent a roadmap of the work ahead to be laid out. At the level of detail required, this was felt to pose risks of becoming redundant with changing context and requirements. World Bank rules preventing development of legislation drafts or bills (for Bank-executed work), were also identified as restricting the pace of progress.

The process of obtaining expenses for events and small costs was found to be burdensome. This had resulted in the PMR-CR team often choosing to cover expenses from their own pockets or other donors' resources, although the Secretariat noted that it never requested the project team to do this. Provision of a credit card helped this issue, but greater flexibility for small expenses would enhance the efficiency of the project.

Stakeholders also held a view that the time taken to plan the PMR project activities may not have been proportionate given the time remaining to then execute these activities. It was reported that much of the first year was used for planning, within the context of a 3-year project. This length of time was needed both to account for PMR-specific factors (such as the need to match needs/activities with procurement, other Bank requirements, and establishment of the logframe) as well as for the discussions held by MINAE policymakers and technical staff.

A few specific efficiency issues emerged related to the consulting assignments. First, the intellectual property of the database developed through the assignment led to inaccessibility of underlying data, causing resignation within the public authorities and posing a barrier to institutionalization of the results and capacity building. Second, in one case, it wasn't possible to demand further adjustments from consultants after the PMR team in Washington had signed off the project as completed. Third, although all competitive selection processes were open to both national and international companies, the majority of consulting assignments were awarded to foreign companies, despite consistent efforts to attract and invite local companies to compete. While this may be expected given the lack of local expertise, this is likely to have been more expensive and inadvertently strengthened knowledge silos within Government. To mitigate these challenges, local involvement was also encouraged through explicit reference in TORs to highlight the need for national experts in any consortium, counterparts were requested to provide contact details for local companies and individuals, and knowledge transfer has also been encouraged. Nonetheless, greater disaggregation of ToRs could have allowed for greater participation of local experts.

In terms of technical subject-matter, the support from the PMR Secretariat was considered outstanding by interviewees. However, from an organisational perspective, the local team felt that support could be improved through greater clarity of individual roles within the World Bank and formalised communication processes.

Impact

Stakeholders interviewed considered Costa Rica's increasing readiness for carbon pricing to be attributable to the PMR, and its distinctive focus on carbon pricing. Many tangible results from PMR-CR which demonstrate its contribution to this progress are already emerging, including:

- The set-up of the **new PPCN**, which is a key mechanism to generate demand for carbon credits as organizations commit to carbon neutrality. The initiative originated locally, but the original platform had not been successful. PMR's efforts to adjust the mechanism equipped the Government to meet private sector demand, as well as emerging demand from municipalities, which has been supported through collaboration with GIZ. Stakeholders appreciated the change in response capacity and the availability of a dedicated person (fully funded by the PMR) who can pro-actively steer the platform and engage with committed organisations.
- **Design of an emissions levy** has advanced, although there are concerns that dialogue on the levy is not sufficiently mature, threatening the likelihood of its implementation in the short term.
- The **TIMES model** is currently being tested as a planning tool in different utilities (public and private). The tool has already been used to inform the National Plan for Electric Transport recently discussed in Parliament. The Energy Planning Division plans to use it in order to provide a quantitative dimension to the current qualitative targets within the National Energy Plan. The DCC envisions this tool to provide evidence into the Long-Term Strategy debate, and expects it to contribute to the regular reviews of the NDC and its actual implementation.

The PMR has also advanced the sustainable development agenda within Costa Rica. The PMR team is often considered part of the DCC team, providing muscle and brain to the unit, especially in coordinating with other initiatives and providing inputs into related elements of the UNFCCC negotiations. The PMR has provided clarity to meet the country's climate objectives, and its broad remit is considered helpful for understanding the optimal ways to meet the country's NDC and long-term goals. The PMR has highlighted the importance of domestic mitigation beyond participation in international carbon markets, representing a change in mindset. The PMR's focus on evidence generation and the TIMES model have been especially conducive to supporting evidence-based policy-making.

Challenges faced

First, prior to the Paris Agreement, Costa Rica aimed to meet its climate goal to become carbon neutral largely through the role of the forestry sector as a carbon sink. This role would have positioned the country as a major global carbon credits provider. In addition, the country has had a legal framework in place to compensate the forestry sector for its environmental services, but the current Programme has insufficient funds to meet the existing demand by forest owners. Thus, the sector has developed enormous expectations for the income to be generated via carbon markets. Accordingly, the sector expects expect the PMR-CR to

create a substantial and legally binding demand of carbon credits, be it through the emissions levy, the PPCN programme or any other instrument. This local demand is expected to secure carbon prices that would be higher than current international ones. The challenge emerging is to fulfil these expectations against a landscape of competing objectives.

Second, the transport sector is considered key, but engagement of the sector faces challenges due to a lack of political coherence within the sector and poor information systems, with few resources invested in systemic analysis and data collection.

Third, the framing of the NDC and the introduction of an additional domestic mitigation target created mistrust and confusion, and this may have affected organizations' interest in participating in the PPCN and engaging with new tools and analysis.

Fourth, a strong, evidence-based economic and social narrative for decarbonisation of the economy is currently lacking yet critical for the engagement of a broader range of stakeholders.

Fifth, IMN and SEPSE have not been sufficiently empowered to take over the work done on SINAMECC and TIMES, respectively. While both organizations have been consulted, they still do not feel they own the products.

The driving force for the PMR within Costa Rica is a single Ministry, the MINAE. There is no evidence of strong support from others, and the DCC is aware of the need to create further alliances. A challenge for PMR-CR will be to keep other Ministries like MOPT actively engaged.

Sustainability

Sustainability is the major concern for the core PMR-CR team. The team has been able to push the envelope on many fronts, but it is unsure how to keep adding pressure for implementation to occur.

Elections may impact the sustainability of the PMR's impacts. Institutional memory generally sits with a few technical staff, and despite the availability of documentation, there may ultimately be a sense of lost direction if government changes. There is an ongoing effort to track and document all the work done from 2015 to date, and produce communication products, in order to facilitate knowledge transfer. Still, the capacity to absorb such information within the institutions is poor.

There is no commitment from the Government to additional funding, and in the current economic situation, that is unlikely to change. Continuous external funding is critical for:

- The emissions levy: PMR-CR will make sure there is a draft legislation before the change of Government. If the current Government is not able to approve the legislation, resources would be needed to ensure the transfer of this work to the new administration. Agendas on energy efficiency, electric transport or renewable energies are more technical and are expected to continue regardless of the elections.
- The PPCN: Stakeholders expect it to keep growing, in particular with regards to the participation of large companies and municipalities. Current resources were insufficient to expand the PPCN in

response to the existing demand. Resources are also needed to institutionalize the PPCN and ensure it sustains a constant demand of credits.

- The DCC is also considering the development of a Long-Term Strategy (LTS) as encouraged by the Paris Agreement, and additional resources would be needed to run the TIMES tool in that context.

In the absence of continuous support from the PMR or other initiatives, it is unlikely therefore for the country to smoothly implement carbon pricing instruments. Institutional weaknesses are likely to mean there would not be adequate capacity to fully operationalize new instruments.

5 Case Study summary report: Ukraine

Background

Ukraine was selected as a case-study country it was one of the first ICPs to join the PMR and as it provides an example of an ICP which moved from a country-executed to a World Bank-executed grant. It is also an ICP that is building capacity to launch a national ETS, a mechanism of interest for exploration in the case-studies.

| | |
|--------------------------------|---|
| Field visit dates | January 30 – February 1 2018 |
| Number of interviews conducted | Face to face interviews: 22 Phone/Skype interviews: 1 |
| Stakeholders interviewed | World Bank staff and implementing consultants (7) External hired consultants (2) Executing agency/Focal Point (4) Other government stakeholders (4) Other initiatives (3) Private sector (3) |

This summary draws on feedback provided across the interviews conducted during the in-country visit, as well as on the evaluation team's review of relevant documentation (including the MRP, Implementation Status Reports and national policy documents).

Summary of PMR activities in Ukraine

Ukraine was one of the first countries to request to be an ICP in the PMR. It's first MRP draft submission was in May 2014, with approval given in August 2014, awarding Ukraine USD 3 million funding.

While the process was started by the State Environmental Investment Agency of Ukraine (SEIA) during a period of institutional reform (during 2012) its functions were moved to the Ministry of Ecology and Natural Resources (MENR). MENR is now the PMR focal point and beneficiary in Ukraine. Although it was initially the ambition of Ukraine to be a country-executed agreement, limitations to MENR's capacity (including available levels of resource and the relevance of skills to run procurement exercises) and the lack of a financial system for the World Bank to transfer funds into, led to Ukraine requesting a Bank-executed agreement. The Ukraine PMR project stalled between 2012 and 2014 whilst the approach to the PMR was discussed within Ukraine and whilst decisions were taken to approach the World Bank in the role as grant executor.

The PMR-Ukraine Project Implementation Unit (PIU) was established in August 2016 following a procurement exercise. The team consists of 5 key members with expertise in: procurement, MRV, verification, legislation and a communications manager. This team is also supported by a few other consultants who bring expertise from working on the MRPs of other PMR ICPs (such as Turkey).

The PIU are responsible for the day-to-day design, delivery and co-ordination of tasks defined in Ukraine's MRP, although they work closely with the main beneficiary team at MENR. For example, the Ministry focal point takes responsibility for drafting the Implementation Status Reports, which are shared with the PIU and

signed off by the in-country World Bank team. MENR also leads donor co-ordination activities, for example, the Joint PMR-GIZ working group.

Ukraine's MRP covers the following main objectives, linked to the listed main activities:

- **To develop an MRV system in the energy and industry sectors**, which requires the:
 - Drafting of a National Legislative Package, consisting of:
 - MRV framework law; and,
 - Regulations, methodological guidance, as well as requirements and procedures at installation level, for: data monitoring; accreditation methods; certification.
 - Development of an MRV database, providing:
 - An inventory of installs and GHG emissions;
 - Archiving and storage; and,
 - Training on maintenance of the database.
- **To plan for a future ETS and to consider other MBIs**, which requires the following deliverables:
 - ETS Design Options study.
 - Domestic Offsets Options Study – providing recommendations for suitable MBIs for sectors not covered by the MRV in the initial phase, such as transport, waste and agriculture.
 - Economic Impact Assessment for ETS and other MBIs.
 - Carbon Pricing Policy Discussion document.

To support Ukraine in the implementation of its MRP, consultancy support has been procured in four areas

- Technical assistance in development of national MRV legislation (the National Legislative Package – NLP);
- Development of MRV guides, training and helpdesk;
- Pilot activities for monitoring GHGs and ETS Benchmark development (nine installations are being supported with preparation of Monitoring Plans and annual Emissions Reporting); and,
- Verification of Pilots and Training

Relevance of the PMR in Ukraine

National and international policy context

All stakeholders engaged in this case-study considered the support provided by the PMR to be very relevant to the national and international context of Ukraine. This is primarily because the PMR is supporting the delivery of commitments in the EU-Ukraine Association Agreement; this requires Ukraine to implement an ETS, involving the critical components of establishing a:

- System for identifying GHG from installations;
- National allocation plan for allowances; and a,

- System to issue GHG permits and allowances.

The PMR is also viewed by stakeholders to be closely aligned to Ukraine's wider policy context with policy goals around; reducing the energy intensity of Ukraine industry in order to increase energy security; to increase the quality of the Ukrainian National Inventory to UNFCCC; and, to enhance their position in international negotiations.

The support provided by the PMR is deemed relevant in the context of Ukraine's 'National Concept on Climate Change', 'National Plan on the Implementation of the National Concept on Climate Change', 'Association Agreement Implementation Plan', 'Roadmap for Ukraine ETS', and the 'National Energy Strategy' and the 'Low Carbon Development Strategy'.

Stakeholders expressed that, in particular, the PMR has added value to the progress of Ukraine against its ETS agenda through encouraging, and giving the framework for, a broader perspective; the PMR is credited with supporting the Ukraine in moving away from too narrow a view. It has, for example, supported policymakers to break down national policy goals into key component parts – providing an evidence base, and the collective wisdom of other countries, that demonstrates that prior to launching an ETS, it's vital to have an MRV system in place. The PMR was identified by stakeholders as instrumental in ensuring vital components, such as the importance of an MRV system, entered into key national policy documents (such as, the. National Concept on Climate Change)

Complementarity of PMR support to other initiatives

The activities of the PMR in Ukraine have been complemented primarily through two other initiatives; ICAP and GIZ.

ICAP's joint running of ETS workshops has been highly regarded by the stakeholders consulted.

In Ukraine, the PMR project is now also running alongside a GIZ project. The GIZ (funded through a bilateral agreement with the German government) seeks to support the Ukraine to design and implement an MRV system which can support a future ETS. While the PMR has been operating in Ukraine, and supporting a similar agenda for a number of years (although only at full pace since early 2017), the GIZ project only launched in October 2017. A number of steps have been taken to ensure these two programmes avoid overlap and instead work synergistically to ultimately offer better support to Ukraine's vision of having a national ETS. There is a Joint PMR-GIZ Working Group (consisting of the PMR PIU, the GIZ lead plus members of the beneficiary Ministry team), which meets regularly face-to-face. There is also a shared task list across both projects to ensure tasks are not overlapping but instead are complementary and are planned at the appropriate timing to support and build on one another.

The support provided to Ukraine by these other initiatives is, therefore, considered complementary to that of PMR, and to be acting to further enhance and reinforce the capacity building objectives of the PMR, rather than to be in conflict with PMR or to be duplicative.

Effectiveness of the PMR in Ukraine

Stakeholders consulted during this case-study who were based in the beneficiary Ministry, highlighted the following key ways in which the PMR is seen to be effectively supporting Ukraine in building its capacity and readiness for carbon pricing:

- **PMR knowledge products:** The outputs from the PMR's Technical Work Programme are credited with supporting the technical upskilling, and accelerated learning of the Ukraine team. The ETS Handbook, in particular, was highlighted as extremely valuable - it has been used to advise the Ministry and to help upskill new staff in the Ministry team (it is presented to them as the primary document for understanding ETS). The Carbon Tax Handbook, Data Management Systems and Benchmarks guidance have also been used a great deal - for example, when preparing for industry events, and also to promote the guidance directly to industry too.

- **PMR workshops:** Workshops delivered through the PMR's Technical Work Programme have been very positively received by the team as they attract a broad range of attendees (technical experts, practitioners, politicians, and private sector representatives), and as they are considered to be pitched at the right-level even for non-technical audiences. A number of workshops were highlighted as particularly effective in supporting Ukraine in the delivery of its MRP: a regional workshop attended by Ukraine, Turkey and Kazakhstan was found helpful as it enabled the sharing of experiences between countries in a similar region, with similar political situations and similar approaches to the PMR (i.e. MRV with the ambition of establishing a future ETS). The joint PMR-ICAP training on ETS was also found to be very helpful, as well as workshops on Modelling, Carbon Tax, and PMR Interaction with NDC.

As a result of these experiences, the TWP activities were felt to be key elements of what stakeholders in the Ukraine consider to be the unique added value of the PMR. The practical nature of the advice provided by through the TWP was particularly highlighted in this regard, being seen to actually teach countries how to do things, rather than stop at the production of policy documents.

- **Partnership Assembly meetings:** Where these meetings have facilitated the exchange of practical lessons between participants, this has been greatly appreciated by the focal point representatives in Ukraine. These exchanges are reported to have helped Ukraine to see trends from countries further ahead – for example at the Partnership Assembly in Barcelona, the South African representatives of the PMR presented on their experiences of developing a carbon tax, covering what had worked well and what had worked less well, which was found very useful by the Ukraine team.

- **Peer-to-peer relationships created by the PMR:** The Ukraine team gave the example of having learned about the approach taken by other ICPs to establishing Terms of Reference for the hiring of consultants

Efficiency

The stakeholders interviewed identified a range of both internal and external factors which they felt had contributed, both positively and negatively, to the efficiency with which progress is being made on Ukraine's MRP:

Internal factors enabling efficiency

The first two of these relate to the effectiveness and efficiency of the local governance of the PMR project in Ukraine, which was felt to be functioning well, as a result of:

- **Appointment of consultants:** a dedicated Project Implementation Unit was set-up using MRP funds. This team ensures the Ukraine's PMR project has the skills and capacity to co-ordinate MRP implementation activity. The establishment of this team, and the effective work conducted by it, is felt to have been fundamental to delivering progress against the MRP.
- **Good communication with focal Ministry:** all stakeholders interviewed recognised the close and constructive working relationship between the PIU and the focal Ministry, helped for example by lots of face-to-face meetings.

Further to these governance and management factors, collaboration with a range of stakeholders (both internal and external to the PMR) was also pinpointed as a factor supporting the progress of MRP implementation:

- **Learning from others:** the PIU believe they have saved time and effort by making best use of existing experience in the PMR community. For example, the PMR Secretariat shared Terms of Reference drafted by others for use by the PIU staff which sped up procurement processes (an example was given of support provided when procuring an external expert on carbon tax, for which Chile's TOR was used as a basis).
- **Early engagement with industry,** was identified as a key factor enabling the MRP activities to progress – for example through early consultation and the involvement of industrial sites in pilots.

External factors enabling efficiency

- **Alignment to wider political agenda and wider policy context** as discussed in the Relevance section. There are no competing agendas in other Ministries as all are aligned on the commitments of the Ukraine-EU Association Agreement.
- **Engagement of focal Ministry:** many of the stakeholders interviewed identified the value of having a supportive, engaged and committed Ministry team.

However, there are also a range of factors which have slowed progress against the MRP or which represent potential risks for the longer-term impact of the PMR's support in Ukraine:

Internal factors challenging efficiency:

Stakeholders also, however, noted challenges for the efficiency of the PMR in Ukraine which are set out in this section. It was noted that under the Bank-executed model, a high proportion of World Bank staff time is spent on the management of the PMR Ukraine project for a relatively small fund (USD 3 million).

- **Lengthy MRP feedback process:** It was reported to have taken at least seven months from submission of the first draft MRP to have an approved version. Some stakeholders did not feel the final MRP was substantially improved by the end of this process, leading a few to question the value of taking this time period for feedback (which they saw as delaying implementation work starting).

-**World Bank rules for procurement.** The procedures involved in hiring consultants is seen as very complicated, and one stakeholder flagged these were not a good match for Ukraine's existing national regulations and procedures. Differences on issues such as, where contract values are registered, or the length of tenders being open, has slowed down sign-offs. Some stakeholders had also found it challenging to judge the price offered by the tendering teams due to the procurement algorithms used – this apparently involved lengthy discussions back and forth with the World Bank to resolve.

- **Incomplete resolution documents:** it was noted by one stakeholder that the resolution documents received from the World Bank after MRP sign-off do not contain all of the relevant requirements of the Bank. This was highlighted as the potential cause of delays for ICPs who did not have visibility of these requirements until later in process.

External factors challenging efficiency:

-**Institutional reform and challenges in institutional efficiency and effectiveness.** Stakeholders acknowledged that this is a challenge in Ukraine, as it is in many countries. It led, for example, to the need for a Bank-executed agreement, and is currently a critical topic of discussion as the Ministry seek to identify a suitable Competent Authority for the MRV system. Stakeholders interviewed therefore attributed a lack of solid institutional base, not only to the slow start to Ukraine's PMR project, but also to ongoing challenges for making progress and maintaining momentum.

- **Misleading information around the roadmap for progressing carbon pricing.** Stakeholders reported that some consultants external to the PMR, had spread misleading information to industry around the roadmap for establishing an ETS in Ukraine. Examples of misleading information included that the ETS would be brought in immediately without MRV and/or that Ukraine's ETS will immediately link to the EU ETS. It is understood that some consultants are already seeking to develop allocation plans for industrial sites, which is considered extremely premature by stakeholders interviewed.

- **Aligning progress of tasks delivered via other initiatives with PMR timeline.** An example of collaborative working between the PMR and GIZ was given in the transfer of a task related to data management from the PMR MRP into the remit of the GIZ project. The rationale for this was to maximise the potential efficiencies from the GIZ Turkey project having supported a very similar activity. However, some challenges are being encountered in the replication of the approach in Ukraine (where there are different data security requirements, but also different underlying economic structures to represent in the data management system, as well as the need for it to link to a future ETS rather than be stand-alone). These issues have been reported to be contributing to some delays on the progress of this component, which is critical for the launch of the MRV system.

Impact

Since the establishment of the PIU in early 2017, Ukraine has been making good progress against its MRP and is expected to have delivered against many of its MRP components by the end of 2018. At the time of conducting this case-study, the main outcomes to date achieved with support of the PMR in Ukraine are:

- Draft National Legislative Package for MRV in place;

- Installation-level emission monitoring and reporting pilots underway; and,
- High levels of industry engagement through training and pilot sites

The key elements of the PMR, as well as internal and external factors, which have supported these outcomes have been described above.

Sustainability

Whilst Ukraine has made a lot of progress against its MRP in a short amount of time, there are still lots of challenges to come in the ongoing MRP implementation phase and also in relation to impacts of the PMR support being realised and sustained. Examples of further support being needed were identified by some stakeholders – for example, after the introduction of the verification system there will be a requirement for lots of post-monitoring.

This section provides the evaluation team's own observations (rather than direct feedback on this from interviewees), on potential risks for Ukraine in its longer-term implementation:

- **Wider and high-level political engagement:** Although it is evident that there has been a great deal of engagement between the PIU and the main beneficiary Ministry, there is a potential risk that sufficient engagement has yet been achieved higher up the political chain i.e. with other connected Ministries (such as, the Ministry of Energy and Coal or the Ministry of Finance) or with Parliament. An MP interviewed during the case-study was not aware of the PMR, or Ukraine's MRP activities – which include the drafting of a national legislative package - despite being on the Energy committee which would need to be engaged in reviewing the draft MRV law later this year. Where outreach activities have been less successful, it has the potential to affect the translation of readiness components into proper implementation (e.g. getting the draft National Legislative Package for MRP passed through Parliament to become law). It is recognised, however, that since the time of the case-study visit, Ukraine has hosted PA18 which was well attended by senior government officials. This is likely to have further promoted the agenda of the PMR in Ukraine and awareness and support for the PMR project.

- **Industry engagement of the 'less interested':** Although there has already been a great deal of industry engagement, at the time of the case-study visit, a couple of key players have not yet been engaged in the plans for MRV and ETS - this includes key players at oil refineries. There is also a risk that even among those who are already engaged in these issues, that they do not support bringing in MRV ahead of ETS as they can only see value in MRV once they are allowed to trade allowances and use it for revenue generation. In addition, some industry stakeholders are waiting for the legal basis for MRV to be in place before they engage to any significant level. As the NLP is not yet approved, this means they have not yet engaged in the technical documentation associated with the MRV system. There is therefore potential for push-back still to come, or challenges with participation once the MRV system is implemented.

- **Other barriers to reducing emissions:** Representatives of the energy industry in Ukraine, raised concerns about the age of their installations and the requirement for big capital investment in order to modernise and, in future, have a hope of being able to trade allowances (under any future link to the EU ETS).

-**Structure of the economy** in Ukraine poses limitations to the potential effectiveness of a future ETS system – there is limited competition due to some large monopolies (who cannot trade allocations within themselves).

- **Institutional readiness:** The Ukraine face a challenge to decide which institution can be appointed Competent Authority to administer the MRV and ETS system (in context of little institutional capacity and diverted budgets to defence). In addition, given the PMR project is World-Bank executed, it is unclear where ongoing activity to support carbon pricing in Ukraine will sit following the end of the current PMR project.

6 Review of the PMR logframe

The rationale for monitoring of an initiative such as the PMR is to generate evidence on its activities and impacts over time and to allow for an assessment of how the initiative has been delivered, what it has delivered and whether there are any improvements that could be made in the future. The evidence generated through monitoring is essential for comprehensive evaluation to be undertaken in the future.

The evaluation team has reviewed the PMR logframe in order to make recommendations on how the definition of certain indicators could be improved. In addition, suggestions have been made for possible targets for those indicators for which the evaluation team considered the evidence collected, and the analysis carried out, could help set said targets.

There are several tools to assess whether the indicators in a logframe are well defined. For example, the European Commission uses the 'RACER' criteria⁷⁶, as defined in the European Commission Better Regulation Toolbox. However, the most standard system is the 'SMART' criteria, which is the system recommended by the World Bank Independent Evaluation Group.⁷⁷ The SMART standard includes the following characteristics of effective indicators :

- **Specific.** Indicators should reflect simple information that is communicable and easily understood.
- **Measurable.** Are changes objectively verifiable?
- **Achievable.** Indicators and their measurement units must be achievable and sensitive to change during the life of the project.
- **Relevant.** Indicators should reflect information that is important and likely to be used for management or immediate analytical purposes.
- **Time bound.** Progress can be tracked at a desired frequency for a set period of time.

It is with these principles in mind that the PMR logframe has been reviewed. In the view of the evaluation team, overall, the indicators included in the PMR logframe accomplish the criteria *Specific*, *Measurable* and *Relevant*. In particular, the evaluation team has noted that all indicators have "verification sources" that are fit for purpose, and all of them acknowledge the assumptions underlying the outputs/outcomes.

However, **only some indicators accomplish the criteria *Achievable*** (given that there are some indicators for which a target has not yet been set), and **the system overall does not accomplish the criteria *Time bound***, since there are no indications on the timing in which data should be collected for any indicator.

⁷⁶ RACER stands for Relevant, Accepted, Credible, Easy to measure and Robust.

⁷⁷ IEG World Bank (2012): Designing a Results Framework for Achieving Results: A How-to Guide, available at: http://siteresources.worldbank.org/EXT/VACAPDEV/Resources/designing_results_framework.pdf (accessed on 27 June 2018)

The evaluation team has made recommendations on how the definition for some indicators could be improved to better accomplish the 'SMART' criteria (recommendations presented in Table 6.1 at the end of this section).

The current logframe has multiple purposes: planning, monitoring and evaluation. The intervention logic underlying the logframe is indeed helpful for planning purposes and fit for purpose, and this evaluation has overall found evidence to validate the intervention logic and has demonstrated how the intervention logic can be utilised for evaluative purposes. This logframe also suits evaluation objectives, since it will collect data at the end of the PMR that will be useful for a final evaluation of the PMR. Nonetheless, **the current logframe is not enough to monitor the PMR.**

In the opinion of the evaluation team, the PMR would benefit from a wider monitoring system. It is understood that the PMR Secretariat is already in the process of developing a monitoring system. The evaluation team is supportive of this and recommends that in addition to the revised logframe, this system should include:

- A set of programme management indicators which would facilitate monitoring of the input and activity levels of the theory of change. To facilitate ongoing monitoring of the efficiency of PMR support, this should include financial resources utilised versus resources committed at the country level. To facilitate evaluation of the efficiency of PMR support, cost information should ideally be allocated across PMR activities (for example, across workstreams) through the use of staff timesheets or time use surveys.
- Identified units of measurement, data sources and data collection instruments (including templates for collecting data and for reporting data to the Secretariat) for each indicator.
- Baseline and target values for each outcome and impact indicator, against which progress can be assessed. Where possible, the evaluation team have included suggested targets below; these should be reviewed and set for each indicator.
- Timelines for collection of each indicator in the logframe. Timelines are likely to vary for each indicator, depending on the frequency at which data can realistically be collected, the need/usefulness for frequent reporting to guide decision-making, and the resource burden of reporting. As a default, the evaluation team recommends that reporting frequency for input and activity-level indicators should align with the PA meetings (i.e. biannual), as these are where budget allocation decisions are made. However, output, outcome, and impact indicators are more likely to be relevant for decision-making on an annual basis, given the time required for changes in these indicators to be realised, the longer-term nature of strategic decision making which these indicators inform, and given that some indicators are unlikely to be feasible to collect biannually (e.g., indicator 1.2 "amount of public revenue raised from carbon pricing instruments", given public revenue data may be more likely to be available on an annual basis).
- Identified responsibility for collection of each indicator in the logframe (e.g. whether each indicator should be collected by the Secretariat or countries, and within each organisation, which staff member.).
- Communications plan for dissemination of monitoring and evaluation outputs to stakeholders.

Such a system would help assess the progress made on a regular basis, and would help any process evaluation be carried out, either internal or independent. The lack of such a monitoring system has hindered the current evaluation, and better assessment of the efficiency criterion could have been made had this system existed.

**Table 6.1: Independent Evaluation team recommendations following review of the PMR logframe
(logframe dated 6 October 2017)**

| Impact | Indicators | Verification Sources | Assumption | Recommendations on indicator following review by independent evaluation team |
|--|--|---|---|--|
| LONG-TERM | | | | |
| 1. GHG emissions are mitigated due to implementation of carbon pricing instruments in countries that receive PMR funding and technical support | 1.1 Quantity of emissions reduced (by 2025 or later) resulting from implementation of carbon pricing instruments in countries that received support from PMR | 1.1.1 National MRV systems and scope of delivery to INDCs/NDCs implementation; carbon pricing systems; other pertinent data sources (including National Communications to the UNFCCC); World Bank and/or other Delivery Partner project completion and evaluation reports; interviews with key stakeholders | 1.1 Global or domestic market and/or government sectoral trading is sufficient for carbon price to be effective and/or adequate alternative mechanisms have been adopted; national systems are in place to adequately monitor and verify GHG emission reductions from the use of instruments implemented with PMR support | This indicator is well defined for the long-term goal, but optimally an indicator with the progress to date would be needed. This new indicator would rely on the same verification sources. |
| | 1.2 Amount of public revenue raised from carbon pricing instruments | | 1.2 Financial, technical and regulatory infrastructure in place: finance, business infrastructure, innovation and technology diffusion, regulation and guidelines training and awareness campaign conducted | We would recommend separating sources for indicators 1.1 and 1.2 as they will differ (e.g. national MRV systems for 1.1 but not 1.2.) |
| MEDIUM-TERM | | | | |
| 2. Carbon pricing instruments and/or core technical components needed to underlie them are fully in place in countries that receive PMR funding and technical assistance | 2.1 Number and type of carbon pricing instruments designed, piloted and/or implemented in countries that received PMR support by 2020 (Target: at least 5) | 2.1.1 PMR documents; ICP Implementation Status Reports; World Bank and/or other Delivery Partner project completion and evaluation reports; interviews with key stakeholders | 2.1 MRPs have been successfully implemented with PMR grant resources and technical assistance channelled through the World Bank and/or other Delivery Partners | We would recommend improving the formulation of the indicator by adding 'are fully in place' |
| | 2.2 Number and type of core technical components identified in the MRPs that are designed, piloted and/or implemented by 2020 with PMR assistance (Target: at least 70% of those identified in the MRPs) | | 2.2 There is continued support for implementation of carbon pricing instruments at national level | We would recommend improving the formulation of the indicator by adding 'are fully in place' |

| | | | 2.3 Necessary regulatory, institutional, and legislative changes take effect for the implementation of such instrument to be successful | |
|---|---|--|--|--|
| | | | 2.4 ICPs have received sufficient training, support and resources to design such instruments; needed co-financing (or in-kind contributions) for MRP implementation mobilized with assistance from PMR | |
| Outcomes | Indicators | Verification Sources | Assumption | |
| 1. The capacity of assistance-receiving countries to design, pilot and/or implement carbon pricing instruments and/or core technical components for GHG mitigation has been demonstrated | 1.1 Number of countries that have completed the MRP implementation phase by 2020 (Target: at least 90% of those who submitted MRPs to the PA for implementation) | 1.1.1.MRP documents; World Bank project appraisal, supervision and completion reports; ICP Implementation Status Reports; interviews with and feedback (including through surveys) from key stakeholders | 1.1 PMR participants have received sufficient technical assistance, training and financial support from PMR and other sources, identified in their MRPs, to design, pilot and implement carbon pricing instruments and/or core technical components for GHG mitigation | These indicators could be further strengthened. The fact that countries complete their MRPs or request additional funding does not necessarily mean they improve their capacity. Suggested additions could be: number of consultancies carried out per country, number of external stakeholders who improve their capacity/knowledge of carbon pricing instruments (measured through a survey) |
| | 1.2 Number of countries that have applied for additional PMR funding to move their initial proposal closer towards implementation. | | 1.2 Country enabling environment is in place – i.e., countries are motivated, have approved effective mechanisms for GHG reduction, and allocated sufficient human and budgetary resources for capacity building | |
| | | | 1.3 Appropriate policy, legal and regulatory frameworks are approved and in place | |
| 2. PMR knowledge has informed efforts of PMR participants (and other partners) to design, pilot and/or implement | 2.1 PMR-generated knowledge is assessed as effective and bringing value-added to the development, piloting and/or implementation of carbon pricing instruments by PMR participants (Target: at least 75% of PMR participants assess PMR | 2.1.1 PMR documentation; interviews with and feedback (including through surveys) from key stakeholders; annual M&E survey | 2.1 PMR-generated knowledge is relevant and of high quality | |
| | | | 2.2 Mechanisms to disseminate PMR-generated knowledge are in place and effective | |

| domestic carbon pricing instruments | knowledge as effective or very effective through evaluation questionnaire and/or annual survey) | | 2.3 PMR participants consider PMR-generated knowledge necessary to the development and/or implementation of carbon pricing instruments | |
|--|---|--|--|--|
| 3. The ability of PMR participants to use carbon markets is enhanced | 3.1 Number of countries involved in the international transfer of mitigation outcomes | 3.1.1 PMR documentation; ICP Implementation Status Reports; interviews with and feedback (including surveys) from key stakeholders; international forums on linking carbon markets | 3.1 PMR participants have received sufficient technical assistance, training and financial support to identify the best approaches, compatibilities and synergies to linking carbon pricing instruments 3.2 By 2020 there is a mechanism in place where ICPs can transfer international mitigation outcomes | We would recommend adding the number of targeted countries by 2020 |
| | 3.2 Number of agreements established by PMR participants to link or explore linking carbon pricing instruments (Target: at least one agreement by 2020) | | 3.3 PMR participants are willing to collaborate and share lessons learned on what works for establishing core components of carbon pricing instruments internationally | |
| 4. Global policy discussions regarding the use of carbon pricing for GHG reduction is informed by PMR | 4.1 Number of presentations made by PMR staff at UNFCCC technical meetings and with other agencies/institutions (Target: at least five by 2020) | 4.1.1 PMR documentation; UNFCCC technical agendas; interviews with and feedback (including through surveys) from key stakeholders, including UNFCCC | 4.1 PMR participants are informed by PMR events and knowledge about global best practices and lessons learned on carbon pricing | |
| | 4.2 Joint technical work by PMR with UNFCCC and other institutions undertaken (Target: at least two outputs by 2020) | | | |
| Outputs | Indicators | Verification Sources | Assumption | |
| 1.1. PMR Secretariat, delivery partner management system, and country-level project implementation units operational | 1.1.1 PMR Secretariat and delivery partner management system in place and functioning by 2011 | 1.1.1.1 PMR documentation; interviews with and feedback (including through surveys) from PMR participants | 1.1.1 PMR Secretariat has access to sufficient funding and establishes management system; funding is sufficient to continue operation through 2020 | |
| | 1.1.2 Number of country-level project implementation units operational within a year of a signed implementation agreement with the delivery partner | 1.1.2.1 ICP Implementation Status Reports; country-led interviews and feedback (including through surveys) from PMR participants | 1.1.2 Country-level technical staff is available and necessary coordination between different agencies/ministries has been established | We would recommend adding the following indicator: "Number of countries with an implementation agreement in place since a year ago, or more" Recommended target: 100% |

| | | | | |
|---|--|--|--|---|
| | | | 1.1.3 Other delivery partners establish needed management system | |
| 1.2 Needed regulatory, economic and institutional analyses to inform design/piloting of carbon pricing instruments are completed and national and international stakeholders engaged | 1.2.1 Number of country-led analyses completed by 2020 | 1.2.1.1 PMR documentation; MRP documents; ICP Implementation Status Reports; C World Bank project supervision and completion reports; country-led interviews with and feedback (including through surveys) from pertinent PMR participants | 1.2.1 Needed technical expertise is available and timely; consultants have access to necessary documentation | Recommended target: 19 (note: target is set so that it equals the number of ICPs involved in PMR. However, this does not necessarily mean that there should be one country-led analysis completed in each country to achieve the target. It could be the case, for example, that one country has carried out two analysis and one country has not completed any) |
| | 1.2.2 In-country and/or global stakeholder engagement workshops held with PMR assistance | | 1.2.3 There is an extensive national stakeholder consultation and engagement process, that is open and transparent, to communicate the design and implementation of such instruments | We would recommend separating this indicator into 2 different indicators: global and national level. And include "number of..." Suggested targets: National: All ICPs at least 1 workshop a year during implementation phase Global: At least 1 global workshop a year |
| | 1.2.3 A global communication strategy guide on engagement of public and private stakeholder developed by PMR by 2020 | | | |
| | 1.2.4 Number of in-country inter-ministerial coordination mechanisms in place by 2020 | | | Recommended target: inter-ministerial coordination mechanism in place in at least 75% of ICPs by 2020. |
| 1.3 Funding is mobilized to put carbon instruments and/or core technical components in place | 1.3.1 % of the capitalization of the PMR funding committed | 1.3.1.1 MRP documents; ICP Implementation Status Reports; Country-led interviews with and feedback (including through surveys) from pertinent PMR participants | 1.3.1 In-kind contribution and other source of funding is mobilized at the country level | Recommended target: 100% by 2020 |
| | 1.3.2 Amount in US\$ of in-kind funding committed by countries by the completion of their MRP implementations | | | We would recommend clarifying whether the funding needs to come from in-country national budgets or whether it could come from different sources (ex. other donors). In addition, we would recommend reformulating the indicator as: "Number of ICPs with additional funding committed to implement their MRPs". In order to set a target, we would recommend setting it based on the number of countries that request additional funding. |

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|--|--|---|---|---|
| 2.1 Technical workshops, guidebooks, notes and trainings; webinars and e-courses; and country and global upstream analytical work completed, of high quality and disseminated | 2.1.1 Number and types of technical workshops, guidebooks and notes; technical trainings; webinars and e-courses/e-learning held by 2020 | 2.1.1.1 PMR documentation (including online Events); interviews with and feedback (including through surveys) from participants and key stakeholders; review of the PMR Knowledge Center and the World Bank Open Knowledge Repository; review of events' exit evaluation surveys; annual M&E survey | 2.1.1 Technical Workshops, Trainings webinars and e-courses have been responsive to PMR participants' needs and demands | We would recommend adding an indicator on the number of participants to technical trainings and webinars. |
| | 2.1.2 % of participants who express satisfaction with events held through events' exit evaluation surveys | 2.1.1.2 Website "hits" and downloads (Google Analytics and Open Knowledge Repository) – compared to baseline (where available); references in relevant national documents on carbon pricing | 2.1.2 There is demand for the technical guidebooks and notes | Include quantified target, e.g. at least 75% expressed to be satisfied |
| | 2.1.3 % of PMR participants who evaluate the events as demand-driven and technically relevant in events' exit evaluation surveys | | 2.1.3 Resources provided by the PMR have been sufficient to complete the analysis required | Include quantified target, e.g. at least 75% expressed event to be relevant |
| | 2.1.4 Number of upstream analytical analysis (country, regional and global) completed by 2020 | | 2.1.4 Online resources are easy to navigate, sufficiently promoted and disseminated | Recommended target: All ICPs that included upstream analytical analysis in their MRPs have completed at least 1 |
| | 2.1.5 Online information sharing vehicles (website, newsletters, annual reports, etc.) established and regularly updated | | | We would recommend substituting this indicator with more relevant and quantifiable indicators, such as: - Number of unique website visitors - Number of newsletter subscriptions - Number of reports downloads - % of PMR stakeholders who are satisfied with the sharing of information via website, newsletters, annual reports |

| | | | | |
|--|--|--|--|---|
| 3.1 Knowledge products, PA Meetings, Side Events, technical discussions and country-to-country exchanges successfully implemented and followed-up | 3.1.1 Number and quality of PA Meetings, Side Events, technical discussions and country-to-country exchanges held by PMR by 2020 | 3.1.1.1 PA and PMR documentation, including meeting agendas, chair summaries and reports (including online Events page); exit surveys and annual M&E survey; interviews with and feedback (including through surveys) from key stakeholders. | 3.1.1 PMR has successfully established and managed events designed to promote exchange of technical knowledge and innovations among member countries | We would like to note that measuring country-to-country exchanges will be difficult. We would recommend assessing this qualitatively, through interview feedback. |
| | | 3.1.1.2 Technical notes, guidebooks | 3.1.2 PA meetings have been held on a regular basis or as needed to efficiently and effectively conduct PMR business; PMR Secretariat seeks to provide efficient and effective follow-up | |
| 4.1 Technical exchanges, lessons learned and best practices shared between UNFCCC, other institutions and PMR Secretariat | 4.1.1 # of PAs attended by UNFCC staff | 4.1.1.1 PMR documentation; UNFCCC technical agendas; interviews with and feedback (including through surveys) from key stakeholders, including UNFCCC; review of the PMR Knowledge Center | 4.1.1 International and national stakeholders have been identified and are actively engaged and informed about PMR activities and outputs | We would recommend adding a target of 1 PA meeting per year |
| | 4.1.2 # of technical UNFCCC meetings attended by PMR Secretariat | | 4.1.2 Stakeholders are available for technical work and the work is demand-driven | We would recommend adding a target of 1 meeting per year |
| | 4.1.3 Number and type of technical work between PMR Secretariat, other technical agencies and institutions completed | | 4.1.3 PMR participants freely share best practices and lessons learned from the design and implementation phase of carbon pricing instruments | |

7 Summary of initiatives with similar objectives to PMR

The table below provides an overview of other initiatives with similar objectives as the PMR. Specific details of these programs, such as their funding sources, activities, and beneficiaries, are included in the accompanying literature review. This is based on a review of external literature such as scheme documentation carried out by SQ Consult.

| Initiative | Similarities to PMR | Points of difference to PMR |
|--|---|---|
| International Carbon Action Partnership (ICAP) | Focus on ETS, overlap in sharing of experience and support to policy makers. | Only covers ETS, not other carbon market instruments. ICAP has more focus on building partnerships among governments and actual linking of systems. |
| International Emissions Trading Association (IETA) | Carbon market focus, overlap in knowledge center activities (both PMR and IETA provide guidance, technical notes and a China market monitor). | Exclusively focused on the business/operation perspective rather than the government/organization perspective. |
| Transformative Carbon Asset Facility (TCAF) | Pilot programs to test the possibility of establishing mechanisms to sell emissions. Initiated by Germany, Norway, Sweden and Switzerland. | Slightly wider focus but later, can be seen as implementer after PMR. |
| Carbon Pricing Leadership Coalition (CPLC) | Advocacy papers on carbon pricing. | Higher- level and more political focus. Less technical know-how focused than TWP within PMR. |
| EU Emission Trading Scheme (ETS) ⁷⁸ | Focus on EU ETS, overlap in providing technical notes and guidance documents, especially on benchmarking and MRV. | Only covers ETS in Europe, not other carbon market instruments or regions. |

⁷⁸ Note: While the EU ETS is a policy instrument rather than a programme to promote carbon pricing, it is included here because the EU spends significant resources to promote carbon pricing both within the EU and in other jurisdictions. The material developed by ETS to help countries implement the programme has similarities to deliverables produced under the PMR's TWP.

| Initiative | Similarities to PMR | Points of difference to PMR |
|---|---|---|
| CDP (formerly the Carbon Disclosure Project) | Higher level objective of building a truly sustainable economy. | Wider target group than PMR and wider environmental scope (yet started with focus on carbon). Mainly aimed at providing insight in company/city status and performance on climate action. |
| NDC Partnership | North/South partnership of countries and institutions. Promotes knowledge sharing between members and funds analysis and tools. | Targets a broader suite of topics of which carbon pricing is a small component. Focus on political commitments. Provides less technical support. Does not directly fund developing countries to develop their specific plans. |
| International Centre for Trade and Sustainable Development (ICTSD) | Broader program to advance sustainable development (SD) through trade-related policymaking. Publish reports on various SD goals, including on carbon pricing. | Much wider scope; more academic. Some reports published are in scope of the PMR activities |
| United Nations Development Program (UNDP) | Broader programme includes funding some carbon pricing activities, some auction studies on carbon tax. | Regional focus rather than country level. |
| Organisation for Economic Co-operation and Development (OECD) | Broader programme to promote policies that will improve the economic and social well-being of people around the world. Has published a few reports that are in the scope of the PMR activities. | Much wider focus; carbon is just one of many subjects. |
| Financing facilities such as PCF, Ci-Dev, CF ready | Aimed at facilitating uptake of carbon mitigation actions in developing countries | Financing facilities can be seen as a tool to support implementation of PMR (and other) activities. Activities have no overlap with PMR, but are complimenting PMR. |
| Range of initiatives supporting NDCs and wider promotion of carbon initiatives (e.g. IKI, | Mostly very country-specific support, overlap in capacity building to support implementation of national carbon pricing mechanism. | Focus on very detailed technical work such as modelling development, scenario analysis, setting up MRV systems and IT infrastructure. |

| Initiative | Similarities to PMR | Points of difference to PMR |
|--|---------------------|-----------------------------|
| GIZ, WRI, other World Bank programs, other EU programs) | | |

Source: SQ Consult

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