

Mid-term Evaluation of the Partnership for Market Readiness

INTRODUCTION

The purpose of this evaluation is to better understand whether PMR is delivering against its key objectives and if its focus on capacity building and knowledge generation is effective and impactful. The evaluation identifies lessons learned that can be incorporated into the delivery of the final two years of the PMR implementation as well as considerations for the design of its successor program. Overall, the evaluation concludes that PMR plays a big role in building capacity for carbon pricing at national, regional and global levels; its package of support is effective and adds value to national and international carbon pricing discussions.

Quick facts



EVALUATION OBJECTIVE:

To assess PMR's achievements and review lessons from its implementation of activities between December 2014–17



METHODS USED:

Survey of 100+ PMR stakeholders, 3 case studies (Chile, Ukraine and Costa Rica), 24 in-depth interviews, literature review and contribution analysis



EVALUATION FIRM:

IPSOS-Mori and SQ Consult Consortium

CONTEXT

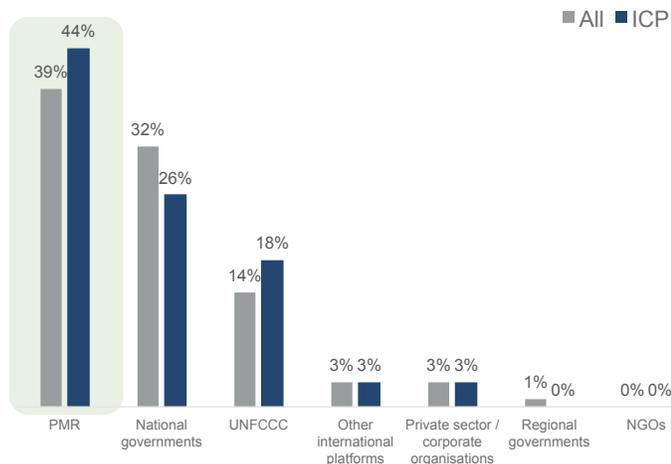
The World Bank Group (WBG) commits to ambitious targets to accelerate efforts to tackle climate change and help developing countries deliver their Nationally Determined Contributions (NDCs) submitted as part of the historic Paris Climate Agreement of 2015. To achieve these commitments, the WBG advocates for policies and measures that facilitate the development of carbon markets and pricing, build the capacity to design and develop those markets, and mobilize capital for resilient and low-carbon growth.

Aligned with the overall WBG's approach, the Partnership for Market Readiness (PMR) is a forum for innovation on climate change mitigation, bringing together more than 30 countries — including nearly all of the world's largest carbon emitters. The PMR helps countries to prepare and implement climate change policies that expand their mitigation efforts. It also facilitates the sharing of technical knowledge and experience on the design and implementation of various carbon pricing instruments, including carbon taxes, emissions trading systems, and offset mechanisms.

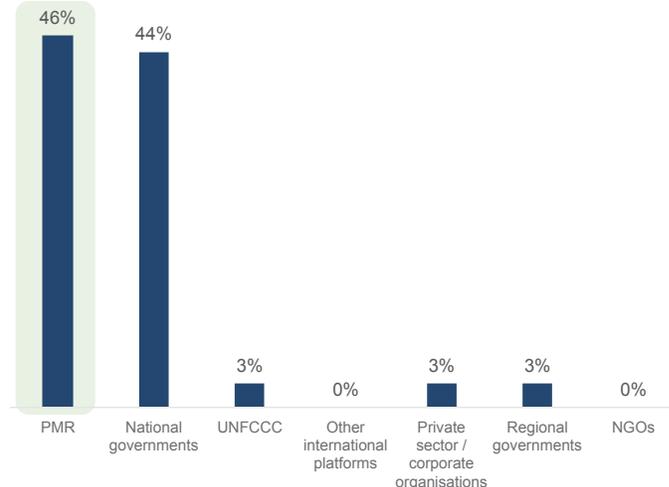
KEY EVALUATION FINDINGS

- 1** PMR is the **most prominent initiative in the carbon pricing policy landscape** and is considered by many to be the only place where dialogue is happening at a practical and technical level across a broad spectrum of participants.
- 2** PMR **influences global policy discussions regarding the use of carbon pricing for GHG reductions.**
- 3** PMR is **highly effective and efficient at improving readiness and generating dialogue on carbon pricing** and **PMR knowledge products are particularly valued.**
- 4** PMR is **positively impacting capacity and readiness to design, pilot and/or implement carbon pricing instruments** and/or the core technical components needed for carbon pricing.

Most important entity in terms of contribution to supporting market readiness: **internationally**



Most important entity in terms of contribution to supporting market readiness: **in your country**



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).

PMR ADDS VALUE BY...

1

Being "instrument neutral"

– it customizes support to countries pursuing the most appropriate carbon pricing instruments for their national context. 94% of survey participants believe PMR's support is flexible enough to meet their country's needs.

2

Supporting early-stage capacity building

– it supports upstream policy analysis and stakeholder engagement prior to a decision on a specific policy; and provides additional funding to move beyond early-stage support.

3

Providing "hands-on" support

– it gives practical and technical support to break down national policy goals into key steps and distils key technical knowledge on carbon pricing.

4

Fostering a participative platform

– it creates space for networking and encourages learning among countries.

How does PMR perform against its objectives?

BUILD CAPACITY

- Increased the prominence of carbon pricing on national agendas and enhances policy dialogue
- Stimulated in-country engagement and discussion on carbon pricing among domestic stakeholders
- Introduced approach to tackle national policy goals into key component parts.
- Supported countries to develop relevant policies and regulation, and the design of carbon market instruments

GENERATE KNOWLEDGE

- PMR-generated knowledge is often found to be vital in bringing readiness to the agenda and for engaging key stakeholders and creating buy-in
- Knowledge products are considered high-quality and relevant by a wide range of internal and external stakeholders. 91% of survey participants determined PMR knowledge as 'useful'

IDENTIFY BEST PRACTICES

- Helped transform the understanding of carbon pricing instruments as a viable option to reduce emissions to fulfil national policy goals and international commitments.
- Implementation of fully-functioning carbon pricing instruments depends on political actions taken at the country level following the PMR's support.

INFORM POLICY DISCUSSIONS

- Numerous stakeholders believe that the PMR has had an influence on global policy discussions, eg. in UNFCCC negotiations

PMR SUPPORT HAS LED TO:

- ✓ Carbon pricing regulation;
- ✓ Economic modeling to analyze the potential of carbon pricing instruments in a country;
- ✓ Sector-based options studies for the adoption of different mitigation instruments;
- ✓ Roadmaps for how different mitigation instruments could be rolled out.

RECOMMENDATIONS

Based on the recommendations put forward in the report, the PMR is focused on the following actions:

- Encourage greater peer-to-peer** learning between PMR participants, particularly sharing implementation lessons.
- Maximize external synergies and cooperation** with other initiatives and organisations to further the rate and scale of progress towards goals on carbon pricing.
- Sustain momentum** for implementation by engaging broader internal and external audiences in the PMR agenda.
- Minimize impact of common bottlenecks in country program implementation by enhancing existing PMR processes.**