Second Independent Evaluation of the PMR

Key findings, conclusions and recommendations

Ipsos MORI and SQ Consult
Overview of PMR evaluation findings

• The PMR is very effective at improving readiness and generating dialogue on carbon pricing instruments.

• The PMR is relevant to its recipients, donors and technical partners, and has adapted well to changes in the global context of carbon markets post the Paris Agreement.

• The PMR’s partnership approach generates ownership and successfully promotes knowledge exchange, although there is some room for improvement.

• Effective and efficient implementation of activities to progress carbon pricing at the national level, depends on effective stakeholder engagement – both in-country and across the Partnership Assembly (during the preparation phase to ensure the MRP provides the most effective starting point, and to share learning during the implementation phase).
Key success features of the PMR

Key findings: PMR achievements

Key findings: Main challenges

Key findings: Recommendations

Key findings: Lessons learned
Key features of the PMR which contribute to its success

Overview of PMR

Partnership
- Implementing Country Participants (ICPs)
- Contributing Participants (CPs)
- Technical Partners (TPs)
- Observers

Delivery of support
- PMR Secretariat (the World Bank)
- Other delivery partners

Workstreams
- Country Work Program (CWP)
- Policy Analysis Work Program (PAWP)
- Technical Work Program (TWP)

Key features linked to success

The Partnership Assembly (PA), consisting of ICPs and CPs, is the PMR’s decision-making body and decides on a consensus basis. It is also a knowledge-sharing platform. PA meetings have contributed to create a shared language and common understanding on carbon pricing issues.

The PMR Secretariat and PMR-funded staff, both in the focal points and in the World Bank, have been key to making progress.

The PMR provides high added value due to its flexibility in adapting to national contexts, support in building in-country capacity, mix of practical and technical support, and participative and networking approach. The workstreams are perceived as a holistic package of support that makes PMR stand out.
PMR is key entity supporting market readiness

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

- PMR: 44%
- National governments: 39%
- UNFCCC: 32%
- Other international platforms: 18%
- Private sector / corporate organisations: 14%
- Regional governments: 3%
- NGOs: 3%

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

- PMR: 46%
- National governments: 44%
- UNFCCC: 3%
- Other international platforms: 3%
- Private sector / corporate organisations: 3%
- Regional governments: 3%
- NGOs: 0%

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).
Package of flexible support makes PMR stand out

Diversity, participation & knowledge sharing

- Number and diversity of countries participating.
- Networking and learning from others’ experiences.

The right combination of support

- Open to a range of mechanisms.
- Providing practical and technical assistance, lots of in-country support but also analysis of policy options.

Stimulating engagement and ownership

- Stimulates in-country engagement and discussion on carbon pricing, increasing prominence on agendas and helping to create and sustain policy dialogue.

“Constructive dialogues, partnership spirit and learning from each other on important aspects of climate change mitigation policy. Contributing participant”

“It serves a role that is very different from purely technical/academic fora; and other initiatives that take a more political emphasis. Implementing country participant”
**Knowledge exchange & technical assistance add value**

**Main value added by the PMR:**

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange of knowledge, experience and information</td>
<td>35%</td>
</tr>
<tr>
<td>Technical assistance and support (e.g. through workshops)</td>
<td>28%</td>
</tr>
<tr>
<td>Opportunity to co-operate and network</td>
<td>22%</td>
</tr>
<tr>
<td>Access to expertise</td>
<td>16%</td>
</tr>
<tr>
<td>Financial assistance, support and funding</td>
<td>15%</td>
</tr>
<tr>
<td>Helps capacity building</td>
<td>12%</td>
</tr>
<tr>
<td>With policy support and development</td>
<td>12%</td>
</tr>
</tbody>
</table>

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)

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"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.

*Implementing country participant*

"Provides *resources and support* for countries to develop market readiness plans *suited to their own circumstances*, and provides *opportunities to share* experience.

*Contributing participant*"
Key findings: PMR achievements

- The PMR is **positively impacting ICPs’ capacity and readiness** to design, pilot and/or implement carbon pricing instruments and/or the core technical components.

- The PMR has **helped to transform the understanding of carbon pricing instruments as viable options to reduce GHG emissions** to fulfil national policy goals and international commitments.

- There are **early indications the PMR is having an influence on global policy discussions** regarding the use of carbon pricing for GHG reductions.

- However, the PMR’s support does not necessarily result in implementation of fully-functioning carbon pricing instruments. While the PMR may contribute significantly, ultimately, this **depends on the scope of the PMR’s support agreed with each country, and political actions taken at the country level** following the PMR’s support.
PMR is impacting readiness, although it’s early for some

**Impact on market readiness infrastructure**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Views of ICPs on impact of PMR in own country</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRV systems</td>
<td>Very/fairly high impact 61%</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>Fairly High 49%</td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td>Fairly Low 55%</td>
</tr>
<tr>
<td>Data management &amp; registries</td>
<td>Very Low 74%</td>
</tr>
<tr>
<td>GHG legal &amp; regulatory frameworks</td>
<td>Fairly Low 48%</td>
</tr>
<tr>
<td>Baselines</td>
<td>Very/low 50%</td>
</tr>
<tr>
<td></td>
<td>Fairly Low 43%</td>
</tr>
</tbody>
</table>

**Impact on carbon pricing mechanisms**

<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Very/fairly high impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETS</td>
<td></td>
</tr>
<tr>
<td>Offsets &amp; crediting</td>
<td>49%</td>
</tr>
<tr>
<td>Carbon Tax</td>
<td>35%</td>
</tr>
</tbody>
</table>

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

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)
Knowledge exchange provided by PMR found useful

Net ‘useful’

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>ICP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very useful</td>
<td>48%</td>
<td>49%</td>
</tr>
<tr>
<td>Quite useful</td>
<td>43%</td>
<td>36%</td>
</tr>
<tr>
<td>Not very useful</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Not at all useful</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

91% of All and 85% of ICP found knowledge exchange very or quite useful.

“...It offers a safe space for the frank exchange of technical knowledge and experience. External stakeholder

“I think the added value of PRM relies on its vast experience on countries and the interaction with different stakeholders. Implementing country participant

“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. Implementing country participant

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?
Base: All respondents (100), All ICPs (39)

*Number of responses too low to report figures.
PMR technical workshops offer opportunity to network

Usefulness of PMR workshops to role

Net 8-10 ‘useful’ 80%

- 10 - useful 18%
- 9 24%
- 8 38%
- 7 12%
- 6
- 5
- 4
- 3
- 2
- 1 - not useful
- Don’t know

Reasons for finding workshops useful (unprompted):

- Opportunity to network 35%
- Opportunity to exchange views and share information 29%
- Broadens knowledge & understanding 29%
- Provides useful technical information 26%
- Provides access to experts 12%

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.

Implementing country participant

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)
# ETS & Carbon Tax Handbooks most useful PMR resources

**PMR Resources used and found useful**  
(Top 10 used among ICPs among those produced 2015-2017)

<table>
<thead>
<tr>
<th>Resource</th>
<th>Used significantly to help progress your area of work</th>
<th>Found most useful in your role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions Trading in Practice: A Handbook on Design and Implementation (Mar 2016)</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>State and Trends of Carbon Pricing (any issue)</td>
<td>44%</td>
<td>29%</td>
</tr>
<tr>
<td>Guide For Designing Mandatory Greenhouse Gas Reporting Programs (May 2015)</td>
<td>28%</td>
<td>14%</td>
</tr>
<tr>
<td>A Guide to Greenhouse Gas Benchmarking for Climate Policy Instruments (May 2017)</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Emissions Trading Registries: Guidance on Regulation, Development, and Administration (Oct 2016)</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>Carbon Leakage: Theory, Evidence and Policy Design (Oct 2015)</td>
<td>21%</td>
<td>4%</td>
</tr>
<tr>
<td>Greenhouse Gas Data Management: Building Systems for Corporate/Facility-Level Reporting (Apr 2016)</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Overview of Carbon Offset Programs: Similarities and Differences (Jan 2015)</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>Carbon Credits and Additionality: Past, Present, and Future (May 2016)</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

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.  
*Implementing country participant*
PMR also seen to impact beyond its own participants

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

- Own country (ICPs): 79%
- Across its participants (All): 80%
- At an international level (All): 72%

Examples of PMR broader influence:
- References in negotiations
- References in other technical outputs
- Role in stimulating regional collaboration

"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."

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).
Some common challenges have been experienced by ICPs in advancing their roadmaps (MRPs), such as administrative World Bank procedures and internal governance issues at national level.

Closer monitoring of in-country PMR project implementation is desired, so that budget under-spends can be identified and considered when allocating funding.

The PMR has done a reasonable job of coordinating with other similar initiatives as they have emerged. Yet, as more initiatives are created, the PMR will need more careful coordination to manage future potential synergies and overlaps.

The participatory approach is highly appreciated. However, the Partnership Assembly format could be revised to improve MRP review and to place greater emphasis on knowledge exchange (and less on administrative processes).

There are some calls for greater transparency around membership, especially regarding the role of Technical Partners, the strategy for expansion and the status of funding disbursement.
Risks and challenges for PMR

• **ICPs at very different stages**: a greater number of ICPs are now in the implementation phase, however, the newest entrants to the Fund have very short time windows to complete their MRP activity.

• **CPs increasingly expect results**

• **Uncertainty of long-term commitment** of ICP governments to carbon pricing

• **Achieving right levels of participation and knowledge sharing** but not placing disproportionate requests on the time commitment of participants

Areas of focus to enhance support to ICPs:

• Improving MRP review process

• Equipping ICPs to effectively engage more political national stakeholders

• Finding ways to share lessons learned at ICP level and between ICPs/TPs

Issues of importance to donors:

• Being reassured that any overlaps, or useful connections, between initiatives external to PMR are being effectively managed

• Having clear signal of ongoing commitment of World Bank to PMR
Internal factors slowing down PMR progress

Preparation

• MRP feedback process is long; yet does not necessarily lead to meaningful changes to MRP
• MRP reviews: difficult questions are not always asked
• Limited feedback can lead to ICPs having suboptimal MRP foundation for work

Grant agreement

• Slowness of finalising grant agreements

Implementation

• Turnover among World Bank staff, donors and ICP focal points
Principle of partnership model is at core of PMR

Approach is highly valued but some challenges for efficiency and inclusion

- Participants find it valuable to hear the voices of ICPs – this is true for other ICPs but also for CPs.
- An expectation to regularly feed back to the partnership to share progress and learning, also builds country ownership and commitment.

But challenges are recognised in the current governance and decision-making approach:

Not all voices are heard
- Levels of participation not always sufficient or equal
- Some ICPs lack confidence airing views in front of the partnership

Information overload and efficiency challenges
- Documentation not able to be reviewed in depth prior to Partnership Assemblies
- Most important issues/questions sometimes lost in volume of information

Co-ordination of voices & decision-making roles
- Some seek more formal co-ordination of CP/ICP views (such as through dedicated meetings ahead of PA)
- Some questions around ICP and TP selection process
Key findings: recommendations for the current phase

• Encourage **greater peer-to-peer learning** between PMR participants, particularly the sharing of implementation lessons.

• Maximise efficiency of delivery against MRPs by **minimising impact of common bottlenecks** (such as, navigating Fund processes and by sharing implementation learning).

• **Maximise external synergies and cooperation** with other external initiatives and organisations to further the rate and scale of progress towards goals on carbon pricing.

• Further **build and maintain momentum** behind implementation by engaging broader audiences (e.g. other parts of the WBG, or other donors) in the PMR agenda and its learning.
Recommendations

- Reinforce the PMR activities facilitating knowledge sharing, while maximising efficiency and synergies with other initiatives.
- Increase dissemination and active cooperation with other parts of the WBG and other donors, and encourage bilateral and regional dialogue.
Key findings: lessons learned for future programs

- **Participatory approach**: Ensure Partnership Assembly meetings (or equivalent) have a mix of plenary sessions and smaller group discussions, and ensure the agendas leave time for informal peer-to-peer exchange.

- **In-country support**: Maximize the opportunity for participating countries to have the best starting point for their country-based activities through effective engagement in the review of their concept notes or roadmaps.

- **Adapt to the future context**: The PMR will need to focus on the areas of support where it provides better added value, in coordination with other existing initiatives.

- **Monitoring**: A more detailed breakdown of country expenditures, and an assessment of expenditures relative to planned expenditure, should be provided by each ICP at Partnership Assembly meetings (or equivalent).
Lessons learned

Ensure the best starting point

- Require ICPs to draft concept notes (akin to PMR’s organizing framework documents).
- Continue two stage review process of proposals: first, with World Bank and expert, and then open to wider comments.
- MRPs (or similar instrument) should include an executive summary.
- Encourage wide participation at national level in MRP preparation.

Participation and knowledge exchange

- Meetings need mix format of plenary sessions and discussions.
- Agendas should incorporate sufficient ‘informal time’ to encourage relationship building.
- Webinars and other platforms might complement face-to-face meetings and workshops to help cover admin and management matters, and support electronic Q&A.
Independent evaluation carried out by Ipsos MORI and SQ Consult

*Evaluation team:*

Antonia Dickman (Research Director at Ipsos MORI); Jessica Bruce (Associate Director at Ipsos MORI); Raquel de Luis Iglesias (Senior Consultant & Economist at Ipsos MORI).

Julia Larkin (Senior Associate at SQ Consult); Monique Voogt (Managing Director at SQ Consult). With the support of Marta Torres (SQ Consult).
Overview of evaluation approach

- **Gathered views from:**
  - Contributing Participants
  - Implementing Country Participants
  - Technical partners
  - World Bank teams
  - Other national & international stakeholders

- Plus secondary evidence from:
  - Internal document review e.g. MRPs, ISRs
  - External literature review e.g. policy docs & other initiatives

Evaluation data collection phase:
November 2017 – April 2018

- 100 stakeholders surveyed online
- 24 in-depth interviews
- 3 in-country missions
- Reviews with M&E Working Group