

10 YEARS of supporting carbon pricing and markets

Over the past decade, the Partnership for Market Readiness (PMR) has established itself as a trusted partner and knowledge exchange platform for countries preparing to implement carbon pricing policy instruments in support of climate action. Now, the PMR is transitioning to the next stage: implementation.

The World Bank established the PMR in 2011 as a flagship technical assistance program to bring together major greenhouse gas (GHG) emitters from the developing world who were committed to using carbon pricing and carbon markets as mitigation options. To date, the PMR has provided practical support to more than 20 countries working to reduce their GHG emissions and used its convening power to foster collective innovation and mutual learning.

OVER ITS 10 YEARS OF OPERATION, THE PMR HAS WORKED TO:



Build

countries' capacity to develop and implement carbon pricing instruments to support mitigation action and NDC implementation.



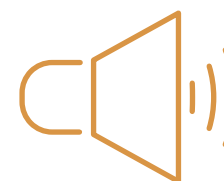
Create

a knowledge base on carbon pricing instruments and enable information exchange through technical discussions and by sharing knowledge products.



Help

countries identify and implement good practice approaches and, where relevant, achieve compatibility in design to support the development of carbon markets.



Inform

national and international policy discussions on mitigation action by sharing lessons learned and providing a platform for collective innovation on carbon pricing instruments.

Key moments in the PMR's history



2011

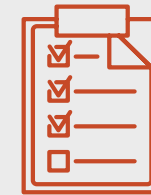
World Bank launches PMR to develop and promote carbon pricing programs



2013

Technical work program launches to provide technical and analytical support, and facilitate knowledge sharing

PMR focuses on capacity building and technical assistance to help countries identify suitable carbon pricing instruments, create basic infrastructure, and develop proposals for their implementation



2017

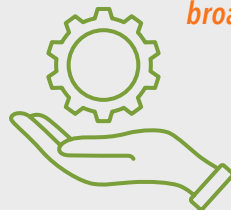
PMR Exchange Forum launches for countries to report progress and share knowledge

Second independent evaluation to assess PMR's achievements and impact

2015

Paris Agreement includes carbon pricing and markets as key mitigation mechanisms

PMR's focus evolves to support countries with NDCs and broader policies relevant for carbon pricing and markets



2014

First independent evaluation to assess PMR's relevance, effectiveness, and efficiency



2018

PMR provides funding and guidance to its 23rd country



2020

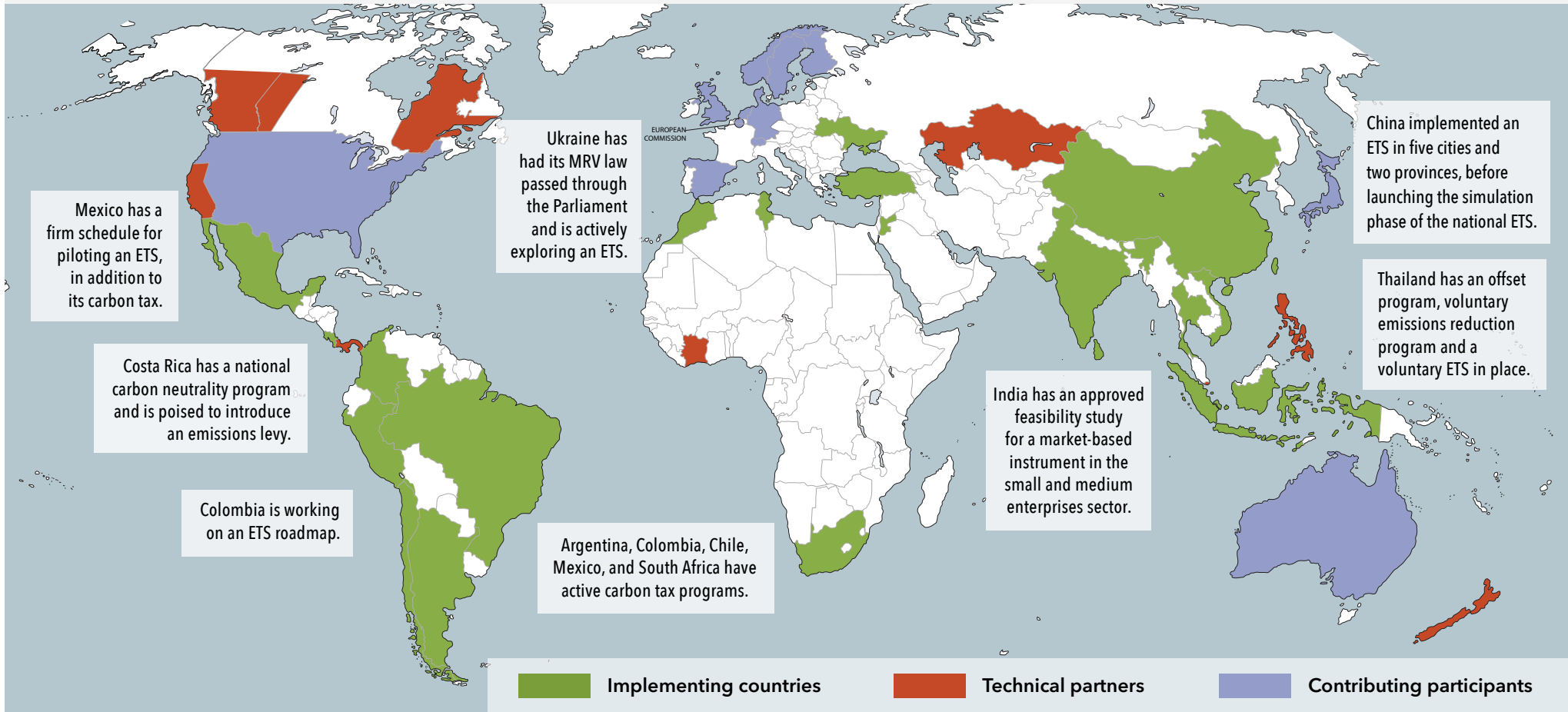
65 national and other jurisdictions have an active carbon pricing program or are establishing one, including several PMR countries

2021

PMI launched as PMR's successor to help countries move from readiness to implementation of carbon pricing

Our partners

Implementing country participants received funding and technical support. **Contributing participants** provided financial support to the PMR Trust Fund and shared their carbon pricing experience. **Technical partners** were countries or subnational jurisdictions that were at an advanced stage of preparing or implementing a carbon pricing instrument. This category included jurisdictions that already had an effective carbon pricing instrument in place. Technical partners engaged with the PMR through collaborative activities. In some cases, they received targeted technical support to enhance their domestic carbon pricing policies.



“We were developing the carbon neutrality program in its first version, and also the domestic carbon market with some initial regulations ... it was at that time that we started these interactions and we saw that joining the PMR was an opportunity.”

Andrea Meza, Minister of Environment and Energy, Costa Rica

“The PMR was instrumental in advancing the carbon pricing agenda in the LAC countries. Eight countries in the region—almost a third of all countries in the initiative—participated, and the result of this has been the unprecedented creation of emission trading schemes and the pursuing of carbon taxes, leading to further innovations.”

Stephanie Gil, Practice Manager, Energy and Extractives, Latin America and the Caribbean, World Bank

“The key success of the project was the design of the laws and bylaws of the MRV that are now functioning in the Ukraine.”

Oleksii Riabchyn, Advisor to the Deputy Prime-Minister for European Integration and to the Minister of Environment, Ukraine

ACHIEVEMENTS

42 participants:

23 implementing countries (including 4 technical partners), **13** contributing partners (12 countries and European Commission), and **6** technical partners

\$125

million in total capitalization

Nearly **\$80**

million allocated to countries to support readiness activities

50+

technical reports, country papers, and other publications developed under the PMR technical work program

70+

technical workshops and other knowledge exchanges hosted at the global and regional level



Capacity building of **20,000+** professionals through partner assemblies, technical workshops, training programs, and knowledge exchanges



Supported **19 countries** in developing their market readiness maps, with funding ranging from **\$3 million to \$10 million**

4 technical partner countries also received funding ranging from **\$0.5 million to \$1.5 million**



The PMR's support could lead to significant mitigation if participating countries go on to implement their carbon pricing and market instruments:

These countries collectively account for about

44%

of global GHG emissions.



Partnered with the International Emissions Trading Association to establish a **Business Partnership for Market Readiness**—or B-PMR—to support the private sector's readiness



Supported the development of Paris pledges in **10 countries** under the PMR policy analysis work program



A strong community of more than **20 PMR observers** including multilateral development banks, UN system agencies, international business organizations, international climate partnerships, and NGOs joined forces to support program implementation at global and country level



A DECADE OF SHARING KNOWLEDGE FOR A LOW-CARBON FUTURE

Over the program's **10 years**, the PMR has produced a vast body of knowledge, including influential guidebooks on [emissions trading](#), [carbon taxes](#), [MRV systems](#), and [communicating carbon prices](#); [analytical reports](#); and the annual report on [State and Trends of Carbon Pricing](#).

Learning by doing: key success factors

“The PMR is perhaps the most consequential global program supporting emerging economies and developing countries”

Second Independent Evaluation Report of the PMR

A TRUE PARTNERSHIP MODEL

The PMR's biggest strength is its focus on partnerships. Collaboration has been central to the program's work since its inception. This participatory approach has created a sense of ownership among countries and other stakeholder organizations as they make decisions and learn from each other. This partnership and knowledge sharing approach could be a model for others to adopt in advancing the climate mitigation agenda.

A NEUTRAL PLATFORM

The PMR has followed a non-prescriptive and non-political approach, supporting countries as they decided the type and scope of their activities for themselves. It has become a platform for fair and frank discussions on technical and practical aspects, away from the intensity of global negotiations.

THE ABILITY TO ADAPT TO EVOLVING CONDITIONS

Given that the PMR was the first of its kind, it has had to “learn by doing”. This has also allowed it to adapt to shifts in policy environments. The activities have evolved from an initial emphasis on market readiness to a broader scope that included supporting the countries with their NDC targets and structuring carbon markets.

CONTRIBUTING TO BROADER POLICY DIALOGUE

We inform policies by sharing lessons learned and providing a platform for networking, knowledge exchange, and collective innovation. During the course of its work, the PMR has generated highly regarded analytical and technical outputs that have helped advance climate policy and mitigation policy instruments.

“The key factor for the success, and also for the joy, in working with the PMR were the free and open discussions. It was really great to have the developing countries and donor countries sitting together in the PMR assembly and really discussing the issues.”

*Dr Silke Karcher, Head of Division,
EU Climate Policy and International Carbon Markets,
Ministry for the Environment, Germany*

“What the PMR has achieved over the last decade is creating a very stable and sound knowledge base of how to do carbon pricing.”

Constanze Haug, former Head of the Secretariat, ICAP

From readiness to rollout: 2021 and beyond

To help countries move from readiness to implementation, the World Bank has established the Partnership for Market Implementation (PMI) as the PMR's successor.

Over the past decade, carbon pricing has continued to gain traction: To date, there are 64 carbon pricing instruments in operation and three scheduled for implementation. A total of \$53 billion was raised from carbon pricing instruments globally in 2020. In 2021, 21.5% of global GHG emissions are covered by carbon pricing instruments in operation, increasing significantly from 2020, when only 15.1% of global emissions were covered.

Much progress has been made, but there is much more work to be done as countries start to move from readiness to the rollout of their carbon pricing programs and policies.

The PMI was launched at the beginning of 2021 following a three-year consultative process with key stakeholders. It will carry forward the legacy of PMR as an inclusive, participatory program that fosters knowledge sharing and collaboration.

With a target capitalization of \$250 million over 10 years, the PMI aims to support at least 10 countries in implementing carbon pricing, and to help another 20 new countries in building their readiness.

The PMI will build on the strong foundation that the PMR had laid, using its good practices and lessons learned to help countries achieve their climate ambitions for a more sustainable future.

“The world is now ready to turn capacity into action, so we can—and hopefully will—continue building on each other’s successes. And there is still a long road ahead. We have a significant workload ahead of us and untapped opportunities for increasing the use of carbon pricing.”

Patricia Espinosa, Executive Secretary, UNFCCC



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