

2ND EVALUATION OF THE PMR: ACTION PLAN TO FOLLOW UP ON RECOMMENDATIONS

Draft

PMR Note PA19-2018-01

October 9, 2018

I. Background

1. The 2nd Independent Evaluation¹ of the PMR (“the evaluation”) was carried out by a consortium comprised of Ipsos MORI and SQ Consult (“the evaluator”) between August 2017 and August 2018. This formative evaluation focused on PMR performance from December 2014 to December 2017 and evaluated, utilizing the OECD/DAC Standard Evaluation Criteria, the following:
 - a. The relevance, effectiveness and efficiency of the PMR’s delivery processes as well as its outcomes and impacts to date; and
 - b. PMR performance in its key work program areas², including implementation of the PMR’s activities to date, and evaluation of its governance framework and operational processes;The evaluation also identified lessons learned for consideration during the final two years of the PMR’s operation (until 2020), as well as gathered suggestions for the design of a potential successor program.
2. The evaluation process was supported by the PMR’s Monitoring and Evaluation (M&E) Working Group³. The draft evaluation plan was presented by the evaluator at PA17 in October 2017 and later finalized in an [Inception Report](#) in December 2017. Data collection (including in-depth interviews) and synthesis took place between December 2017 and April 2018. The early findings and emerging recommendations from the evaluation were presented for discussion by the evaluator at PA18 in April 2018. A draft evaluation report was presented to the PMR Secretariat and M&E Working Group in June 2018 for feedback. A revised version was shared in July 2018 for a second round of feedback.
3. The [final evaluation report](#) will be publicly available on the PMR website.
4. This Note sets out an Action Plan to follow up on the key recommendations from the evaluation (“Action Plan”) and will be presented at PA19 in October 2018 for feedback from the PA. Following PA19, the Action Plan will be finalized, based on feedback received, and the PMR Secretariat, along with the M&E Working Group, will follow up on key actions agreed at PA19.

¹ The 1st evaluation of the PMR was commissioned in 2014 and carried out by the Development Portfolio Management Group at the University of Southern California (final report can be accessed [here](#) and follow-up action plan [here](#)).

² Country Work Program (CWP), Technical Work Program (TWP), and Policy Analysis Work Program (PAWP).

³ PMR M&E Working Group was re-launched following PA16 (New Delhi, India) and includes members from Argentina, Brazil, Costa Rica, Germany, Japan, Turkey, and the United Kingdom. Its objective is to provide feedback on the evaluation methodology, provide feedback on the preliminary findings and follow-up action plan. Working Group members participated in regular calls with the PMR Secretariat and the evaluator (May 18, 2017; June 14, 2017; June 29, 2017 (PMR objectives and logical framework); October 2, 2017 (draft Inception report); November 29, 2017 (data collection/survey design); December 15, 2017 (contribution analysis); April 4, 2018 (evaluation preliminary findings); June 14, 2018 (draft evaluation report) and provided written and verbal feedback on key evaluation outputs. Participation in the M&E Working Group is open to any Participant.

II. Second Independent Evaluation: Key Findings

5. **The PMR is a relevant initiative that adds value to the carbon pricing policy and funding landscape.** Stakeholders consider the PMR to be the most prominent program supporting carbon pricing. Stakeholders praised PMR for its support at a practical and technical level, which has demonstrably contributed to carbon pricing implementation. For example, stakeholders shared that PMR played an essential role in the implementation of the Chilean Carbon Tax and the design of the Chinese Emissions Trading System.
6. **PMR support is effective and efficient, particularly through the provision of knowledge products.** The activities offered through the PMR's different work programs are complementary to each other and, where possible, synergies are maximized: many stakeholders, including Implementing Country Participants (ICPs), see the different work programs as a holistic package of support rather than separate activities. PMR's knowledge products are particularly valued; however, the evaluation found that more could be done to publicize the PMR's technical and knowledge outputs to wider audiences, including outside of the PMR.
7. **The evaluation finds the PMR's theory of change valid.** The stakeholders surveyed clearly indicate that PMR is positively impacting their capacity and readiness to design, pilot and/or implement carbon pricing instruments and/or the core technical components, as well as enhancing their knowledge. In addition, there are early indications that the PMR is having a broader influence on global policy discussions regarding the use of carbon pricing for GHG reductions.
8. **PMR governance is valued for its partnership model but the effectiveness of its decision-making process needs to be addressed.** The consensus-based approach to decision-making received mixed views. While most decisions have been reached through consensus, there are concerns as to how informed these decisions are due to information overload, and how participatory the decision-making is given the open forum in which decisions are taken.
9. **Transparency of information could be increased; continued review of relevance is needed.** Some called for greater transparency on membership, especially regarding the role of Technical Partners (TPs) and the strategy for expansion. Contributing Participants (CPs), in particular, called for more timely communication by the Secretariat on the PMR budget, and more transparent disclosure of grant disbursement by ICPs. Further, as the wider policy and funding landscape becomes more crowded, the evaluation found that the PMR needs to pay greater attention to co-ordination in order to manage potential overlaps between other World Bank and external initiatives and ensure there are synergies in the work programs rather than duplications.

III. Key Recommendations

10. The evaluation put forward the following key recommendations (further outlined in the executive summary of the [Report](#)). Recommended action and possible responses including timelines are summarized in Table 1:
 1. Encourage greater peer-to-peer learning between PMR participants, particularly the sharing of implementation lessons;
 2. Maximize efficiency of delivery against MRPs by minimizing impact of common bottlenecks;

3. Maximize external synergies and cooperation to further the rate and scale of progress;
4. Further build & maintain momentum behind implementation by engaging broader audiences in the PMR agenda and its learning; and
5. Enhance PMR logframe and monitoring system.

Table 1: Action Plan

| Recommendation | Recommended Action | Secretariat's response | Timeline for implementation/Cost ⁴ |
|---|---|--|---|
| <p>1. Encourage greater peer-to-peer learning between PMR participants, particularly the sharing of implementation lessons</p> | <p>1.1 Encourage and facilitate communities of best practice where CPs, TPs and ICPs more advanced in implementation share experience with those developing similar MRP components. Ideas to achieve this:</p> <ul style="list-style-type: none"> • side-events at PA Meetings focused on certain instruments; • exchange visits between ICPs; and • ICP-to-ICP review of key implementation stages. | <p>The Secretariat supports this recommendation and the suggested ideas to achieve it. Starting in October 2018, the Secretariat will introduce new elements in the PA agenda to encourage more active peer-to-peer learning. Two new approaches will be tried: 1) break-out discussion groups on experiences with emissions trading and carbon tax and 2) a new format for ISR sharing designed to make it easier for countries to recognize parallels in their work programs and to keep PA meetings lively and engaging.</p> <p>In the future, the margin of PA meetings could include <i>Focus Sessions</i> on specific issues (regarding MRP design and implementation) that countries would like to discuss. Like Technical Workshops, Focus Sessions would emphasize country sharing and could include inputs from topic experts. Topics could be proposed by the PMR Secretariat ahead of time, so countries have time to ensure the right people from their ministries participate. Focus could be on highlighting lessons from CPs in addition to TPs and ICPs.</p> <p>Exchange visits are also a promising idea to be explored. These could include CPs-ICPs, ICPs-ICPs bilateral visits and/or regional workshops. The key</p> | <p>October 2018</p> |

⁴ Using a color-coding system, the PMR Secretariat has estimated whether the proposed actions are budget neutral (green) or cost incurring (red). A full review of Action Plan cost and prioritization of actions will be carried out after the PA19 feedback period is completed.

| | | | |
|--|---|---|---------------------|
| | | constraint would be available funding, which would likely need to come from MRP programming or from outside sourcing (i.e., sponsorship from a CP). | TBD |
| | 1.2 Focus PA meetings going forward on knowledge sharing. Dedicate agenda time for interaction and exchange and reduce the amount of time dedicated to administrative decision making (which could be done electronically during the inter-sessional period). | Now that all countries have entered the implementation stage, the number of administrative decisions that need to be made will decrease. None the less, the Secretariat takes note of the recommendation to focus meeting time as much as possible on knowledge exchange, and specifically lessons coming out of ICP and TP experiences, as well as sharing of CPs expertise and implementation experience. | October 2018 |
| | 1.3 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. | When this recommendation was previously explored, the Secretariat concluded that such online platforms could be expensive to set up and administer and are often underutilized. Nevertheless, the Secretariat will explore facilitating ad hoc e-webinars on issues of MRP design and implementation, including lessons learned, and on specific topics of interest with active presentations and participations from ICPs and TPs. Another idea could be to dedicate space on the PMR website to share specific lessons shared by countries. | TBD |
| | 1.4 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). Require ICPs | Considerable effort is undertaken to collect experiences from participants and others when developing a PMR technical note. The Secretariat acknowledges the benefits of updating case studies and experience in PMR reports where appropriate (e.g. ETS guidebook). | FY 2018 |

| | | | |
|---|---|--|----------------------|
| | to provide ‘lessons learned’ outputs on completion of key MRP components (in addition to reporting through ISRs). | The ISR template already includes space to document “lessons learned” and an improved format for sharing ISRs at PA meetings will, ideally, better showcase lessons associated with specific MRP components so that other participants can more easily see progress and benefit from the knowledge sharing. | |
| 2. Maximize efficiency of delivery against MRPs by minimising impact of common bottlenecks | 2.1 Provide clear ‘next steps’ guidance to ICPs on World Bank processes once grant money is allocated. Ensure ICPs have a clear point of contact in WBG who can provide (over the phone) support. | Processes will be further streamlined and shared with those ICPs/TPs in the process of finalizing implementation agreements. | October 2018 |
| | 2.2 Continue to share practical tools to expedite common processes e.g., examples of effective terms of reference for consultant hiring. | The Secretariat will create a space on the PMR website to post examples of terms of references or other commonly used tools. These items would be password protected and anonymized. | December 2018 |
| | 2.3 Increase the monitoring of ICP expenditure against grant allocations to identify, as soon as possible, any potential underspend. Communicate this information earlier ahead of PAs. | Beginning at PA19 and at each subsequent PA, the Secretariat – as part of its monitoring system – will present a summary of the status of all grant disbursements for all countries that have received funding from the PMR. If significant underspend is expected, this will be communicated to the PA with a proposed action plan. In the interest of time, this communication may be initiated via email to all Participants. | October 2018 |
| 3. Maximize external synergies and cooperation to further the rate | 3.1 Map the agendas of the PMR and other initiatives and actors to identify overlap. 3.2 Where PMR operates alongside other initiatives, explicitly articulate ongoing | The Secretariat strives to coordinate with other initiatives (e.g. ICAP) and minimize overlap and duplication. The Secretariat will continue to collaborate with initiatives related to carbon pricing when making internal and external presentations, reports and participating in | Ongoing |

| | | | |
|---|---|---|----------------------------|
| <p>and scale of progress</p> | <p>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> | <p>conferences and technical workshops. (see also 4.2)</p> | |
| <p>4. Further build & maintain momentum behind implementation by engaging broader audiences in the PMR agenda and its learning</p> | <p>4.1 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> | <p>The PMR Secretariat supports this recommendation. The Secretariat will endeavour to develop concise reports from technical workshops that are not already related to a technical report. This process can be piloted with the upcoming technical workshop at PA19. The Secretariat could also host ad-hoc virtual learning (e-webinars) on requested topics. For example, the Secretariat could host WebEx presentations on best practices in writing terms of references or key elements of the Carbon Tax Guide. These sessions would be short and informal (See also 1.3).</p> | <p>October 2018</p> |
| | <p>4.2 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>The PMR Secretariat endeavours to inform the PA regularly of synergies with other carbon pricing initiatives, especially those from the WBG. Specifically, the Secretariat has invited representatives from initiatives such as FCPF, CPLC, TCAF, Article 6 Work Program, and the NDC Partnership to brief the PA. These efforts will continue (including at PA19 with a briefing from the Pilot Auction Facility (PAF)). In addition, the Secretariat will continue to engage – as appropriate – with external initiatives (such as with ICAP to develop the ETS training materials and with IETA on support for the regional MRV work in Latin America). At the country-level, the PMR staff will continue working with ICPs to engage key national stakeholders, as laid out in their MRPs.</p> | <p>On-going</p> |

| | | | |
|---------------------------------------|---|--|----------------------------|
| | <p>4.3 Encourage bilateral and regional dialogue, including the sharing of resources and possibly involving e-platforms.</p> | <p>The Secretariat supports boosting bilateral or regional communication among PMR participants (see 1.1). One option could be to leverage the UNFCCC Nairobi Partnership Framework events to encourage regional dialogue. The Secretariat seeks feedback from the PA on where this could be most helpful so that it can prioritize its support.</p> | <p>TBD</p> |
| <p>5. Enhance PMR logframe</p> | <p>5.1 Revise PMR logframe to re-define or further refine certain indicators</p> <p>5.2 Consider adding targets to certain indicators, based on the evidence collected during the evaluation</p> <p>5.3 Add 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; these should be reviewed and set for each indicator.</p> | <p>The Secretariat acknowledges the feedback on the logframe. The PMR logframe was revised in 2017, following recommendations received from the first independent evaluation and based on feedback provided by the M&E Working Group. It was decided that the logframe would focus on program-level outputs and that a newly-devised annual monitoring system (AMS) would be developed to monitor qualitative and quantitative annual progress at the country level and for certain programmatic indicators (as presented at PA17). Data collected via the AMS will be shared at PA19 and each subsequent PA meeting.</p> <p>In the interest of efficiency, the Secretariat opts not to amend the logframe to also include additional targets as this function is captured within the AMS. Adding targets to the logframe would result in duplicative efforts. Further, because the AMS will be updated at least every 6 months, it can do a better job of identifying potential shortfalls in progress than a period evaluation against the PMR logframe. The PMR logframe, then, will continue to be used as a tool to evaluate progress at the program level every 2-3 years.</p> | <p>October 2018</p> |

| | | | |
|--|---|--|----------------------------|
| <p>6. Enhance PMR monitoring system</p> | <p>The evaluation team recommends adding the following to the Annual Monitoring System (AMS):</p> <p>6.1 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) using staff timesheets or time use surveys</p> <p>6.2 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.</p> <p>6.3 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</p> | <p>The Secretariat appreciates these suggestions from the evaluation team. The goal of the AMS is to provide a status check on the implementation of countries' MRPs at regular intervals (i.e., PA meetings). The current design of the AMS includes several program management indicators and lists data sources and data collections instruments – including, an annual survey of PMR Participants.</p> <p>The AMS will be updated prior to each PA beginning with PA19 and will be presented during the PAs. The Secretariat has the main responsibility for data collection although may need to reach out to Participants on country-specific indicators.</p> <p>The Secretariat will continue monitor the efficient use of the financial resources spent at the program and country level and will further enhance this as part of 2.3.</p> | <p>October 2018</p> |
|--|---|--|----------------------------|

| | | | |
|--|--|--|--|
| | <p>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 realized, 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).</p> <p>6.4. 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 organization, which staff member.).</p> <p>6.5 Communications plan for dissemination of monitoring and evaluation outputs to stakeholders.</p> | | |
|--|--|--|--|