The Partnership for Market Readiness supports collective innovation and action by providing a platform for countries to share lessons and work together to shape the future of cost-effective greenhouse gas mitigation. It also funds capacity building to scale up climate change mitigation efforts. The World Bank Group acts as a secretariat and delivery partner in participating countries through its operational units.

The report covers the period from July 1, 2018, to June 30, 2019 – the financial year 2019 (FY19) for the World Bank Group.

All amounts in $ are United States dollars unless stated otherwise.

The map was produced by the Map Design Unit of the World Bank Group. The boundaries, colors, denominations, and any other information shown on the map do not imply, on the part of the World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.
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## Acronyms

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ETS</td>
<td>Emissions trading system/scheme</td>
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<tr>
<td>FY</td>
<td>Financial year</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gas</td>
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<tr>
<td>ISR</td>
<td>Implementation Status Report</td>
</tr>
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<td>MRP</td>
<td>Market readiness proposal</td>
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<tr>
<td>MRV</td>
<td>Measuring, reporting, and verification</td>
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<tr>
<td>NDC</td>
<td>Nationally determined contribution</td>
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<td>PA</td>
<td>Partnership Assembly</td>
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<td>PMI</td>
<td>Partnership for Market Implementation</td>
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<td>PMR</td>
<td>Partnership for Market Readiness</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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</table>
The PMR is working at pace to complete country readiness programs by the end of 2020 to pave the way for the successor program, the Partnership for Market Implementation.
INTRODUCTION

Four years after the historic Paris Agreement, people across the globe are calling for stronger and faster climate action. Last year a landmark report from the Intergovernmental Panel on Climate Change underscored the magnitude and urgency of the challenge. A well-designed carbon pricing policy can be an indispensable part of a country’s strategy to efficiently reduce emissions and drive climate action.

As the PMR continues to support 23 countries in their mitigation efforts, carbon pricing policies are gaining momentum, with the number of carbon pricing initiatives tripling in the past decade. According to the World Bank’s 2019 State and Trends of Carbon Pricing report, to date, 57 carbon pricing initiatives have been implemented or are scheduled for implementation, and this number is set to grow. Furthermore, a growing number of private sector players, particularly investors, are also driving the climate agenda forward by using carbon pricing tools to understand and manage climate risk. A key task for the PMR has been capturing and sharing lessons from these experiences, including in the PMR countries, to help enhance understanding and increase expansion of carbon pricing policies.

At COP24 in Poland, countries reached near total agreement on the rulebook for the Paris Agreement except on Article 6. Despite this, carbon pricing initiatives and markets have continued to emerge around the world. With the negotiation process on the rulebook expected to conclude at COP25 in Chile, countries are poised to raise their climate ambition and initiate climate action post-2020 through implementing nationally determined contributions (NDCs) and international cooperation.

Positive developments during the year in the countries that the PMR supports demonstrate that carbon pricing is a key instrument for climate action. Singapore and South Africa implemented a carbon tax – the first carbon pricing instrument implemented in Africa – and Colombia, Mexico, Ukraine, and Vietnam are exploring emissions trading options. With support from the PMR, Jordan passed a climate change by-law to support climate action, including a measuring, reporting, and verification (MRV) system and registry; Ukraine passed draft legislation on an MRV; and Turkey completed its market readiness program and is currently examining the feasibility of an emissions trading system (ETS) with additional financing from the PMR. Other PMR countries have streamlined their activities to ensure timely completion.

Going forward, the PMR Secretariat’s priority is completing country readiness programs by the end of 2020 to ensure the PMR closes successfully. During the remaining period, the Technical Work Program will continue to support strategically important topics by generating and disseminating knowledge through studies and workshops. As the PMR is preparing to wind down its operations, we are in the process of launching a successor program, which will focus on helping countries transition from “readiness” to “implementation.” The key program developments, good practices, and lessons learned from our PMR country participants are critical inputs in the design of the new Partnership for Market Implementation (PMI). Countries implementing carbon pricing policies and programs with PMI support as part of their enhanced climate ambition post-2020 will be the PMR’s lasting legacy.

Venkata Putti
PMR Secretariat
**INTRODUCTION**

Participants across all countries: 41
Carbon pricing instruments in place in PMR participant countries: 14
Technical partners: 9
Implementing countries: 19
Contributing participants: 13
Total capitalization: $127m
Knowledge exchanges hosted: 67

**OBJECTIVES**

**Build**
Countries’ capacity to develop and implement carbon pricing instruments needed for greenhouse gas (GHG) mitigation and (intended) NDC implementation through grant funding.

**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 best practice approaches and, where relevant, achieve compatibility in design to support the development of carbon markets.

**Inform**
National and international policy discussions on GHG mitigation by sharing lessons learned and providing a platform for collective innovation on carbon pricing instruments.

**QUICK FACTS**

- Participants across all countries: **41**
- Carbon pricing instruments in place in PMR participant countries: **14**
- Technical partners: **9**
- Implementing countries: **19**
- Contributing participants: **13**
- Total capitalization: **$127m**
- Knowledge exchanges hosted: **67**
INTRODUCTION

2019

HOW WE WORK

Country, Technical, and Policy work streams come together to identify and fill gaps in countries’ market “readiness” for mitigation action.

Country Work

The PMR’s Country Work focuses on the readiness activities detailed in countries’ market readiness proposals (MRPs). Using a building block approach, countries present their existing mitigation policy contexts, identify readiness components to design or strengthen target sectors, and, if appropriate, select market instruments to pilot.

Technical Work

The Technical Work Program complements the Country Work by providing support on elements that are common across countries. It promotes best practices and facilitates efforts to establish common standards and approaches for GHG mitigation. Drawing on country experience, global industry experts, and in-house resources, the PMR generates knowledge products and exchanges on various technical elements related to carbon pricing.

Policy Work

The Policy Analysis Work Program supported the development of emissions reduction targets and the analysis of policy options. It offered countries targeted, in-depth support to model the costs and benefits of policy options. It also analyzed interactions between policies and integrated this analysis into low-carbon development plans and strategies. It provided tools to help countries determine post-2020 mitigation scenarios and build NDCs.

Contributing participants provide financial support to the PMR Trust Fund and share their carbon pricing experience. Implementing country participants receive funding and technical support. Together, they make up the Partnership Assembly (PA) – the PMR’s decision-making body.

Following an initial expression of interest and the presentation of an organizing framework, the PMR process involved two phases: a preparation phase, in which implementing country participants formulated an MRP, and an implementation phase, in which they implemented the activities identified in the proposal. MRPs were finalized and presented to the PA for feedback and a decision on the allocation of funding.

Delivery partners and the Secretariat helped the country participants prepare for and implement the activities laid out in the MRPs. The selection process has now concluded.

Technical partners are countries or subnational jurisdictions that are at an advanced stage of preparing or implementing a carbon pricing instrument. This category includes jurisdictions that already have an effective carbon pricing instrument in place. Technical partners engage with the PMR through collaborative activities. In some cases, they receive targeted technical support to enhance their domestic carbon pricing policies.
The PMR has to date helped 19 countries complete their MRPs. It will continue offering support in the form of studies, workshops, and useful resources such as guides and course curricula.
The map shows the different categories of participants and the stage in the process reached by each implementing country participant.
PROGRAM PROGRESS

Country Programs

The centerpiece of each implementing country participant’s program is the MRP, which serves as a road map for planning, designing, and piloting a carbon pricing instrument. So far, 19 countries have finalised their proposals. The PMR is also helping four technical partners—Côte d’Ivoire, Kazakhstan, Panama, and the Philippines—enhance their domestic carbon pricing policies.

This section provides a summary of partner countries’ achievements to date, the key points of completed MRPs, and expected outputs by the end of the PMR.

ARGENTINA
- Carbon tax in place since 2018
- Exploring market-based instruments for the energy sector (green/white certificates systems)

BRAZIL
- Analyzed the impact of a carbon price on several sectors of the economy
- Considering a carbon pricing policy package

CHILE
- Implemented a carbon tax
- Launched a scalable MRV program
- Considering whether to extend its carbon tax, introduce a supplemental ETS, or a combination of the two

CHINA
- Soft launched a national ETS in 2017. Simulation ongoing in power sector
- Designing a policy framework for its national carbon market and advancing regulatory systems to ensure a functional ETS, with the aim of expanding it to seven other sectors of the economy

COLOMBIA
- Has a carbon tax in place
- Developing an ETS proposal, as per climate change law mandate

COSTA RICA
- Relaunched National Carbon Neutrality Program with offset rules
- Working towards introducing an emissions levy, operating a domestic verified emissions reductions market, and piloting a sector-based crediting program

CÔTE D’IVOIRE
- Aligned the PMR program with the upcoming World Bank in-country Development Policy Operation and leveraged additional finance
- Engaged with the Transformative Carbon Asset Facility to mobilize additional results-based carbon finance
- Analyzing the options for a carbon tax in the energy, transport, and land-use sectors

INDIA
- Working on a road map for carbon pricing instruments in the waste and micro, small, and medium enterprises sectors, including piloting
**PHILIPPINES**
- Assessing the potential of carbon pricing instruments to achieve its NDC targets. Analytical work started in March 2019.

**SOUTH AFRICA**
- Carbon tax started June 1, 2019
- Developing a domestic offset scheme
- Designing an MRV system to support the carbon tax

**SRI LANKA**
- Assessing carbon pricing instruments for the power and transport sectors
- Designing an MRV system and registry
- Assessing a voluntary carbon offset scheme for domestic implementation

**THAILAND**
- Has a carbon offsetting program, a voluntary emission reduction program, and a voluntary ETS in place
- Considering an appropriate carbon pricing instrument. All PMR activities are expected to be completed by October 2019. Based on these outputs, the government will prepare a Climate Change Law

**TUNISIA**
- Supporting national energy reform by assessing the impact of removing energy subsidies and implementing a carbon price

**TURKEY**
- Completed all its activities under the MRP phase
- Under the Additional Finance phase, the PMR will support Turkey to develop the legal, institutional, and technical framework to pilot an ETS

**UKRAINE**
- Draft law was prepared and submitted for Parliament’s approval
- Planning implementation of an MRV system and exploration of a national ETS

**VIETNAM**
- Developing a national MRV, assessing carbon pricing instruments, working towards piloting a crediting program in the steel sector, and exploring carbon pricing approaches in the waste sector
- Developed a mitigation plan for the energy sector
Technical Work Program

Through its Technical Work Program, the PMR provides support on the technical challenges faced by countries in implementing MRP activities. The program facilitates the sharing of experience and knowledge, develops practical guidance, identifies good practice and shared standards, and builds institutional and technical capacity.

The Technical Work Program is based on country needs and draws on country experience, global experts, and in-house resources to generate knowledge products and organize knowledge exchanges. The program focuses on three explicit carbon pricing tools (ETRs, carbon taxes, and crediting instruments and offsets), as well as the various components that support them (such as MRV, data management and registries, baselines, benchmarks, and stakeholder engagement).

During FY19, the Technical Work Program:

- Published two guides: the Guide to Communicating Carbon Pricing (December 2018), which was launched at COP24 in Katowice, Poland, and Designing Accreditation and Verification Systems (February 2019). The PMR also held webinars based on the two guides. Following these events, countries have requested further capacity building on communicating carbon pricing. See page 13 for more information about the guides.

- Developed a three-day face-to-face training course on designing and implementing carbon taxes in partnership with the United Nations Institute for Training and Research. The course provides the core materials, which can then be tailored to a country’s circumstances. Training on carbon taxation is planned for Côte d’Ivoire in 2019.

- Held a workshop at PA19 in Buenos Aires, Argentina, on voluntary action as a tool for raising ambition, mobilizing private sector finance, and supporting carbon pricing.


Quick Facts

- 440+ downloads of Designing Accreditation and Verification Systems*
- 3,060 downloads of Guide to Communicating Carbon Pricing*
- 67 technical events held (Technical Work Program: 61; Policy Analysis Work Program: 6)
- 34 technical knowledge products published (Technical Work Program: 33; Policy Analysis Work Program: 1)
- 56,000 downloads of PMR knowledge products

* As at July 31, 2019
Policy Analysis Work Program

The Policy Analysis Work Program provided support for establishing and updating NDCs and for assessing the potential impacts of climate policy options.

Policy analysis provided a comprehensive picture of a country’s climate policy landscape and helped identify effective and cost-efficient policies to achieve climate change goals. Economic and policy analyses were critical for countries to make informed decisions about the design of carbon pricing instruments.

In the context of preparing and implementing NDCs, the Policy Analysis Work Program helped countries:

- **Build capacity** to develop models for policy analysis.
- **Analyze options** to determine how best to integrate carbon pricing with existing sectoral and national policies.

The program supported activities at two levels:

- **Program-level activities** addressed analytical and modeling issues with international dimensions and cross-country implications.
- **Country-specific support** was tailored to a country’s needs and was carried out after a formal request had been submitted by the country and endorsed by the PA.

In FY19, Morocco completed its project under the Policy Analysis Work Program. The two remaining projects, in Thailand and Vietnam, are nearing completion and are expected to conclude before December 2019, after which the Policy Analysis Work Program will close.
Case Study: Vietnam

The Policy Analysis Work Program supported Vietnam’s Ministry of Industry and Trade as it contributed to the development of a road map for GHG mitigation in the energy sector up to 2030.

Vietnam’s Ministry of Natural Resources and Environment asked key line ministries to submit their sectoral targets to achieve the country’s NDC target. The Ministry of Industry and Trade identified and developed sectoral contributions to achieving the national target. The energy sector is the largest source of GHG emissions in Vietnam, accounting for more than 60 percent of emissions. This is likely to increase to more than 85 percent by 2030.

In addition to helping the Ministry of Industry and Trade develop a road map for GHG mitigation in the energy sector up to 2030, the Policy Analysis Work Program helped the ministry:

- Develop and reach consensus on cost-effective low-carbon mitigation options and pathways on both the demand and supply sides to achieve the NDC target.
- Estimate the total costs and financing needed to achieve the NDC target.
- Recommend an updated NDC target for the energy sector and determine a road map to achieve the NDC target.
- Took stock of existing and ongoing policy actions and donor initiatives.
- Collected data and developed a model.
- Developed the business-as-usual scenario and six policy scenarios based on discussions with the Ministry of Industry and Trade.
- Analyzed results and produced a report and a presentation.
- Provided hands-on training and engaged with target groups such as technical officers from the ministry and its institutions.

Analysis provided the Ministry of Industry and Trade with a clearer view of the country’s GHG emission projections and demand- and supply-side policy options to achieve goals in the long term.
KNOWLEDGE MANAGEMENT

To promote best practice in climate change mitigation efforts, the PMR produces various knowledge products and holds technical workshops and meetings, training sessions, and public events.

PMR Secretariat Knowledge Products

In FY19, the PMR Secretariat published two reports and developed a carbon tax training course and a workshop on the future of voluntary markets. This list does not include knowledge products produced under the PMR Country Programs.

- **Guide to Communicating Carbon Pricing**
  How jurisdictions communicate their carbon pricing policy plays a key role in creating and maintaining that support. Drawing on case studies, research, and best practice, this publication provides guidance on designing and implementing effective carbon pricing communications strategies.

- **Designing Accreditation and Verification Systems**
  The report provides guidance to policymakers on designing and implementing accreditation and verification systems that best suit national circumstances while taking advantage of international norms and standards.

- **Training course on Carbon Taxation**
  A three-day face-to-face training course has been developed to help policymakers design and implement carbon taxes.
Knowledge Exchanges

The PMR provides a platform for countries to share their knowledge and experience in building institutional and technical capacity. The objective is to support the design and implementation of innovative instruments to expand GHG mitigation.

TECHNICAL WORKSHOPS

Voluntary Action under the Paris Agreement: Its Role in Raising Ambition, Mobilizing Private Sector Finance, and Supporting Carbon Pricing

The PMR ran this workshop at PA19 in Buenos Aires, Argentina, in October 2018. The workshop brought together government policymakers and market participants to discuss voluntary action and broaden understanding of the benefits, challenges, and approaches associated with it.

WEBINARS AND E-LEARNING

In April 2019, the PMR held webinars on the Guide to Communicating Carbon Pricing and Designing Accreditation and Verification Systems. Within three months of being published, the first webinar had been downloaded more than 3,000 times and the second more than 400 times.

PUBLIC EVENTS

Carbon Pricing and Argentina’s Climate Policy

Argentina hosted a seminar to discuss the opportunities and challenges of using carbon pricing as part of a comprehensive policy framework to reduce the country’s GHG emissions. The seminar included a session on Argentina’s climate policy and readiness to implement carbon pricing, drawing on progress made by the National Climate Change Cabinet, as well as a session outlining experiences of carbon pricing in the Americas, with a special focus on considerations for ensuring alignment between policy instruments.

Decarbonizing Our Economy in Line with National Development Priorities

Sri Lanka hosted this event to showcase how the country is aligning its low-emission development strategy with its national development priorities.
MONITORING AND EVALUATION

Operations Monitoring System

The operations monitoring system, launched in 2015, helps the PA and Secretariat monitor each country’s progress towards implementing activities outlined in its MRP, as well as highlight lessons learned during implementation.

In the past, the system focused on market readiness preparation and included two tools: a country dashboard that aggregated the status of the various milestones associated with preparing for a PMR grant and a template for project Implementation Status Reports (ISRs).

To complement the existing operations monitoring system, the Secretariat developed an annual reporting tool, which was launched at PA19 in Buenos Aires in October 2018. This tool provides a summary of key information from ISRs, including a snapshot of progress of activities within countries and a high-level assessment of the PMR’s progress in achieving its results. The key inputs to the annual monitoring report include:

- The PMR dashboard
- The country status dashboard and operational logframe.

In this way the PMR Secretariat has enhanced the country status dashboard to better show each country’s progress toward achieving its objectives, not just the status of its funding disbursement.

The information from the operations monitoring system contributed to the discussions at the PA in Brussels, Belgium, in May 2019 and helped to clarify the availability of remaining resources.
Independent Evaluation

In FY18, the PMR undertook its second independent evaluation to review its progress to date and identify lessons for the remainder of the program and that could inform the design of a successor program.

The evaluation assessed the relevance, effectiveness, and efficiency of the PMR’s Governance Framework and the Country Work, Policy Analysis Work, and Technical Work programs, in addition to knowledge-sharing functions. It focused on qualitative and quantitative assessments and relied on evidence collected from various sources, including a literature review, a survey, one-on-one interviews, and three country case studies in Chile, Costa Rica, and Ukraine.

The PMR Secretariat prepared an action plan to respond to the evaluation recommendations. The plan, which includes a timeline, was presented for feedback at PA19. At the PA, the Secretariat organized country focus presentations and a thematic exchange forum in response to a call for greater peer-to-peer learning between PMR participants. Both contributed to sharing implementation lessons. Since then, the Secretariat has begun implementing the proposed action plan and timeline for the remainder of the program.

Operations Monitoring System

To date, 22 countries have submitted updated country implementation plans, with India being the only exception. Following a review of all the implementation plans, three countries have reduced the scope of activities: South Africa, Morocco, and Sri Lanka. Other countries have streamlined their activities.

ISRs are a way for countries to update the PA about the execution of their MRPs. Countries complete at least one ISR per year for presentation at a PA meeting. These reports are publicly available on the PMR website.

In FY19, 23 countries presented their Project ISRs: Brazil, India, Indonesia, Kazakhstan, Mexico, Peru, South Africa, Thailand, and Ukraine presented at PA19; and Argentina, Chile, China, Colombia, Costa Rica, Côte d’Ivoire, Jordan, Morocco, Panama, the Philippines, Sri Lanka, Tunisia, Turkey, and Vietnam presented at PA20. Each country’s report provides information on the progress of activities, based on the indicators and objectives outlined in their MRPs and formalized in their implementation arrangements.

Singapore electronically submitted a request to join the PMR as a non-technical-assistance-receiving technical partner and was welcomed to the PMR in October 2018.
## Country Dashboard

**TABLE 1: PMR DASHBOARD: PROJECT COMPONENTS BY COUNTRY AS AT JUNE 30, 2019**

This dashboard monitors the progress of each country against its specific objectives.

<table>
<thead>
<tr>
<th>Country</th>
<th>Core Technical Components</th>
<th>Supporting Work Components</th>
<th>Developing Carbon Pricing Instruments</th>
</tr>
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<tbody>
<tr>
<td>ARGENTINA</td>
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<td>BRAZIL</td>
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<td>PHILIPPINES</td>
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<td>SOUTH AFRICA</td>
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<td>THAILAND</td>
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<td>VIETNAM</td>
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1. Multi-stakeholder consultations
2. Jordan: Climate change by-law has been passed; further work on developing a match-making platform for the private sector is in progress; Amman Climate Action Plan to support Amman’s net zero goal has been completed.

### Core Technical Components
- MRV (Measurement, Reporting, and Verification)
- Data and Registers
- Benchmarking
- Institutions and Governance
- Other

### Supporting Work Components
- GHG Inventory
- Emissions Projections / NDC Development
- Policy Options Assessment and/or Policy Interaction
- Stakeholder Engagement / Communications
- Other

### Developing Carbon Pricing Instruments
- Carbon Tax
- ETS
- Crediting
- Other Pricing Instruments

**Legend**
- Preparation (scoping, developing terms of reference, hiring consultants)
- In progress (project has started and is ongoing)
- Completed
**FIGURE 2: STATUS OF CORE TECHNICAL AND SUPPORTING COMPONENTS SUPPORTED**

CORE TECHNICAL AND SUPPORTING COMPONENTS

<table>
<thead>
<tr>
<th>Component</th>
<th>Count</th>
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<tbody>
<tr>
<td>Total</td>
<td>73</td>
</tr>
<tr>
<td>Completed</td>
<td>19</td>
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<tr>
<td>In progress</td>
<td>44</td>
</tr>
<tr>
<td>In preparation</td>
<td>10</td>
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</tbody>
</table>

**FIGURE 3: NUMBER OF CORE TECHNICAL AND SUPPORTING COMPONENTS SUPPORTED**

**FIGURE 4: NUMBER AND TYPE OF CARBON PRICING INSTRUMENTS SUPPORTED**

- Carbon tax: 9
- ETS: 7
- Crediting: 8

*The PMR assists countries with the design, development, enhancement, and/or implementation of new or already existing carbon pricing instruments.*
PMR SECRETARIAT OPERATIONS

In FY19, the PMR Secretariat continued to implement market readiness activities and started coordinating and facilitating a consultation process on a post-2020 successor program.

Consultations held

• An internal concept review at the World Bank.
• The Africa regional consultation at Africa Climate Week in Ghana.
• The Latin America and the Caribbean consultation during the World Bank Group Spring Meetings.
• A consultation during PA20 for assembly participants to discuss the lessons learned from the current program and the design of the successor program.

Partnership Assembly Meeting (PA19), Buenos Aires, October 2018
Partnership Assembly Meeting (PA20), Brussels, May 2019
Trust Fund Administration and Financial Summary

The World Bank Group is the trustee of the PMR Trust Fund. It administers and manages an annual budget and expense report, administrative agreements for pledged contributions from contributing participants, and grant distributions to implementing country participants.

Sources of Funding

PMR funding consists of contributions from 13 contributing participants and interest income. As of June 30, 2019 (adjusted to the foreign exchange rate of €1 = $1.14), total committed contributions amounted to about $125.4 million, while total received contributions equaled $123.7 million.

Budget Approval Process

Per the Governance Framework, the Secretariat is responsible for proposing a budget for the PMR’s annual operations and presenting it for the PA’s endorsement before the start of the fiscal year.

For FY19, the PA approved a budget of $5.7 million; actual expenses totaled $4.6 million. The difference is mainly due to reduced spending in country delivery support and the Policy Analysis Work Program.

While the Policy Analysis Work Program is almost complete, with invoices to be paid in FY20, the PMR Secretariat expects that the country support will increase in FY20 to ensure all country programs finish on time. The PA has therefore approved a budget of $5.7 million for FY20.

Core Budget Costs

The Secretariat uses activity-based budgeting – that is, it tracks activities using a coding system – to monitor spending and prepare the budget. The budget consists of six core costs:

- PA meetings, workshops, and other events. Costs associated with these events include catering, hiring a venue and audiovisual equipment, and travel and accommodation.
- Country delivery support and advisory services. These costs cover MRP Expert Feedback expenses and the technical assistance provided by delivery partners and the Secretariat to implementing country participants for the preparation and implementation of the activities laid out in the MRPs. Costs include staff time from both the Secretariat and delivery partners, consulting fees associated with the MRP Expert Feedback process, and travel costs.
- Knowledge management. Costs associated with the Technical Work Program include preparing technical notes and organizing working groups, expert meetings, technical training, and other events.
- Policy Analysis Work Program. These costs are associated with the country-level analytical work, common methodology and framework (including modeling), and technical workshops held by the program.

- Management and communications. These refer to the Secretariat’s day-to-day operating costs to manage and coordinate PMR activities, including already incurred and future monitoring and evaluation expenses, and the website’s design and maintenance.

- Contingency. A contingency amount is included to cover any unforeseen expenses that the PA deems appropriate.

### TABLE 2: FY19 OPERATING BUDGET EXPENSES AND FY20 BUDGET (IN $ THOUSAND)

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>FY19 budget</th>
<th>FY19 actual expenses</th>
<th>FY20 proposed budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA meetings and workshops</td>
<td>650</td>
<td>483</td>
<td>650</td>
</tr>
<tr>
<td>Country delivery support and advisory services</td>
<td>2,147</td>
<td>1,728</td>
<td>2,187</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRP expert feedback process</td>
<td>0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Country delivery support</td>
<td>2,147</td>
<td>1,724</td>
<td>2,187</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretariat support</td>
<td>1,121</td>
<td>821</td>
<td>1,121</td>
</tr>
<tr>
<td>Delivery partner support</td>
<td>1,026</td>
<td>898</td>
<td>1,026</td>
</tr>
<tr>
<td>Funding for implementation completion reports for RETFs*</td>
<td>0</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>World Bank central unit costs (1% contribution)</td>
<td>127</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>Monitoring and evaluation</td>
<td>96</td>
<td>26</td>
<td>0</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>800</td>
<td>548</td>
<td>1,300</td>
</tr>
<tr>
<td>Policy Analysis Work Program</td>
<td>1,000</td>
<td>246</td>
<td>600</td>
</tr>
<tr>
<td>Management and communications</td>
<td>750</td>
<td>1,290</td>
<td>750</td>
</tr>
<tr>
<td>Contingency</td>
<td>150</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td><strong>TOTAL USE OF FUNDS</strong></td>
<td><strong>5,720</strong></td>
<td><strong>4,448</strong></td>
<td><strong>5,764</strong></td>
</tr>
</tbody>
</table>

* RETF: Recipient-Executed Trust Fund
The PMR will conclude at the end of 2020. A follow-up program to help countries move from readiness to rollout, while still supporting those with an interest in embarking on their own carbon pricing journey, is being designed.
The PMR will conclude at the end of 2020. A follow-up program to help countries move from readiness to rollout, while still supporting those with an interest in embarking on their own carbon pricing journey, is being designed.

The focus for FY20 will be on implementation, with the aim of concluding all country programs by December 2020. Implementation phase funding has been allocated to 19 implementing country participants and four technical partners. The Policy Analysis Work Program will complete its remaining country-level activities by December 2019, while the Technical Work Program will continue to support strategically important topics through studies and workshops.

In consultation with program participants and other stakeholders, the PMR Secretariat has identified a continued relevance of its mandate beyond 2020. Nested in the context of the Paris Agreement and the increasing interest among countries in carbon pricing as an option to bring their NDCs to fruition, the PMR Secretariat has carried out consultations on a successor program that focuses primarily on implementing carbon pricing. The World Bank will issue a call for concepts for activities to support carbon pricing implementation after the program concludes at the end of 2020.

The new program, the Partnership for Market Implementation, aims to:

- **Continue supporting countries with a commitment to carbon pricing**, helping them make an informed decision on which tool to implement and supporting them in the design, testing, and implementation of such an instrument.

- **Help countries already on a carbon pricing journey** to monitor, report on, and verify their progress, as well as refine their carbon pricing tools and consider applying additional methods.

- **Support regions and subregions in their carbon pricing activities** in the context of implementing Article 6 of the Paris Agreement.

- **Continue collecting lessons learned and developing the knowledge base** to close the information gap and support informed decision-making.
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