

October 2016

**Logical framework** (as revised as part of the first, second, third and fourth Annual Reviews, covering 1 November 2015 – 31 October 2016)

| PROJECT NAME  |  | World Bank Partnership for Market Readiness (PMR)  |                            |                                  |                                  |                             |   |  |
|---|--|--|----------------------------|----------------------------------|----------------------------------|-----------------------------|---|--|
| Substantial CO2 abatement as a result of market mechanisms.   | <b>Impact Indicator 1 (KPI 11)</b>   |  | <b>Baseline (May 2011)</b> | <b>Milestone 1 (31 Oct 2016)</b> | <b>Milestone 2 (31 Oct 2018)</b> | <b>Target (31 Oct 2020)</b> |   |  |
|   | Public revenue raised from carbon related market mechanisms.   | <b>Planned</b>   | 0                          | £2.3m                            | £4.6m                            | £7m                         |   |  |
|   |  | <b>Achieved</b>  |                            | £1.4m                            |                                  |                             |   |  |
|   |  | <b>Source</b>  |                            |                                  |                                  |                             |   |  |
|   |  | PMR Secretariat, Implementation Countries  |                            |                                  |                                  |                             |   |  |
|   | <b>Impact Indicator 2 (Qualitative KPI 15)</b>   |  | <b>Baseline (May 2011)</b> | <b>Milestone 1 (31 Oct 2016)</b> | <b>Milestone 2 (31 Oct 2018)</b> | <b>Target (31 Oct 2020)</b> |   |  |
|   | Extent to which ICF intervention is likely to have a transformational impact.  | <b>Planned</b>   | 1                          | 3                                | 3                                | 4                           |   |  |
|   |  | <b>Achieved</b>  |                            | 3                                |                                  |                             |   |  |
|   |  | <b>Source</b>  |                            |                                  |                                  |                             |   |  |
|   |  | ICF transformational change tool. Scoring: <b>0</b> transformation unlikely, <b>1</b> not enough evidence, <b>2-3</b> transformation likely, <b>4</b> transformation very likely |                            |                                  |                                  |                             |   |  |
| <b>OUTCOME</b>  | <b>Outcome Indicator 1</b>   |  | <b>Baseline (May 2011)</b> | <b>Milestone 1 (31 Oct 2016)</b> | <b>Milestone 2 (31 Oct 2018)</b> | <b>Target (31 Oct 2020)</b> | <b>Assumptions</b>  |  |
| Market mechanisms in at least 5 developing countries by 2020. | No. of participating countries implementing market mechanisms.   | <b>Planned</b>   | 0                          | 0                                | 3                                | 5                           | Not all Implementation Countries within the PMR will choose to implement market mechanisms. |  |
|   |  | <b>Achieved</b>  |                            | 0                                |                                  |                             |   |  |
|   |  | <b>Source</b>  |                            |                                  |                                  |                             |   |  |
|   |  | PMR Secretariat, Partnership Assembly meetings, PMR website  |                            |                                  |                                  |                             |   |  |
|   | <b>Outcome Indicator 2 (KPI)</b>   |  | <b>Baseline</b>            | <b>Milestone 1 (31 Oct 2016)</b> | <b>Milestone 2 (31 Oct 2018)</b> | <b>Target (31 Oct 2020)</b> |   |  |
|   | Quantity of emissions reductions (in MtCO2e) directly resulting from implementation of market mechanisms supported by the PMR. | <b>Planned</b>   | 0                          | 0                                | TBC                              | TBC                         |   |  |
| <b>Achieved</b>   |  |  | 0                          |                                  |                                  |                             |   |  |
|   | <b>Source</b>  |  |                            |                                  |                                  |                             |   |  |
|   | PMR Secretariat, Partnership Assembly meetings, PMR website  |  |                            |                                  |                                  |                             |   |  |

| INPUTS (£)   | DECC (£)  |   | Govt. (£)              |   |   |  | Other (£)  | Total (£)  | DECC SHARE (%)   |
|--|---|---|------------------------|---|---|--|--|--|--|
|  |   | £7m<br>(\$11.4m at time of donation)          |                        |   |   |  |  | \$126.5m<br>(Nov 2015)                                     | 9%   |
| INPUTS (HR)  | DECC (FTEs)   |   |                        |   |   |  |  |  |  |
|  | 0.5   |   |                        |   |   |  |  |  |  |
| OUTPUT 1   | Output Indicator 1.1  |   | Baseline<br>(May 2011) | Milestone 1<br>(31 Oct 11)                    | Milestone 2<br>(31 Oct 13)  | Milestone 3<br>(31 Oct 15)   | Milestone 4<br>(31 Oct 17)                                 | Target<br>(31 Oct 20)                                      | Assumption   |
| Increased knowledge sharing and support between developed and developing country partners to improve new market mechanism design and development | Number of knowledge tools created to support implementing country market mechanism development and implementation | Planned                                       | No Tools               | Tool for Market Readiness Proposals finalised | 5 completed Technical Notes or similar knowledge products   | 10 completed Technical Notes or similar knowledge products   | 15 completed Technical Notes or similar knowledge products | 20 completed Technical Notes or similar knowledge products | Indicator 1.1: The knowledge tools created will be relevant to PMR Implementation Countries and improve their ability to design and develop stronger market mechanisms and mechanism implementation plans.<br>Indicator 1.2: That technical reports provide the users with sufficient information to replicate the learning. Based on an average of 3 additional annual reports produced per year, downloaded as per the current average of 250 times per month.<br>Indicator 1.3: The number of visits to thePMR.org website is an indicator of the use of the PMRs |
|  |   | Achieved                                      |                        | Achieved – Tool was also amended in Oct. 2012 | Achieved – 6 Technical Notes, 2 sets of guidelines with related templates, 1 E-Learning Course, and 1 set of Technical Training Materials have been finalized | Achieved – 11 Technical Notes, 2 sets of guidelines with related templates, 1 E-Learning Course, 1 set of Technical Training Materials and 2 issues of China Carbon Market Monitor |  |  |  |
|  |   | <b>Source</b><br>PMR Secretariat, PMR website |                        |   |   |  |  |  |  |

|                             |  |   |  |  |  |   |  |   |                    |
|-----------------------------|--|---|--|--|--|---|--|---|--------------------|
|                             | <b>Output Indicator 1.2</b>  |   | <b>Baseline (May 11)</b>                   | <b>Milestone 1 (31 Oct 11)</b>                   | <b>Milestone 2 (31 Oct 13)</b>   | <b>Target (31 Oct 15)</b>   | <b>Milestone 1 (31 Oct 17)</b>                   | <b>Target (31 Oct 20)</b>                         | knowledge tools.   |
|                             | <b>a) Until 31 October 2016</b><br>Number of Partnership meetings and workshops held by the PMR annually     | <b>Planned</b>  | a) Initial PA Meeting<br><br>b) No reports | 2 Partnership meetings and one workshop per year | 2 Partnership meetings and two workshops per year  | 2 Partnership meetings and two workshops per year   | 36,000 report downloads for annual review period | 63,000 reports downloads for annual review period |                    |
|                             | <b>b) From 1 November to 31 October 2020</b><br>Number of downloads of technical reports                     | <b>Achieved</b>   |  | Achieved   | Achieved – surpassed in 2012 with the initiation of tri-annual meetings. Three technical workshops also held in 2012 | Achieved – surpassed in 2015 when three partnership meetings and eight workshops were held  |  |   |                    |
|                             |  | <b>Source</b>   |  |  |  |   |  |   |                    |
|                             |  | PMR Secretariat, Partnership Assembly meetings, PMR website |  |  |  |   |  |   |                    |
| <b>IMPACT WEIGHTING (%)</b> | <b>Output Indicator 1.3</b>  |   | <b>Baseline (May 11)</b>                   | <b>Milestone 1 (31 Oct 11)</b>                   | <b>Milestone 2 (31 Oct 13)</b>   | <b>Milestone 3 (31 Oct 15)</b>  | <b>Milestone 4 (31 Oct 17)</b>                   | <b>Target (31 Oct 20)</b>                         |                    |
| 30%                         | Number of visitors to online tools at the PMR website ( <a href="http://www.thepmr.org">www.thepmr.org</a> ) | <b>Planned</b>  | PMR website live                           | Total no. of visits to website                   | Total no. of visits to website   | 85,000 visits to website  | 105,000 visits to website                        | 130,000 visits to website                         |                    |
|                             |  | <b>Achieved</b>   |  | <i>Unknown</i>                                   | 26,823 visits from Nov '12 to Oct '13, 11,858 of which were new visits. Visitors came from 140 countries.            | Achieved - 87,504 visits Of these 60,681 visits from 1 Nov '13 to 21 Oct '15. Of these over half (31,151) were new visitors to the site, from 189 countries |  |   |                    |
|                             |  | <b>Source</b>   |  |  |  |   |  |   | <b>RISK RATING</b> |

|  |  | PMR Secretariat, Partnership Assembly meetings, PMR website |  |  |  |  |   |   | Low   |  |
|--|--|---|--|--|--|--|---|---|---|--|
| OUTPUT 2   | Output Indicator 2.1   |   | Baseline   | Milestone 1 (31 Oct 2013)  | Milestone 2 (31 Oct 2014)  | Target (31 Oct 2015)   | Milestone 1 (31 Oct 16)                                   | Target (31 Oct 18)                                | Assumptions   |  |
| Increased developing country capacity to implement market mechanisms | <b>a) Until 31 Oct 2015</b><br>Percentage of allocated preparatory funding (US\$350,000 per country) disbursed<br><br><b>b) From 1 November 2015 to 31 October 2020</b><br>Number of implementation arrangements (IA's) finalised. | <b>Planned</b>  | a) 0% - No funding disbursed<br><br>b) 16 – as of 1 Nov 2015 | 60% (of US\$3,150,000, \$350,000 times nine, the number of PMR implementing countries expected at the time)                | 60% (of US\$5,250,000, \$350,000 times 15, the number of PMR implementing countries expected at the time)                    | 80% (of US\$5,950,000, \$350,000 times 17, the number of PMR implementing countries expected at the time)                    | 15 IAs finalised  | 19 IAs finalised                                  | Indicator 2.1: That grant agreements are approved on the basis that they provide a high quality carbon pricing scheme in the implementing country.<br>Indicator 2.2: That all of the 19 Implementing Countries will follow through and develop MRPs, but countries will not all finalise their MRPs within the allotted 2-year time frame.<br>Indicator 2.3: That Implementation Countries will face some delays in implementing their MRP leading to lower than estimated disbursement of funds. Also that given the uncertainty surrounding the process for disbursement at the start, the first years will have lower than average disbursement rates. |  |
|  |  | <b>Achieved</b>   |  | Achieved – by 30 June 2013 the PMR had allocated 100% of preparatory funding for the 16 implementing participants (\$5.6m) | Achieved – by October 2014, the PMR had allocated 100% of preparatory funding for the 17 implementing participants (\$5.95m) | Achieved – by October 2014, the PMR had allocated 100% of preparatory funding for the 17 implementing participants (\$5.95m) | Not achieved – by October 2015, 11 IAs had been finalised |   |   |  |
|  | <b>Source</b>  |   |  |  |  |  |   |   |   |  |
|  | PMR Secretariat, Partnership Assembly meetings, PMR website  |   |  |  |  |  |   |   |   |  |
|  | <b>Output Indicator 2.2</b>  |   | <b>Baseline</b>  | <b>Milestone 1 (31 Oct 13)</b>   | <b>Milestone 2 (31 Oct 14)</b>   | <b>Milestone 3 (31 Oct 2015)</b>   | <b>Milestone 4 (31 Oct 17)</b>                            | <b>Target (31 Oct 20)</b>                         |   |  |
|  | Number of countries with approved MRP implementation plans   | <b>Planned</b>  | No implementation plans                                      | 5 developing countries have implementation plans   | 7 developing countries have implementation plans   | 10 developing countries with implementation plans  | 17 developing countries with implementation plans         | 19 developing countries with implementation plans |   |  |
|  |  | <b>Achieved</b>   |  | Achieved – 6 developing  | Achieved - 11  | Achieved - 13  |   |   |   |  |

|   |  |                 |                                |   |   |  |                           |     |
|---|--|-----------------|--------------------------------|---|---|--|---------------------------|-----|
|   |  |                 |                                | countries (China, Chile, Costa Rica, Mexico, Turkey and Indonesia) have finalized implementation plans. | developing countries (the previous six plus another five: Brazil, Colombia, Morocco, Thailand and Ukraine) have finalized implementation plans. (A twelfth developing country, Vietnam, had their finalized implementation plan in the first week of November.) | developing countries (the previous 11 plus another two: Vietnam and South Africa) have finalized implementation plans. |                           |     |
| <b>Source</b>   |  |                 |                                |   |   |  |                           |     |
| PMR Secretariat, Partnership Assembly meetings, PMR website |  |                 |                                |   |   |  |                           |     |
| <b>IMPACT WEIGHTING (%)</b>                                 | <b>Output Indicator 2.3</b>  | <b>Baseline</b> | <b>Milestone 1 (31 Oct 14)</b> | <b>Milestone 2 (31 Oct 15)</b>  | <b>Milestone 3 (31 Oct 16)</b>  | <b>Milestone 4 (31 Oct 17)</b>   | <b>Target (31 Oct 20)</b> |     |
| 55%   | Percentage of implementation funding (US\$3m, \$5m, or \$8m per country) disbursed as set out in the grant agreement | <b>Planned</b>  | 0% - No funding disbursed.     | 60%   | 80%   | 90%  | 90%                       | 90% |
|   |  | <b>Achieved</b> |                                | Achieved – 66%<br>In FY14, only Turkey had signed a grant agreement which had disburseme                | Not achieved – 60%<br>In FY14 Chile joined Turkey in receiving MRP funding. China and Morocco were also   | Not achieved – 63%<br>Due to lag caused by implementation arrangement delays.  |                           |     |

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|   |  |  |   |   |  |  |  |                    |
|---|--|--|---|---|--|--|--|--------------------|
|   |  |  | <p>nt schedule covering the period until October 2014. By the end of October 2014 US\$ 329,635 had been disbursed, while the disburseme nt schedule anticipated US\$500,000 by the end of the FY, ending on 30 June 2015.</p> | <p>originally scheduled to receive a disbursement , but this did not happen. In total, until 31 October 2015, \$5.13m was originally scheduled to have been disbursed, which was revised to \$3.23m. The actual amount was \$2.56m. This is 60% of the average of the original and revised planned disbursement totals.</p> |  |  |  |                    |
| <b>Source</b>   |  |  |   |   |  |  |  | <b>RISK RATING</b> |
| Implementing Country MRP Plans, PMR Secretariat, PA meetings, PMR website |  |  |   |   |  |  |  | Low                |

| OUTPUT 3<br><i>(with additional revisions marked in red)</i>             | Output Indicator 3.1  |  | Baseline<br>(May 2011) | Milestone 1 (31 Oct 2014)  | Milestone 2 (31 Oct 2015)  | Target (31 Oct 2016)  | Assumptions   |
|--|---|--|------------------------|--|--|---|---|
| Promotion of sustainable, low-carbon development in developing countries | No. of stakeholder outreach and engagement activities, focussing on carbon pricing mechanisms and run in partnership with the PMR, that have taken place in Implementation Countries. | <b>Planned</b>                                 | 0                      | 4  | 7  | 10  | Stakeholder outreach and engagement includes consultations and trainings conducted by Implementing Country groups in the course of their MRP implementation. Increased stakeholder engagement builds support for low carbon development and market mechanisms adoption. |
|  |   | <b>Achieved</b>                                |                        | Achieved – 5 Stakeholder outreach events held:<br>1. ETS in Operation (2012);<br>2. Pricing carbon to achieve mitigation (2013);<br>3. Emissions trading in North America (2013);<br>4. Scaling up Domestic Climate Action and Carbon Pricing Instruments (2014);<br>5. A Business-Government Dialogue on carbon pricing (2014). | Achieved – 7 Two additional stakeholder outreach events held:<br>6. Vietnam Carbon Pricing Event, Vietnam, September 2015;<br>7. Aligning Energy Reform and Climate Policies in the Middle East and North Africa (MENA): Challenges and Opportunities, Jordan, October 2015. | Achieved - 16 stakeholder outreach engagement activities took place during the review period in Kazakhstan (3), Turkey (4), Chile (5), Morocco (1), Vietnam (1), Peru (1) and Switzerland (1) |   |
| <b>IMPACT WEIGHTING (%)</b>  |   | <b>Source</b>                                  |                        |  |  |   | <b>RISK RATING</b>  |
| 15%  |   | PMR Secretariat, Partnership Assembly meetings |                        |  |  |   | Low   |