

# Partnership for Market Readiness (PMR): First Independent Evaluation Report

Development Portfolio Management Group

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## Preface

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This report presents the findings and recommendations from the First Independent Evaluation of the Partnership for Market Readiness (PMR). The evaluation was undertaken by the University of Southern California's Development Portfolio Management Group (DPMG).

The authors of the report are John Redwood III (Team Leader), Jouni Eerikainen, and Mark Trexler. Overall guidance and quality assurance was provided by Xavier Legrain, Director of DPMG. Project management and editorial support was provided by Tarra Kohli, DPMG Operations Director assisted by Samantha Lara.

The Team would like to thank all those who provided valuable information for this evaluation, representing all twelve of the Contributing Partner countries together with the European Commission, and virtually all of the Implementing Partner Countries and the one assistance-receiving Technical Partner of the PMR, as well as the government officials, private sector and civil society representatives met in the four implementing countries visited. The Team would also like to recognize and express its strong appreciation for the helpful guidance and oversight provided by the seven members of the Evaluation Working Group (EWG) of the Partnership Assembly and that of past and present members of the PMR Secretariat at the World Bank, particularly its Coordinator, Xueman Wang, and the staff member designated to liaise with DPMG, Adrien de Bassompierre, whose collaboration and support were very valuable.

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## Acronyms and Abbreviations

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ADB	Asian Development Bank
BBL	Brown Bag Lunches
CCD	Climate Change Department (China and Turkey)
CCF	Climate Change Fund (Mexico)
CCL	Climate Change Law (Mexico)
CIF	Climate Investment Funds
CMU	Country Management Unit
CO <sub>2</sub>	Carbon Dioxide
COP	Conference of Parties for the UNFCCC
CP	Contributing Participant
DAC	Development Assistance Committee of the OECD
DPMG	Development Portfolio Management Group
EC	European Commission
ER	Emission Reduction
ETS	Emissions Trading Scheme(s)
EU	European Union
EU ETS	European Union Emissions Trading Scheme
EUD	Electricity Producers Association (Turkey)
EWG	Evaluation Working Group
FIRM	Facilitating Implementation and Readiness for Mitigation(UNEP)
FY	Fiscal Year
GHG	Greenhouse gas
GIZ	Gesellschaft für Internationale Zusammenarbeit
GP	Global Practice (World Bank)
ICP	Implementing Country Participant
IEG	Independent Evaluation Group
IPCC	Intergovernmental Panel on Climate Change
KM&S	Knowledge Management and Sharing
LCDS	Low Carbon Development Strategies
LECB	Low Emissions Capacity Building (UNDP)
MDB	Multilateral Development Bank
MENR	Ministry of Energy and Natural Resources (Turkey)
MOC	Ministry of Construction (Vietnam)
MoEU	Ministry of Environment and Urbanization (Turkey)
MOIT	Ministry of Industry and Trade (Vietnam)
MONRE	Ministry of Natural Resources and Environment (Vietnam)
MPI	Ministry of Planning and Investment (Vietnam)
MRP	Market Readiness Proposal
MRV	Monitoring, Reporting and Verification
M&E	Monitoring and Evaluation
NAMA	Nationally Appropriate Mitigation Action(s)

NDRC	National Development and Reform Commission (China)
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PA	Partnership Assembly
PAD	Project Appraisal Document
PC	Partnership Committee
PECC	Special Program for Climate Change (Mexico)
PMR	Partnership for Market Readiness
SME	Small and Medium Enterprises
SOEs	State-Owned Enterprises (China)
TNA	Technology Needs Assessment
ToR	Terms of Reference
TP	Technical Partner
TTL	Task Team Leader (World Bank)
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market

## Executive Summary

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1. The Partnership for Market Readiness (PMR) was established by the World Bank and officially launched in Barcelona in May 2011. Its formally agreed objectives at that time were to:

- provide grant financing to countries for building market readiness components;
- pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments (MBIs) at an early stage;
- create a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote South-South cooperation, and explore and innovate together on new instruments and approaches;
- create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
- share lessons learned, including with the United Nations Framework Convention on Climate Change (UNFCCC).

2. The Participant Assembly (PA), which is the PMR's decision body, includes Contributing Participants (CPs) from donor countries, Implementing Country Participants (ICPs) from developing countries as voting members. The PA also includes non-voting Technical Partners, Observers, Technical Experts, and the Delivery Partner (to date primarily the World Bank, although other multilateral and UN agencies could potentially also assume this role). In addition to the UNFCCC, frequent PA observers have included other multilateral agencies such as the Asian, Inter-American, Latin American, and European Development Banks (ADB, IDB, CAF, and EBRD, respectively), the International Energy Agency (IEA), the International Carbon Action Partnership (ICAP), the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), and the United Nations Development Program (UNDP). Representatives of selected interested subnational governments (such as the state of California and province of Quebec, which are now Technical Partners) and non-governmental organizations are also observers. The World Bank houses the PMR Secretariat, which is presently staffed with three full-time and six part-time professionals and a full-time administrative assistant, and manages the PMR Trust Fund.

3. The PMR's objectives, participants, and activities have evolved since its inception in 2011 from an initial emphasis on "market readiness" in anticipation of the expected emergence of international carbon markets to a current more flexible approach with carbon pricing through taxes and other MBIs once this initial prospect diminished. This shift was partly because the political appetite for carbon pricing in some countries proved to be less than expected. There has also been a sharp reduction in demand for emission reductions and deterioration in international carbon prices. Priorities and demands at the individual participating country level have also evolved over the past four years both in ICPs and CPs, due in some cases to changes in democratically elected national governments.

4. To date, ten PA meetings have been hosted by CPs and ICPs in various parts of the world. Technical Notes and other guidance and analytical papers have been published, numerous technical workshops, training sessions, and South-to-South (or country-to-country) exchanges have been realized in various participating countries, and an e-Learning program has been initiated. The Technical Work Program and operational budget of the PMR are reviewed and approved by the PA on an annual basis, and the PA is regularly updated on possible new strategic directions by the PMR Secretariat.



5. This first independent evaluation was contracted by the PMR Secretariat in May 2014. The objectives of the consultancy of which it forms part are to: (i) develop a detailed Evaluation Framework for periodic evaluations, whose output is presented in a separate report; and to (ii) assess the effectiveness of the governance structure of the PMR and the operational effectiveness of the grant allocation mechanism, and suggest ways of enhancing PMR support to the ICPs, and (iii) conduct an evaluation of the PMR's technical work, knowledge sharing and capacity building program at the country, regional and global levels, which are the subjects of the present report. It was recognized from the outset that it is too early to evaluate the PMR's impacts and sustainability because implementation of its principal activities at the country level has barely begun. Thus, it was agreed that the present assessment would be a "formative" rather than "summative" evaluation, and, as such, would focus on the first three of the OECD/DAC standard evaluation criteria—relevance, effectiveness, and efficiency.

6. For the same reason, it was agreed that, of the two major functions of any evaluation--accountability and lesson learning--the present assessment would focus primarily on drawing conclusions and extracting lessons from the PMR experience. The extent to which its objectives have been achieved to date would also be considered, as would the effectiveness of the PMR's current management arrangements under the heading of governance. The underlying purpose of the evaluation, however, has been to identify current strengths and weaknesses of the PMR with an eye toward recommending ways in which it could become more relevant, effective and efficient in the future. To this end, it was guided and overseen by an Evaluation Working Group (EWG), composed of representatives of seven PA members.

7. In performing the evaluation, a detailed document review, structured interviews, stakeholder surveys, and selected country field visits (China, Mexico, Turkey and Vietnam) were undertaken. The evaluation team also attended PA meetings in Cologne and Santiago with their associated Side Events and Technical Workshops. The surveys covered five stakeholder groups: CPs, ICPs, PA Observers, Technical Experts, and Delivery Partner staff. All but one of the 13 CPs and three of the 17 ICPs responded to the surveys, and interviews or meetings were held with nearly all voting PA members representing both CPs and ICPs, as well as with the assistance-receiving TP (Kazakhstan), the PMR Secretariat and participating Delivery Partner operational staff. National government officials and private sector and civil society representatives were interviewed during the country visits.

8. The evaluation was guided by the following overarching questions: In what manner and how effectively and efficiently has the PMR supported ICPs in developing their capacity to adopt market mechanisms for GHG mitigation to date? Has the program responded to international carbon market experience to date, and what have been the value added and catalytic effects of the PMR? What can we learn from the PMR and broader carbon market experience thus far to help guide this initiative in the future? For the most part, the answers to the first two questions above are positive, although some areas for improvement were also identified. The PMR has been of generally high relevance from the various perspectives that are used to evaluate Partnership Programs. It has also demonstrated substantial efficiency in terms of the mobilization and use of its administrative and human resources and its governance and management arrangements have generally worked well. Survey and interview responses with respect to all of these aspects were largely positive, especially on the part of ICPs. Its effectiveness to date in relation to its stated objectives has been uneven. The PMR has been successful in establishing a technical platform to enable policy makers from both ICPs and CPs and other stakeholders to share experience and information on market readiness and in providing important technical inputs, particularly for the Market Readiness Proposal (MRP) preparation process. However, it has not yet achieved the piloting, testing and sequencing of new concepts for market instruments, mainly due to the early stage of PMR implementation. Its effectiveness with regard to the other objectives falls somewhere in between.

9. The Technical Workshops and other PMR events carried out in some ICPs and CPs are generally rated quite positively by their participants according to the surveys carried out as part of this evaluation.

However, other aspects of PMR knowledge sharing could have been more effective, and some of the stakeholders interviewed by the evaluation team would like to see more activities at the regional level, together with greater participation in PMR events by representatives of subnational governments, the private sector and civil society. Some stakeholders indicated concerns with insufficient transparency in reporting on budget allocation decisions and consultant selection to the PA. As concerns the quality of the PMR's technical work, knowledge sharing and capacity building program at the country, regional and global levels, performance has improved over time. But while a technical discussion platform has been established and the PMR has provided valuable guidance and assistance to ICPs during MRP preparation, most in-country capacity building activities, which are associated with MRP implementation, are still incipient. The principal evaluation results, starting with PMR relevance, are further summarized below.

## **Relevance**

**10.** The relevance of a development activity refers to the extent to which it is suited to the priorities and policies of the target group, recipient(s) and donor(s). This evaluation draws the following conclusions on aspects of PMR relevance as a global partnership program: (i) PMR is relevant from a “supply-side” perspective both in terms of the nature of its support to ICPs but also in terms of the value of its information and experience sharing with and among CPs; (ii) PMR is considered by ICPs to be very relevant from a “demand” perspective, even though these countries are at very different stages in terms of their market readiness and the design and use of MBIs; (iii) the “horizontal relevance” of PMR is also considerable in terms of advancing the international dialogue on and directly supporting a large number of important GHG emitting countries with the development of innovative market instruments; and; (iv) the PMR is consistent with the subsidiary principle (i.e., “vertically relevant”) in that the activities it supports in terms of filling gaps, service delivery, and responsiveness to the needs of its ICPs are being carried out, if more slowly than anticipated and desired by a number of the CP and ICP stakeholders interviewed, at appropriate levels. Thus, its objectives, even if evolving over time and perhaps needing clearer definition in terms of the outcomes desired (about which more below), are clearly relevant.

**11.** With regard to the relevance of PMR design—to what extent the program’s strategies and priority activities are appropriate and adequate for achieving its objectives—it can be concluded that: (i) the activities and outputs of the PMR are generally consistent with the overall goal and objectives of the program with the same caveat as above—i.e., that while the initial objectives are still largely valid, they should be revisited to take into account the way the PMR and the external environment have evolved over the past three and a half years; and (ii) PMR activities and outputs are consistent with the desired impacts and intended outcomes of the PMR on the assumption that the long-term desired impact of the PMR is to contribute to the reduction of greenhouse gas (GHG) emissions through implementation of PMR-assisted carbon pricing and/or other MBIs in ICPs and that the associated medium-term impact is that carbon pricing and/or other MBIs and/or the core technical components needed to support such instruments are fully in place with PMR assistance. However, it is recognized that desired impacts will depend on other external factors as well, especially: (i) an appropriate enabling carbon price and policy environment at both the national and international levels for the establishment and effective operation of domestic and multi-country carbon markets; and (ii) additional financial resources, business climate and technology diffusion will be needed to ensure full implementation of the MBIs and technical infrastructure which the PMR helps to develop.

## **Effectiveness**

**12.** The PMR’s effectiveness was assessed in relation to its objectives as stated in the original *Design Document* and *PMR Governance Framework* of May 2011 and reproduced in the first paragraph above even though they are, in practice, a mixture of inputs (grant funding, creating and disseminating knowledge on market instruments), outputs (establishing an information and experience exchange platform, sharing of

lessons learned), and intended outcomes (piloting, testing and sequencing new concepts for market instruments and identifying potential synergies between national and market-based instruments at an early stage). Stakeholder views regarding PMR effectiveness to date was mixed, with ICP representatives generally being more positive than those representing CPs. The PMR's progress to date toward achievement of its objectives is summarized below.

- **Provision of grant funding to countries for building market readiness components:** Since the PMR was launched preparation grants have been awarded to seventeen ICPs. Market Readiness Proposals (MRPs) and implementation funding for twelve of these countries have been endorsed by the PA by the end of 2014. However, only three ICPs (China, Mexico, and Turkey) have signed grant agreements with the Delivery Partner as of December 2014. Thus, while the allocation of grant funding on the basis of PA endorsed MRPs progress has been substantial, in terms of the actual flow of these resources to ICPs, results have been limited and this has been a source of concern among stakeholders, especially CPs, but also some ICPs.
- **Piloting, testing and sequencing of new concepts for domestic and new international market mechanisms and identification of potential synergies between national market based instruments at any early stage:** progress with regard to the first part of this objective has been very limited to date because of the incipient implementation of the three MRPs in ICPs that have signed grant agreements, while the rest are awaiting grant finalization or still under preparation. Furthermore, many of the MRPs focus mainly on the design and development of the core technical components and infrastructure like Monitoring Reporting and Verification (MRV) systems rather than carbon pricing or MBIs *per se*. In addition, the more advanced ICPs had already started developing MRV systems and market instruments (e.g., China and South Africa) or have done so in parallel (e.g., the recently approved carbon taxes in Mexico and Chile), largely independently of the PMR. There is likewise little evidence thus far on the PMR's effectiveness in terms of the identification of "potential synergies between national market based instruments at an early stage," although some progress seems to be occurring in this regard (once again in Mexico and Chile, for example).
- **Creating a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote South-South cooperation, and explore and innovate together in new instruments and approaches:** This has been the most successful element of the PMR thus far. The sharing of experience and information regarding market readiness, including with respect to carbon pricing and other MBIs, is acknowledged by stakeholders, including representatives of virtually all the CPs and ICPs, as the most valuable contribution of the PMR. However, its effectiveness could be further extended in the future with greater engagement of other multilateral agencies, subnational governments, the private sector and civil society in the future.
- **Creating and disseminating a body of knowledge on market instruments that could be tapped for country-specific requirements:** The PMR has developed and utilized a number of instruments for the dissemination of knowledge on market instruments. The PMR's Knowledge Management & Sharing (KM&S) arrangements (i.e., the website and "Knowledge Center," Technical Workshops and Training Events, Technical Notes, etc.) are key elements in this toolkit. Stakeholder reviews of the Technical Work Program in general are positive. However, the KM&S system is not yet achieving its full potential. The effectiveness of KM&S activities in terms of being "tapped for country-specific requirements" is unclear since the PMR presently has only limited mechanisms to assess KM&S usefulness either within the individual ICPs or more broadly. Perhaps due to other priorities and/or resource constraints, the PMR Secretariat appears to have given less attention to potential KM&S opportunities to date. Efforts have focused largely on organizing workshops and other events, which have been positively received by participants, and posting associated Power Point Presentations on its

website. At present, however, the website is organized more as a document “warehouse” than a system for disseminating knowledge.

- **Sharing lessons learned, including with the UNFCCC:** This, too, is an objective against which results to date have been limited because the vast majority of the MRPs have not yet begun implementation. Thus, there are relatively few experiences and lessons to be shared at present. However, the PMR already possesses many of the means for such lesson sharing, and the Secretariat has consulted with and provided information to UNFCCC both through regularly scheduled PMR events and bilateral communications.

## **Efficiency**

**13.** Efficiency refers to the extent to which program inputs—generically, in the case of the PMR, grants, targeted technical assistance, and information and knowledge generation and dissemination—have been used to produce outputs in a timely and cost-effective way. The PMR has been very successful in terms of resource mobilization, with pledges of over US\$ 126 million and actual contributions to the Trust Fund exceeding US\$ 113 million and investment income of more than US\$ 700,000 as of the end of 2014. Disbursement of its resources to ICPs thus far has been mainly to finance MRP preparation, although implementation grants have been approved by the PA for twelve ICPs and one assistance-receiving TP. However, Grant Agreements for MRPs for which funding has been endorsed by the PA nearly two years ago have not yet been finalized in some cases. Virtually all stakeholders view this as the most significant “bottleneck” to the PMR’s more efficient (and effective) implementation to date.

**14.** There appear to be several reasons for the observed delays. On the one hand, the PA has technical quality requirements that need to be met by the final MRPs. On the other, the Delivery Partner has operational and legal requirements regarding procurement, financial management, disbursement, safeguards, monitoring and evaluation (M&E), and even project presentation that are additional to those required for a final MRP to be endorsed by the PA. Both sets of requirements need to be met before the respective Grant Agreement can be signed. Independently of whether the observed delays in this process are primarily due to factors on the country side or on that of the Delivery Partner, the common element is that the final MRPs have not been ready for implementation when presented to the PA.

**15.** ICPs nonetheless regard PMR management and the provision of timely services by the Secretariat as efficient and generally more positively than CPs. This seems to reflect that fact that the ICPs have a more direct and intensive working relationship with the PMR Secretariat than do the CPs. CPs also generally tend to express greater disappointment over the fact that, after more than three and a half years of implementation, only a small number of MRPs have started implementation and thus are only now beginning to produce results on the ground. Some ICPs also share this frustration.

## **Governance and Management**

**16.** The PMR’s governance and management arrangements remain largely unchanged since the time it was officially launched in May 2011. The main modification has been creation of a new category of non-voting PA members, TPs, of which there are now two types, assistance-receiving (Kazakhstan) and non-assistance-receiving (the state of California and province of Quebec). Some PA members, however, have requested greater clarity in relation to the eligibility and selection criteria for the second type of TPs. Another change in the PMR’s initial governance arrangements—electronic decision making for PA endorsement of the final MRPs for Brazil and Ukraine, which was utilized in mid-2014 at the request of the two counties involved—also generated concerns on the part of some PA members at PA 10 in Santiago, Chile in November 2014.

**17.** In general, however, the initial governance and management arrangements for the PMR appear to be working well. Among the most positive aspects of the PMR are its comparatively small size in terms of the number of core decision-making stakeholders (i.e., CPs and ICPs) involved and the considerable degree of mutual respect and trust that has been built up among and between developed and developing country participants over the past three and a half years. This is one of the main reasons why the present PA's governance arrangements appear to have functioned effectively and, for the most part, efficiently, especially as a forum for the frank exchange of views. This is recognized by many stakeholders as perhaps the PMR's greatest added value to date.

**18.** This positive finding notwithstanding, some PA members, especially CPs (more than one-third in some cases), have expressed concerns regarding the PMR Secretariat's transparency with respect to implementation grant and budget allocation decisions, reporting, and consultant selection. There are also concerns with overly crowded PA meeting agendas in relation to the time available, on the one hand, but some questioning as to whether three such meetings a year are still required now that most MRPs have been finalized. Increased reporting of results and lessons learned from MRP implementation by ICPs and the Secretariat was also requested by some members in future PA meetings. Those interviewed and surveyed, particularly among CP representatives, also indicated that it would be helpful for the Secretariat to provide more detailed information to the PA in the future with respect to Secretariat's coordination and other interactions with the main Delivery Partner, the World Bank, in view of the persisting delays between MRP endorsement by the PA and finalization of the respective Grant Agreements.

**19.** Importantly however, none of the feedback received by the evaluation team suggests the need for major alterations to the PMR's governance arrangements that are presently in place. In terms of PMR management, finally, the PMR Secretariat is regarded by the various key stakeholder groups as being responsive, especially by and to the ICPs, and having generally performed well. However, it is also recognized that its human resources are becoming increasingly "stretched" and are likely to be even more so once a larger number of MRPs start implementation, as Secretariat staff will have to help supervise and oversee this process. Such pressures will further increase if the PMR expands its membership and/or broadens its scope in a possible Second Phase.

## **Recommendations**

**20.** The PMR's responsiveness and flexibility in the face of changing circumstances is commendable. However, it has also led an evolution of the PMR's actual activities as well as the language used in recent *Annual Reports* to describe its "core" objectives. As thought is now starting to be given to its aims and activities in a possible Second Phase, this suggests that it would be useful for the PA to revisit the PMR's initial objectives and consider other possible ways of enhancing its present relevance, efficiency and effectiveness. With this in mind, the evaluation team recommends a number of actions, about which the associated evaluation lessons and additional details are presented in the concluding chapter of the report. Each main and associated recommendation is also numbered in that chapter for more convenient reference.

### **a) Revisiting the PMR's Objectives**

**21.** Reconsidering how the PMR's objectives were originally stated is recommended for three reasons. First, the focus and scope of the PMR has evolved over time in response to a changing external environment and the evolution of the needs and demands of the ICPs. The objectives should, thus, be updated to reflect this evolution, including with respect to the terminology used (e.g., "carbon pricing" versus "market readiness" for example). Second, as observed above, the initial objectives in the May 2011 *Design Document* and *Governance Framework* are a mixture of inputs, outputs, and outcomes. The PMR's objectives should focus on its intended outcomes and longer-terms desired impacts. Third, greater clarity is needed with respect to each objective (e.g., knowledge creation and dissemination) in order to know what

the PMR expects to be held accountable for and the associated assumptions and risks. Ways in which this might be done are proposed in Chapter VIII and in the parallel Evaluation Framework report.

**b) Reducing the Time Gap between PA Funding Allocation and Signature of the Corresponding Grant Agreements with the Delivery Partner**

**22.** Several of the MRPs for which funding has been endorsed by the PA nearly two years ago have not yet finalized the respective Grant Agreements. To reduce the time gap, it is important to ensure that the final MRPs are ready for implementation by the time they are presented to the PA for approval. PA and Delivery Partner appraisals should occur as closely in parallel as possible rather than one substantially later than the other. Needed analysis by the Delivery Partner and capacity building by the ICP should occur in advance of this dual approval process. This will require better coordination both between the country in question and the Delivery Partner and between the PMR Secretariat and the Delivery Partner than appears to have taken place in the past. In short, the PMR should seek to better harmonize and align the timing of the technical and operational appraisals of the MRPs to ensure that they are implementation ready, both on the country side and with respect to compliance with all pertinent Delivery Partner procedures and requirements.

**c) Enhancing the PMR's Knowledge Management and Sharing Activities**

**23.** A strategic approach to enhance PMR's KM&S activities should start with both a clear definition of its purpose and scope and a clear understanding of target audience. As key inputs, KM&S activities also need to be thought of in terms of their contributions to the PMR's objectives (i.e. desired impacts and intended outcomes). There are at least three different and non-overlapping audiences for the KM&S activities: (i) those PA members who participate in individual PMR events; (ii) other PA members who did not participate in the events in question but who could benefit from any information or knowledge generated or shared there; and (iii) other interested parties, including non-PMR countries, subnational jurisdictions, private sector entities, NGOs, academic and research institutions, etc., that are in a similar situation to the second audience. What KM&S services the PMR should seek to provide for each of these three actual and potential audiences, as well as how, and how they can be expanded to ensure greater outreach and potential influence, should be considered together with the most efficient and effective ways of doing so. In this connection, it is recommended that the Secretariat elaborate, annually update, and present to the PA for its endorsement a Strategic KM&S Plan for the PMR. This plan would identify what services would be provided to each of the audiences mentioned above, the resources required, and how this would be done. This is a potentially significant way of enhancing the PMR's relevance and effectiveness in the future.

**24.** More generally, the systematization and greater professionalization of KM&S activities should play a more prominent role in a possible Second Phase of the PMR and be closely linked with project and program level monitoring and evaluation (M&E) activities. The PMR should also more effectively share results and lessons learned from the PMR experience at both the individual country and PMR-wide levels with the international community, including the UNFCCC. The Secretariat should likewise consider appointing a full-time experienced knowledge management specialist to lead this work and help coordinate it with the broader PMR Technical Work Program. In addition, the Secretariat should explore more effective ways of managing and disseminating relevant knowledge that exists outside the PMR and continue using external specialists for preparation of demand-driven Technical Notes and other knowledge products. Finally, the PA may want to consider establishing a specific Working Group to help guide and oversee the PMR's knowledge management and sharing activities.

#### **d) Establishing and Operating a PMR Monitoring and Evaluation System**

25. The Secretariat’s proposal to establish a “PMR Results Framework” presented in Marrakesh in October 2013 and accepted by the PA essentially proposed the creation of a PMR M&E System with two subsystems, one for operations monitoring and the other for performance evaluation under the umbrella of the PMR “Results Framework.” The evaluation team supports development of a full M&E System. It also recommends that the PMR Secretariat appoint a specialist to be responsible on a full-time basis for the development and operation of the PMR’s M&E System. This would include helping to oversee M&E activities for the individual MRPs whose implementation has started and to aggregate and analyze appropriate information at the portfolio level, as well as coordinating other M&E activities in relation to other PMR inputs and outputs (workshops, training events, etc.) at both the individual country and the PMR-wide levels. Regular—at least annual—updates should be provided to the PA on the status of MRP implementation and emerging results and lessons to supplement reporting by the ICPs themselves. Such a mechanism can also be used to help inform senior management of the Delivery Partner or Partners informed about implementation issues that may need to be addressed and would also help improve the transparency of interactions between the PMR Secretariat and the PA.

#### **e) Increasing the Transparency of Reporting to the PA**

26. Options for further improving transparency might include: (i) better preparation of information regarding decisions involving resource allocation prior to PA meetings by the PMR Secretariat, or (ii) should the number of PA members increase substantially in the future, establishing the Partnership Committee (PC) foreseen in the *PMR Governance Framework* to undertake such preparatory work. In either case, the Secretariat should provide greater details in some of its reporting to the PA (especially on administrative budget use and new financing proposals, and continuing updates on Technical Work Program implementation, including the operation and deliberations of the various existing and proposed Technical Working Groups, and the outputs and outcomes of the upstream policy analysis work stream). It is also recommended that the Secretariat give greater attention to understanding the nature of these concerns in the future, perhaps through a specific survey of and/or one-on-one discussions with PA members. This would be important not only to increase transparency but also to continue to further strengthen the existing mutual respect and trust that has been achieved between the PA and the Secretariat over the life of the PMR. As noted above, the proposed KM&S Strategy and operationalized M&E System would also provide elements that could help to improve the Secretariat’s transparency in relation to both PA members and other current and future stakeholders.

#### **Staffing, Resource and Other Considerations Looking Ahead**

27. Several of the preceding recommendations, if implemented, have financial and human resource implications. This would especially be the case in the event that experienced specialists/consultants in KM&S and M&E, which are distinct skill sets, are added to the Secretariat team, which is already stretched in order to meet current needs and demands from ICPs and other stakeholders. Further resources would also be needed to finance the proposed additional M&E activities. The incorporation of a seasoned Delivery Partner operational staff member could likewise help the Secretariat better coordinate the technical and operational appraisals of MRPs, but this could be achieved through staff rotation without significant incremental cost. In any event, it would be useful for the Secretariat to prepare a Strategic Staffing Plan for consideration by the PA and the World Bank. Even if additional financial costs are involved, the proposed enhanced staffing, KM&S and M&E measures are likely to enhance the relevance, effectiveness, efficiency, and transparency of the PMR as it moves forward, and especially so if its scope and resources expand during a possible Second Phase.

## Chapter I: Introduction

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**1.1.** This evaluation was undertaken by the Development Portfolio Management Group (DPMG) of the University of Southern California, which was awarded the contract for this assessment together with the development of an Evaluation Framework for the PMR in May 2014. These two interrelated tasks were carried out in response to Terms of Reference (ToR) issued by the PMR Secretariat in February 2014 (see Annex 1) in close consultation with and oversight by the Evaluation Working Group (EWG) established by the Partnership Assembly (PA)<sup>1</sup> composed of representatives from seven PA member countries.<sup>2</sup>

**1.2.** According to the ToR, “the consultant is expected to develop an evaluation approach that allows for continuous feedback in real time with progressive updates at PA meetings...[and] that starts with the most strategic questions, before moving on to subsidiary ones. The detailed methodology will be formulated by the consultant and made available to the PA.” This was accomplished in the form of an initial briefing regarding DPMG’s proposed evaluation approach at the PA 9 meeting in Cologne, Germany in May 2014. The proposed approach was subsequently detailed in an *Inception Report* submitted to the EWG and PMR Secretariat in July 2014.<sup>3</sup> Even though the ToR indicated that the evaluation period for the First Independent Evaluation would extend from the time of the PMR’s organizational meeting in Bangkok, Thailand in April 2011 until the end of December 2013, it also stated that “the evaluation will cover ongoing as well as completed activities, comprising desk reviews, questionnaires, interviews, and field work in Implementing Countries.”<sup>4</sup> The evaluation team, therefore, decided to extend the evaluation period through December 2014 even though some elements, such as the more recently established Technical Working Groups and the upstream policy analysis work stream (about which more in the next chapter), are still too recent to assess.

**1.3.** The specific objectives for the present consultancy, as stated in the ToR, were threefold:

- **To develop a detailed Evaluation Framework for periodic evaluations**, “including key questions and indicators to: (i) review the conduct of market readiness activities and piloting of carbon market instruments in all countries and review common elements among all MRPs [Market Readiness Proposals developed with PMR assistance by the Implementing Country Participants – ICPs]; and (ii) assess the interactions between the PMR’s global processes and implementation at the country level, with a view to determine how the global processes have affected country capacity and how the PMR has contributed to developing best practices on carbon market instruments.”<sup>5</sup>

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<sup>1</sup> As will be further explained in the next chapter, the PA of the PMR, which is presently composed of 30 participating implementing and contributing countries and one organization (the European Commission), is the governing body of the PMR.

<sup>2</sup> EWG members represent Australia, Brazil, Chile, Costa Rica, Germany, the United Kingdom, and the United States.

<sup>3</sup> DPMG, *Partnership for Market Readiness (PMG): Inception Report*, Arlington, Virginia, July 2014.

<sup>4</sup> PMR Secretariat, *TORs*, pg. 5. Emphasis by DPMG.

<sup>5</sup> The TORs, *op. cit.*, pg. 6, also stated that “the Evaluation Framework will be the central tool of the PMR Periodic Evaluation System. Along with the PMR Operations Monitoring System, which includes a system to monitor the status and progress of PMR operations at the country level, the PMR Periodic Evaluation System constitutes one of two main components of the overall PMR Results Framework.” DPMG will return to this in Chapter VIII, in which establishment of a continuous – not periodic – PMR Monitoring and Evaluation System, of which a Results Framework is an important, but by no means the only, element is proposed.



This is presented in a separate report, a draft of which was distributed to the PA and discussed at its tenth meeting in Santiago, Chile in November 2014.<sup>6</sup>

- **To assess the effectiveness of the governance structure of the PMR and the operational effectiveness of the grant allocation mechanism** and “suggest ways of enhancing PMR support to the PMR Implementing Country Participants (ICPs). In light of this objective, the scope of the proposed evaluation includes progress made by the PMR in directing resources to the activities that are most likely to contribute to market readiness in the future, including the piloting of market-based instruments (MBIs). The First Independent Evaluation is proposed to be implemented mainly, but not exclusively, at the global level.”<sup>7</sup>
- **To conduct an evaluation of the PMR’s technical work, knowledge-sharing and capacity-building program at the country, regional and global levels.** This and the previous objective are the focus of the present evaluation report, taking into account an updating of the preliminary findings, which were also presented in report form to the PA prior to its tenth meeting in Santiago, Chile in November 2014<sup>8</sup> as well as in an Interim Findings Report presented to the PMR Secretariat in September 2014.<sup>9</sup> In addition to survey and interview results concerning other aspects of the PMR’s Technical World Program, the evaluation team undertook an independent review of the relevance and effectiveness of the PMR’s knowledge management and sharing (KM&S) activities to date based on a comprehensive review of the documents on the PMR website, whose results are summarized in Chapter IV and in Annex 5.

**1.4.** The ToR for this assignment stipulated that the First Independent Evaluation should focus on what it described as three “clusters” of evaluative questions, which it identified as “relevance,” “effectiveness,” and “performance,”<sup>10</sup> based on the standard evaluation criteria proposed by the Organization of Economic Cooperation and Development’s Development Assistance Committee (OECD/DAC) and utilized by the

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<sup>6</sup> See DPMG, *Partnership for Market Readiness (PMR): Evaluation Framework*, Arlington, Virginia, October 2014. Several iterations of this proposed Framework, which is composed of both a Logical Framework for the PMR and a set of associated Evaluative Questions were also previously discussed with both the EWG of the PA and the PMR Secretariat during the period between July and October 2014. In this particular case, moreover, it is important to clarify that DPMG’s role was somewhat different from that in the case of the First Independent Evaluation. In that of the former, DPMG has served more as an advisor to the PA, in the process fully accepting the guidance and suggestions provided by the EWG and Secretariat, and not as an evaluator, reserving the right to present and maintain its findings, conclusions and recommendations independently of the reactions of the EWG, Secretariat and full PA even while taking these views into account.

<sup>7</sup> It should be observed in this context, that each of the Market Readiness Proposals (MRPs) developed by individual ICPs, once translated into projects that can be financed by Delivery Partners (hereafter “Bankable” projects), will have their own Results Frameworks and Monitoring and Evaluation (M&E) arrangements, so these are not the focus of the present evaluation.

<sup>8</sup> See DPMG, *Preliminary Findings of the First Independent Evaluation of the Partnership for Market Readiness (PMR)*, Arlington, Virginia, October 2014.

<sup>9</sup> DPMG, *Partnership for Market Readiness (PMR): Interim Findings Report*, Arlington, Virginia, September 2014. Distribution of this report, which focused on the three country case studies (China, Mexico, and Turkey) for which field visits and multi-stakeholder interviews were conducted by DPMG and the PMR’s knowledge management and sharing activities to date, was restricted to the PMR Secretariat at its request and was mainly intended to meet a contractual obligation. However, its principal findings and recommendations, with the benefit of the PMR Secretariat’s comments and subsequent discussions, as appropriate, are reproduced in the present report.

<sup>10</sup> PMR Secretariat, *TORs, op. cit.* Annex 2, pp. 1-2. However, it was subsequently agreed with the PMR Secretariat, that “performance,” which actually refers to most, if not all, of these criteria, should be substituted by “efficiency,” as per the OECD/DAC evaluation criteria.

World Bank and many other development organizations. These criteria include relevance, effectiveness, efficiency, impacts and sustainability.<sup>11</sup>

**1.5.** Similarly, it was recognized that it is too early to evaluate the PMR’s impacts and sustainability because implementation of its principal activities at the country level has barely begun even though the PMR has been under implementation for more than three-and-a-half years. Thus, it was agreed that the present assessment would be a “formative” rather than “summative” evaluation, and, as such would focus on the first three of the OECD/DAC standard evaluation criteria listed above. For the same reason, it was agreed that, of the two major functions of any evaluation—accountability and lesson learning—the present assessment would focus primarily on drawing conclusions and extracting lessons from the PMR experience to date rather than on the extent to which it has achieved its stated objectives, although this too would be taken into account. It was likewise recognized that, as the PMR is a global partnership program<sup>12</sup> and as the ToR themselves clearly stipulate, the adequacy of its governance and management arrangements to date would also be assessed.

**1.6.** A description of PMR objectives, activities and evolution since 2011 can be found in Chapter II. Chapter III summarizes the approach and methodology for the evaluation. Chapters IV, V, and VI present the evaluation of PMR’s relevance, effectiveness, and efficiency. Chapter VII assesses the PMR’s governance and management arrangements and Chapter VIII summarizes the main conclusions, lessons, and recommendations of the evaluation.

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<sup>11</sup> For more on these criteria, see OECD/DAC, *DAC Principles for Evaluation of Development Assistance* (1991) and later defined in the *Glossary of Key Terms in Evaluation and Results Based Management* (2000)

<sup>12</sup> According to one methodological document on this subject, a global partnership program has the following defining characteristics: (i) the partners contribute and pool resources (financial, technical, staff, and reputational) toward achieving agreed-upon objectives over time; (ii) the activities of the program are global, regional, or multi-country (i.e., not single country) in scope; and (iii) the partners establish a new organization with a governance structure and management unit to deliver these activities.” See Independent Evaluation Group (IEG) and OECD/DAC Network on Development Evaluation, *Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards*, World Bank, Washington, D.C., 2007, pg. xvi. This source also observes that: “some, generally small, programs are primarily policy or knowledge networks that facilitate communication, advocate policy change, and generate and disseminate knowledge and good practices in their sector. [But] other, somewhat larger, programs also provide country or local-level technical assistance to support national policy and institutional reforms and capacity strengthening, and to catalyze public or private investment in the sector. [And] the largest programs also provide investment resources to support the provision of global, regional, or national public goods.” As climate change mitigation is a global public good and meets all the other criteria indicated above, the PMR clearly a larger global partnership program and should also be evaluated as such.

## Chapter II: PMR Objectives, Funding, Institutional Arrangements, Procedures and Activities

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### A. Objectives and Operating Principles

**2.1.** The Partnership for Market Readiness (PMR) was launched at the 16th Conference of the Parties (COP 16) of the United Nations Framework Convention on Climate Change (UNFCCC) in Cancun, Mexico in December 2010. An organizational meeting for the PMR was held in Bangkok in April 2011, at which time the Partnership's objectives and governance framework were agreed. They were endorsed by the first Participant Assembly (PA 1) meeting held one month later in Barcelona.<sup>13</sup> Since that time there have been nine other PA meetings, in Istanbul (PA 2), Cologne (PA 3 and PA 9), Sydney, Australia (PA 4), Washington D.C., (PA 5), again in Barcelona (PA6), Marrakesh (PA 7), Mexico City (PA 8), and Santiago (PA 10), and one "extraordinary meeting" in Shenzhen, China (in March 2012 between PA 2 and PA 3). PA 11 will be held in London in March 2015.

**2.2.** The PMR's objectives and governance structure have not been formally changed since they were endorsed at PA 1. However, the way these "core" objectives have been stated has evolved as the PMR has progressed over the past three years. According to the May 2011 *Design Document*, the PMR "provides a platform for technical discussions and the exchange of information on market instruments for mitigation, and helps interested countries build capacity for scaling up mitigation efforts through the design, development and piloting of market instruments appropriate to a country's domestic context." In this regard, it was expected to achieve the following objectives:

- i. To provide grant financing to countries for building market readiness components.
- ii. To pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage.
- iii. To create a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote South-South cooperation, and explore and innovate together on new instruments and approaches.
- iv. To create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
- v. To share lessons learned, including with the UNFCCC.<sup>14</sup>

**2.3.** The *Design Document* also contained a Box, reproduced below, which provided a preliminary list of "market readiness components." In doing so, however, it stressed that "market readiness" was an "evolving concept" and that requirements would be likely to differ "depending on the type, scope, scale and degree of international linkage of the market instrument selected by each host country." It also affirmed that the list was "not comprehensive" and "for illustrative purposes only." While this is a helpful starting point, these components reflect how market mechanisms had evolved historically up to that time, through the Clean Development Mechanism (CDM) under the Kyoto Protocol and the European Union's pioneering Emission Trading Scheme (EU ETS). Thus, they do not reflect the more recent focus in the global policy dialogue on greenhouse gas (GHG) mitigation with respect to the use of carbon pricing instruments, including carbon taxes, and other MBIs, nor the significant downturn in the international carbon market

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<sup>13</sup> Partnership for Market Readiness, *Design Document*, May 24, 2011.

<sup>14</sup> *Ibid.*, pg. 9 and also in Annex 2 *PMR Governance Framework*, pg. 21.

since the PMR was launched, particularly in terms of the sharp decline in demand for carbon credits, which was not anticipated in 2011.

### **Box 1: Components of Market Readiness**

#### Technical Components:

- Defining the “boundary”, including identifying geographical boundaries, covered sources and sectors, and the eligible activities that are to be encouraged by the market.
- Data collection and management at appropriate levels of granularity.
- Establishing emissions reference levels using established guidelines such as IPCC and international and domestic industry protocols.
- Identifying factors and eligibility criteria for clear, predictable and efficient crediting of activities.
- Introducing a robust measurement, reporting and verification (MRV) system.
- Emission (or other) accounting and registry system.
- Transactions log.

#### Institutional Components:

- Organizing institutional arrangements for:
  - Co-ordination with stakeholders.
  - Co-ordination of data collection and processing.
  - Regulation of the system, including supervision of MRV.
  - Supervision of implementation and compliance and enforcement processes.
  - Management of risks and ownership issues associated with financial instruments, contracting between parties, and tracking of carbon assets.
  - Accreditation of relevant independent auditing bodies as appropriate.

#### Policy Components:

- Assessment of mitigation potential with a program or sector “boundary” and suitable policy instruments, including role of market instruments.
- Goal setting and adjustments.
- Prepare instruments for implementation.
- Incentivizing private sector participation and rewarding good performers.

Source: PMR *Design Document*, May 2011

**2.4.** The *Design Document* also presented the “operating principles” for the PMR, specifically to: (i) be country-led and to build on nationally defined and prioritized mitigation policies, according to each implementing country’s national circumstances; (ii) coordinate with other readiness efforts to avoid duplication and ensure effective use of resources; (iii) cooperate with other actors and processes that are undertaking similar initiatives, such as UN agencies and other multilateral development banks; and (iv) promote learning-by-doing through early and integrated efforts.”<sup>15</sup> These principles continue to orient and underlie the PMR’s approach and activities.

**2.5.** The language used to express the PMR’s objectives, however, has undergone a number of changes in subsequent documents. The *Annual Report for FY 2013*, for example, reduces the PMR’s “core objectives” from five to four and states them in the following terms:

- i. Provide grant funding for building market readiness components that support the implementation of market-based approaches to carbon mitigation.
- ii. Pilot innovative carbon pricing instruments, e.g., domestic emission trading schemes (ETS), new crediting mechanisms or carbon taxes.

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<sup>15</sup> *Ibid.*, Annex 2, *PMR Governance Framework*, para. 2.1.

- iii. Provide a platform for technical discussions, country-to-country exchanges, and collective innovation on new market instruments. Share insights and lessons learned with the international community, including the UNFCCC.
- iv. Support efforts to establish common standards and approaches for the use of market-based instruments to facilitate a global carbon market or price on carbon.<sup>16</sup>

**2.6.** Objective iv, which explicitly mentions the establishment of “common standards and approaches” and “a global carbon market or price on carbon” is essentially new, although not inconsistent with those previously endorsed by the PA, while original objectives iii and v have been combined. However, the former objective iv—“to create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements”—has been dropped, even though both objectives iii and iv in the list immediately above still depend on KM&S. However, there was no explanation in the report as to why these changes were made or whether they had been formally endorsed by the Partnership Assembly.

**2.7.** Elsewhere the report observes that “through grant funding and technical assistance, the PMR helps to build capacity to support the design and implementation of market-based approaches for GHG mitigation, including domestic emissions trading systems (ETS), carbon taxes, and new crediting mechanisms. In addition, the partnership brings together developed and developing countries for technical discussions and collective innovation to foster low-carbon development.” It also confirms that “at its core, the PMR is a country-led partnership that leverages collective action to scale up climate change mitigation. Recognizing that this scale-up requires a truly global effort, the PMR brings together developed and developing countries, policy experts and multi-lateral development partners, providing a useful platform for knowledge sharing. Nearly every major economy sits at its table.”<sup>17</sup> In this sense, both its initial objectives as well as its operating principles continue largely the same even though carbon taxes as such were not specifically mentioned in the earlier *Design Document*.<sup>18</sup>

**2.8.** Another document, the *PMR Brochure*, dated May 2013, reduces the PMR’s “core” objectives from four to three, by leaving out the fourth of the above cited objectives altogether.<sup>19</sup> In addition, there were changes in the way two of the four objectives listed above were stated in the PMR’s *Annual Reports* for FY2013 and for the period from April 2013 to April 2014, respectively. In the FY13 *Annual Report*, the first part of objective iii was stated as to “provide a platform for technical discussions, country-to-country exchanges, and collective innovation on new market instruments,” while in the April 2013-2014 *Annual Report*, as noted above, “collective innovation on cost-effective approaches to GHG [greenhouse gas] mitigation” was substituted for “collective innovation on new market instruments.” Similarly, in the April 2013-2014 *Annual Report* the phrase “for the use of carbon pricing and other innovative instruments to

<sup>16</sup> PMR, *Annual Report FY 2013*, pg. 2. The fiscal year adopted is the same as that used by the World Bank, thus FY 13 covers the period from July 1, 2012 through June 30, 2013.

<sup>17</sup> *Ibid.*, pg. 2. Of the world’s twenty largest economies (in terms of GDP) in 2012, all but France (no. 5), Russia (8), Italy (9), Canada (11), South Korea (15) and Saudi Arabia (19) are presently members of the PMR, including most of the top developing countries on the list: China (2), Brazil (7), India (10), Indonesia (16), and Turkey (19).

<sup>18</sup> This document contains an Annex which briefly describes the “market instruments being discussed internationally” at the time it was issued, which included the following: (i) offsetting mechanism: reformed CDM (Clean Development Mechanism); (ii) crediting mechanisms: (a) sectoral crediting; (b) technology based approach; (c) NAMA (Nationally Appropriate Mitigation Activities) crediting; and (iii) allocation mechanisms: (a) sectoral trading and (b) domestic emissions trading. PMR, *Design Document, op. cit., Annex 1*. However, it also stresses that this list was “indicative” and not exhaustive, nor does it prejudice any further development of the instruments or discussions under the UNFCCC” (emphasis in the original), and, thus, by no means excluded carbon pricing instruments.

<sup>19</sup> PMR, *Partnership for Market Readiness: Pricing Carbon and Shaping the Next Generation of Carbon Markets - PMR Brochure*, Washington D.C., May 2013, pg. 1.

scale up domestic GHG mitigation” in the FY 2013 *Annual Report* was substituted for “the use of market-based instruments to facilitate a global carbon market or price on carbon,” thereby shifting the focus from the international to the national level.

**2.9.** The above cited changes in the way the PMR’s objectives have been stated are a reflection of how the international policy dialogue around the aims (e.g., low carbon development) of and instruments for (e.g., carbon pricing such as carbon taxes) GHG mitigation have themselves evolved over the period since the PMR was launched, which has led to shifts in its focus as well. Thus, in assessing the PMR’s performance to date, it is important to keep in mind that the international and national policy environments in which its activities are taking place are rapidly changing, and that considerable uncertainties remain as to how they will continue to evolve in the years immediately ahead.

**2.10.** Finally, while “the creation and dissemination of knowledge” was omitted as a “core” objective in both the FY 2013 and April 2013-2014 *Annual Reports*, knowledge management continues to be part of the PMR’s activities, meriting a separate section or chapter in this report, which briefly describes the PMR website, Technical Workshops and other events between October 2012 and March 2013, and the PMR’s Technical Work Program more generally.<sup>20</sup> This objective is perhaps implicitly subsumed under objective iii above, as the *Annual Report* for FY13 affirmed that:

Knowledge creation and knowledge sharing are a key part of the PMR’s work. The PMR seeks to improve countries’ access to knowledge as a means to enhance the ability to strengthen market readiness. Simultaneously, it seeks to multiply the impacts of individual PMR readiness processes through effective sharing of lessons learned. The PMR’s approach to knowledge sharing continues to evolve; it currently incorporates a three-pronged approach: 1) provide a public repository for the latest thinking and developments on market-based approaches to mitigation through the PMR website; 2) provide opportunities for knowledge sharing on policy and technical topics during meetings and workshops; and 3) develop systematic support, driven by country need through the PMR Technical Work Program.<sup>21</sup>

## **B. Participants and Funding**

**2.11.** There are several types of PMR participants and other stakeholders at present, all but one of which were specifically identified in the initial *Design Document* and *Governance Framework*. The Contributing Participants (or CPs) consist of those donor countries or organizations that have made a financial contribution of at least US\$ 5 million to the PMR Trust Fund.<sup>22</sup> At present, there are thirteen CPs: Australia, Denmark, the European Commission (EC), Finland, Germany, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The other significant group of participating countries is composed of those that have formally expressed interest in receiving PMR financial and technical support to help them implement Market Readiness Proposals (MRPs). These are the

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<sup>20</sup> PMR, *Annual Report FY 2013*, *op. cit.*, Section 4, pp. 11-14.

<sup>21</sup> *Ibid.*, pg. 11. This was repeated verbatim in the *Annual Report April 2013-2014*, pg. 17.

<sup>22</sup> More formally, according to the *Design Document*, *op. cit.*, para. 30, pg. 16, the CPs consist of “all donors that have contributed financially to the PMR and that have entered into an administrative agreement with the International Bank for Reconstruction and Development.” According to the *Annual Report* for FY 13, *op. cit.*, Table 3, pg. 15, the first CPs to sign administrative agreements with World Bank was Norway (November 2010), followed by Japan, the Netherlands, and Switzerland (July 2011), followed by Germany and the United Kingdom (November 2011), the European Commission (December 2011), Australia (May 2012), Denmark (July 2012), Finland and Sweden (November 2012). Several CPs had also signed supplemental agreements, including Australia, the EC, Japan, and the Netherlands, while the agreement with the United States was still in draft as of May 2013.

Implementing Country Participants (or ICPs), of which there are now seventeen: Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, Peru, South Africa, Thailand, Tunisia, Turkey, Ukraine, and Vietnam.

**2.12.** In addition, a new category of participants, the “Technical Partners” (or TPs), was officially added (and the *PMR Governance Framework* amended accordingly<sup>23</sup>) in 2014 to include “countries and sub-nationals that are already in advanced stages of developing or implementing a carbon pricing instrument, are willing to engage in PMR collaborative activities and, if needed, will receive technical assistance.”<sup>24</sup> In March 2014, Kazakhstan officially became the first Technical Partner and was allocated funding to support development of its domestic ETS. Two other TPs were accepted during PA 10 in November 2014, the state of California and the province of Quebec. Neither of these TPs, however, was expected to receive funding or technical assistance, but rather to contribute by means of (non-voting) participation in PA meetings, provision of technical support, and information exchange.<sup>25</sup>

**2.13.** Three other types of stakeholders were also identified in the PMR’s founding documents: Observers, Technical Experts, and Delivery Partners. According to the *Design Document*, “countries, organizations, and entities relevant to the activities of the PMR and the delivery partners may be invited to attend the meetings of the PMR as observers.”<sup>26</sup> Thus far, a number of organizations, including several other countries, the Asian, Latin American and European Development Banks (ADB, CAF, and EBRD, respectively), the UNFCCC, and pertinent research institutes and NGOs, among others, have attended PA meetings as observers. The second category was identified in the *Design Document*, as follows: “experts, including those drawn from the roster of experts established by the PMR Secretariat, may be engaged to facilitate the work of the PMR, including attending the meetings of the PMR to provide expert advice, and may provide technical assistance to Implementing Country Participants for readiness preparation and implementation.”<sup>27</sup> The principal Delivery Partner for the PMR to date has been the World Bank, which also “provides secretariat and technical support for the day-to-day operations of the PMR” and serves as trustee of the PMR Trust Fund. However, in accordance with the *Design Document*, “in some cases the PMR may rely on other multilateral development banks (MDBs) and UN agencies to provide support for grant implementation, as some of these agencies may have pre-existing relationships or ongoing work in

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<sup>23</sup> This occurred via Resolution No. PA8-4014-3 in March 2014 whereby the *PMR Governance Framework* was amended to allow some countries and subnational jurisdictions to join the PMR as Technical Partners, subject to the PA’s prior consideration and approval, provided that: (i) it has expressed interest in engaging with the PMR as a Technical Partner; and (ii) it is developing or in the process of implementing an emission trading scheme, carbon tax or another market instrument that serves the objective of the PMRs set out in Section 1 of the *Governance Framework*. According to the revision introduced in this document, moreover, “the PMR Secretariat may collaborate with Technical Partners to carry out joint activities such as workshops, training, and analytical work [while] a Technical Partner is entitled to attend the meetings of the PA without the right to vote.”

<sup>24</sup> PMR, *Annual Report April 2013-2014*, *op. cit.*, pp. 7-8.

<sup>25</sup> See PMR, *Resolutions No. PA10/2014-2 and PA10/2014-3*, November 4, 2014, by which the PA formally approved California and Quebec as Technical Partners of the PMR.

<sup>26</sup> PMR, *Design Document*, *op. cit.*, para. 32, pg. 16.

<sup>27</sup> *Ibid.*, para. 33, pg. 16. It goes on to state that “the roster of experts includes, for example, representatives in organizations active in capacity building, consultants specializing in carbon markets, and academics and practitioners that have been involved in designing and implementing carbon market instruments. The roster serves two objectives: (i) act as a staffing resource for technical expertise for capacity building associated with the PMR; (ii) serve as a single source of information on professionals operating in climate change and carbon related fields. Support to PMR activities from this group will be supplemented by local expertise that will handle design and implementation in country.”

countries also working with the PMR.”<sup>28</sup> Each Delivery Partner is responsible for the use of funds transferred to it from the PMR Trust Fund as well as for the activities carried out in the ICPs with these resources “in accordance with its own policies and procedures” as well as being “directly accountable” to the Partnership Assembly. To date, the World Bank has been nominated as the exclusive PMR Delivery Partner for all countries but Vietnam, where this responsibility is shared with the Asian Development Bank (ADB).

**2.14.** The *Design Document* for the PMR established an initial target funding level of US\$ 100 million for purposes of grant financing. The document recognized that this amount was “small relative to the likely overall need for capacity building in order for developing countries to participate in carbon markets.”<sup>29</sup> It affirmed, moreover, that while it was “expected to provide a good starting point for initiating implementation of market readiness and pilots, the proposed scale of the PMR will not sustain covering the full costs of implementation” and “it is anticipated that countries will be able to use the grant financing to leverage other sources of support to meet the remaining costs.”<sup>30</sup> This is an important caveat and represents a potential constraint on PMR effectiveness in that full and timely implementation of the MRPs, will ultimately depend not only on the grant funding provided by PMR but on financial resources, and perhaps also technical contributions, leveraged from other sources as well.

### **C. Governance and Management Arrangements**

**2.15.** The PMR’s institutional arrangements were also established during the organizational meeting in Bangkok in April 2011 and confirmed in the first PA meeting in Barcelona in May that same year. In addition to providing for the Trust Fund, these arrangements included establishment of the Partnership Assembly (PA), as the “ultimate decision-making body of the PMR,” and the PMR Secretariat for its day-to-day administration. The PA consists of all the CPs, ICPs, and, as non-voting members, the TPs and Observers mentioned above. According to the *Design Document*, all of its decisions are to be made on a “consensus basis.” However, any voting PMR participant who does not agree with this consensus is entitled to “record its view as a note to the decisions.” It was also determined that “if all efforts to reach consensus have been exhausted and no decision has been reached, decision will be taken by two-thirds majority of the Contributing Participants and two-thirds majority of the Implementing Country Participants present and voting at the PA, on the basis of one (1) vote per [eligible to vote] PMR participant.”<sup>31</sup> The PA was expected to meet “twice a year or at any other frequency as may be decided...on the basis of recommendation by the Secretariat.”<sup>32</sup> In practice however, since 2012, PA meetings have occurred three times a year. PA meetings are co-chaired by representatives elected from one CP and one ICP, currently Finland and Colombia.

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<sup>28</sup> *Ibid.*, para. 35, pg. 17. It also observes that “the selection of delivery partners for a specific country/activity will be determined on a case-by-case basis. All delivery partners will be responsible for collaborating with the agreed Implementing Country Participants to assist them in carrying out the activities of the PMR, supervising grant implementation and providing technical support as needed.

<sup>29</sup> *Ibid.*, para. 40, pg. 18. A footnote indicates that “Ecofys estimates that this need will reach US\$ 5.1 billion by 2020” and cites an ECOFYS report entitled *Linking Developing Countries to Carbon Markets: Cost Assessment of Capacity Building Requirements*, dated April 2009. ECOFYS, based in the Netherlands, is a self-described leading consultancy in renewable energy, energy and carbon efficiency, energy systems and markets, and energy and climate policy.

<sup>30</sup> *Ibid.*, para. 40, pg. 18.

<sup>31</sup> PMR, *Design Document*, *op. cit.*, para. 30, pg. 16.

<sup>32</sup> PMR, *PMR Governance Framework*, para. 4.5, pg. 25.



**2.16.** The *Governance Framework* likewise included provisions for establishment of a “Partnership Committee” by the PA to act on its behalf once there were ten confirmed CPs and an equal number of confirmed ICPs. However, even though there are presently 13 CPs and 17 ICPs, the PA has thus far decided not to constitute such a Committee and, thus, maintains full responsibility for all PMR decisions, including those for grant funding allocation for the preparation of Market Readiness Proposals (MRPs) – US\$ 350,000 each – and, once formally endorsed, for their subsequent implementation. Thus far, all seventeen ICPs have received preparation grants, totaling US\$ 5.95 million, and twelve countries have had implementation funding endorsed by the PA,<sup>33</sup> for a total of US\$ 41 million. This notwithstanding, as of the end of 2014, only Chile, China, and Turkey had signed Grant Agreements with the World Bank, for a total of US\$ 14 million. Kazakhstan has also been granted an envelope of US\$ 1 million from the PMR to assist with implementation of its national Emissions Trading Scheme (ETS).

**2.17.** In 2014, the PMR Secretariat had three full-time professionals—including a team leader, who has remained the same since it began—and a full-time staff assistant together with seven other professionals who dedicated between 10 and 60 percent of their time to the PMR, or, collectively, about another three additional full-time equivalents.<sup>34</sup> This total rose from no full-time and five part-time staff, representing just over two full-time staff equivalents in 2012 and three full-time and four part-time staff, representing roughly 4.3 full-time staff equivalent in 2013. There has also been considerable turnover in Secretariat staff over the past four years, as two of the three full-time staff of the Secretariat in 2013 and two of those in 2014 have since moved on to positions elsewhere, including in one case (a person who had worked full-time for the Secretariat in both 2013 and 2014) in the field.<sup>35</sup>

**2.18.** The Secretariat is housed in the Climate and Carbon Finance Unit (CCFU)<sup>36</sup> within the World Bank Group’s<sup>37</sup> Climate Change Vice Presidency. According to its most recent *Annual Report*, the CCFU’s mission is “to support putting a price on carbon by providing assistance on and piloting innovative cost-effective climate change mitigation in World Bank client countries.”<sup>38</sup> The specific responsibilities of both the PA and the PMR Secretariat are reproduced in Box 2. Finally, and, while not originally contemplated in the founding documents, the PA has established several Technical Working Groups composed of both CP and ICP representatives. According to the *Annual Report April 2013-2014*, such working groups were created for baseline setting “to advise on priorities for knowledge products and to clarify their scope of work on baselines,”<sup>39</sup> and, in October 2013, for domestic offset program design “to act as a steering body,

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<sup>33</sup> Brazil, Chile, China, Colombia, Costa Rica, Indonesia, Mexico, Morocco, Thailand, Turkey, Ukraine and Vietnam.

<sup>34</sup> With the exception of the team leader, many of these professionals are under either extended-term or short-term contracts and have had varying degrees of prior experience with World Bank operational activities.

<sup>35</sup> Even though they are no longer with the PMR Secretariat, two of the three individuals referred to above were met by the evaluation team during the initial Learning Week (see the next chapter) and the third was subsequently interviewed by Skype.

<sup>36</sup> Until July 1, 2014, this unit was called the Carbon Finance Unit (CFU).

<sup>37</sup> The World Bank Group consists of the International Bank for Reconstruction and Development (IBRD) and the International Development (IDA) (together known as the World Bank), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

<sup>38</sup> Carbon Finance Unit, *Carbon Finance for Sustainable Development: 2013 Annual Report*, Washington D.C., 2014. This report covers CFU activities between January 1 and December 31, 2013 and, in addition to the PMR, includes those of the Forest Carbon Partnership Facility (FCPF), launched in June 2008, the Carbon Partnership Facility (CPF), which became operational in January 2009, and the more recent Carbon Initiative for Development (CIDev), initiated in March 2013 and the BioCarbon Initiative for Sustainable Forest Landscapes, which became operational in November 2013, which are collectively labeled “Next Generation Carbon Market Initiatives.”

<sup>39</sup> PMR, *Annual Report April 2013-2014*, *op. cit.*, pp. 20-21

reviewing deliverables in this program.”<sup>40</sup> A working group on Monitoring, Reporting, and Verification (MRV) has also been set up,<sup>41</sup> as has an Evaluation Working Group (EWG) to orient and oversee development of the PMR’s Evaluation Framework and the present evaluation.

### Box 2: Roles and Responsibilities of the PA and PMR Secretariat

According to the *PMR Governance Framework* document, the specific roles and responsibilities of the **Partnership Assembly (PA)** are the following:

- (a) provide strategic guidance for the operation of the PMR;
- (b) confirm the participation of countries that have submitted an expression of interest to participate in the PMR;
- (c) approve the allocation of PMR resources to the ICPs;
- (d) approve the budget for the operation of the PMR;
- (e) monitor the operation of the PMR;
- (f) decide on other matters related to the operation of the PMR;
- (g) provided guidance to the Partnership Committee, if established; and
- (h) exercise other functions as the PA may deem appropriate to fulfill the purposes of the PMR.

The roles and responsibilities of the **PMR Secretariat**, in turn, are:

- (a) propose a provisional agenda for the meetings of the PMR;
- (b) provide secretariat services to meetings of the PMR;
- (c) develop guidelines for allocation of funding for consideration by the PA;
- (d) review funding proposals for completeness and quality;
- (e) propose a budget for approval by the PA;
- (f) prepare updates or consolidated progress reports on the individual activities of the PMR and on the PMR as a whole, for the meetings of the PA;
- (g) maintain a website with details and relevant documentation about the PMR;
- (h) disseminate knowledge gained under the PMR; and
- (i) perform other functions necessary for facilitating the operation of the PMR.

Source: PMR Governance Framework

## D. Procedures, Activities, and Instruments

**2.19.** The PMR provides both grant funding and technical assistance to ICPs and selected TPs. This occurs through two distinct stages, each requiring endorsement by the PA: (i) a preparation phase in which ICPs formulate Market Readiness Proposals (MRPs), supported by US\$ 350,000 preparation grants;<sup>42</sup> and (ii) an implementation phase in which they implement the activities identified in their respective MRPs once they are finalized and endorsed by the PA and Grant Agreements have been negotiated and signed with the Delivery Partner. To orient MRP preparation, the PMR adopted a *Market Readiness Tool* in

<sup>40</sup> *Ibid.*, pg. 21. Established in October 2013, PMR participants that have contributed to this Working Group are Brazil, Chile, Colombia, Costa Rica, the EC, Finland, Germany, Indonesia, Kazakhstan, Mexico, Netherlands, Norway, Peru, South Africa, Sweden, Switzerland, Thailand, UK, USA, as well as representatives from California and Quebec.

<sup>41</sup> As of May 2014, this Working Group had met three times, held virtual consultations, convened expert contributions to support MRV Technical Trainings (see the next section), and has provided technical feedback during the review of several knowledge products.

<sup>42</sup> Brief summaries of the country context and the proposed activities to be covered by the PMR in each of the 17 ICP’s are provided in the *Annual Report April 2013-2014* for Latin America (pg. 12), East and South Asia (pg. 13), and other regions (pg. 14) to which the interested reader is referred. Each country also has its own page on the PMR website.

October 2011, which was updated to incorporate experience up to that time in December 2012.<sup>43</sup> The preparation of the MRP Tool, together with the discussion that took place around it at the PA, and of all the individual MRPs has had a positive impact in terms of the exchange of knowledge and experience related to the design, development and piloting of MBIs (and other instruments).

**2.20.** During the preparation phase, according to the most recent *Annual Report*, “once a country has completed a draft MRP, it goes through a feedback process [through which] a group of independent experts, selected [by the PMR Secretariat] for their expertise on the specific activities included in the MRP, provides suggestions for improvement. In each case, experienced experts, most often hired by the Delivery Partners, have helped ICPs to prepare their MRPs, including through numerous interactions with government institutions, but also other stakeholders in the countries. The PA also has an opportunity to provide feedback. Implementing Country Participants are encouraged to take into consideration all feedback in finalizing the MRP.”<sup>44</sup> Once the final MRP is presented to and endorsed by the PA, implementation funding of US\$ 3, 5 or 8 million is allocated. However, these resources are only effectively received by the ICPs for MRP implementation once the associated Grant Agreements have been signed with the Delivery Partner and become effective.

**2.21.** As of April 2014, draft MRPs had been submitted by and the MRP feedback process had been completed for twelve countries, while final MRPs had been presented by nine countries and implementation funding endorsed by the PA for seven.<sup>45</sup> During PA 9 in Cologne in May 2014, final MRPs for Colombia and Morocco were presented and US\$ 3 million implementation grants approved. By special request, the MRPs for Brazil and Ukraine were approved electronically during the summer of 2014, and Vietnam’s final MRP was approved for a similar amount of implementation funding in PA 10 in Santiago in November 2014, at which time South Africa also presented its draft MRP.

**2.22.** The PMR’s activities are not restricted to the preparation and endorsement of MRPs. In addition to the PA meetings, most of the other activities are executed as part of the PMR’s Technical Work Program (TWP), which is also summarized in each *Annual Report* as well as in a more detailed report and periodic updates to the PA. The most recent of these reports provides the following description: “the PMR Technical Work Program complements MRP activities with the objective to facilitate experience and knowledge sharing on best practices, outline options to address common questions, issues and their respective implications, and support the emergence of common standards through the development of domestic infrastructure which are credible, consistent, and potentially compatible (i.e., the 3 Cs).”<sup>46</sup> According to this document, the TWP, which was first launched as such in March 2013, presently contains four key components or focal areas: (i) GHG monitoring, reporting and verification (MRV); (ii) data management,

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<sup>43</sup> PMR, *Tool for Market Readiness Proposal (MRP): Guidance Document (version 2)*, Washington D.C., December 20, 2012. See also PMR, *Guide for the Template for Organizing Framework for Scoping PMR activities*, Power Point presentation, Washington D.C., April 22, 2011 and PMR Secretariat, *From Market Readiness Proposals (MRP) to feedback to funding allocation: process, criteria, considerations, decisions and timing*, Power Point presentation, Washington D.C. August 13, 2012

<sup>44</sup> *Annual Report April 2013-4014, op. cit.*, pg. 8.

<sup>45</sup> *Ibid.*, pg. 11. More specifically, ICPs falling into the first category were Brazil, Chile, China, Colombia, Costa Rica, Indonesia, Mexico, Morocco, Thailand, Turkey, Ukraine and Vietnam, while all but Brazil, Ukraine, and Vietnam fell into the second category, and all of the above but Brazil, Colombia, Morocco, Ukraine, and Vietnam fell into the latter. Implementation grants for Chile, China, Costa Rica, and Mexico were approved at PA 5 in Washington DC in March 2013, that for Turkey was approved at PA 6 in Barcelona in May 2013, that for Indonesia at PA 7 in Marrakesh in October 2013, and that for Thailand at PA 8 in Mexico City in March 2014.

<sup>46</sup> See, for example, PMR, *PMR Technical Work Program: Report on FY 14 Activities and Proposal for FY 15*, PMR Note PA9-2014-2, Washington D.C., May 2014, para 3, pg. 1.

GHG registries, and tracking tools; (iii) offset programs; and (iv) GHG baseline setting. As noted in the previous section, specific PA Working Groups have been established over the past year or two to over three components (i), (iii) and (iv) mentioned above. More generally, the components of the TWP are viewed by the Secretariat as “complementing and supporting countries’ implementation activities through knowledge and capacity development, experience exchange, and practical guidance.”<sup>47</sup> The update on the TWP presented at PA10 in Santiago, additionally, proposed the establishment of two new “thematic streams” for 2015, which would also result in the creation of two further Working Groups, for ETS and carbon taxes, specifically.<sup>48</sup> While it is still too early to evaluate the relevance, effectiveness, and efficiency of these proposed and the three existing Technical Working Groups, all of these factors should be assessed in future evaluations of the PMR.

**2.23.** In order to achieve its objectives—i.e., the “timely sharing of knowledge, experience and innovative and cutting-edge approaches among PMR participants”—and to deliver technical assistance to ICPs “in a comprehensive and programmatic manner,” the TWP employs “a range of activities and delivery modes,” which are briefly described below.<sup>49</sup> A comprehensive list of PMR knowledge products, technical events and other outputs to date is contained in Annex 2.

- Knowledge products, such as Technical Notes and, in the future, other analytical products, [which] can be used as guidance to support countries to inform and complement their MRP activities.<sup>50</sup>
- Technical workshops, [which] provide an important platform for the PMR participants to engage in technical discussions with experts and both provide and seek feedback on specific innovative policies, therefore enhancing their individual capacities.
- Country-to-country exchanges [that] support knowledge sharing directly among the PMR participants, for example, through the organization of bilateral, regional, or multilateral dialogues [and which]...provide an opportunity for PMR participants to examine solutions on issues encountered in other PMR countries.
- Technical Trainings, [which] complement the technical work program by disseminating knowledge among and beyond PMR participants – notably through engaging a range of country stakeholders and practitioners with the aim to support the development of local expertise and enhance existing capacities.<sup>51</sup>
- E-learning modules [that] are being used to disseminate knowledge products and experience to a wider audience, in collaboration with the World Bank Institute.

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<sup>47</sup> *Ibid.*, para. 5, pg. 1. It also states that “additional analytical support – i.e., work stream on modeling – will also be strengthened [in FY 2015] but outside of the Technical Work Program and in a new program on Upstream Analytical Support” but does not provide details in this regard.

<sup>48</sup> PMR, *PMR Technical Work Program Update, op. cit.*, November 4, 2014.

<sup>49</sup> *Ibid.*, para. 8, pp. 2-3. Emphasis in the original.

<sup>50</sup> In the future, the PMR Secretariat plans to supplement these products “with Country Case Studies to “incorporate and adapt analytical work to country-specific circumstances – for example in the areas of registries or offset programs” as well as through the introduction of “just-in-time Technical Briefs, which will provide regular and timely insights on specific new developments at the domestic or international level. Emphasis in the original.

<sup>51</sup> The document adds that “technical trainings are designed as hands-on practical learning events featuring case studies and group exercises to examine practical considerations relative to specific readiness capacity.”

**2.24.** The Secretariat regularly updates the PA on the PMR’s strategic directions and work program as they evolve. As observed above, for example, the Secretariat launched a major new work stream to support upstream policy analysis in 2014. The proposal to establish this work stream was initially presented by the Secretariat during PA 8 in Mexico City<sup>52</sup> “in an effort to further define the strategic orientation of the future of the PMR and deepen readiness activities at the national and international levels.” Reflecting feedback received from the participants an “Update Note” was presented to PA9 in Cologne,<sup>53</sup> at which a budgetary envelope of US\$ 5 million was approved to finance this activity.<sup>54</sup> According to this note, while much of this feedback was positive, particularly from ICPs that “welcomed the technical input of the proposed work<sup>55</sup>...some Participants cautioned about the political dimension of such work in the context of ongoing negotiations under the UNFCCC (with respect to preparing ‘nationally determined contributions’ (NDCs) for 2015 agreement).” One of the four CPs that provided written feedback on the first note, for example, “stated that the scope of the work would need to be redefined to stay in line with the primary PMR objectives and therefore focus on market readiness instead of attempting to broaden its ambition.”<sup>56</sup>

**2.25.** As concerns the scope of the work to be undertaken at the country level, the Note was not very specific observing that for ICPs still in early stages of MRP preparation, “the analytical support could be folded into the existing PMR work under building block 2 [“policy landscape, objectives and/or preparatory work to support and inform policy decisions”],<sup>57</sup> ensuring the complementarity of two streams of support.” For those ICPs whose MRPs had already been finalized, in turn, it stated that “given that the proposed scope of work and existing knowledge base and studies varies across countries, the actual resources put into each country would differ accordingly.” It was expected, moreover that “the World Bank would determine, in consultation with the host implementing country, the actual scope of... additional analytical work and the amount of resources needed on a case-by-case basis.”<sup>58</sup>

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<sup>52</sup> See PMR Secretariat, *Upstream Analytical Work to Support Development of Policy Options for Mid- and Long-Term Mitigation Objectives*, PMR Note PA8 2014-2, Washington D.C., February 2014.

<sup>53</sup> PMR Secretariat, *Update Note: Supporting PMR Implementing Countries in Identifying Policy Options for Achieving Mid- and Long-Term Mitigation Objectives*, PMR Note PA( 2014-1, Washington D.C., May 2014.

<sup>54</sup> *Ibid.*, pg. 4. This budget was expected to cover: (i) country-level analytical work; (ii) common methodology and framework (including modeling); (iii) international and national technical meetings and workshops; and (iv) World Bank staff time.

<sup>55</sup> According to the *Annual Report April 2013-2014*, *op. cit.*, pg. 16, Brazil, Chile, China, Colombia, Costa Rica, Jordan, Mexico, Peru, and Tunisia had expressed interest in receiving PMR analytical policy support, in most cases to help determine or analyze policy options for post-2020 mitigation scenarios. Their proposed activities for support are summarized in Annex I in the *Update Note* referred to in the previous footnote.

<sup>56</sup> PMR Secretariat, *Update Note*, *op. cit.*, pg. 2. In addition, these CPs “further invited the Secretariat to leverage on the resources within the countries (e.g., existing tools and models), as well as to coordinate with other development partners and initiatives to avoid potential duplication of effort. By the same token they emphasized that the countries that have completed their MRPs need to consider the upstream analytical work as an integral part of their carbon pricing and carbon readiness approach, while also suggesting that the Secretariat would need to work with the implementing countries that are still developing their MRPs in order to ensure the two streams of support are complementary. Lastly, these Participants stressed the importance to profile the PMR work as technical and not directly link it to the negotiation process and existing political concerns.”

<sup>57</sup> See PMR, *Tool for Market Readiness Proposal (version 2)*, *op. cit.*, pp. 13-16.

<sup>58</sup> PMR Secretariat, *Update Note*, *op. cit.*, pg. 4. The Note also affirmed that “based in the approaches outlined above and in view of the envisioned scope of work, the PMR Secretariat and the World Bank teams will work closely with countries and other relevant organizations to develop a common framework or methodology (including modeling) that would facilitate the requested studies.”

**2.26.** An update on this work was presented at PA 10 in Santiago,<sup>59</sup> identifying two streams of support: (i) additional targeted assistance to countries to pursue design and implementation of carbon pricing instruments in response to recent domestic policy developments and outside of the scope of work under the country's previously approved MRP; and (ii) upstream analytical policy support on post-2020 mitigation scenarios that focuses on: (a) development of a common technical guidance in analytical approaches, technical methodologies and processes in the form of a methodological framework or "checklist;" (b) country-specific support; and (c) national and international workshops, technical meetings and consultations. Under the first stream, Chile was receiving assistance in relation to its new carbon tax and Mexico support for development of an ETS for the energy sector.<sup>60</sup>

**2.27.** Expected completion dates for these various activities ranged from December 2014 (development of the "checklist" under stream 2(a) and September 2015 (country support to Peru for the activities under stream 2(b)), but most of the work under this sub-stream was expected to be completed by June 2015. Anticipated costs for these tasks ranged from up to US\$ 80,000 for the checklist to up to US\$ 300,000 for the country support to China. Altogether, up to US\$ 1.405 million, including up to US\$ 125,000 for World Bank country support, of the US\$ 5 million envelope approved by the PA for FY 15, not counting the work under stream 1 for Chile and Mexico, had been allocated for these activities to date.

**2.28.** While it is too soon to assess the relevance and results of this new work stream, as with the Technical Working Groups mentioned above, they should be carefully evaluated in the future. It is nevertheless important to point out that this constitutes a significant new initiative under the PMR and a more than doubling of the budgetary resources allocated to the PMR Secretariat, from an estimated actual total of some US\$ 4.4 million in FY14 to a proposed US\$ 9.8 million for FY15. However, nearly 51 percent of the latter total would potentially be used to finance the upstream policy analytical work, and thus is not for administrative expenses *per se*.<sup>61</sup> This new activity will also represent an additional burden on the Secretariat's human resources. At the same time an increasing number of ICPs will be entering the implementation phase of their MRPs, which is also likely to present increased demands on these resources, as Secretariat staff, some of whom split their time with other Carbon Finance activities, are often members of World Bank supervision teams for the individual projects involved.

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<sup>59</sup> PMR, *Upstream Analytical Policy Work: Update*, November 4, 2014.

<sup>60</sup> Under part (b) of the second stream activities approved for support to date include the following: (i) for Brazil, analysis of low-carbon power options for low-hydrology scenarios; (II) for China, mapping and assessing existing policies and instruments that have major GHG abatement impact, reviewing and comparing existing and ongoing studies on constructing the country's GHG emissions scenarios for 2020, 2030, and 2050, and understanding methodologies used by other countries in setting their mitigation scenarios; (iii) for Colombia, reviewing the country's low carbon development strategy's emissions scenarios and strengthening the robustness of quantitative assessment of sector mitigation options, exploring a robust emission reduction pathway (including the use of carbon pricing instruments), and building and running combined top-down/bottom-up energy-economy-environment models; (iv) for Costa Rica, mapping and assessment of GHG mitigation policies and instruments (including carbon market), establishing mid- and long-term scenarios for economic growth and GHG emissions; and recommendation on shaping national and sectoral abatement targets to achieve carbon neutrality; and (v) for Peru, broadening the scope of the analysis of selected mitigation options, building emission-reduction pathways from GHG mitigation options, and assessing macroeconomic aspects of emission reduction pathways.

<sup>61</sup> PMR Secretariat, *Presentation of the PMR FY14 Expenses and Proposal of the PMR FY15 Budget for Approval*, PMR Note PA9-2014-3, Washington D.C., May 2014, Table 5, pg. 9. The estimated FY14 actual expenses were composed of actual expenses from July 1, 2013 through March 31, 2014 and estimated expenses from April 1 through June 30, 2014.

## **E. Conclusion**

**2.29.** The PMR's objectives, participants, and activities have evolved since its inception in 2011. It has mobilized greater financial resources than initially anticipated, and three ICPs are starting to implement their MRPs. Ten Partnership Assembly (PA) meetings with associated Side Events have been held on a regular basis in various countries—both CPs and ICPs—through the end of 2014. The PMR's Technical Work Program has likewise evolved considerably: nine Technical Notes and other guidance and analytical papers have now been published, a number of technical events—workshops, trainings, and South-to-South (or country-to-country) exchanges—have been realized in various participating countries, and an e-Learning program has been initiated. All of the Technical Notes are available on the PMR website, as are the agendas and other materials, mainly Power Point presentations, associated with the workshops and training and other events organized to date. The PMR Secretariat likewise maintains a roster of technical experts that is also presented on the website. The Technical Work Program and operational budget of the PMR are reviewed and approved by the PA on an annual basis and the Secretariat regularly updates the PA on its proposed strategic thinking regarding the PMR's future.

## Chapter III: Evaluation Approach and Methodology

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### A. Introduction

**3.1.** As observed in Chapter I, it is too early to assess PMR activities in terms of their outcomes, impacts, and sustainability as implementation of MRPs has barely begun. While the PA had approved implementation funding for 12 ICPs out of 17 by the end of 2014, only three (Turkey, China and Chile) had signed grant agreements with the World Bank and, thus, are in a position to start implementing their MRPs. Only one of these agreements (Turkey) was signed prior to mid-2014. Thus, the present evaluation focuses primarily on the relevance, effectiveness and efficiency of the PMR's inputs and outputs to date.

**3.2.** This caveat notwithstanding, an important element in the present evaluation is to consider the MR's role as a catalyst for innovation in the development and introduction of market-based GHG mitigation instruments in varying national institutional, governance and market contexts. National priorities, climate policy and regulatory regimes differ widely across PMR ICPs, including in some cases (e.g., Turkey<sup>62</sup>) their ability to adopt Flexible Mechanisms under the Kyoto Protocol. Several ICPs have already gained experience regarding Flexible Mechanisms with associated registry systems and have recognized and begun to utilize MBIs as key drivers to abate GHG emissions. For example, China aims to develop a national Emissions Trading Scheme (ETS) by 2016 or 2017. To help it do so, the PMR is supporting efforts to learn from and scale up pilot emissions trading systems in five key cities, including Beijing and Shanghai, and two provinces with the objective of building an integrated domestic carbon market in the years ahead. Mexico is developing market-based mechanisms to promote energy efficiency that could cut its emissions by as much as 30 percent by 2020. Even though the PMR is supporting only some of these initiatives, especially development of three Nationally Appropriate Mitigation Activities (NAMAs) for urban mobility, urban development and refrigerators, this is an innovative part of the Mexican Government's overall program.

**3.3.** Chile and South Africa, in turn, are seeking to implement a carbon tax (and Mexico has already adopted one for vehicle fuels), while Costa Rica is focusing on renewables and Reducing Emissions from Deforestation and Forest Degradation (REDD+) program, aiming for a carbon-neutral economy by 2021. However, since Turkey is not an Annex II country under the Kyoto Protocol, and thus is not eligible to utilize Flexible Mechanisms, its priority to date has been to develop a strong Monitoring Reporting and Verification (MRV) system in accordance with the environmental requirements for European Union (EU) accession. Many other ICPs, however, are at a much earlier stage in this regard. Accordingly, one of the key lessons learned by the PMR to date is that its ICPs are presently at very different levels of development with respect to the design and adoption of carbon pricing and other MBIs, as well as of the core technical components or "infrastructure" needed to support them. Thus, it was determined soon after preparation of MRPs began that the differing degrees of ICP familiarity with MBIs to address GHG mitigation did not lend itself to approaches to PMR support that could be easily replicated from one country to the next.

**3.4.** The ability of any country to effectively utilize carbon-pricing instruments to mitigate GHG emissions, moreover, will depend not only on the PMR's actions and support but also and more importantly on the country's ability to put carbon-pricing and/or other MBIs—and the core technical components to support them—into full operation. Putting such instruments into operation ultimately depends on the

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<sup>62</sup> More specifically, Turkey is an Annex 1 country under the UNFCCC and does not have a quantified emissions limitation or reduction objective. Thus, it is not eligible to use or participate in the Kyoto Protocol's flexibility mechanisms. The "Flexible Mechanisms" under the Kyoto Protocol are Emissions Trading (ET), the Clean Development Mechanism (CDM), and Joint Implementation (JI).



political willingness of national governments to do so and the existence of a supportive international policy framework. Additional financial resources, both domestic and external, business infrastructure, innovation, technology diffusion, awareness, and technical assistance will most likely also be required.<sup>63</sup>

**3.5.** With these important caveats in mind, the present evaluation was guided by the following overarching question: In what manner and how effectively and efficiently has the PMR supported its participants in developing their capacity to adopt effective market mechanisms for GHG mitigation to date? In seeking to answer this question, several others also needed to be considered: How has the program responded to the recent evolution of international carbon markets? What have been the value added and catalytic effect of PMR? What conclusions and lessons can be drawn from the PMR's experience to date to help guide its interventions in the future? Seeking answers to these questions, as well as to identifying ways in which the PMR can be more relevant, effective and efficient in the future is the main purpose of this first independent evaluation

**3.6.** In pursuit of this objective, the evaluation has used various methods to triangulate findings on different aspects of the PMR's performance to date from a variety of information sources, including a pertinent literature and PMR documentation review, face-to-face and telephone interviews, focus group discussions, country case studies, and online surveys. Information was collected from the PMR Secretariat, Contributing Partners (CPs), ICPs and Technical Partners (TPs) and, PA Observers, Technical Experts, Delivery Partner (i.e., World Bank) staff, including both Task Team Leaders (TTLs) and team members, Technical Workshop participants, and various other domestic stakeholder groups, including ministries and other national government agencies, industry associations, and NGOs. The approach and timeline of the First Independent Evaluation are briefly described below.

## **B. Evaluation Approach and Timeline**

**3.7.** The activities carried out under the evaluation of the PMR, as well as the preparation of a detailed Evaluation Framework for PMR, which is being reported on in a separate document, have proceeded in parallel. Each of the steps followed is briefly described below, as are the roles of the Evaluation Working Group and the PMR Secretariat in support of the evaluation team with respect to the present evaluation.

### **Learning Week**

**3.8.** The evaluation started with a review of PMR documents, including those associated with its KM&S activities and continued with a "Learning Week" in Washington DC in May 12-15, 2014. This included discussions with present and past members of the PMR Secretariat and World Bank Task Team Leaders and/or team members for PMR activities in Chile, Colombia, Costa Rica, India, Indonesia, Jordan, Kazakhstan, Mexico, Morocco, Peru, South Africa, Thailand, Tunisia, and Vietnam.<sup>64</sup>

### **Inception Report**

**3.9.** The evaluation team made a preliminary presentation of its proposed Evaluation Approach and timeline at PA9 in Cologne on May 27, 2014. The proposal indicated that a Logical Framework for the PMR would be developed in consultation with the PMR Secretariat and the EWG. The goal of this Framework is to more clearly identify the PMR objectives and its key strategic elements (inputs, outputs, intended outcomes, desired impacts) and the causal relationships between them, associated indicators and

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<sup>63</sup> Tokle, S. and Uitto J. "Overview of climate change mitigation and evaluation: What do we know?" Evaluating Climate Change and Development, World Bank Series on Development, Vol 8, Transaction Publishers, 2009.

<sup>64</sup> It was not possible to meet at this time with the TTLs for Brazil and China, who are based in the field. However, both were subsequently interviewed by the evaluation team.

the assumptions and/or risks that underlie them and thus may affect their ultimate success and failure. The proposed Logical Framework would also serve as the basis for identifying the Evaluative Questions to be pursued in the evaluation and subsequent periodic objectives-based and results-oriented assessments of the PMR.

**3.10.** The evaluation approach was refined in the Inception Report that was presented to the PMR Secretariat and EWG in July 2014. This document presented a draft Logical Framework and an associated set of Evaluative Questions (i.e., key questions and sub-questions divided under the three previously agreed evaluation “clusters” of Relevance, Effectiveness and Efficiency). The report also identified data collection methods including interviews and online surveys, and outlined the subsequent evaluation process, country visits, resource allocation and timeline. China, Mexico and Turkey were proposed for brief field visits by the evaluation team based on the comparatively greater progress of these ICPs in terms of the MRP process and to assure regional representativeness.<sup>65</sup> The preliminary Evaluative Questions were organized under the three clusters mentioned above and focused on the grant funding allocation process, the delivery of technical assistance, the dissemination of knowledge products, which are the PMR’s main generic inputs, and PMR governance and management arrangements. Both the Logical Framework and Evaluative Questions were subsequently further discussed and refined with the PMR Secretariat and EWG. Many of the questions later contained in the online surveys (see the next section) were initially “piloted” and tested with different national stakeholders during the course of the country visits, including in one case (Turkey) through several focus group meetings.

**3.11.** Based on the country visits and field interviews, which took place in late June (China, Vietnam<sup>66</sup>) and early September (Mexico, Turkey) 2014, an Interim Findings Report was submitted to the PMR Secretariat in September 2014. This report included brief country case study reports and a preliminary assessment of PMR’s KM&S activities. It was subsequently discussed in detail with the PMR Secretariat, but, given its interim nature, was not submitted to the PA. However, its principal findings and recommendations are fully reflected in the present report.

### **Online Survey**

**3.12.** The online survey was based on the Evaluative Questions adapted for five different stakeholder groups: the questionnaire<sup>67</sup> was initially sent to 493 persons by the PMR Secretariat in September and the survey was closed on October 6, 2014. Following the PA10 meeting in Santiago, it was reopened to enable additional CP and ICP representatives to respond. The final response rates are indicated in the Table below. The respondents were asked to rate PMR relevance, effectiveness, efficiency, and governance and management aspects to date using a four-point rating scale (two positive and two negative ratings) and to give a brief rationale for ratings and suggestions for improvements where appropriate. The questionnaires themselves are contained in Annex 3.

**3.13.** The response rates in the table with respect to the CPs and ICPs deserve an important clarification, however, as responses were obtained from twelve different CPs<sup>68</sup> out of a total of thirteen, or 93 percent,

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<sup>65</sup> Chile was also initially considered among this group, but, due to resource constraints, it was decided to visit no more than one country from three different geographical regions.

<sup>66</sup> As one of the evaluation team members was in Hanoi for other reasons prior to the visit to Beijing, PMR focal persons in two key ministries and pertinent local World Bank and Asian Development Bank (ADB) staff members were also interviewed, even though, as Vietnam was at a much earlier stage of MRP development, it was not considered to be or treated as a formal country case study for purposes of the present evaluation.

<sup>67</sup> The online survey was conducted using Survey Monkey online software.

<sup>68</sup> Two CPs (Australia and Germany) sent more than one response.

and fourteen different ICPs<sup>69</sup> and the one assistance-receiving Technical Partner (Kazakhstan) out of eighteen, or 78 percent. In nearly all cases, these responses came from the national PMR focal persons, who are those having the greatest knowledge of the PMR and its activities. While attending the PA meeting in Santiago, DPMG also carried out interviews with one or more<sup>70</sup> representatives of eleven ICPs and the one assistance-receiving TP, as well as with representatives of five CPs that had not previously been interviewed<sup>71</sup> as part of the First Independent Evaluation.<sup>72</sup>

**Table 1:** Online survey and response rates by stakeholder group

Group	Total	Resp.	Rate
CPs	48	14	29.2%
ICPs and TP	109	16	14.7%
PA Observers	122	4	3.3%
Technical Experts	51	8	15.7%
Delivery Partner Teams	37	8	21.6%
Workshop Participants	126	30	23.8%
<b>Total</b>	493	80	16.2%

**3.14.** The lowest response rate was for the PA Observers, who were drawn from a list of all those who had attended past PA meetings, but many of whom, in all likelihood, were less familiar with the PMR than the other stakeholder groups surveyed. Similarly, the large number of CP representatives that were initially surveyed also reflects the fact that many CP nationals have had some contact with the PMR in addition to the country focal persons, who, for the most part, were the ones that responded to the on-line survey. Similarly the Delivery Partner respondents, who collectively have worked with 11<sup>73</sup> of the 18 ICPs and assistance-receiving TP, or 61 percent of the total,<sup>74</sup> are mostly the World Bank’s TTLs who are those staff members who have worked most closely with the PMR at the implementing country level.

<sup>69</sup> Two ICPs (Indonesia and Mexico) also sent more than one response.

<sup>70</sup> In the case of South Africa, all four representatives were interviewed, as were three for Brazil, Chile and Tunisia, and two each for Colombia, Costa Rica, India, Jordan, Kazakhstan, Norway, Tunisia, and Ukraine.

<sup>71</sup> These were Germany (former PA member, who is now in Mexico City), Finland, and the United States (both previous and present PA members).

<sup>72</sup> Specifically, Brazil, Chile, Colombia, Costa Rica, India, Indonesia, Jordan, Kazakhstan, South Africa, Thailand, Tunisia, and Ukraine among the ICPs and TP, and Australia, the European Commission (EC), Norway, Sweden, and the United Kingdom among the CPs. Brief follow-up conversations regarding PMR performance were also held with representatives of the previously interviewed ICPs and CPs – China, Mexico, Turkey, and Vietnam, as well as with those of Finland, Germany, and the United States. In addition, brief pertinent conversations were also held with several PA observers, including representatives of the UNFCCC, the European Bank for Reconstruction and Development (EBRD), and the German International Assistance Agency, GIZ (who was working in Tunisia and was interviewed together with the Tunisian delegation to the PA 10 meeting), the two recently admitted Technical Partners (the state of California and the province of Quebec), and several participating technical experts. Among the ICPs, only Morocco and Peru could not be interviewed because they did not send representatives to the PA10 meeting, the same also being the case for Denmark, the Netherlands and Switzerland.

<sup>73</sup> These countries were Chile, Colombia, Costa Rica, India, Indonesia, Jordan, Kazakhstan, Mexico, Turkey, Ukraine, and Vietnam.

<sup>74</sup> In addition, the World Bank TTL and another team member were interviewed by DPMG in Beijing in connection with the China country case study, as were local Bank staff members in Ankara, Hanoi, and Mexico City with involvement in PMR activities in Turkey, Vietnam and Mexico, respectively.

**3.15.** Thus, the responses received were from those in the various stakeholder groups who are most familiar with the performance of the PMR to date. The coverage of CPs (12 out of 13) and ICPs/TP (14 out of 18) was sufficiently high to yield representative conclusions to the evaluative questions.<sup>75</sup> In addition, the survey responses were generally consistent with those from the in-person and telephone interviews with both the CP and the ICP PA representatives. Despite this and except for the CPs and ICPs, the quantitative results reported below should be considered as *indicative* rather than fully representative given the small number of respondents involved. In addition, those who did respond even among the CPs and ICPs do not constitute a random sample of all those to whom questionnaires were initially sent, in that, as noted above the respondents were those among these larger universes who are most familiar with the PMR. Thus, the responses are biased in favor of those with relatively greater information about the PMR.<sup>76</sup> The percentages presented below, therefore, should be interpreted as *reflecting certain general patterns* rather than considered as precise figures, especially in the case of the PA Observers and Technical Experts, but also for the other stakeholder groups surveyed. The patterns reflected in the survey results were consistent with information obtained by the evaluation team from face-to-face and telephone interviews both prior to and after obtaining these responses. This includes during the four country visits, during which the survey questions were also piloted and tested.

### **Preliminary Findings and Evaluation Framework Reports**

**3.16.** A summary of the results of the discussions during the Learning Week, of the review of PMR and other pertinent documents, of country case studies, online survey, and interviews prior to PA 10 were compiled in the “Preliminary Findings of the First Independent Evaluation Report,” which included a proposal for the contents of the Draft Final Report. This report presented the survey findings received through mid-October but did not present conclusions and recommendations.

**3.17.** The Evaluation Framework and Preliminary Findings of the First Independent Evaluation reports were presented and discussed at the PA10 meeting in Santiago, Chile on November 3, 2014. At that time, written comments on both documents were requested of the meeting participants by the PMR Secretariat and the evaluation team. However, the initial end of November 2014 deadline for submission of written comments was subsequently extended at the request of several PA members until January 15, 2015. However, as of that date, written comments on the Preliminary Findings Report were only received from two PA members, the European Commission (EC) and the United Kingdom.

### **Additional Activities**

**3.18.** Following the PA 10 meeting in Santiago, additional telephone interviews were carried out with CP representatives who were unable to attend that meeting. Members of the evaluation team also observed the annual “scoring” review of PMR performance, which focuses on its outputs over the previous year,<sup>77</sup> conducted by staff of the United Kingdom’s International Climate Fund’s Department of Energy and Climate Change (ICF/DECC) on November 26, 2014. The main findings of this assessment were that “this has been a broadly successful year for the PMR, which overachieved on every indicator of the PMR

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<sup>75</sup> The margin of error (confidence interval) with 95 percent confidence level between positive and negative ratings was max +/- 8.2% for the CP sample and +/- 12.7 % respectively for the ICP sample.<sup>75</sup> In addition, the survey responses were consistent with those from the in-person and telephone interviews with past and present PA representatives from both CPs and ICPs.

<sup>76</sup> For purposes of the present evaluation, however, this is nevertheless useful in that it also means that the comparative share of “don’t know” responses to individual questions was relatively low.

<sup>77</sup> See, for example, United Kingdom, Department of Energy and Climate Change, *ICF DECC Annual Review for the World Bank’s Partnership for Market Readiness*, April 2014 for the results of the previous such review.

logframe. The high demand for PMR support from developing countries demonstrates the value they place in this work. The value of this work has been recognized at the highest political levels, evidenced by the Presidents of both Chile and Colombia mentioning the PMR in their speeches at the United Nations in September 2014.” However, it also affirmed that “the most important lesson of the last year has been that disbursing funding is taking too long. There have been notable delays in finalizing grant agreements and disbursing funding. In some cases this could take as long as two years.”<sup>78</sup> These conclusions are consistent with those of the present evaluation as are its recommendations (see Chapter VIII).

### **Role of the Evaluation Working Group and the PMR Secretariat**

**3.19.** Finally, it is important to acknowledge and clarify the very valuable roles played by both the EWG and the PMR Secretariat in the undertaking of this First Independent Evaluation. The EWG has provided excellent guidance and very constructive feedback on the various products developed by the evaluation team, including the present report. This has taken place through face-to-face meetings at PA 9 in Cologne and PA 10 in Santiago, as well as through several rounds of teleconferences at different stages of the evaluation process before and after these meetings, as well as in between. The Secretariat, in turn, not only arranged all of the above mentioned interactions with the EWG and helped the evaluation team to identify relevant stakeholders and send out the initial surveys, but was a constant source of useful information and thoughtful feedback, which is also very much appreciated. Without the support of both the EWG and the Secretariat, this exercise could not have been carried out. However, the findings, conclusions and recommendations presented in the following chapters are those of the independent evaluation team and, thus are its exclusive responsibility, as are any misinterpretations, errors, or omissions that remain in the present report.

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<sup>78</sup> United Kingdom, Department of Energy and Climate Change, *Partnership for Market Readiness*, draft, January 2105. Other lessons learned, according to this report, are that: (i) expectations about the impact of the PMR are being realigned; (ii) the context of the PMR is changing, in particular it is becoming more political; and (iii) implementing country ambition has been lower than expected.

## Chapter IV: PMR Relevance

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### A. Introduction

**4.1.** There is an increasingly strong scientific and growing international political consensus that climate change is occurring, most likely accelerating, and that global action is required both in order to mitigate its principal anthropogenic causes, GHG emissions, and to adapt effectively to its probable severe adverse social, economic, and environmental impacts, which will disproportionately affect the poor and most vulnerable. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), issued in 2013, affirms that “warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia.” It also states that “each of the last three decades has been successively warmer at the Earth’s surface than any preceding decade since 1850,” while “atmospheric concentrations of carbon dioxide, methane, and nitrous oxide have increased to levels unprecedented in at least the last 800,000 years.” It concludes that “human influence on the climate system is clear. This is evident from the increasing greenhouse gas concentrations in the atmosphere, positive radiative forcing, observed warming, and understanding of the climate system.”<sup>79</sup> Meanwhile, 2014 was recently found to have been the hottest year on record and that the vast majority of the warmest years over the past century have been those since the year 2000.

**4.2.** There is likewise a growing consensus that, unless concerted and coordinated GHG mitigation measures are taken by the international community, this situation is likely to worsen over time. According to the World Bank’s flagship 2010 World Development Report on *Development and Climate Change* “we must act together, because climate change is a crisis of the commons”. More specifically, “climate change cannot be solved without countries cooperating on a global scale to improve energy efficiency, develop and deploy clean technologies, and expand natural ‘sinks’ to grow green by absorbing gasses”<sup>80</sup>. This report affirms that “pricing carbon (whether through a tax or through a cap and trade scheme) is the optimal way of both generating carbon-finance resources and directing those resources to efficient opportunities” and that “the next phase in constructing a global carbon market must put developed countries onto a low-carbon path and provide the financial and other resources needed to assist the transition of developing countries to a lower-carbon development path.”<sup>81</sup> The declaration negotiated at the recently concluded twentieth Conference of the Parties (COP 20) for the United Nations Framework Convention on Climate Change (UNFCCC) in Lima, Peru, for the first time constitutes explicit agreement that all countries need to proactively cut their GHG emissions and move toward lower carbon economies. A more specific, binding climate agreement is expected to be signed in Paris next December. In anticipation of this situation, as the *Design Document* for the PMR asserted, the World Bank established the PMR “to help interested countries, through grant funding and technical assistance, build capacity and pilot market instruments, and to provide a platform for technical discussions, South-South exchange and collective innovation on market instruments”<sup>82</sup>.

**4.3.** With this as the contextual and policy background, according to OECD/DAC, the “relevance” of a development activity refers to the extent to which it is suited to the priorities and policies of the target

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<sup>79</sup> International Panel on Climate Change (IPCC), *Climate Change 2013 The Physical Science Basis: Summary for Policymakers*, 2013, pp. 4, 5, 11 and 14.

<sup>80</sup> World Bank, *Development and Climate Change*, World Development Report 2010, Washington D.C., 2010, Foreword, pg. xiii.

<sup>81</sup> *Ibid.*, pp. 23, 272.

<sup>82</sup> Partnership for Market Readiness, *Design Document*, *op. cit.*, Summary, pg. 1

group, recipient and donor. This definition is applicable both at the program—such as for the PMR as a whole, which is the concern here—and project levels, such as for the country-specific activities contained in the MRPs. In order to assess program or project relevance at any point in time, it is useful to consider the following generic questions: (i) To what extent are the objectives of the program still valid? (ii) Are the activities and outputs of the program consistent with the overall goal and the attainment of its objectives? and (iii) Are the activities and outputs of the program consistent with the intended impacts and effects?<sup>83</sup> The first of these questions refers to the relevance of program objectives and the latter two to the relevance of program design. In the case of global partnership programs such as the PMR, relevance can also be assessed from “supply-side,” “demand-side,” “horizontal” and “vertical” perspectives, as well as in terms of the relevance of its design. These perspectives are defined in a sourcebook for the evaluation of regional and global programs in terms of the following questions:

- Supply-side relevance: Is there an international consensus that global collective action is required?
- Demand-side relevance: Is the program consistent with the needs, priorities and strategies of its intended beneficiary countries and groups?<sup>84</sup>
- Horizontal relevance: Does the program fill a unique role or provide a unique set of services in relation to alternative programs with similar characteristics?
- Vertical relevance: Is the program consistent with the subsidiary principle, namely, working at the most appropriate level (global, regional, national, or local) at which particular activities should be carried out in terms of filling gaps, efficient delivery, and responding to the needs of beneficiaries?
- Relevance of the design: Are the program’s strategies and priority activities appropriate and adequate for achieving its objectives?<sup>85</sup>

**4.4.** The following assessment of program relevance is based on the PMR’s original (May 2011) objectives as endorsed during PA1 in Barcelona and shown in Chapter II, even though in practice the way they have been stated has evolved since that time. The evaluation acknowledges that this evolution in a dynamic context, including changes in national and international policies and efforts to mitigate climate change, is not inappropriate and, in fact, reflects considerable flexibility, which is commendable. However, it also suggests that the initial objectives should be revisited in light of the changing external environment in which the PMR is being implemented, among other reasons.

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<sup>83</sup> OECD/DAC, *op. cit.*

<sup>84</sup> At the PA 10 meeting in Santiago, Chile in November 2014, one PA member argued that, in the case of the PMR, it does not make sense to separate “supply” and “demand” because all of the partners are ultimately beneficiaries in one way or another. While this is true, the evaluation survey and interview results reported below indicate that there is often a difference in views between the CP that have provided the PMR’s financial resources and the ICPs, which are its recipients. The reasons for these differences are unclear but based on some of the interviews carried out by the evaluation team seem to reflect generally different expectations regarding the speed with which the PMR was expected to generate results on the ground and a greater frustration among CPs in this regard than among ICPs, although some ICPs also clearly share this frustration. Thus, for purposes of this evaluation, the distinction between the two perspectives is maintained.

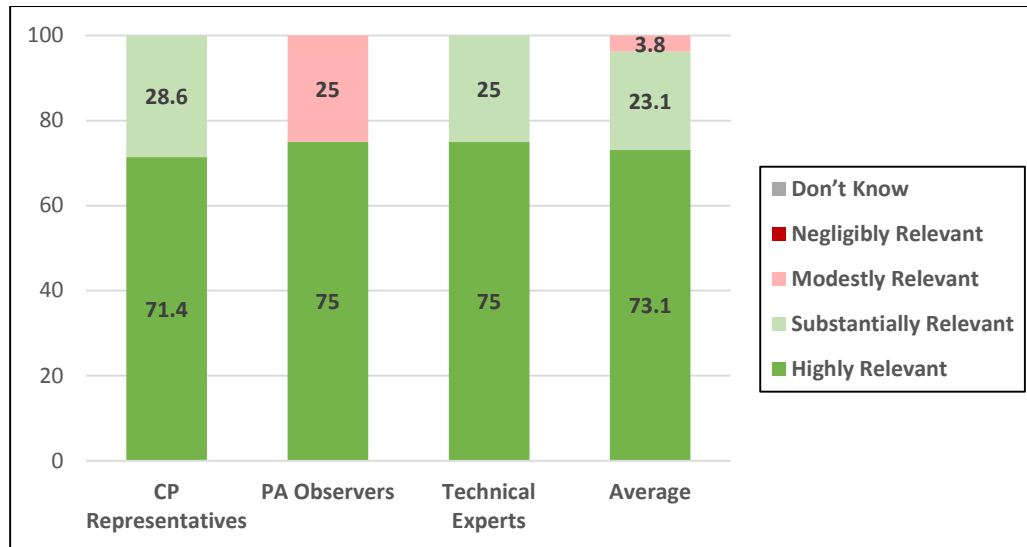
<sup>85</sup> IEG, *The Forest Carbon Partnership Facility*, Global Program Review, Volume 6, Issue 3, Washington D.C., August 27, 2012, pg. 13. This source (in its Glossary) also offers an alternative definition of “relevance” more generally: the extent to which the objectives and design of a global program are consistent with (a) the current global challenges and concerns in a particular development sector and (b) the needs and priorities of beneficiary countries and groups.

## B. Supply-side Relevance

**4.5.** The PMR is relevant from a “supply-side” perspective both in terms of the nature of its support to ICPs and with respect to the benefits of its information and experience for CPs. The active engagement and significant financial contributions of the 13 CPs bears witness to the relevance of the PMR from the perspective of those who have provided the resources for its operation. This conclusion is strongly supported by both the evaluation survey and interview results, keeping in mind the indicative nature of the survey results as stated in the previous chapter.

**4.6.** Among the representatives of the 12 CPs who responded to the survey, all indicated that the PMR’s current objectives were either highly or substantially relevant to international needs, priorities and strategies regarding market readiness and/or carbon pricing. A similar percentage was recorded for the participating Technical Experts, while three of the four PA Observers who responded to the survey also found these objectives highly relevant, although one indicated that they were only modestly so. These data are presented in Figure 1. Some of the data referred to below, however, is contained in tables contained in Annex 4. The overarching conclusion from CPs was that the PMR is a highly relevant potential instrument to boost a new generation of market instruments and to help interested countries build capacity for scaling up their mitigation efforts and thus in the heart of any solution for the CO<sub>2</sub> problem. However, there were also opinions that the PMR and its activities could be better focused on identifying and addressing in-country needs and that, due to the current status of the global carbon market, the usefulness of instruments such as sector crediting may have been reduced since the PMR was established.

**Figure 1:** Relevance of PMR objectives in relation to international needs, priorities and strategies according to several stakeholder groups (26 responses – 14 CPs, 4 PA Observers, 8 TEs) - Rating %



**4.7.** In addition to the above, the CP that carries out an annual review of the PMR’s performance prefaced its April 2014 assessment by concluding that the PMR “has successfully convened most of the world’s biggest emitters and facilitated their development of carbon pricing instruments.”<sup>86</sup> However, a representative of another CP suggested that the PMR should focus more on the subnational level (i.e., cities, provinces and regions) and non-state actors. This same participant added that “in the future, the PMR

<sup>86</sup> United Kingdom, Department of Energy and Climate Change (DECC), *World Bank’s Partnership for Market Readiness: ICF DECC Annual Review, op. cit.*, pg. 1.



Secretariat should continue to focus on funding the development of MRPs but not so much on their implementation, which should be essentially the responsibility of the Delivery Partners. Importantly, moreover, the private sector and private/multilateral financial institutions are presently not really a part of the PMR and they should be given greater exposure to the PMR’s objectives and activities.”

**4.8.** The evaluation team’s interviews with other CP representatives likewise provided generally positive feedback and suggestions, including the following:

- “The program is highly relevant in terms of its objective to reduce GHG emissions. When internalized, carbon price will guide GHG reductions. From the climate change negotiation point of view the activities are very relevant. However, climate change negotiations have politicized discussions that have been focused on technical issues. In 2012, PMR noted that carbon pricing would be an emerging trend that would arise to support market-based instruments. PMR technical support has been flexible and supported training in carbon tax issues.”
- “PMR is one of the most relevant programs linked to ongoing development. People learn from each other. PMR tries to put the flesh on the bones concerning new and ongoing market mechanisms. PMR is also very relevant for [my country]. It cools down the political discussion to technical issues. It links new market mechanisms and the CDM [Clean Development Mechanism under the Kyoto Protocol]. It also helps guide people to develop capacity and developing countries can learn a lot from developed countries; for example, [one country] is developing a very elaborate institutional setting.”
- “The main reason for [my country’s] participation in the PMR was to [develop] field instruments and tools to enhance carbon pricing, not focusing only on developing countries. The approaches of the ICPs are converging with those of the CPs. Grant funding is helpful but not always necessary to start PMR activities. The most relevant issues (e.g., net mitigation, double counting/claiming, environmental integrity, etc.) are not discussed in depth in the PMR and it should restate its relevance and focus. Market readiness and carbon pricing are important, but PMR should focus less at the country level and more on subnational governments (cities, provinces and regions) and non-state actors and actions to mitigate climate change. Importantly, the private sector and private/multilateral financial institutions [other than the World Bank] are not really a part of the PMR but should have more exposure to the PMR program.”

**4.9.** The PA observers and Technical Experts who responded to the survey also rated the PMR’s relevance favorably. One observer stated that the PMR filled a needed gap in international market design but that its objectives were “too numerous and vague,” its design sometimes seemed “haphazard,” and its activities seemed “repetitive.” More will be said about the relevance of PMR design and activities below, but a second observer asserted that the PMR was “the most credible resource” for governments and their agencies to turn to for support in the design and implementation of carbon pricing. A Technical Expert added that no other group can convene the high-level stakeholders to discuss carbon market design issues and also provide support, while a second one affirmed that the PMR has helped to shape the next generation of carbon pricing initiatives by providing infrastructure for markets and advanced studies on carbon pricing and taxation.

**4.10.** Among the Delivery Partner staff involved in the PMR (outside of the Secretariat, which was not surveyed) who responded to the survey, over 70 percent affirmed that the PMR’s objectives were a high priority for their professional work and the remainder as a substantial priority. However, as seen in Annex 4 Table A1, these objectives were presently seen as being a lower priority for the Bank’s sector units—now

called Global Practices (GPs)—and the Country Management Units (CMUs) they support.<sup>87</sup> Nevertheless, as noted above, helping its country clients to address climate change causes and impacts is a central corporate priority for the World Bank Group, which recently established a specific Vice Presidency for Climate Change. Other potential Delivery Partners, including both the various regional development banks and other key agencies, especially the United Nations Development Program (UNDP) and the United Nations Environment Program (UNEP), also have strong commitments to climate change (see the section on horizontal relevance below).

### C. Demand-side Relevance

**4.11.** The PMR is likewise relevant from a “demand” perspective, even though the various ICPs are at quite different stages in terms of their market readiness and the design and use—and, in some cases, even selection—of carbon pricing or other market-based instruments. That the PMR needs to adapt to these differences in order to provide more tailored support to help meet the differentiated needs and demands of the ICPs is one of the main lessons that has been learned to date.

**4.12.** As noted in the previous chapter, representatives of all but three of the 17 ICPs responded to the evaluation survey, as did Kazakhstan as the PMR’s only assistance-receiving Technical Partner to date. Survey responses and subsequent interviews showed that ICP representatives feel strongly that PMR’s objectives are relevant to their country needs, priorities and strategies. These results are consistent with those reported by PMR stakeholders interviewed during the DPMG evaluation team’s earlier visits to China, Mexico, Turkey, and Vietnam. These views were all positive despite the fact that these countries were at quite different stages in relation to both domestic carbon market development and the advance of PMR activities.

**4.13.** Among the three case study countries, China has played an active role in the PMR to date. PMR activities have also been of relevance for China, even though they are only part of the numerous climate change mitigation initiatives in which the Government is presently engaged, many with international support, and the concrete steps it is taking with the aim of significantly reducing its CO<sub>2</sub> and other GHG emissions.<sup>88</sup> China is the only ICP that has been endorsed by the PA to receive the largest implementation grant amount available, US\$ 8 million. More importantly, it is one of the most advanced ICPs in terms of the actual piloting of a new market-based carbon emissions mitigation mechanism, regional Emissions Trading Schemes (ETSs), which are now underway in seven key metropolitan areas and provinces, and are

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<sup>87</sup> In commenting on their responses, one World Bank staff member indicated that “climate change mitigation overall is a high priority in my work, and PMR is a substantive part of it,” and a second one stated that “PMR is a strategic initiative. Due to its size and its potential (including funding and crediting NAMAs [Nationally Appropriate Mitigation Actions]), it is of major importance at the country level,” and a third observed that “the objectives are a high priority but not so much the activities, as many times colleagues and management may not fully understand them and their importance and link to the World Bank’s objectives.” With regard to GP and CMU priorities, World Bank respondents reported that “climate change is a high priority for my unit and GP. However it may not be the absolute highest priority for the CMUs” with which he worked, and another added “CMUs many times do not understand the rationale or importance of the activities. Many times they are seen as small (given funding allocated) and lack of understanding of country policies and priorities.” On the other hand, a third one responded that “country uptake is good - and is becoming better - but faces some fairly strong industrially-based opposition (i.e., to the ETS). But the [World Bank’s] Country Management is supportive of what we’re doing.”

<sup>88</sup> See, for example, the following PMR presentation: Climate Change Department, National Development and Reform Commission (CCD/NDRC), *Progress for Preparation of PMR and Development of Carbon Market in China*, Beijing, May 2012.

expected to provide the basis for scaling up to a national ETS in the years ahead with assistance from the PMR and others sources.<sup>89</sup>

**4.14.** Those interviewed by DPMG in Mexico were likewise universally positive with respect to the PMR's relevance in terms of country policies, strategies, and priorities for GHG mitigation and carbon-market development. Even though Mexico is also comparatively advanced among developing countries in terms of its existing knowledge and approaches toward GHG mitigation,<sup>90</sup> interviewees in the public, private and NGO sectors all pointed to the relevance and usefulness of the information exchange and technical support provided by and through the PMR. This has occurred both directly through PMR-sponsored events and indirectly as a result of subsequent exchanges with individual PA members (i.e., South-to-South exchange) on a bilateral basis.

**4.15.** In Turkey, finally, the PMR is likewise regarded as relevant or highly relevant by the key Ministries of Environment and Urbanization (MoEU) and of Energy and Natural Resources (MENR) as well as by other stakeholders interviewed during DPMG visit to the country, in particular with respect to its support for capacity building in relation to MRV (Monitoring, Reporting and Verification) issues. Its short-term relevance has been somewhat lower than in China and Mexico in terms of helping to build market readiness for carbon pricing and establishing a domestic voluntary carbon market (VCM). This is because, as noted above, Turkey, unlike most other ICPs, is not an Annex I country under the Kyoto Protocol and thus is not eligible to benefit from its Flexible Mechanisms. In addition, the Turkish Government has not adopted market mechanisms so far, and a VCM is still incipient but growing. However, many energy and heavy industries, which are less keen about adopting the European Union's ETS approach because of its possible economic impacts, nevertheless appreciate PMR activities, especially MRV capacity building, as MRV is recognized as a key tool for benchmarking emissions and underlying future decision making regarding participation in carbon markets.

**4.16.** In addition to the above interview-based findings, all of the ICP respondents<sup>91</sup> to the survey rated the PMR's objectives as "highly" (53 percent) or "substantially" (47 percent) relevant in terms of their country's needs, priorities and strategies. ICP respondents expressed appreciation for the learning and networking opportunities provided by the PMR, as well as the direct technical assistance received and the flexibility demonstrated to date in terms of its ability to respond to changing domestic circumstances and priorities. In addition to being relevant, the PMR's objectives were also seen by the ICP representatives as generally realistic in terms of their countries' needs. The only difference was that three of the respondents indicated that these objectives were only "modestly realistic," compared with the majority who replied that they were either "highly" (33 percent) or "substantially" (47 percent) realistic. One ICP representative, for example, commented as follows:

The PMR supports developing countries to enhance GHG mitigation efforts and explore innovative and cost-effective ways to scale up emissions reductions and foster financial flows, including through carbon market instruments. The PMR helps countries facilitate and build "readiness" for

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<sup>89</sup> The experience with the ETS pilots in China have been the subject of frequent updates in PA meetings as well as of one of the Technical Notes issued by the PMR to date. See PMR, *Survey of the MRV Systems for China's ETS Pilots*, Technical Note No. 8, Washington D.C., July 2014.

<sup>90</sup> See, for example, the following PMR presentations: SEMARNAT (i.e., the Ministry of Environment and Natural Resources), *Mexico's Climate Change Law and Policies*, Mexico City, no date (but probably early 2014); SEMARNAT, *Gestion Climatica en Mexico: Estrategias e Instrumentos de Mitigacion*, Mexico City, March 2014; SEMARNAT, *Carbon Tax in Mexico and Development on Emissions Trading in the Power Sector*, Mexico City, May 2014. See also Chapter 4 of the OECD's most recent *Environmental Performance Review for Mexico*, Paris, 2013, which specifically assesses the country's recent policies and actions in relation to climate change.

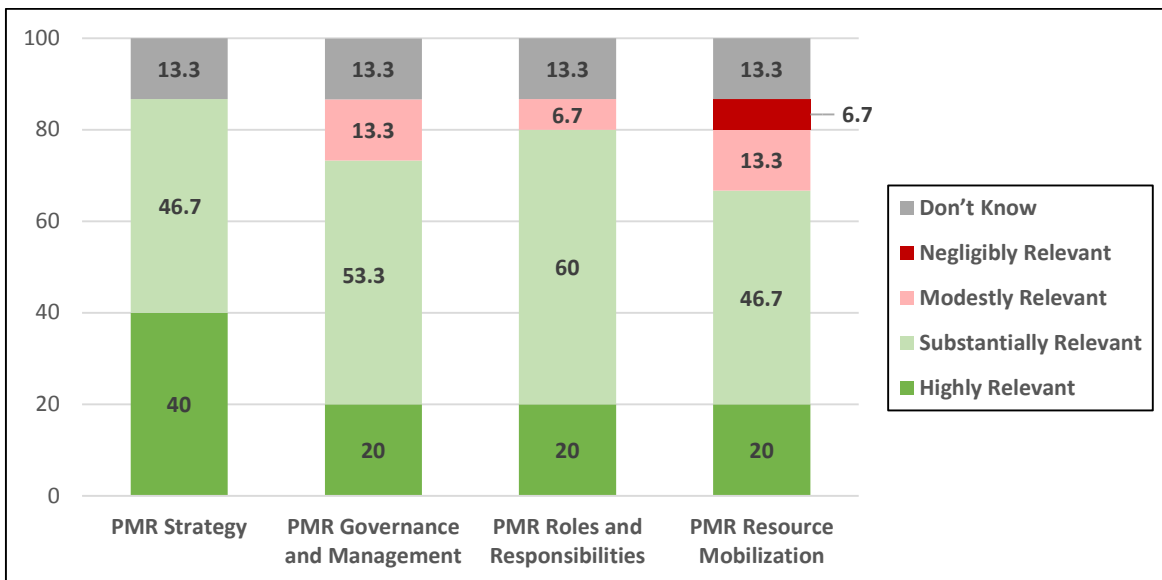
<sup>91</sup> The one Technical Partner that has received financial support from the PMR is also included in this group.

such instruments through a grant-based, global partnership of developed and developing countries that provides funding and technical assistance for the collective innovation and piloting of market-based instruments for GHG emissions reduction. A platform for technical discussions of such instruments to spur innovation and support implementation is also provided with a focus on improving a country's technical and institutional capacity for using market instruments to scale up mitigation efforts. Besides, through pilot projects, market instruments, such as domestic emissions trading and scaled-up crediting mechanisms, will be tried and tested. PMR projects will help ensure the essential readiness components for any of these instruments, such as data management, MRV systems and the creation of policy and regulatory framework.

**4.17.** There was a greater variety of views among the ICP representatives with respect to the relevance of the PMR’s strategy, governance and management structure, roles and responsibilities, and resource mobilization for their countries. These responses, which were nonetheless at least two-thirds positive, are summarized in Figure 2. The written comments were also more diverse. Whereas one respondent observed that “flexibility and quick responses” had improved the PMR’s influence at the country level by financing workshops, meetings and capacity building, another noted that greater flexibility in resource mobilization and faster delivery were needed. A third ICP respondent observed:

The PMR has been successful in terms of promoting its aims, approaches and benefits, especially to donor partners, which in turn has resulted in an initiative that has concrete funding available to implementing partners. Resource mobilization in this sense has been very successful; it has gone beyond the original goal! The PMR has a very solid governance and management structure, with decisions being taken by donor and implementing countries on an equal footing (which makes it a very unique initiative). The timing for decisions on funding and other matters, such as capacity building, has improved over time as the PMR gains more experience. The PMR Secretariat is the heart of the system, and as such has been very efficient in moving the initiative forward all the time. This means...that implementing countries have benefited and have received the support needed. In terms of actual transfer of resources to implementing countries, it has been a bit delayed...The time between funding decision and actual transfer should be shortened.

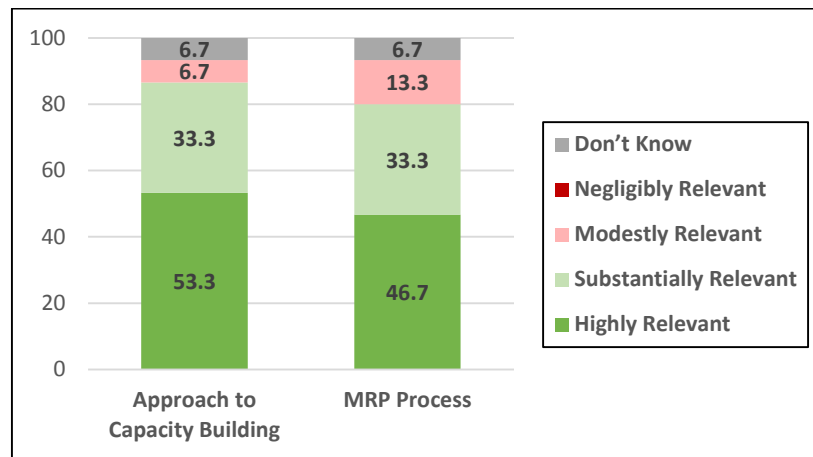
**Figure 2:** Relevance of PMR strategies, governance and management structure, roles and responsibilities, and resource mobilization according to ICP respondents (15 responses) – Rating %



**4.18.** Twenty percent of the ICP representatives that responded to the survey indicated that PMR resource mobilization was only modestly or negligibly relevant. While the reason for this is not entirely clear, it may reflect the fact that the PMR grant resources made available through the MRPs are comparatively small in relation to total resource needs for full implementation of carbon pricing or other MBIs in some ICPs. Some of the above observations will be revisited in the sections on efficiency and governance and management below. However, they generally support a positive assessment of the PMR’s relevance on the part of those to whom its services and support are primarily directed. This was also the case when ICPs were asked the extent to which the PMR’s approach to capacity building and the MRP process had been relevant for their countries or organizations. Again, the responses were either “highly” or “substantially” relevant (i.e., more than 80 percent) in both cases, as indicated in Figure 3.

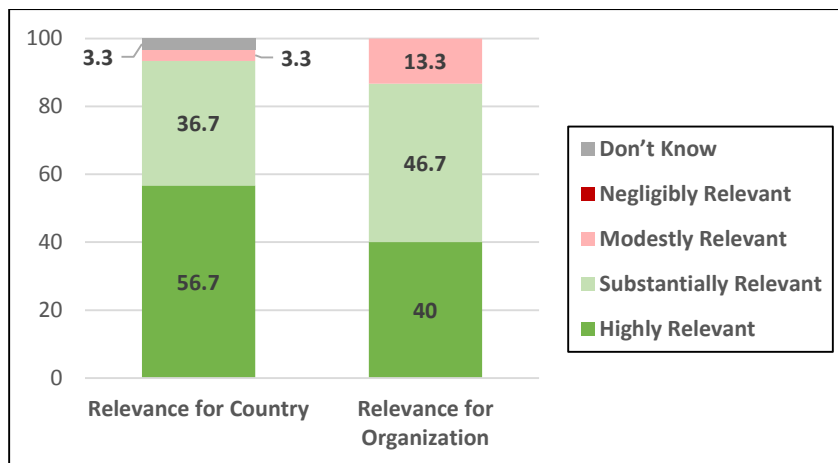
**4.19.** Three of the ICP’s surveyed referred specifically to the value of PMR-sponsored workshops in this context. One said that the workshops had been “essential,” while another observed that the PMR had not only organized specific workshops for the Latin American region, but also helped national officials obtain capacity building support elsewhere. The decision to hold a PA meeting in the country had also been very helpful by making the PMR better known throughout the government and other institutions. The third added that the support of consultants in the MRP preparation phase had been essential both for improving this proposal and positively influencing PA decision making.

**Figure 3:** Relevance of PMR approach to capacity building and the MRP process according to ICP respondents  
(15 responses) – Rating %



**4.20.** The evaluation team also surveyed a large number of PMR technical workshop participants about the relevance of these events for their countries and organizations. Altogether, the vast majority of the responses were positive, as summarized in Figure 4. These included workshops on a variety of pertinent subjects in a number of countries and involved participants from a range of organizations, including academia, NGOs and the private sector. One or more responses came from workshop participants from 13 different ICPs, as well as from several CPs.

**Figure 4:** Relevance of PMR technical workshop attended for participant’s country and organization according to workshop participants (30 responses) – Rating %



**4.21.** Finally, ICP survey respondents indicated that the PMR has been less relevant, although not irrelevant, in terms of helping their countries to establish or consolidate their legal and regulatory frameworks for GHG mitigation and to establish globally recognized GHG mitigation standards. The pertinent response data are contained in Annex 4 Table A.2, which indicates that only one-third of those who answered the survey stated that the PMR had been either highly or substantially relevant in this regard. Several respondents commented, however, that they were just starting implementation, so “it was too early to tell,” but one affirmed that the PMR was one of the first programs to support development of legal and regulatory frameworks for GHG mitigation and to adopt globally recognized GHG mitigation standards. Others observed that this situation could be improved by creating “a healthy and effective networking among partners” and by assuring “a good level of attending officials and guests in PMR meetings.”

#### **D. Horizontal Relevance**

**4.22.** The PMR’s horizontal relevance is considerable. It is unique in the international arena both in terms of the range and importance of the country participants it incorporates, in the focus and scope of its activities, and in its ability to finance on-the-ground market readiness and carbon-pricing activities in the developing world. In addition to the growing international consensus regarding the need for such an initiative (i.e., both substantial “supply-side” and “demand-side” relevance, as suggested above), this is in part a reflection of the World Bank’s convening power together with its accumulated experience over the past decade both in the areas of carbon and climate finance more generally, as well as in the management of significant global partnerships and programs.<sup>92</sup> The PMR also seems to be taking the lead, together with the UNFCCC, in terms of advancing the international technical dialogue on and providing direct support for important developing countries with innovative market instruments, including alternative ways of pricing carbon emissions, to mitigate CO<sub>2</sub> and other greenhouse gases in a cost-effective manner.

**4.23.** The PMR is seen by many of its stakeholders as having created an important platform and set of opportunities for the exchange of information and experience among its Contributing and Implementing

<sup>92</sup> For greater information in this regard, see the report cited in the previous footnote and Independent Evaluation Group (IEG), *The World Bank’s Involvement in Global and Regional Partnership Programs*, Washington D.C., 2011.

Country Participants, together with the provision of grant funding, technical assistance, which some ICPs are receiving from numerous donors on both a multilateral and bilateral basis. Thus, as in the case of China, which is also receiving support from the EU, the Norwegian Government, and numerous other donors to help build its domestic institutional and technical capacity for market readiness and carbon pricing instruments,<sup>93</sup> many ICPs are taking advantage and coordinating the use of external grant funding and technical cooperation from various international and domestic sources for this purpose. In addition, other international agencies, such as the United Nations Development and Environment Programs (UNDP and UNEP, respectively), have specific capacity-building programs to assist developing countries with climate change mitigation. Box 3 provides a brief description of these initiatives.

**4.24.** There are also pertinent bilateral capacity-building initiatives, such as the LEDS (Low Emissions Development Strategies) Global Partnership, which was founded in early 2011 “to advance climate-resilient low emission development through coordination, information exchange, and cooperation among programs and countries working to advance low emissions growth.” In April 2012, LEDS was merged with the Coordinated Low Emissions Assistance Network (CLEAN). This partnership currently involves more than 140 governmental and international institutions, including the World Bank, the African, Asian, and Inter-American Development Banks, UNDP and UNEP, as well as bilateral development assistance agencies, environment and other ministries from both developed and developing countries, international NGOs, such as the World Resources Institute (WRI), among other entities. The partnership’s objectives are to: (i) strengthen the quality, support and leadership of low-emission development strategies in all regions; (ii) foster effective implementation of LEDS; and (iii) spur development of new LEDS by additional national and subnational governments. It sponsors “regional platforms” for Africa, Asia, and Latin America and the Caribbean that assist countries to define priorities, conduct regional peer-learning forums, and provide common regional technical resources and services. It is guided and overseen by a 24 member Steering Committee,<sup>94</sup> and its activities are managed by a Secretariat, housed in the United States Renewable Energy Laboratory in the US Department of Energy.

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<sup>93</sup> See World Bank, *Project Appraisal Document on a Proposed Grant in the Amount of US\$ 8 million to the People’s Republic of China for a China Partnership for Market Readiness Project*, Report No. PAD 784, March 3, 2014 (hereafter *China PMR Project PAD*).

<sup>94</sup> This Steering Committee also consists of a variety of the Global Partnership’s members including the World Bank, the Inter-American Development Bank, UNDP, UNEP, the World Watch Institute (WWI), the European Commission, the Chilean, German and Kenyan Environment Ministries, the American, Japanese, and UK bilateral assistance agencies, and the United States State Department, among others.

**Box 3: UNDP's Low Emissions Capacity Building (LECB) program and UNEP's Facilitating Implementation and Readiness for Mitigation (FIRM) project**

The **Low Emissions Capacity Building (LECB) Program** was launched in January 2011 as part of a joint collaboration between the European Union (European Commission and member states) and the United Nations Development Program. It presently includes 25 participating countries, including nine PMR ICPs—Chile, China, Colombia, Indonesia, Mexico, Morocco, Peru, Thailand and Vietnam—among others. This collaborative program aims to strengthen technical and institutional capacities at the country level, while at the same time facilitating inclusion and coordination of the public and private sector in national initiatives addressing climate change, but utilizing global networks and the substantial experience that UNDP has gained around the world. It is part of UNDP's larger Green, Low Emission Climate Resilient Development Strategy.

More specifically, LECB is a four-year program to strengthen capacities in participating countries to: (i) develop GHG inventory management systems; (ii) identify opportunities for NAMAs; (iii) design systems for measuring, reporting and verification of proposed actions and means to reduce GHG emissions; and (iv) facilitate the design and adoption of mitigation actions by selected industries in some countries. It has two types of primary stakeholders: public sector agencies directly responsible for climate change policy, monitoring and reporting and high-emissions industries such as cement, iron and steel, petrochemicals and fertilizers, as well as business organizations and small to medium sized enterprises (SMEs). Specific projects supported by the program are implemented by the appropriate national institutions in the participating countries.

The **Facilitating Implementation and Readiness for Mitigation (FIRM) Project** financed by the Government of Denmark administered by the United Nations Environment Program (UNEP) has as its main objectives: (i) contributing to develop the conceptual basis and practical understanding of low carbon development as well as the analytical and methodological approaches to NAMA development and MRV systems; (ii) linking the outcomes of the Technology Needs Assessment (TNA) exercise and other work on identification of mitigation options with national low carbon development planning processes to identify priority NAMAs; (iii) supporting formulation of NAMAs in identified priority areas and in that context pilot identified activities for overcoming of non-financial barriers that hinder NAMA implementation in developing countries; (iv) enhancing efficient use of resources, including energy, creating enabling environments for uptake of clean technologies, and improving human well-being and the environment; and (v) fostering south-south cooperation and mutual learning.

Four PMR ICPs – Costa Rica, Indonesia, Morocco, and Vietnam – are among FIRM's participating countries, while two others, Mexico and South Africa, also receive support to develop analytical inputs aimed at fostering south-south learning and cooperation in low carbon development strategies (LCDS) and NAMA processes. FIRM has three main components: (i) developing a national low carbon development framework and NAMA priorities; (ii) supporting national processes for development and formulation of NAMAs ready to be implemented; and (iii) developing analytical materials and sharing project experiences and analytical result, including through regional and international networks.

Sources: UNDP/LECBP and UNEP/FIRM websites

**4.25.** While there are some important similarities between these initiatives and the PMR, including their substantive focus, emphasis on technical cooperation, information exchange and mutual learning, there are also significant differences. These programs are smaller in terms of the resources available to support their activities and, except perhaps for the UNDP's Low Emissions Capacity Building (LECB) program, narrower in scope. Nor do the two UN Programs function as global partnerships with decision responsibilities shared by participating countries for the activities to be supported—and resources to be mobilized to implement them—in the same way as the PMR and LEDS or the various climate funds and facilities managed by the World Bank or other multilateral financial institutions.<sup>95</sup>

<sup>95</sup> These include, for example, the Forest Carbon Partnership Facility (FCPF), which became operational in 2008, the Carbon Partnership Facility (2009), the BioCarbon Fund Initiative for Sustainable Forest Landscapes (2013), and the Carbon Initiative for Development (2013), as well as the PMR and a number of previously created carbon funds, managed or supported by the World Bank to “pioneer full range of flexibility mechanisms created for the Kyoto Protocol's first commitment period,” according to and briefly described in the most recent World Bank *Annual Report for Carbon Finance for Sustainable Development* covering FY 2013, issued in May 2014.



## E. Vertical Relevance

**4.26** The PMR is consistent with the subsidiary principle in the sense that the particular activities it supports in terms of filling gaps, efficient delivery, and responsiveness to the needs of its ICPs are being carried out at appropriate levels. PA meetings occur on a regular basis—three times a year since 2012—and involve both CPs and ICPs, as well as an increasing number of external observers, including the UNFCCC, other multilateral institutions, and some other countries and subnational entities, two of which (California and Quebec) have recently become non-assistance-receiving Technical Partners. The venues of these meetings have alternated between, and been hosted by CPs (Spain, Germany, Australia, and the United States) and ICPs (Thailand, Turkey, China, Morocco, Mexico, and Chile). Numerous Side Events, Technical Workshops, including regional as well as national ones, South-South exchanges, and Training events have also been held in conjunction with PA meetings or separately in partial implementation of the PMR’s Technical Work Program.<sup>96</sup> Chapter II provides brief descriptions of these activities and they are listed comprehensively in Annex 2.

**1.27** Targeted country-specific activities have also been organized by the PMR to address specific operational issues. One example is the donor coordination meeting held by the Secretariat and representatives of the co-Delivery Partners, the Asian Development Bank (ADB) and the World Bank, with other active development partners active in GHG mitigation activities in Vietnam and several government ministries—specifically the Ministries of Planning and Investment (MPI), Natural Resources and Environment (MONRE), Industry and Trade (MOIT), and Construction (MOC)—concerning Vietnam’s NAMAs and other proposed mitigation measures in April 2014. This was followed by a two-day meeting between the Secretariat, World Bank, and ADB, with the same key government agencies/focal points on the status of the preparation of the country’s MRP at the World Bank’s Hanoi office.<sup>97</sup> Feedback received by the DPMG evaluation team during its visit to Vietnam in June 2014 with regard to these two meetings from the MPI, MONRE and various donor (i.e., local World Bank, ADB, and UNDP) participants was universally regarded as helpful in terms of moving the MRP preparation process forward.

**1.28** In terms of nationally focused events that have also involved other participant countries, a two-day Technical Workshop on domestic emissions trading schemes (ETS) was held in Shenzhen, China in March 2012 in conjunction with the “Extraordinary Meeting” of the PA there during the same week, with the purpose of informing policy makers on key features of such schemes and to exchange lessons from existing and proposed ETS experiences elsewhere in the world. A similar workshop on international experiences and lessons to inform the development of Mexico’s domestic ETS was held in Mexico City in May 2014. Again, feedback concerning their relevance and usefulness from participants in both of these events in response to DPMG’s recent survey of PMR technical workshop participants more generally has been positive. Finally, MRPs, such as those for China and Mexico, directly involve subnational—i.e., state and local—governments as well as central ones and the private and/or state-owned enterprise sectors, in their design and implementation.

**1.29** It can thus be concluded that the objectives and activities of the PMR are of high or substantial relevance from all of the perspectives considered here, although as numerous stakeholders have suggested it can still be further enhanced. The PMR’s strong focus on market mechanisms appears to fill a unique niche and role among international capacity-building initiatives devoted to advancing climate change mitigation in both developing and developed countries, and its timeliness and relevance is recognized by the affected stakeholder groups. Its resources, although small in relation to overall international needs to

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<sup>96</sup> See, for example, Partnership for Market Readiness, *PMR Technical Work Program: Report on FY 14 Activities and Proposal for FY 15*, Washington D.C, May 2014

<sup>97</sup> See PMR, *Donor Coordination Meeting Agenda*, Hanoi, April 22, 2014 and PMR, *Vietnam: Expert In-Country Visit – MRP Feedback Process: Draft Market Readiness Proposal (MRP) Agenda*, Hanoi, April 23-24, 2014.

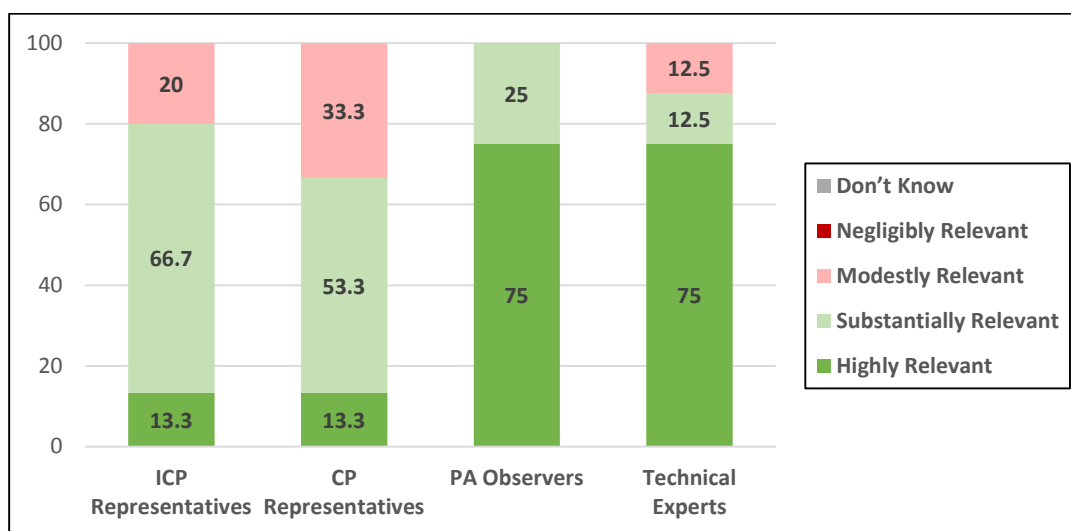
meet its larger objectives, and highly participatory governance framework, in which decision making is shared by CPs and ICPs, are also largely unique among such initiatives. Thus, the answer to the first question posed at the outset of this section, to what extent are the PMR’s original objectives still valid, can be generally answered in the affirmative. This conclusion notwithstanding, it is also important to recognize that these objectives should be updated to focus more specifically on the PMR’s desired impacts and intended outcomes and better reflect the current focus on carbon pricing.

## F. Relevance of PMR Design

**1.30** As concerns the relevance of PMR’s design, which refers to the extent to which the strategies and priority activities of the PMR are appropriate for achieving its objectives, stakeholder views were somewhat less positive. This was particularly the case among the CPs, but a fifth of the ICPs also indicated that the PMR’s design was only modestly relevant. Some respondents and interviewees suggested that the PMR’s support should be better tailored to the specific needs of the individual implementing country participants. As indicated in further detail below the PMR Secretariat is already taking steps to address this concern.

**1.31** The results in terms of the ratings given by each group are shown in Figure 5. Here too, the responses were largely positive. But in comparison with the results presented in Figure 1, a smaller share of the CP respondents (67 percent), as well as a somewhat smaller share of the ICP ones (80 percent), rated the relevance of PMR’s design “substantially” or “highly” relevant, while five CP respondents and three of the ICP representatives, as well as one of the Technical Experts rated the PMR’s design as being only “modestly” relevant. In addition, among both CPs and ICPs the shares of respondents rating the PMR’s design “substantially relevant” (13 percent in each case) was considerably lower than those which rated the relevance of its objectives equally high (71 and 53 percent, respectively).

**Figure 5:** Relevance of PMR design according to different stakeholder groups (41 responses – 15 CPs, 14 ICPs, 4 PA Observers, 8 TEs) – Rating %



**4.32** The written observations from survey respondents do not shed much additional light on the reasons for these differences. One CP representative stated with respect to PMR design and activities, that “looking into the new climate change regime, the PMR constitutes an example of what many parties want. More and more countries are already undertaking pilot initiatives, developing different market-based instruments and showing their trust in carbon markets as a valuable tool to reduce emissions in a cost effective manner.” However, it was also noted that the PMR cannot include all countries. A second interviewee affirmed that the PMR’s objectives were highly relevant by focusing on market readiness, but that its design and activities

could be better focused on identifying and addressing country needs. One of the ICP respondents, in turn, argued that if the PMR's activities could extend for a longer period, it could help countries do some pilot tests instead of just [design] studies. A third interviewee noted that the PMR's objectives varied in accordance with the evolution of specific country MRPs but that it could not be expected to respond to the specific demands of every country. On the whole, however, as indicated in the table, the responses were positive. The main limitation in terms of the relevance of PMR design, however, appears to be that, while it was designed with support for the piloting of market readiness instruments in mind, fewer ICPs have proven to be ready to take this step than initially anticipated.

**4.33** One of the Technical Experts surveyed affirmed that the PMR's activities are in line with the current desire to develop international carbon markets, but the number of participating countries is too small given the nature of the task. The same respondent asserted that additional funding is required to ensure greater participation and that the amount of resources available per country is too small for the emerging BRICS<sup>98</sup> economies, resulting in the PMR's activities being less relevant in those countries. Another expert observed that it appeared that many countries are very interested but are lacking tools and training to develop reporting programs. Thus, more targeted work in this regard would be particularly relevant. And a third one suggested that the PMR could be more helpful by more closely aligning the bottom-up requests of ICPs with the international discussion on accounting modalities and carbon offset options for a future climate policy regime, stating further that “from a national perspective, it would be important to think through...which mechanisms can be used to increase buy-in at departmental and government-wide levels across the relevant units in Governments.”

**4.34** In summary, as regards the PMR's design, some stakeholders suggested there was room for improvement and that PMR support, while relevant to date, could also be better tailored to the needs of the individual ICPs. As observed above, this concern appears to have already been well understood by the PMR Secretariat, as reflected in the proposal for the “strategic planning” for the future activities of the Technical Work Program as presented during the PA 10 meeting in Santiago. Among other innovations, this would include a “mapping” exercise based on the approved MRPs to determine which of the various ICPs (and TPs) would most benefit from greater assistance in determining which specific types of market readiness and/or carbon-pricing instruments would be most appropriate. Indeed, one of the stated purposes of this exercise would be to provide “more targeted and timely support as PMR countries move to implementation of their MRPs.”<sup>99</sup> The exercise would map specific activities or “technical elements”—such as mechanism design, MRV, data management and registries, baselines and benchmarks, allocations and exemptions, linking, use of revenues, trading infrastructure and oversight, governance and institutions, compliance and enforcement, and stakeholder engagement and preparedness—to each type of carbon pricing mechanism. This is a step in the right direction.

## **G. Conclusions**

**4.35** As concerns the second and third questions posed at the beginning of this section—Are the activities and outputs of the program consistent with the overall goal and the attainment of its objectives? and Are the activities and outputs of the program consistent with the intended impacts and effects?—based on the considerations above, it can be concluded that: the activities and outputs of the PMR are generally consistent with its overall goals—to help reduce global GHG emissions and help countries to implement carbon pricing and/or other MBIs and/or the technical components needed to support them—and attainment

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<sup>98</sup> “BRICS” refers to Brazil, Russia, India, China, and South Africa, all but the Russian Federation, in fact, being PMR ICPs.

<sup>99</sup> See PMR Secretariat, *PMR Technical Work Program Update*, *op. cit.* The other and related stated purposes would be to respond to the “need to ensure coherence of different pieces and continuous and systematic support,” to “capture and share lessons,” and to “leverage work by others for benefit of PMR countries.”

of its (initial) objectives and with its intended impacts and effects. However, it should also be recognized that, if successfully implemented, the outputs of the PMR's support are more on the order of necessary, but not sufficient, conditions in order to achieve its long-term desired impact, which will ultimately depend on other factors as well, including: (i) additional financial resources to ensure the proper implementation of the instruments and technical infrastructure which the PMR helps to develop; and (ii) an appropriate enabling policy environment at both the national and international levels for the establishment and development of carbon markets.

**4.36** Thus, as an overall conclusion of this evaluation, the PMR has been of substantial relevance to date. It has also demonstrated considerable flexibility and adaptability in terms of responding to changing national and international policy environments. However, because of these changes and how the PMR has evolved in response to them, the PA should reconsider the way the original objectives have been stated.<sup>100</sup> This process should both identify agreed long-term and medium-term objectives, which should clearly reflect the PMR's desired long-term and medium-term impacts (i.e., its ultimate objectives) and its intended outcomes, which should correspond to its more specific objectives. It should ensure that the PMR's inputs—generically, grant financing, technical assistance, and information and knowledge sharing—and associated activities, if properly implemented, would lead logically to the expected outputs, and these, in turn, to the intended outcomes. This is further discussed in Chapter VII.

**4.37** Looking ahead, the PMR should also more proactively seek to inform and influence the enabling policy environment for the eventual effective use of these instruments at both the national and international levels. In practice, it is already attempting to do this at the national level, as in the case of China, where the PMR-supported project is seeking to learn from the experience with the recently inaugurated ETS pilots in selected metropolitan areas and provinces in order to establish the basis for development of a nationwide ETS system. One of the main intended outcomes of this project is to provide results-based evidence and policy arguments to senior decision makers to support the decision to adopt such a system at the national level.<sup>101</sup>

**4.38** It is likely that other MRPs have similar underlying objectives in relation to the domestic policy making process, and, thus, will also seek to inform and influence the enabling environment at the national level regarding the design and future implementation of carbon pricing mechanisms and internal carbon markets, while at the same time helping countries to build the technical and institutional capacity for their effective use. Through its knowledge and information sharing activities, both with the CPs and ICPs/TPs, as well as with other interested stakeholders, including the UNFCCC, it is also implicitly seeking to affect

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<sup>100</sup> This should also be coordinated with PA agreement on the Logical Framework for the PMR, itself a key part of the proposed Evaluation Framework.

<sup>101</sup> The declared development objective of this project is “to enable China to design a national carbon emissions trading scheme.” And according to the World Bank's Project Appraisal Document (PAD): the Project Development Objective would be achieved when a proposal for a national carbon emissions trading system is made by the NDRC Department of Climate Change to the Vice-Chairman of NDRC [The National Development and Reform Commission, executor of the project]. Submission of the proposal is the key step toward making high-level decisions needed to launch the national ETS scheme. The CPMR [China Partnership for Market Readiness Project] will be on the critical path in this process by providing the key technical-level inputs required for a policy proposal at this level of national importance. By submitting the proposal, DCC will initiate the very formal and wide ranging internal policy making process required to vet major new programs. Based on current practice, the Vice Chairman would oversee an internal consultation process both within NDRC and across the Government. Working level meetings among various departments take place during the consultative process. After the consultative process is completed (which usually has a time limit), the proposal will be forwarded to the Chairman of NDRC. It is expected this type of proposal will need to be considered by the State Council for final approval. World Bank, *Project Appraisal Document on a Proposed Grant in the Amount of US\$ 8 Million for a China Partnership for Market Readiness Project*, Report No. PAD 784, Washington D.C., June 10, 2014, pp. 5-6.

the enabling policy environment, even though this is not one of the PMR's explicit objectives. As suggested above, however, both strategically increased proactivity and perhaps making this—i.e., influencing the enabling policy environment at both the national and international levels—an explicit objective/intended outcome of the PMR going forward should be considered by the PA as the PMR seeks to enhance its future relevance and effectiveness.

## Chapter V: PMR Effectiveness

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### A. Introduction

**5.1.** The observations at the end of the previous chapter lead directly to a consideration of the PMR's effectiveness in terms of its ability to meet its declared objectives and to achieve its desired impacts over time. This assessment is conducted in relation to the PMR's objectives contained in its *Design Document* and *Governance Framework*. They are listed again here for purposes of convenience:

- i. To provide grant financing to countries for building market readiness components.
- ii. To pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage.
- iii. To create a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote South-South cooperation, and explore and innovate together on new instruments and approaches.
- iv. To create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
- v. To share lessons learned, including with the UNFCCC.

**5.2.** Before assessing the PMR's effectiveness in meeting its objectives, it is useful to briefly review findings from the visits by DPMG evaluation team members to three implementing countries— China, Mexico, and Turkey—in June and August 2014. The sections that follow summarize findings from the surveys and interviews on PMR's effectiveness together with the evaluation team's review of the PMR's Knowledge Management and Sharing activities.

### B. Country Case Study Findings

**5.3. China.** The aim of the PMR's support to China is to help the country design a new national carbon emissions trading scheme (ETS).<sup>102</sup> The purpose and contents of China's PMR project is set out in its final MRP, endorsed during PA 5 in March 2013, and the World Bank's appraisal document for the US\$ 8 million grant, approved on May 30, 2014. Local sources interviewed by DPMG attributed the more than one year delay between these two events mainly to the implementing agency's unfamiliarity with World Bank procurement, financial management, disbursement, and other procedures and requirements. While the PMR-supported operation is only a small part of what the Chinese Government is presently doing to reduce its GHG emissions, it can potentially provide an important input to this effort.

**5.4.** PMR activities in China are seen by those interviewed as having been quite effective to date. The workshop held in Shenzhen in 2012 provided an opportunity to introduce national officials to external experience regarding monitoring, reporting and verification (MRV) and other ETS elements. Subsequent to this, the National Development and Reform Commission (NDRC), which coordinates PMR activities and is responsible for coordinating implementation of the grant, has organized workshops for other ministries on low-carbon development utilizing information and knowledge provided or facilitated by the

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<sup>102</sup> See World Bank, *China PMR Project PAD*, *op. cit.*, for the details of this project.

PMR. However, NDRC recognizes that additional domestic capacity building is required with respect to carbon trading to help capture the lessons with the domestic ETS pilots and to systematically explore the possibilities of incorporating State Owned Enterprises (SOEs) and the power sector into the proposed future national ETS. It also recognizes China's need for assistance in formulating policy recommendations for consideration by higher authorities. This is one of the main contributions that continued PMR support is expected to make as the grant is implemented. As to MRP implementation, the NDRC representative indicated that an important milestone had already been achieved in that a high-level Steering Committee had been formally established to oversee this initiative and was expected to be essential for coordination of project activities across the ministries involved. Another step forward was the use of the MRP preparation grant to prepare the ToR for some of the key studies to be carried out under the project.

**5.5. Mexico** was among the first ICPs to be confirmed as a PMR participant. It was also among the first to be approved for a MRP preparation grant (May 2011) and to have its final MRP endorsed for implementation funding (March 2013). As of December 2014, however, the Grant Agreement had not been signed, which is now expected to occur in early 2015. As with China, the actions supported by the PMR in Mexico are only part of the Government's efforts and instruments for GHG mitigation, including a recently approved carbon tax on fossil fuels and a planned domestic ETS for the power sector. The proposed PMR project nonetheless features innovative Nationally Appropriate Mitigation Actions (NAMAs) for integrated urban mobility (i.e., urban transport), new urban development investments (including housing, associated water, sewer and public lighting infrastructure and solid waste management services), and the replacement of GHG-containing refrigerators with active private sector participation. Even though the ultimate impact of these activities in terms of the volume of GHG emissions to be reduced will be small in relation to overall national mitigation targets, they nevertheless represent an innovative part of the actions proposed in Mexico's current National Climate Change Strategy and its Special Climate Change Program (PECC) for 2013-2018.

**5.6.** Thus far, the effectiveness of PMR activities in Mexico has been mixed. On the one hand, the PA 8 meeting and subsequent workshops in Mexico City in March and May of 2014 are perceived by participants as having generated some important benefits, including enhanced visibility of the PMR and its activities within the national Government and in the country more broadly. It has also been useful in helping the country to identify and arrange new—and hence additional—bilateral assistance with respect to climate change mitigation with Germany, Denmark, and the EU, among others. On the other hand, implementation of the final MRP prepared by SEMARNAT, the Ministry of Environment and Natural Resources, has been essentially at a standstill because the main actions to be financed by PMR have not yet begun. The main reason is the delay in finalizing the Grant Agreement with the World Bank because the new national Climate Change Fund (CCF), approved in 2012 and to be used to channel grant resources to recipients, has taken nearly two years to become operational.

**5.7. Turkey** was also among the first countries whose MRPs were endorsed and implementation grants authorized by the PA. It was the first country to sign the Grant Agreement with the World Bank as, unlike the situation in China and Mexico, the PMR grant finalization process proceeded without significant delay. The grant aims to support development of Turkey's MRV system, together with training and analytical studies on market-based instruments for GHG mitigation. The Climate Change Department (CCD) of the Ministry of Environment and Urbanization (MoEU) was responsible for project preparation and will coordinate its implementation.

**5.8.** Interviews on the effectiveness of PMR program in Turkey, however, point to somewhat uneven results. MoEU regards the PMR as being very useful because of its country-driven approach. PA meetings are seen as having been effective in providing feedback from other countries, as were the technical experts mobilized by the PMR Secretariat, which is also seen as having done a very good job in organizing technical workshops. The Secretariat is likewise credited with continually updating participating countries on

technical issues and helping them to better absorb information provided at PA meetings. Local PMR activities for other ministries, industries and stakeholders to date have entailed capacity building and training. MRV training was regarded as very effective by the Ministry of Energy and Natural Resources (MENR), industry associations, and public sector electricity generators, but private sector power generating companies gave a less positive review of PMR effectiveness.<sup>103</sup> More generally, however the PMR is regarded as being catalytic in designing and implementing needed technical work to help ICPs prepare for market readiness, and national progress in this regard is considered more rapid due to PMR assistance than it would have been otherwise.

### **C. Survey and Interview Results**

**5.9.** The surveys and interviews provide additional feedback as to how the various stakeholder groups view PMR's effectiveness with respect to the provision of key inputs (grant funding, technical assistance, information and knowledge, etc.) and realization of key outputs that are essential for the eventual achievement of its objectives. As concerns the latter, for example, stakeholders were asked to indicate how effective the PMR has been in terms of contributing to the establishment or consolidation of the core technical components for market readiness, such as MRV systems, registries and other data management systems, as well as to the design and development of carbon pricing and/or other MBIs such as domestic emissions trading schemes (ETSs), scaled-up emissions reduction (ER) crediting mechanisms, carbon taxes, or other pertinent instruments. Respondents were also requested to provide written comments to elaborate on their ratings and indicate any suggestions they might have in order to improve situations that were currently deemed less than substantially effective. This section summarizes the main findings in relation to these questions, focusing primarily on ICPs and CPs, while additional data from the surveys is presented in Annex 4. As noted above, in considering the survey results, it should be kept in mind that for some stakeholder groups (i.e., PA Observers and Technical Experts), the samples were very small, so that the percentages presented are less likely to be fully representative of the larger universes involved.

**5.10.** ICPs surveyed with respect to the establishment of core technical components and carbon pricing and/or other MBIs reveal that a third of the respondents to the question regarding technical components and between 47 and 60 percent in relation to that concerning carbon pricing and other MBIs indicated either that they did not know or that the specific item was not applicable. While the PMR was considered "substantially effective" by between 40 and 53 percent of the ICPs in relation to the technical infrastructure for market readiness and between 33 and 53 percent with respect to the establishment of carbon pricing and/or other MBIs, only rarely was it judged to have been "highly effective," in either regard to date (see Annex 4 Tables A.3 and A.4). This has clear implications with respect to the PMR's ability to meet its above-stated objectives to date. Written comments confirm, however, that these responses were strongly influenced by the fact that many of the ICPs are still at an early stage with respect to the PMR process. One ICP respondent nevertheless recognized that "MRV is the key component of mitigation and every country should have it in place. We can learn from the PMR activities." A second observed that "carbon pricing is a policy under construction in [my country] and PMR has been helping to develop it."

**5.11.** Figure 6 below summarizes the results with respect to another survey question posed to the ICPs, which is of direct relevance to PMR's objective of creating opportunities for participants to learn from each

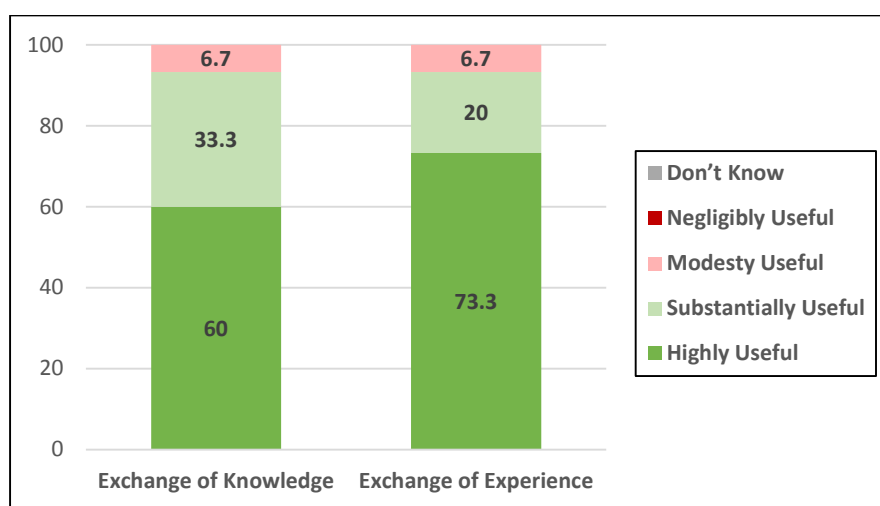
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<sup>103</sup> A training workshop organized by MoEU with representatives of the Electricity Producers Association (EUD) took place earlier in 2014. According to this Association, some issues became more "confusing" after training, but it is expected that, with further sector-specific training, participants should be better able to understand and adopt basic MRV principles. It should be observed, however, that this training workshop primarily targeted staff within MoEU and MENR and not the private sector. A one-day launch event took place in Istanbul in October 2014 to introduce the PMR activities to a broad range of stakeholders in the private and public sectors, academia, and civil society to discuss their engagement in PMR activities going forward.



other: How useful has the exchange of knowledge and experience between CPs and ICPs regarding alternative approaches to market readiness and carbon pricing been for your country and organizations to date? ICP respondents clearly recognize that they can learn from other countries' experiences and that the PMR has provided a useful platform for exchange of information and experience, but that there was still a need for greater knowledge with respect to carbon pricing. One respondent noted that there is normally a segment in most PMR meetings dedicated to the exchange of experiences among participants, such that “examples of different schemes, carbon-pricing instruments, problems encountered, data needed, political decisions, timing [for] implementation, among other issues, have been addressed.” Another affirmed, however, that promoting greater exchange of knowledge and experience among implementing countries on a regional basis merits greater consideration.<sup>104</sup>

**Figure 6:** Usefulness of exchange of knowledge and experience between CPs and ICPs according to ICP respondents  
(15 responses) – Rating %



**5.12.** More than half of the ICP survey respondents also affirmed that there had been unexpected positive consequences of PMR support for their countries. One ICP representative indicated that this had taken the form of interest from other Ministries and Departments, while another stated that it had led to additional cooperation from contributing members and South-South exchanges. A third noted that, as a consequence of the country’s participation in the PMR, it had received support from other agencies with respect to MRV practices. Another referred to the establishment of a joint crediting mechanism with Japan, using carbon-trading principles. Finally, a fifth observed that the upstream policy analysis is very useful now that the Government was starting to implement a carbon tax. A single negative response identified the World Bank as having slowed implementation due to “political” factors.<sup>105</sup>

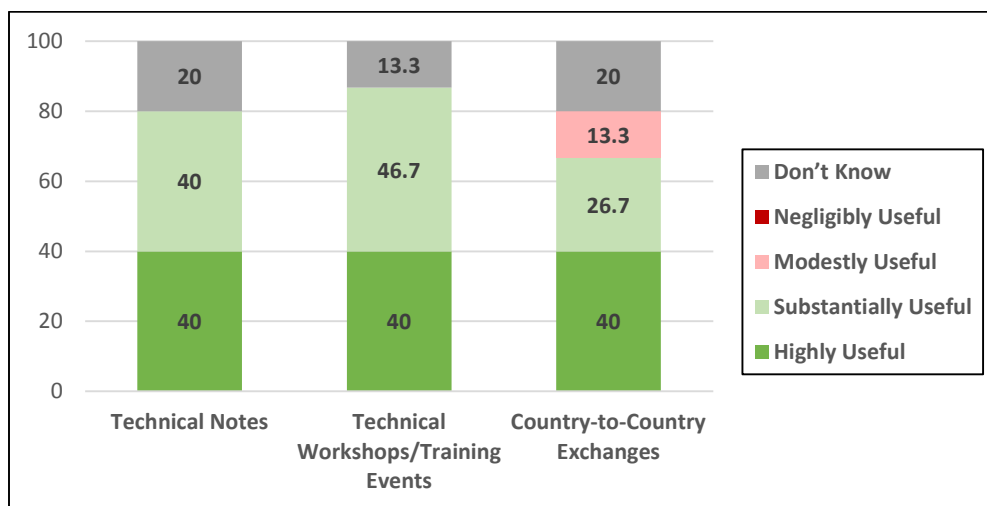
**5.13.** ICPs were also asked how useful the various elements of the PMR’s Technical Work Program have been to date, specifically the technical notes, technical workshops and training events, and South-South exchanges. The responses, which again were 67 to 80 percent positive, are presented in Figure 7. Written comments included: “experiences are provided by first-hand stakeholders and actors” and “all events and products help countries to improve and connect in the international environment.” These results are

<sup>104</sup> A similar suggestion was expressed by the Vietnamese PMR focal points interviewed in Hanoi in June 2014.

<sup>105</sup> In an interview with the representatives of the ICP that expressed this view, it was clarified that the Bank had decided to delay processing of the Grant Agreement until after a new government was in place, which had resulted in a considerable loss of time for MRP implementation start-up from the interviewee’s perspective.\

consistent with those from the interviews in the three case study countries. Participants also indicated that the Technical Workshops and Training events and country-to-country exchanges were more useful than the PMR’s Technical Notes, in part because those questioned had been “too busy” with their day-to-day responsibilities to read them. This notwithstanding, those ICP respondents who were familiar with them found them to be at least substantially useful.

**Figure 7:** Usefulness of various elements of PMR technical work program to date according to ICP respondents  
(15 Responses) – Rating %

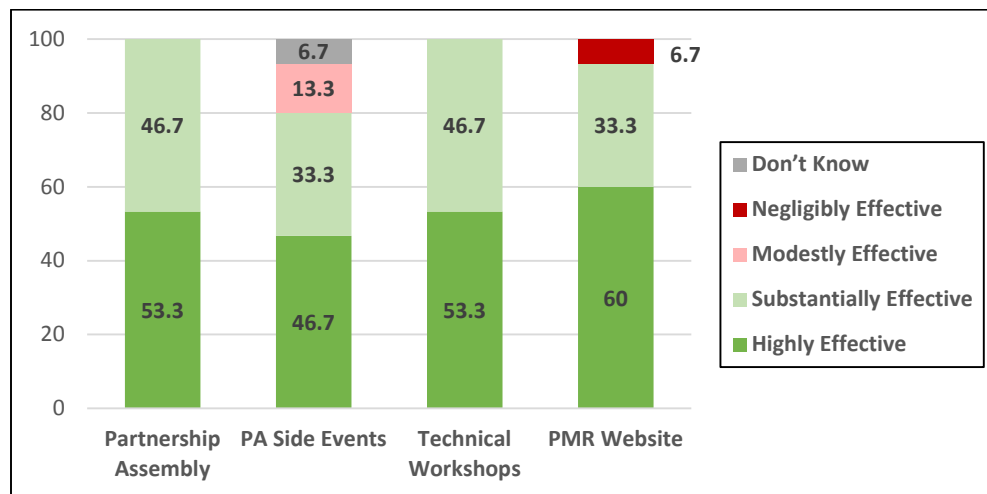


**5.14.** ICPs were requested to assess the usefulness of the expert consultants provided through the PMR, both in technical and operational terms, in helping them to prepare their MRPs. The results (provided in Annex 4 Table A.5) were more positive about the technical (67%) than the operational support (47%), although a higher share of the respondents indicated “don’t know” in the case of the latter (33% versus 20%). Some written observations claimed that technical advice on MRP content had been highly helpful and that the experts had given comments and suggestions based on their experiences that were very useful for developing the MRP. However, another ICP respondent reported that the consultants’ inputs had been of help but did not lead to “significant changes” and yet another affirmed that “in many cases projects are new and experts can’t know much.” The more positive responses in regard to technical advice suggest that operational support provided in connection with MRP development needs to be strengthened.

**5.15.** Finally, ICPs were asked to what extent the Partnership Assembly Meetings, PA Side Events, Technical Workshops, and the PMR website provided effective platforms for the exchange of useful information and knowledge to date. These results are contained in Figure 8. Among these activities, the PA Meetings and technical workshops and trainings were considered to be highly or substantially effective by all those who responded, but the side events and the website, particularly the latter, had some detractors among the ICP respondents. The reasons for the somewhat less positive responses regarding the side events are not clear, but some respondents felt that the website could be more user friendly. One respondent indicated that PA meetings are always very useful as “it is a very open forum” and that Technical Workshops and Trainings events had been useful, as well as the PMR website. However, another ICP respondent indicated that “the PMR website should have more than one user.” And a third one affirmed that the Workshops and Side Events were opportunities for face-to-face discussions, which was more effective than providing information through the website and other online programs. These views correspond with the evaluation team’s conclusion based on its independent review of the PMR website’s

contents and organization (see below) that this instrument could be used more effectively to support PMR participants and the potentially much larger external audience of other interested parties.

**Figure 8:** Effectiveness of PA Assembly, side events, technical workshops, and PMR website to date according to ICP respondents (15 responses) – Rating %



**5.16.** Other stakeholder groups were posed similar questions. CPs, for example, were asked how effective the PMR had been in helping ICPs to develop or refine their legal and regulatory frameworks and establish national standards for GHG mitigation. CPs were also asked how effective PMR support has been in helping ICPs to establish or consolidate certain core technical market readiness components, various carbon pricing and other market instruments for GHG mitigation. The responses to these questions are summarized in Table 2. These ratings are universally lower than responses to the same questions by the ICP respondents, reflecting a significant difference in perspectives between the two groups. As noted above, while the survey results do not clearly indicate the reasons for these differences, the fact that at least half of the CP responses indicated that the PMR had been “highly” or “substantially” effective on only two of the eleven items considered in this table is a matter of concern, although on two other items (other data management systems and other carbon pricing or market-based instruments), nearly 60 percent stated that they didn’t know, and on several other items from one-quarter to one-third also responded in this way. Once again, this suggests that, even though the PMR has been underway for more than three-and-a-half years, it is still in its “early days” in terms of actual MRP implementation, although numerous past or present CP PA members interviewed by the evaluation team seem to have expected greater results on the ground from the PMR than have occurred to date. In addition, as one CP member of the Evaluation Working Group has pointed out, “CPs don’t have as clear visibility as to how effective PMR activities are for ICPs.” Thus, it would be useful to have more feedback mechanisms from the ICPs to CPs, via the PMR Secretariat and PA meetings.”<sup>106</sup>

<sup>106</sup> Personal communication from Ken Xie to the PMS Secretariat, February 6, 2015

**Table 2:** Effectiveness of PMR support to ICPs on various elements to date according to CP respondents (14 responses) – Rating %

Item/Rating (%)	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
Legal Frameworks	8.3	25.0	33.3	8.3	25.0
Regulatory Frameworks	8.3	33.3	33.3	0	25.0
GHG Mitigation Standards	8.3	25.0	25.0	8.3	33.3
MRV Systems	41.7	16.7	8.3	8.3	25.0
Registries/Tracking Systems	25.0	25.0	16.7	8.3	25.0
Other Data Management Systems	16.7	8.3	8.3	8.3	58.3
Domestic ETS	16.7	25.0	58.3	0	0
Scaled-up ER Crediting Mechanisms	8.3	8.3	83.3	0	0
Carbon Taxes	8.3	25.0	50.0	8.3	8.3
Other Instruments	0	16.7	25.0	0	58.3

**5.17.** However, the CP responses also reflect difficulties in generalizing across the entire set of ICPs. As one such respondent said, “the PMR has 17 ICPs, each of which is at a different stage of development. It's impossible to average out answers to these questions across all ICPs.” However, another affirmed that the potential benefit of producing templates for various readiness components, which countries could then take and utilize as they saw fit, had been mentioned to the PMR Secretariat. And, as refers to carbon pricing and other GHG mitigation instruments, a third CP respondent noted that “it's probably too early to tell, as no MRPs are even halfway through their implementation, and most have yet to begin.” Essentially agreeing, a fourth one indicated that things were moving forward slowly but recognized that “advances depend on political processes, which are necessarily slow and often de-linked from the work of the PMR.”<sup>107</sup>

**5.18.** CPs were likewise asked their views on the usefulness of the PMR’s Technical Work Program to date, as well as that of the Partnership Assembly Meetings, PA Side Events, Technical Workshops and the PMR Website. These results are presented in Table 3. Here too the ratings were less positive than those from ICP respondents. The usefulness of the Technical Workshops and the Partnership Assembly Meetings, however, were rated higher by both the CP and ICP respondents than other PMR events and activities. Again, the website was considered to have been less effective than the other means of knowledge sharing used by the PMR.

<sup>107</sup> The Technical Experts involved in PMR activities were asked the same questions. The distribution of their responses is contained in Annex Table A.6. While, again, “don’t know” answers predominate, in most cases they were followed by “modestly effective” ratings, the main exceptions being with respect to MRV systems, registries and/or other emissions tracking systems, and carbon taxes. Several of those who responded in writing also indicated that it was too early to make a judgment, but one observed that the PMR was helping with “capacity building, such as allocation method, MRV, registry, etc., while a second noted that PMR discussions seem to have led to the emergence of more carbon taxes and mixed instruments such as tax and offsets.

**Table 3:** Usefulness of elements of PMR technical work program and major PMR events  
(14 responses) – Rating %

Item/Rating (%)	Highly Useful	Substantially Useful	Modestly Useful	Negligibly Useful	Don't Know
Technical Notes/Other Analytical Products	25.0	33.3	16.7	0	25.0
Technical Workshops/Training	16.7	41.7	16.7	0	25.0
Country-to-Country Exchanges	25.0	16.7	16.7	0	41.7
Partnership Assembly	25.0	58.3	8.3	0	8.3
PA Side Events	8.3	41.7	0	0	41.7
PMR Website	0	50.0	16.7	16.7	16.7

**5.19.** CP respondents were not as aware of the contributions of PA side events and country-to-country exchanges, but, as indicated in Figure 9, most ICP respondents found them quite useful. One written comment with regard to these ratings, however, was: “I know that there are grand plans for the Knowledge Center within the PMR website, which have yet to be realized. I think that for now the main benefit of the website has been access to the technical and meeting papers.” Regarding the PA meetings and Technical Workshops, another CP respondent stated that they are “always very relevant and very well prepared.” But, while agreeing in part, a third argued that:

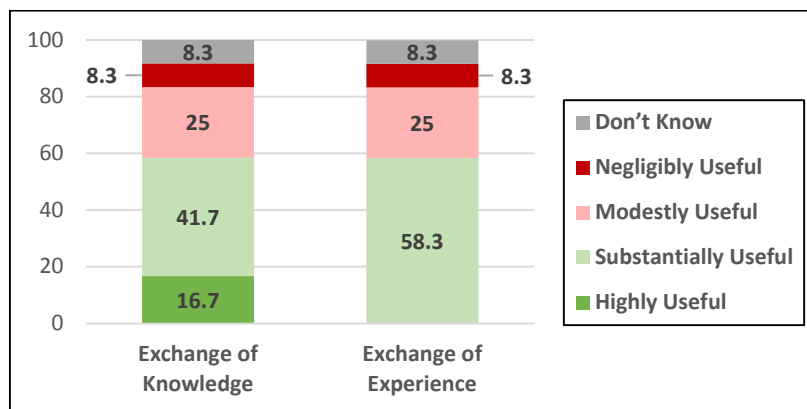
“Some of the Technical Workshops and side events have drifted both in regards to timing, but also the topics and issues discussed. It is also important to have in mind that both implementing and contributing countries should experience the topics discussed as relevant, and that all countries are able to participate in the discussions. At some of these events, a large part of the discussions have been between a small number of contributing countries, and often are few implementing countries active during the discussions. A larger involvement of implementing countries in the side events, or Technical Workshops could provide these events with more fruitful discussion. This may be achieved through the development of the agendas and with the moderators focusing on achieving discussions where a larger part of the participations are active”<sup>108</sup>.

**5.20.** The CPs, finally, were asked whether the exchange of knowledge and experience between themselves and the ICPs regarding alternative approaches to market readiness and carbon pricing had been useful for their own countries and organizations (see Figure 9). More than half of the CP representatives found these exchanges at least substantially useful for their countries (and only 8 percent negligibly so).

<sup>108</sup> Participating Technical Experts were asked a similar question about the usefulness of the Partnership’s Technical Work Program. The responses are summarized in Annex Table A.7. Once again, Technical Workshops and Training Events received the highest ratings although the Technical Notes were also found to be either highly or substantially useful by those respondents who were familiar with them. Among the accompanying comments were that “workshops have high quality,” but also “have limited outreach.” Another respondent indicated that he/she was not aware of any country-to-country exchanges, but that they appear to be a useful idea. But he/she also suggested that greater efforts should be made to involve the private sector. This was also one of the findings of the interviews with national interlocutors during DPMG’s earlier visits to Mexico and Turkey. Another respondent stated that, as a university expert, he could be “leveraged more to work with individual countries.”

Thus, nearly 60 percent of the CPs found the PMR to have provided knowledge and experience sharing benefits for their own market readiness/carbon pricing activities as well.<sup>109</sup>

**Figure 9:** Usefulness of exchange of knowledge and experience according to CP respondents (14 responses) – Rating %

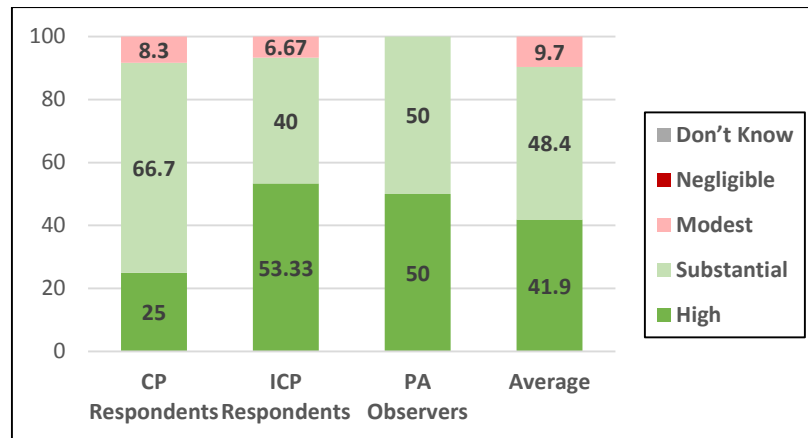


**5.21.** Participating Technical Experts were requested to rate the quality and innovativeness of the technical guidance and advice provided by the PMR to ICPs. The ratings were generally positive (see Annex 4 Table A.9), although technical quality was rated higher by some respondents than innovativeness. One respondent commented that the PMR brings up-to-date knowledge in the international arena, and is of high quality in the technical and innovative aspects, but a second one offered a somewhat contrary view, arguing that the PMR’s design and partnership structure limited innovativeness, even though the quality of technical inputs was high.

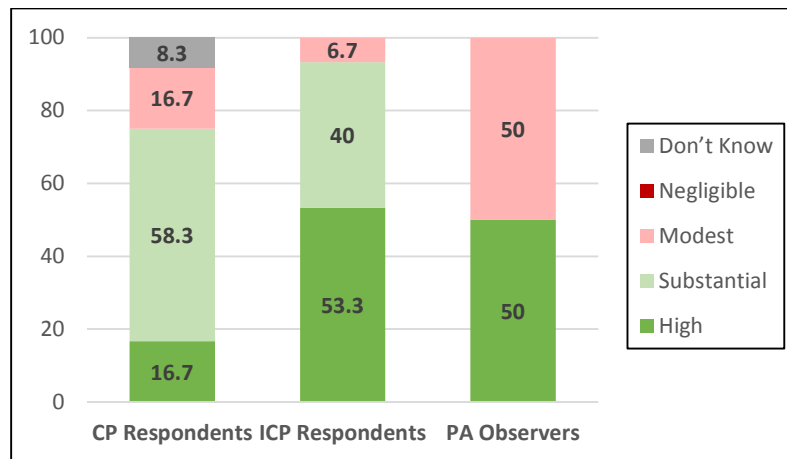
**5.22.** Finally, the surveys sought to gauge the perceptions of the various stakeholder groups regarding the quality of the PMR Secretariat’s preparation and follow-up of PA Meetings, Side Events, and Technical Workshops. The responses are contained in Figures 10 and 11 (and other also generally positive responses for other PMR events are posted in Annex 4 Tables A.10 through A.13). ICP responses were more positive than CP ones on average, but the differences are not major. Comments from CP respondents indicated that time management is a “big problem” with PMR PA meetings and that it would be useful to receive the documents to be discussed with greater lead time before the meetings “as there is a lot of reading involved and it is important to consult a wide range of colleagues in other teams and departments.” The only written comment from an ICP respondent was that the “PMR team is highly capable and experienced,” while one of the PA observers affirmed that the PMR Secretariat was “extremely professional and well respected.”

<sup>109</sup> PA observers were asked to indicate the extent to which they have found the Partnership Assembly Meetings, Side Events, and other PMR-sponsored activities useful, as indicated in Annex Table A.8. As with the other groups surveyed, the Technical Workshops and PA meetings were considered by most to be quite useful, and the four PA observers who responded to the survey found the PMR website to be so as well. Among written comments, one observer noted that the Assembly not only transmitted knowledge but discussed administrative and governance issues as well, while a second one indicated that its member companies very much appreciated the PMR Dialogue held in Cologne, Germany in May 2014 and hoped that more opportunities for business-government dialogue could be arranged in the future. An observer also suggested that these events could be more useful by giving broader access to the knowledge platform to other government actors relevant to implementation of markets, carbon taxes, and climate policies.

**Figure 10:** Quality of PMR Secretariat’s preparation of PA meetings to date according to various stakeholder groups  
(33 responses – 15 CPs, 14 ICPs, and 4 PA Observers) – Rating %

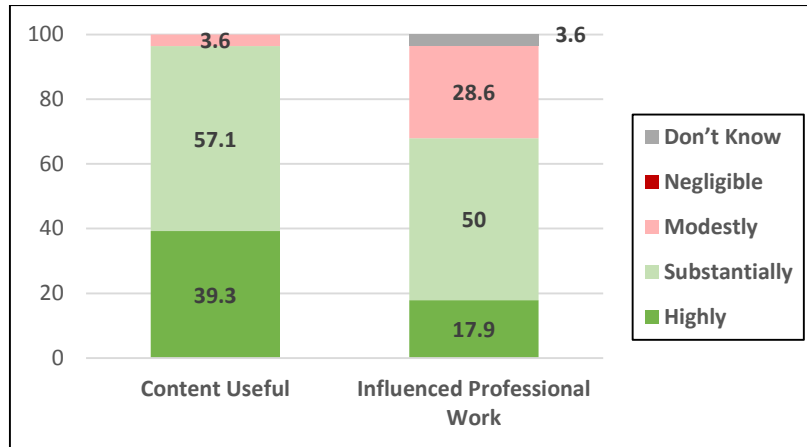


**Figure 11:** Quality of PMR Secretariat’s follow-up to PA meetings to date according to various stakeholder groups  
(33 responses – 15 CPs, 14 ICPs, 4 PA Observers) – Rating %

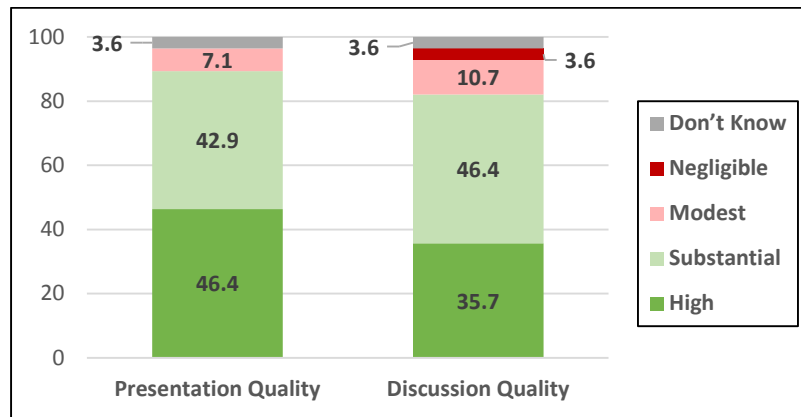


**5.23.** A survey was also carried out among Technical Workshop participants and the results are also relevant to overall PMR effectiveness to date. Figure 12 presents the distribution of survey responses with respect to the usefulness of the information and knowledge shared during the workshops attended and on the extent to which they had influenced the participants’ subsequent professional work. Participants were likewise asked to assess the quality of workshop preparation and follow-up, as well as of the presentations and discussions, with the results indicated in Figure 13 (and Annex 4 Table A.14) and whether the time allocated for the workshops was sufficient and how well it was managed by the coordinators. These results are contained in Figure 14. While the responses were generally positive, there was a range of written comments, including some more critical ones, and associated suggestions, a representative sample of which is provided in Box 4.

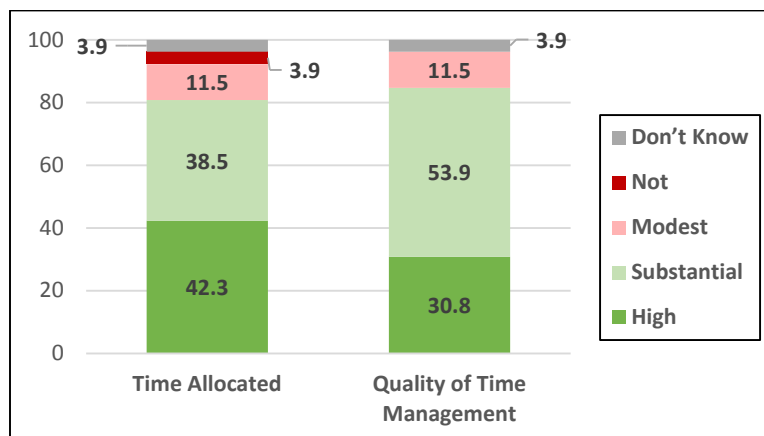
**Figure 12:** Extent to which technical workshop content was useful and influenced participants' professional work according to workshop participants (30 responses) – Rating %



**Figure 13:** Quality of technical presentations and discussion in workshops according to participants (30 responses) – Rating %



**Figure 14:** Sufficiency of time allocated for the workshops and quality of time management by the coordination according to workshop participants (30 responses) – Rating %





#### **Box 4: Comments and suggestions regarding PMR technical workshops**

- It was useful to learn from businesses' experiences with EU ETS, as practice is quite different from theory.
- The information shared allows better understanding of what should be improved or done; however, real implementation is not easy.
- Information was useful [to] understand the status of policy development in many different countries. Given the diversity of the MRPs and the fact that some of them are a long way from development of actual market mechanisms, [this] has not influenced our work as much as I would have liked.
- Very useful for elaborating NAMAs.
- Much of the effectiveness was due to informal contacts made during the event.
- Qualified experts are invited to share information/experience/lessons. Suggestions are usually sought for improvement of the organization/preparation of the workshops.
- The venue was small and a day was not enough.
- MRV was an important topic and the workshop was well organized.
- The event was well organized, but there was limited follow-up.
- The presentations were very interesting; however, the discussions were not very rich.
- "Team" work was not very productive, poorly organized.
- The quality was as good as could be expected from a mix of technical and non-technical people, working under ambiguous international guidelines.
- The case studies were very interesting, but if the speakers had more time, we could have [had] a better chance to discuss more in depth.
- In the future, if we have possibility with the PMR to focus on verification bodies competency and other more technical issues (e.g., determining installation boundary, calculation methods, standards or mass balance, determining emission sources and streams, proper tiers and factors for the installation) with [respect to] verification, it would be more useful from an accreditation point of view.
- More information resources and country case studies could have been made available.
- Ensure that actions discussed are monitored and followed up with all participants.
- Despite the organization of a very interesting and relevant workshop, there seems to be a lack of continuity in considering the issue in the PMR. More material on the issue should be made available by the PMR.
- More appropriate support, including logistics, should be provided to qualified experts to encourage their participation in the workshops.
- Addressing conceptual concerns as to the direction and focus of some work areas in a more substantive way.
- Plan 2-3 day workshops to discuss all elements.
- Include local organizations to present what they are doing regarding the workshop topic.
- The topics were interesting and complex, but more time should have been allocated to discuss in more depth.
- The Moderator should have been more proactive with respect to time management.

Source: DPMG Survey of Technical Workshop Participants, 2014

**5.24.** The interviews with CP and ICP representatives confirmed many of the points already made, including the substantial effectiveness of the PA meetings and Technical Workshops, but they also raised concerns about overly crowded agendas and, in some cases, poor time management. However, it was also recognized that these events are not easy to manage with countries at very different stages. Pertinent observations from some of these interviews can be summarized as follows:

- In regard to capacity building, it seems that ICPs have been satisfied, but there are no results available from exit polls on how useful participants have perceived training. Evaluation of effectiveness of capacity building exercises is lacking. Training has been systematic but not very participatory. It is difficult to assess whether the right persons have been chosen to attend training sessions and whether they have disseminated their knowledge adequately.
- Considering the early implementation stage of PMR, effectiveness has been good, although it has not yet been possible to follow in detail implementation at the country level. Information exchange comprises several platforms. It is difficult to assess each one, but there are plenty of elements that are effectively used by different actors. Discussions at PA meetings have offered countries an opportunity to present their work, respond to questions and provide answers. At the moment three PA meetings a year may be needed, but when MRPs are in the implementation stage, perhaps two meetings will be enough.
- PMR has helped in building MRV and registry capacity, but it is not known to what extent.... People who have gained knowledge on MRVs and registries should share more information at PA meetings. Countries that have started ETS would need more specific training than PMR could deliver. It is difficult to assess the capacity building needs of individual countries, but the key issues for the effectiveness of capacity building are how to: (i) avoid overlapping with capacity building activities provided by other institutions; (ii) ensure focus on country needs; (iii) ensure sustainability of results; and (iv) deliver added value.
- PMR helps countries to design and pilot carbon pricing and other MBIs, but it is not clear if PMR support is needed for these instruments. Most countries are starting these activities without PMR and climate change may not be the sole focus for the countries participating in the PMR; for example, energy pricing, health issues and sustainable economic development may be more important for some countries than developing and implementing carbon pricing activities.
- The quality of technical papers and notes is excellent, but their relevance and effectiveness and that of the sharing of knowledge are sometimes doubtful. How PMR would define the usefulness of knowledge and its sharing is difficult to answer. However, the role of the private sector, non-state actors and financial institutions should be more dominant in the future.
- The PMR has been slow to divest funds as preparation of proposals has taken several years on average and grant agreements have taken well over a year on average. The PMR has not been successful in piloting and testing or sequencing of concepts for market instruments. The PMR is a clear platform for sharing of experience and information regarding market readiness. The PMR has taken only tentative steps to create and disseminate a body of knowledge on market instruments. There has been a moderate sharing of lessons learned, including with the UNFCCC.

**5.25.** These observations reflect the mixed feedback received on the effectiveness of the PMR to date. While they come primarily from CP representatives, many ICP representatives expressed similar views, although the latter group placed greater emphasis on the helpfulness of the information and experience shared and the technical assistance received, particularly in relation to the technical aspects of MRP preparation. A concern with the “slowness” of the process, however, was shared by most of those

interviewed even though a number of ICP representatives acknowledged that their countries were still at an early stage in terms of developing their own carbon pricing or other MBIs. This reality was underestimated at the time of the PMR's inception, as most participants expected it to progress more rapidly than it has.

#### **D. Assessment of PMR's Knowledge Management and Sharing Activities**

**5.26.** The PMR's KM&S system and its various components (i.e., the website and "Knowledge Center," Technical Workshops and Training Events, Technical Notes, etc.) are critical elements in the PMR's toolkit to help to achieve its stated objectives, particularly those with respect to knowledge creation and dissemination and the sharing of lessons learned. While the PMR's "core" objective in this regard seems to have been downplayed over the past couple of years, at least as expressed in the PMR's two most recent Annual Reports, KM&S nonetheless constitute the main set of inputs and outputs over whose outputs and outcomes the Secretariat has primary control. For this reason, in addition to the survey and interview findings reported above, the evaluation team undertook an independent technical review of the content of these activities and how effectively they are being disseminated at present. A summary of this analysis is presented below and in full in Annex 5.

**5.27.** The KM&S system has three main actual and potential audiences: (i) participants in specific PMR events (such as the PA meetings, Technical Workshops and Training events); (ii) other PMR participants who do not attend the individual events in question but who could also benefit from any knowledge generated in them; and (iii) a much broader audience of non-PMR participants who are nonetheless interested in learning about market readiness and carbon-pricing instruments and the associated international experience as it rapidly evolves. At the moment, however, this system may not be serving any of these three audiences as well as it potentially could.

**5.28.** While off to a promising start in terms of the establishment of a website and "Knowledge Center," the PMR KM&S system appears to be underachieving its potential. The extent to which these activities have been given priority is also somewhat unclear considering the way the statement of the PMR's "core" objectives has evolved in recent years. Thus, there appears to be room to enhance both the relevance and the effectiveness of the system's outputs in the future. More generally, there presently seems to be some confusion within the PMR as to what constitutes knowledge—as opposed to information—with respect to carbon pricing and the elements needed to make it a reality at the national level.

**5.29.** As the PMR prepares to move into a possible Second Phase, it would, therefore, be useful for the PA and the Secretariat to explicitly reaffirm the central role of KM&S among its core activities. In doing so, however, they should keep in mind the various audiences that the PMR's KM&S activities are intended to serve. The existing PMR Technical Working Groups on offsets, baselines, and MRV and the proposed new ones on ETS and carbon taxes are intended to help facilitate identification of the links between ICP "demand" for and the PMR's "supply" of knowledge for generation and dissemination purposes. However, it is too early to determine how effective they are being in this regard and the latter two have just been proposed. This notwithstanding, the evaluation team finds that, while worthwhile in principle and despite the generally positive ratings given by those participants who responded to the survey as reported above, the content of some of the technical workshops and papers presented by the PMR has been somewhat limited in terms of their innovativeness and/or analytical content, although there are also some clear exceptions—such as the recent Technical Notes on baselines and data management—that can serve as good practice models for the treatment of other topics in the future. In any case, it is important to distinguish between information storage and sharing and true knowledge generation and dissemination.

**5.30.** The former may be necessary for the latter, but is not sufficient. Many of the materials presently posted on the PMR website, for example, are copies of Power Point presentations made at the various PA meetings, Technical Workshops, and other events, which may be of only limited future usefulness to the

event participants themselves, to other PMR participants who did not attend these events, or to potentially interested outside observers. Going forward, the PMR Secretariat should consider how the materials it is currently posting could be complemented with others that the actual and potential users of the website, and of the PMR's technical outputs more generally, would find most helpful in order to access the most relevant and cutting-edge knowledge about market readiness and carbon-pricing issues, requirements, and instruments and evolving international experience. Alternative ways of making pertinent information and knowledge available should also be considered, including by perhaps adopting a requirement that full papers, as well as summary Power Point presentations, be prepared for PA meetings, side events, and, especially, Technical Workshops and training events. Video recordings of full presentations and associated discussions, for instance, could also be made for subsequent posting on the PMR website. Annex 5 provides other suggestions as to how this could be done. Measures should also be taken to make the website itself easier to navigate, and thus more user-friendly again keeping the potential audiences in mind. Greater efforts to attract and expand the vast audience of potentially interested non-PMR participants could likewise be made, which would also contribute to enhancing the PMR's visibility, relevance, and effectiveness.

**5.31.** While implementing the above suggestions will require additional time and resources, the added value to the potential audiences and to the PMR could be considerable. It is, thus, also recommended that the PMR Secretariat and the PA should consider these and other ways in which the PMR KM&S's functions and activities could be expanded and strengthened as the Partnership prepares to enter a possible Second Phase. Some specific recommendations in this regard are presented in the concluding chapter of this report. Finally, the Secretariat should keep close track of how frequently and for what purposes the PMR's website is being consulted and by whom. It should also undertake brief ex-post assessments of the various events it promotes, especially the Technical Workshops and training events, by surveying the participants involved. And it should seek systematic feedback from ICPs, CPs, and other stakeholders on the quality and usefulness of the Technical Notes it issues. The extent and nature of the additional financial and human resources needed to upgrade the PMR's KM&S system, as well as the potential benefits that could result, should likewise be assessed.

## **E. Conclusions**

**5.32.** The effectiveness of the PMR to date has been uneven, both at the individual country and at the broader program-wide levels. As concerns results to date in relation to each of the PMR's initial PA-endorsed objectives, the following conclusions can be drawn:

- **Provision of grant funding to countries for building market readiness components.** Since the PMR was launched in May 2011, US\$ 350,000 preparation grants have been awarded to 17 ICPs, and 12 of these countries have now had their final MRPs endorsed by the PA as well as grants ranging between US\$ 3 and 8 million for their implementation. However, only three ICPs (Turkey, China, and Chile) and one TP (Kazakhstan) have signed Grant Agreements with the Delivery Partner (in all four cases the World Bank) as of December 2014. Accordingly, in terms of the allocation of grant funding on the basis of endorsed MRPs—i.e., ones that have been approved in technical terms by the PA—progress has been substantial, but in terms of the actual flow of grant resources to the intended beneficiary countries, results to date remain limited and clearly less than anticipated and desired by most stakeholders.
- **Piloting, testing and sequencing of new concepts for domestic and new international market mechanisms and identification of potential synergies between national market based instruments at any early stage.** As only three ICPs have thus far signed Grant Agreements with the Delivery Partner to receive implementation funding for their MRPs and a good number of those endorsed by the PA to date and still under preparation focus on the design and development of the core technical components or “infrastructure” rather than “market instruments” *per se*, progress

with regard to the first part of this objective has been very limited and essentially restricted to what selected ICPs were already doing (e.g., China and South Africa) or have done in parallel (e.g., the recently approved carbon taxes in Mexico and Chile) on their own, totally or largely independently of the PMR. In addition, the extent to which “potential synergies between national market-based instruments at an early stage” have been identified also appears unimpressive, although there does seem to have been some progress in this regard (e.g., once again in Mexico and Chile).

- **Creating a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote South-South cooperation, and explore and innovate together in new instruments and approaches.** This has been the most successful element of the PMR to date, although it has been less successful with regard to the engagement of the private sector and civil society than other affected stakeholders at the national level, including subnational governments. The sharing of experience and information regarding market readiness, including information on carbon pricing and other MBIs, is acknowledged by the stakeholders as being the most valuable contribution of the PMR. This is also recognized by the PMR Secretariat, which also points to the important role of the technical assistance provided to individual countries during the MRP preparation process.
- **Creating and disseminating a body of knowledge on market instruments that could be tapped for country-specific requirements.** The PMR has developed and utilized a number of instruments, including the PA meetings, Technical Workshops and training events, and the Technical Work Program more generally, for the dissemination of relevant information on market instruments that can be tapped for country-specific requirements. Its efforts to create such knowledge, however, have thus far been largely limited to several of the Technical Notes, which a number of key ICP stakeholders had not found time to read. Thus, it is not clear how effective they have been in terms of being “tapped for country-specific requirements.” And at present the PMR has only limited mechanisms to assess the quality and usefulness of its knowledge products either within the individual ICPs or more broadly. Despite the generally positive ratings with respect to the Technical Workshops, some of those surveyed and interviewed indicated that these are areas where the PMR could potentially play a more proactive and effective role in the future. This is the evaluation team’s independent view as well.
- **Sharing lessons learned, including with the UNFCCC.** This, too, is an objective against which results to date have been limited in good measure for the reason that the vast majority of the MRPs have not yet begun implementation, so there are very few results on the ground and associated lessons to be shared. The PMR already possesses many of the instruments that can be used for this purpose, including both PA meetings and other regularly scheduled PMR events and bilateral communications and information exchanges. However, there are also some gaps with respect to lesson learning from the PMR experience more generally that should be addressed, including the need for the design and implementation of a more comprehensive Monitoring and Evaluation (M&E) system. Better mechanisms are needed to monitor and evaluate PMR activities at the country level that occur outside of the implementation of the grant-funded projects *per se*.

**5.33.** Finally, it should be reiterated that the above assessments reflect the fact, even though more than three and a half years have passed since PA 1 in May 2011 on-the-ground implementation of the main PMR-supported activities within the ICPs (i.e., the MRPs) has barely started. Where the PMR has been able to generate results to date, however, as in the case of objective three, the experience has been very

positive, as is recognized by virtually all stakeholders. However, there are also areas for improvement.<sup>110</sup> A number of the above findings are also pertinent in terms of the PMR's efficiency and governance and management.

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<sup>110</sup> Another recent formal assessment of PMR activities over the past year by a CP concluded that “generally progress has been good with high PA and workshop attendance.” It also gave generally high ratings regarding the quality of the PMR's “outputs.” However, it observed that “there is increasing concern on MRP implementation and there have been delays in implementing grant agreements.” It also discussed monitoring systems for the assessment of achievement of PMR objectives, about which it was concluded that “it is important to develop tools for: (i) qualitative/ quantitative assessment of MRPs; (ii) exit surveys for training; and (iii) surveys for outreach.

## Chapter VI: PMR Efficiency

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**6.1.** Efficiency refers to the extent to which program inputs have been used to produce outputs in a timely and cost-effective way. Before turning to the assessment of PMR's efficiency per se, however, it is useful to briefly consider how well it has mobilized and used its available financial resources to date. Following this background, the chapter will focus on evaluation results in relation to efficiency, which are again largely based on the three country case studies, survey results and interviews.

### A. Resource Mobilization

**6.2.** According to its *Annual Report April 2013-2014*, the PMR has effectively mobilized commitments from the thirteen Contributing Participants of US\$ 126.5 million, of which nearly US\$ 113.3 million equivalent (i.e., at current exchange rates) had been received as of December 15, 2014.<sup>111</sup> Table 4 below shows the US dollar equivalents of these contributions by country/ organization as of that date. As previously observed, these pledges and contributions substantially exceed the PMR's initial funding target of US\$ 100 million. In addition, total investment income earned by the PMR Trust Fund by the end of November 2014 was nearly US\$ 866,600, bringing the accumulated total raised at the present time to nearly US\$ 114.2 million.

### B. Resource Use

**6.3.** PMR resources have been utilized for various purposes, including to finance PMR preparation grants that were approved for all seventeen ICPs by March 2013, for a total of US\$ 5.95 million, and MRP implementation funding for twelve countries (Brazil, Chile, China, Colombia, Costa Rica, Indonesia, Mexico, Morocco, Thailand, Turkey, Ukraine and Vietnam) for a total US\$ 41 million.<sup>112</sup> However, as of the end of 2014 only three World Bank Grant Agreements, totaling US\$ 14 million, had been finalized with China, Turkey, and Chile in December 2013, May 2014, and September 2014, respectively. In addition, Kazakhstan, as the PMR's first assistance-receiving TP was allocated US\$ 1 million at PA 8 in Mexico City to support development of its domestic ETS. This brings the total of PMR resources formally committed (as opposed to endorsed for grant funding purposes by the PA) for activities in ICPs and Technical Partners to date to US\$ 20.95 million, not including the US\$ 5 million envelope that the PA approved as part of the PMR's Fiscal Year 2015 (i.e., July 1, 2014 to June 30, 2015) budget for purposes of funding the new upstream policy analysis component (see below).

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<sup>111</sup> Communication from PMR Secretariat, December 18, 2014. The minimum contribution for CPs was set at US\$ 5 million equivalent.

<sup>112</sup> All of these grants except that to China (US\$ 8 million, the maximum amount available), have been for US\$ 3 million. The most recent implementation grants approved at PA meetings were to Colombia and Morocco at PA 9 in Cologne, Germany in May 2014 and to Vietnam at PA 10 in Santiago. Grants to Brazil and Ukraine for MRP implementation were approved electronically, at these countries' request, between PA 9 and PA 10.

**Table 4:** Contributions to the PMR Trust Fund as of December 15, 2014

Country	Contribution (in US\$ millions equivalent)
Australia	12.483
Denmark	5.135
European Commission	10.054
Finland	5.355
Germany	13.217
Japan	13.597
Netherlands	7.068
Norway	5.830
Spain	5.403
Sweden	7.574
Switzerland	8.962
United Kingdom	11.108
United States	7.500
<b>Total</b>	<b>113.285</b>

**6.4.** PMR resources are also utilized to finance PMR management, Trust Fund Administration by the World Bank, and the operational support provided by participating World Bank regional staff. These figures are broken down for Fiscal Years 2012, 2013, and 2014 in Table 5. As the Table shows, these annual expenditures have doubled over this three-year period, increasing by 53 percent between FY 2012 and FY 2013 and by 29 percent between FY 2013 and FY 2014. Given the rapid growth of PMR activities during this period, however, this increase is not unreasonable, and the accumulated total of PMR operating expenses through the end of FY 2014 represents less than 8 percent of the contributions to the PMR Trust Fund to date. The table also indicates that the largest single expenditure category was for country delivery support and advisory services, followed by PA meetings, workshops and other events; PMR management and communications; and knowledge management. Box 5 provides greater detail about the contents of each expenditure category in the table below.

**Table 5:** PMR operating expenses: Use of funds (in US\$ thousand)

Use of Funds	FY12 Actual Expenses	FY13 Actual Expenses	FY14 Actual Expenses	FY12-14 Total Expenses	Percentage of Accumulated Expenses
<b>PA Meetings, Workshops and Other Events</b>	<b>773</b>	<b>824</b>	<b>799</b>	<b>2,395</b>	27.76%
<b>Country Delivery Support and Advisory Services</b>	<b>879</b>	<b>1,315</b>	<b>1,608</b>	<b>3,802</b>	44.06%
MRP Expert Feedback Process		183	154	336	
Country Delivery Support		1,132	1,455	2,587	
o/w: Secretariat Country Support		465	588	1,053	
World Bank Regional Support		667	867	1,534	
<b>Knowledge Management</b>		<b>279</b>	<b>664</b>	<b>943</b>	10.93%
<b>PMR Management and Communications</b>	<b>180</b>	<b>457</b>	<b>610</b>	<b>1,247</b>	14.45%
<b>Trust Fund Management</b>	<b>79</b>	<b>57</b>	<b>105</b>	<b>241</b>	2.80%
<b>Contingency</b>				<b>0</b>	
<b>Total Use of Funds</b>	<b>1,911</b>	<b>2,931</b>	<b>3,786</b>	<b>8,628</b>	



**6.5.** Expenditures in most categories have increased from year to year, the two exceptions being for PA meetings, workshops and other events, which were higher in FY 13 than FY 14 and for Trust Fund Management, which were higher in FY 12 than FY 13. For the latter, this presumably reflects higher initial costs to set up the Trust Fund and, in the former, possibly higher travel-related costs for ICP representatives for the PA meeting in Sydney. Costs for the MRP feedback process were also higher in FY 13 than in FY 14, which may reflect more intense effort to support preparation of a larger number of MRPs in the former year. PMR management and communication costs, in contrast, grew significantly between FY 12 and FY 13 and knowledge management costs increased between FY 13 and FY 14.

**Box 5:** Expenditure categories in the PMR's administrative budget

**PA Meetings, Workshops and Other Events:** Costs associated with PA meetings as well as workshops and other events (e.g., public events) organized on the margins of the PA meetings include meeting venue hire and catering; audio-visual equipment hire; and travel and accommodation expenses for ICP representatives, invited PMR experts and the PMR Secretariat.

**Country Delivery Support and Advisory Services:** These costs comprise (i) MRP Expert Feedback groups and (ii) the technical assistance provided by Delivery Partners and the PMR Secretariat to ICPs for the preparation and implementation of their MRPs. These costs include staff time from both the PMR Secretariat and World Bank Regional Offices, consulting fees associated with the MRP Expert Feedback Process, and associated travel costs.

**Knowledge Management:** These costs cover those associated with the PMR's Technical Work Program, including the preparation of technical notes, organization of working groups – for Baselines, MRV Systems, and Domestic Offsets – and expert meetings, technical training events organized under the Technical Work Program streams, and other events (e.g., South-South exchanges). In addition, they cover expenses for design and maintenance of the PMR website, as well as PMR monitoring and evaluation activities.

**PMR Management and Communications:** These costs comprise day-to-day operating costs of the PMR Secretariat in managing and coordinating PMR activities.

**Trust Fund Management:** These costs are associated with setting up and managing the PMR Trust Fund, including legal, budgeting, and accounting services.

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

Source: PMR Secretariat, *Presentation of the PMR FY 14 Expenses and Proposal of the PMR FY15 Budget for Approval*, May 2014

**6.6.** The actual expenses for FY 14, according to the PMR Secretariat, can be further broken down as follows, although no additional details are provided:

- The PA7 meeting in Marrakesh (October 2013) cost US\$ 286,000; the meeting in Mexico City (March 2014) US\$ 315,000; and the meeting in Cologne (May 2014) US\$ 173,000. Other workshops reportedly cost US\$ 25,000 collectively. However, this likely understates their full costs and refers only to the Secretariat's contribution.
- As concerns knowledge management, US\$ 526,000 was spent on PMR technical work, US\$ 72,000 on knowledge management and web design, and US\$ 68,000 on policy work.
- Under PMR management and communication costs, US\$ 420,000 was for PMR Secretariat operating costs and US\$ 190,000 allocated for PMR evaluation.

- Finally, for PMR Trust Management, US\$ 79,000 was for PMR resource management, US\$ 17,000 for legal work, and US\$ 10,000 for Trust Fund Administration.<sup>113</sup>

**6.7.** The budget proposal for FY 2015 (i.e., July 1, 2014-June 30, 2015) approved by the PA in May 2014 was substantially higher than those for the previous fiscal years, raising the total to US\$ 9.825 million,<sup>114</sup> a 133 percent increase over actual expenditures in FY 14, or 8.6 percent of the total resources mobilized as of December 15, 2014. This notable increase is due primarily to addition of a new budget category for upstream analytical policy work with a requested allocation “envelope” of US\$ 5 million, or more than half of the total. This signals a new element in the PMR’s Work Program, which one CP representative interviewed by DPMG sees as potentially diverting the PMR from its original PA-endorsed core purpose, i.e., to help counties build capacity and to pilot and test carbon pricing and other market-based instruments for GHG mitigation. The Secretariat justifies this new initiative as follows: “in FY 14, the PMR has achieved an important milestone in initiating Upstream Policy Analytical Support [which] will help countries identify a package of effective and cost-efficient instruments to achieve mid- and long-term mitigation objectives. The support will complement countries’ ongoing efforts to prepare their “nationally determined contributions” for 2015 agreement under UNFCCC.”<sup>115</sup> To do this, it proposed inclusion of additional resources in the FY 15 PMR operating budget to support: (i) country analytical work; (ii) common methodology and framework (including modeling); (iii) international and national technical meetings and workshops; and (iv) associated World Bank staff time.

**6.8.** An update on the upstream analytical policy work presented by the PMR Secretariat at PA 10 in Santiago included anticipated budget envelopes and time lines for the various activities for which support was provided under this new PMR work stream (see Table 6). The total cost of these activities was estimated to be up to US\$ 1.405 million, or just 28 percent of the budget envelope authorized by the PA in Cologne, suggesting that actual expenditures may prove to be considerably lower than the amount originally authorized for this set of activities.<sup>116</sup>

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<sup>113</sup> Personal communication from the PMR Secretariat, December 18, 2014.

<sup>114</sup> Partnership for Market Readiness, *Presentation of the PMR FY 14 Expenses and Proposal of the PMR FY 15 Budget for Approval*, PMR Note PAP-2014-3, Washington D.C., May 2014, Table 5, pg. 9.

<sup>115</sup> *Ibid.*, pp. 9-10.

<sup>116</sup> PMR Secretariat, *Upstream Analytical Policy Work: Update, op. cit.*, pg. 13. The specific country support activities to be supported are: (i) Brazil – analyzing low-carbon power scenarios for low-hydrology scenarios; (ii) China – mapping and assessing existing policies and instruments that have major GHG abatement impact, reviewing and comparing existing and ongoing studies on constructing China’s GHG emissions scenarios for 2020, 2030, and 2050, and understanding methodologies used by other countries in setting their mitigation scenarios; (iii) Colombia – (i) review of Colombian Low Carbon Development Strategy emissions scenarios and strengthening robustness of quantitative assessment of sector mitigation options, exploring robust emission reduction pathway (including carbon pricing instruments), and building and running combined top-down/bottom-up energy-economy-environment models; (iv) Costa Rica – mapping and assessment of GHG mitigation policies and instruments (including carbon market), establishing mid- and long-term scenarios for economic growth and GHG emissions, and recommendation on shaping national and sectoral abatement targets – pathway to achieve carbon neutrality; and (v) Peru – broadening the scope of the analysis of selected mitigation options, building emission-reduction pathways from GHG mitigation options, and assessing macroeconomic aspects of emission reduction pathways. (pp. 6-10). Although the costs are not included in the budget table, targeted country assistance was also being given to both Chile for support work on its carbon tax and Mexico to support its ETS for the energy sector. The “checklist” referred to in the table entails development of a methodological framework consisting of modeling tools, assumptions and variables needed for setting: (a) an emission reference scenario; (b) an alternative emission scenario; and (c) a package of policy instruments (including carbon pricing) for achieving mitigation targets in various scenarios (pg. 5).

**Table 6:** Allocation of budgetary resources for upstream analytical policy work as of November 2014

Activity	Expected Completion Date	Total Cost (US\$)
I. Development of Checklist	December 2014	Up to 80,000
II. Country Support	June/September 2015	Up to 1,050,000
Brazil	June 2015	Up to 150,000
China	June 2015	Up to 300,000
Colombia	June 2015	Up to 250,000
Costa Rica	June 2015	Up to 150,000
Peru	September 2015	Up to 200,000
III. International and National Workshops and Technical Consultations	June 2015	Up to 150,000
IV. World Bank Country Support	NA	Up to 125,000
<b>Total</b>		<b>Up to 1,405,000</b>

### C. Country Case Study Results

**6.9.** It was difficult to obtain a specific sense as to how efficiently PMR resources are being used from the interviews carried out by the evaluation team in the three case study countries, as most of the interviewees were not familiar with this aspect of the PMR’s operations. There were nonetheless some interesting common observations and suggestions based on their experiences to date

**6.10.** In *China*, for example, PMR efficiency in general and that of the PMR Secretariat in particular were seen as quite good, especially in terms of PA meeting and technical workshop organization and coordination. However, it was suggested that there should be greater participation of local private sector companies and experts, including verifiers and lawyers, in PMR events to provide advice based on their experience and that the technical workshops could make greater use of national expertise. The MRP preparation process in the country also went smoothly, but NDRC was not sufficiently well prepared in advance to meet the additional requirements of the World Bank’s project appraisal and approval process, leading to the delays in finalizing the Grant Agreement mentioned in the previous chapter. This was seen as the principal source of inefficiency in the PMR process in the country to date.

**6.11.** Among the PMR stakeholders interviewed in *Mexico*, most were also not sufficiently familiar with the PMR to have a view regarding its efficiency to date. However, those who have followed the PMR’s activities more closely indicated that both the program and the PMR Secretariat have been responsive and provided timely support and feedback when requested. Comments were especially positive regarding the Secretariat’s efficiency and helpfulness in the organization and coordination of the PA 8 meeting and associated public Side Event and Technical Workshop in Mexico City in March 2014. The efficiency, technical knowledge, and helpfulness of the expert reviewers was also praised, and their assistance in helping the country to prepare its final MRP was considered to have been quite useful, as were the comments and suggestions on the draft MRP received from other PA members. Those interviewed, however, were less complimentary in relation to the Delivery Partner’s efficiency, and the speed with which the pending Grant Agreement can be finalized and negotiated<sup>117</sup> once the national climate fund had become fully operational, which has been the major source of the implementation readiness delay to date.

**6.12.** In *Turkey*, only MoEU and the local World Bank specialist interviewed by the evaluation team were able to address program efficiency in a detailed fashion. The coordination, use of human resources and funding, and technical capacity of the PMR Secretariat were regarded as generally efficient by these sources. However, since project procurement activities must follow both national and World Bank

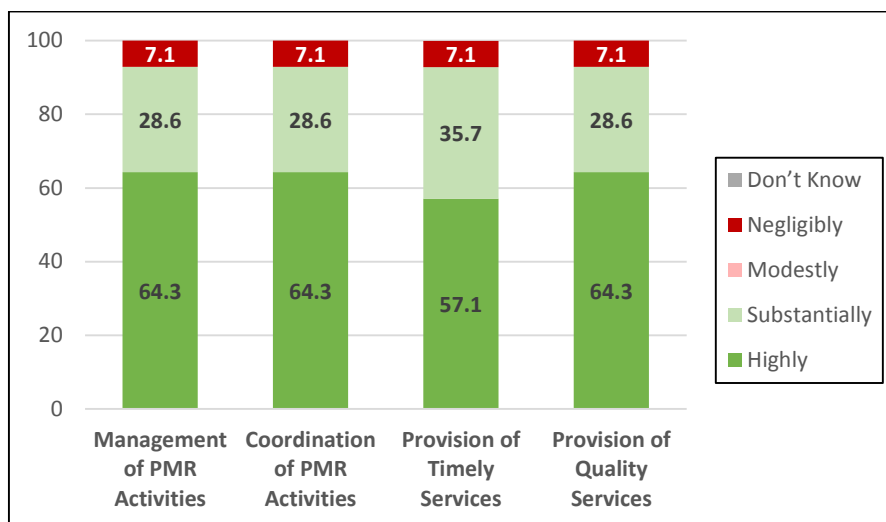
<sup>117</sup> According to the PMR Secretariat, this is now expected to occur in early 2015, as is also the case for Costa Rica.

requirements, this process was nonetheless found to be time-consuming. Local stakeholders also suggested that more detailed rules for PA decision-making regarding additional funding for studies, etc. as well as for dissemination of study findings, should be established.

#### D. Survey and Interview Results

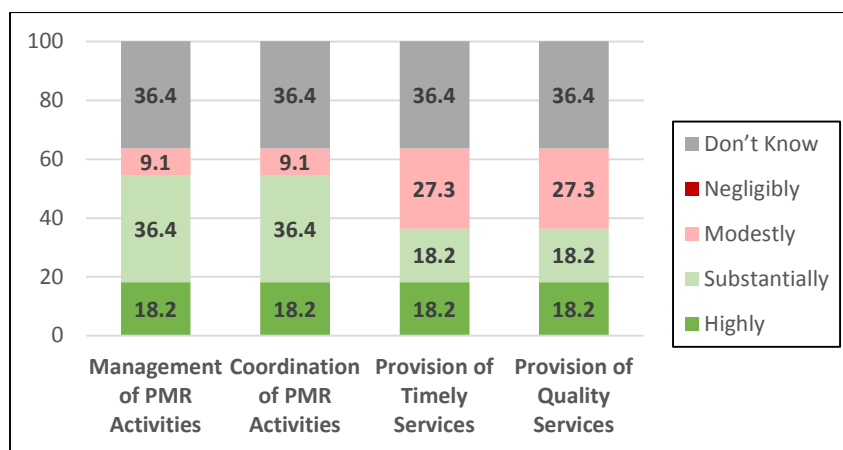
**6.13.** These in-country interview findings were echoed in the survey responses (again bearing in mind their indicative nature, especially in the case of PA Observers and Technical Experts) regarding the efficiency of the PMR to date. ICPs, CPs, PA Observers, and Technical Experts, for example, were all asked about the Secretariat’s efficiency in managing and coordinating PMR activities and providing quality and timely services to date. Responses to these questions are presented in Figures 15 and 16 (and Annex 4 Tables A.15 and A.16), among which there are some noteworthy differences. In general, the ICP representatives were the most positive, but are also more knowledgeable about the services provided by the Secretariat and regarding its management and coordination of the PMR than other stakeholders. However, even among the ICPs, one respondent was significantly less so regarding the timeliness and quality of the Secretariat’s support. Presumably the same respondent commented that “the World Bank affects the Secretariat’s performance and image by delaying the implementation process,” and suggested that the Secretariat should “demand and monitor” World Bank performance. On the other hand, a PA observer wrote that the Secretariat’s management was “excellent,” adding that “everything is on time, experts are relevant,” and side events and workshops well organized.”

**Figure 15:** Efficiency of PMR management and coordination and provision of timely and quality services by the PMR Secretariat according to ICP respondents (15 responses) – Rating %



**6.14.** Both CPs and ICPs were also asked about the PMR Secretariat’s efficiency in the mobilization of resources to finance PMR activities and consultant services to date (see Annex 4 Tables A.17 and A.18). Again, the ICPs have a more positive view than the CPs with respect to the mobilization of both consultants and resources. It thus seems that the CPs are more demanding of the Secretariat than the ICPs in this regard, although the precise reasons are less clear. Even so, a greater share of the ICPs (21 percent) than CPs (9 percent) indicated that mobilization of resources to support the PMR by the Secretariat had been only “modestly” efficient. In contrast, 57 percent of the ICPs judged the mobilization of both resources and consultants by the Secretariat to have been “highly” efficient compared with none of the CPs, although the majority of the latter gave “substantially” efficient ratings in this regard.

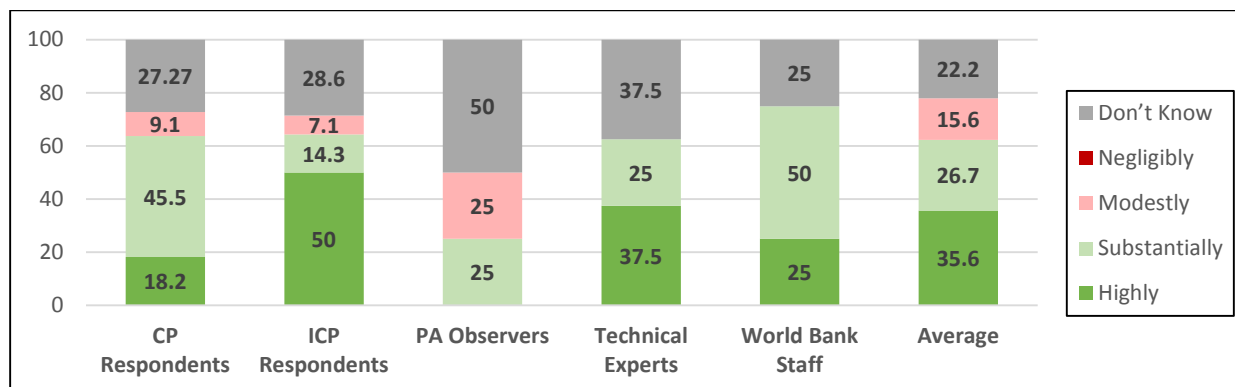
**Figure 16:** Efficiency of PMR management and coordination and provision of timely and quality services by the PMR Secretariat according to CP respondents (14 responses) – Rating %



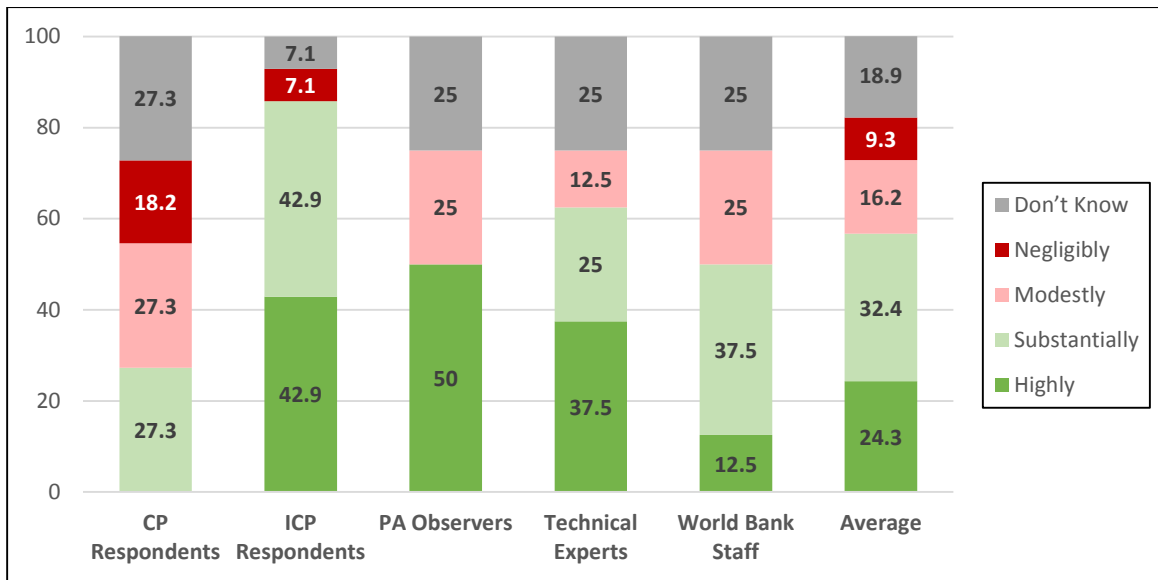
**6.15.** The Technical Experts were asked to rate the PMR Secretariat’s efficiency in contracting consultants and its effectiveness in matching their skills with ICP needs and the requirements of the various elements in the PMR’s Technical Work Program (see Annex 4 Table A.19). Written comments were again generally positive, but one suggested that the PMR needed to identify more experts from emerging economies as they “would have better idea of what can work in given social-economic and political scenario.”

**6.16.** All five stakeholder groups, including World Bank staff involved in the PMR as Delivery Partner (but not those in the Secretariat), were asked to assess the extent to which the PMR Secretariat possessed the financial and human resources (the latter both in terms of the number of staff and their technical, operational, and managerial skills) needed to efficiently manage the PMR (see Figures 17 and 18, respectively).

**Figure 17:** Extent to which the PMR Secretariat presently possesses the financial resources to efficiently manage the PMR according to different stakeholder groups (49 responses) – Rating %



**Figure 18:** Extent to which the PMR Secretariat presently possesses the human resources to efficiently manage the PMR according to different stakeholder groups  
(49 responses) – Rating %



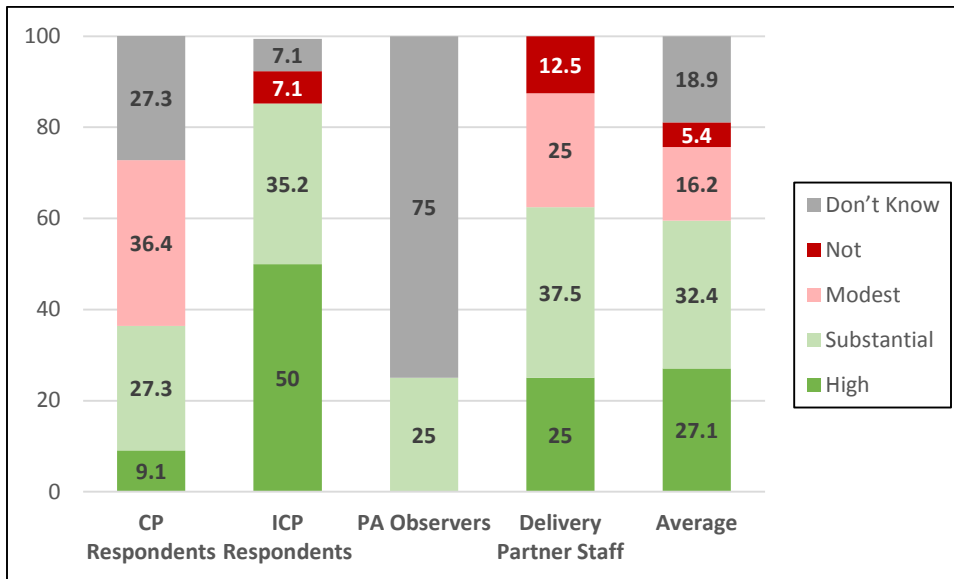
**6.17.** A range of comments on these two aspects were received from different stakeholder groups. One CP respondent, for example, stated that the Secretariat had “a very effective and high-performing team, with a budget well over the target of US\$ 100 million,” but another observed that it was not clear what the human resources available to the Secretariat are in terms of numbers. This respondent added that, at the Cologne meeting in May 2014, “the Secretariat was not able to answer a relatively simple question related to financial allocation, nor have they followed up on that. Financial resources themselves, on the other hand, are very available.” A different CP representative interviewed by DPMG stated that the Secretariat’s human resources are currently sufficient, but if the PMR wants to provide greater support to the individual countries in the future, it is possible that the Secretariat will not be able to absorb the additional work. An ICP survey respondent, in turn, simply affirmed that “human and funding resources are never enough, especially for this relevant initiative.” A Technical Expert declared that the PMR Secretariat’s staff members are quite competent in doing their job, but a second one observed that he would “like to see better leverage of expertise that exists in the academic world.” Finally, the Secretariat’s World Bank colleagues expressed a variety of views that are presented in Box 6.

**6.18.** The CP, ICP, PA Observers, and participating Delivery Partner staff were also asked about the extent to which the combined use of expert reviewers of the MRPs, PA review and approval, and World Bank due diligence represented an effective and efficient process for ensuring the quality of the MRPs and associated project appraisal documents and Grant Agreements. The responses are presented in Figures 19 and 20, respectively, and the familiar pattern of more positive ICP than CP responses again emerges, again suggesting that the CPs, on average, may have higher expectations than the ICPs in this regard.

**Box 6: Delivery Partner Views Regarding Capacity of the PMR Secretariat**

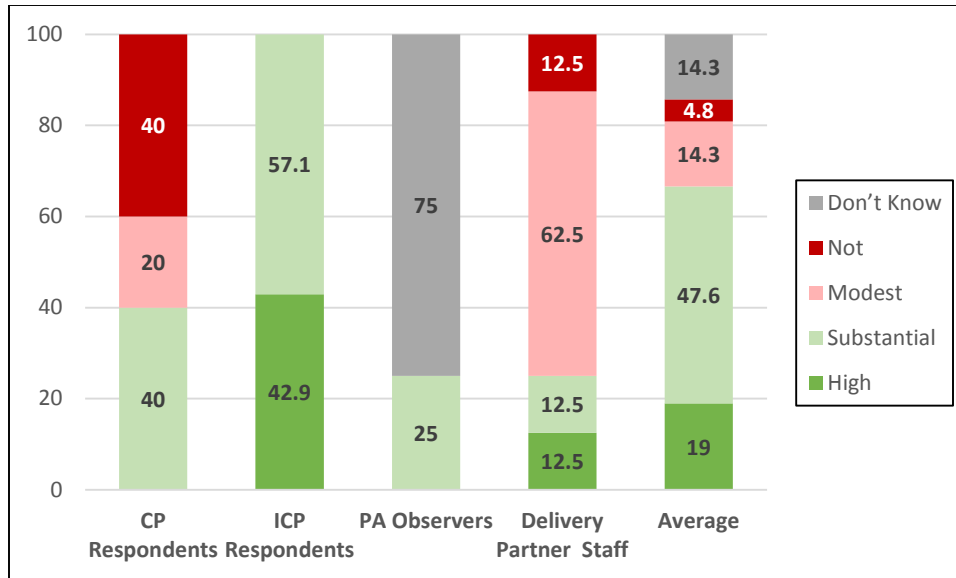
- The staff is excellent and it would be great if more people could support the Secretariat’s tasks.
- [There are] more than enough staff and sufficient funding. In fact, there is a danger of the staffing and funding to design activities for which there may not be deep client demand (and become supply-driven).
- Some more in-house expertise and processing capacity would seem important to gain, in particular as countries are moving to the implementation phase and the Bank needs to be able to provide high quality implementation support.
- The PMR Secretariat seems well-equipped, but doesn't make sufficient use of the country office resources and also doesn't attempt to fit into other parts of the country engagement. It needs to make the links across the whole portfolio. I don't personally know how 'stretched' the PMR is for people - but as a rule anyone at the Bank is normally doing the job of two people (if not more). My hunch is that the PMR's portfolio is larger than what the staff can adequately handle, but I do not see any quality issues as a consequence of this. The [Trust Fund resources] they receive seem to adequately handle the requests, but again I don't know the specifics of whether their current envelope can meet current demand. I believe it is meeting demand though.

**Figure 19:** Extent to which combined use of expert reviewers, PA review and approval and World Bank due diligence ensures effective quality of PMR projects according to different stakeholder groups (37 responses – 11 CPs, 14 ICPs, 4 PA Observers, 8 DP staff) – Rating %



**6.19.** In relation to these questions, one CP respondent affirmed “the grant agreement process is not timely, and takes far too long. Quality-wise MRPs are usually fairly good, and have become more so with time, as things have gone forward.” A second one agreed that the time between PA funding approval and signature of the grant agreement with the World Bank “could be improved.” Despite the more positive assessments overall, one ICP respondent made a similar observation: “the grant agreement process is taking more time than expected.” These views were also similar to those heard during the evaluation team’s field visits to China, Mexico, and Turkey.

**Figure 20:** Extent to which combined use of expert reviewers, PA review and approval, and World Bank due diligence ensures efficient processing of PMR projects according to different stakeholder groups (49 responses) – Rating %



**6.20.** Participating Delivery Partner staff likewise expressed a variety of views in relation to these questions. One indicated that not all expert reviewers are aware of specific client country perspectives, are too focused on market instruments for mitigation, and do not fully recognize the broader development objectives of the clients.” Another echoed this, affirming that the problem with expert MRP reviewers is that they don’t know the country context, so getting thrown in just for the assessment mission has limited effect. He/she also believed that PA review and approval is a weak and political mechanism, giving insufficient attention to implementation aspects. A third one asserted that “the process takes time, but there is not much one could do about it. This will also vary by country significantly, depending on how long it takes for the grant to be processed on their side.” And a fourth observed that at the World Bank, there is a tradeoff between timeliness and quality. Bank procedures can be a time-consuming process, although they do ensure quality control. This is just the cost of having it in place. Another one posited that “the new streamlining of procedures in the Bank may make a difference,” but then added “my hunch is that it won’t change that much.”<sup>118</sup>

**6.21.** ICPs were also asked: (i) whether the human and other resources provided by the Delivery Partner (other than from the PMR Secretariat) had been adequate for efficient implementation of PMR activities in their countries to date; and (ii) the extent to which consultants hired by the World Bank and/or the country itself to assist with MRP preparation and those contracted by the PMR Secretariat for MRP review had been efficient. These responses are presented in Figures 15 and 16, respectively. While the ratings were positive, one ICP respondent noted that, while the specialists hired by the World Bank for MRP review have been generally good, in one case, the consultants hired by the Bank “did not achieve appropriate standard and this has not been resolved yet.”

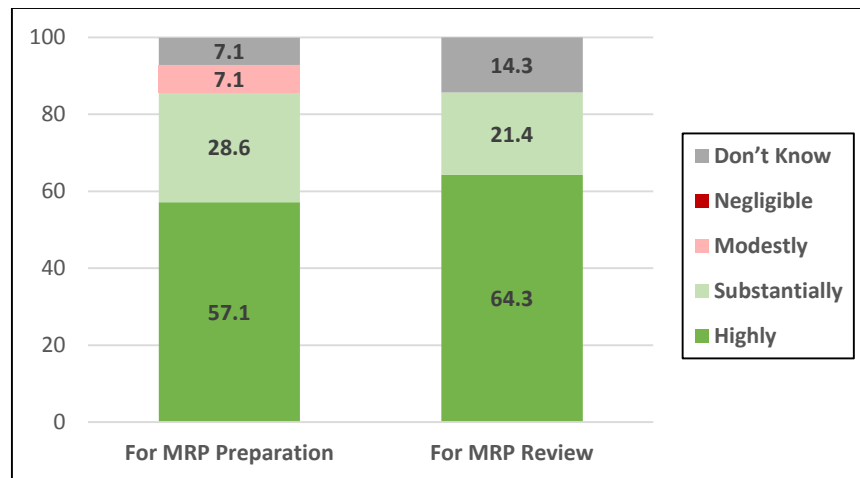
<sup>118</sup> A number of suggestions were also offered by participating Delivery Partner staff as to how this situation might be improved in the future: (i) “PMR has to be part of a larger strategy and work program of the World Bank to engage specific clients on carbon pricing;” (ii) “one could separate out some tasks for Bank execution, which could be somewhat faster, but would on the other hand reduce client ownership” (iii) “making other countries templates/examples readily available for all teams;” and (iv) “it would be much better to engage the relevant expertise of the teams within each Bank country office, depending on the sectors of operation. However, not just on an *ad hoc* basis, i.e., if time allows during the mission. There needs to be ownership of the cross-cutting team in the country office from the beginning of the process.”



**Figure 21:** Extent to which human and other resources provided by the delivery partner were adequate for efficient implementation of PMR mission in participating countries according to ICP respondents (14 responses) – Rating %



**Figure 22:** Extent to which consultants hired by the World Bank and/or the country for MRP preparation and by the PMR secretariat for MRP quality assurance have been used efficiently according to ICP respondents (14 responses) – Rating %



**6.22.** Delivery Partner staff were likewise requested to assess the extent to which the human and other resources provided by the Bank other than through the PMR Secretariat had been adequate for implementation of the PMR mission in the country or countries in which they worked (see Annex 4 Table A.20). Over 60 percent indicated that the human resources provided by the Bank had been substantially

adequate, but only a quarter thought that the other resources had been so and 38 percent responded “don’t know” for the latter question.<sup>119</sup>

**6.23.** Finally, there was an open-ended question as to whether the respondents had any other comments regarding the efficiency and effectiveness of the PMR to date and how they might be improved. The same question was also asked of those interviewed after the PA 10 meeting in Santiago. Some of the responses and suggestions by those among the various stakeholder groups, which touch on but are not limited to the question of efficiency, are summarized below:

- **Contributing Partner (CP) respondents and interviewees:**

- It's difficult to answer some questions about the efficiency of PMR as we are still in the middle of the process and are still awaiting results.
- Set up some kind of a system of donor coordination of programs/projects in implementing countries to create more transparency as to what everybody is doing and to have more effectiveness and efficiency.
- The PMR should define what really has to be achieved before 2020; there should be an assessment on achieving the objectives and goals and this assessment should be used for defining future activities; there should be more focus on the real value added of the PMR compared to activities of other organizations/institutions/ countries, etc.. PMR should look critically at its objectives/goals and the need for new activities for 2020-2030, focusing on private sector participation, non-state actors and activities.
- As an overall credit to PMR activities, the MRP preparation process has been efficient and use of external specialists and the external expert review process have been effective in improving the quality of the draft MRPs. Over the course of their development, the quality of MRPs has improved through expert review and the general learning process of the PMR.

- **Implementing County Partner (ICP) respondents and interviewees:**

- PMR takes high responsibility and gives always support in an effective and efficient manner.
- PMR is an exceptional organization in the otherwise too political arenas working in carbon financing. It has shown a great influence on countries willing to assess carbon pricing.
- During assemblies, open more time for discussions and reduce time of presentations.
- The PMR projects should be government executed with support from PMR experts and the Secretariat during the implementation. The World Bank’s internal process for grant agreements

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<sup>119</sup> Written comments provided by one Bank staff member in connection with these answers stressed: “insufficient engagement by CMUs [Country Management Units]. Engagement by non-PMR staff depends on specific TTL’s interest rather than unit/CMU/GP priority.” Another also agreed that “there is not enough buy-in from other units,” while a third stated simply that “all financial resources are coming from the PMR Trust Fund.” In order to improve the situation, it was suggested that it would be important to make sure CMUs and other Bank units better understood the importance of the PMR and that was a “need to develop a broader carbon pricing program of which PMR is a part.” A third one, however, affirmed “We are crossing our fingers that the number of steps to get a project going in the Bank decreases,” but admitted that “the crystal ball is a little foggy at this point.”

should be simpler and quicker. More capacity building on PMR technical aspects should be organized.

- **PA Observers:**

- The PMR is a groundbreaking partnership between participating countries, experts, and increasingly the private sector. It can serve as a model for future similar activities of other organizations;
- We hope that the PMR and our organization can have more opportunities to do joint work in the future.

- **Technical Experts:**

- The PMR Secretariat needs to be expanded so that better engagement with developing countries is possible. Also, PMR needs more money for the Secretariat as well as to provide grants to countries.
- Some mechanism should be developed to provide big grants to big countries that can make an impact on CO<sub>2</sub> emissions.

- **Delivery Partners:**

- The PMR has played a catalytic role over the past 2-3 years to build interest and commitment on the use of market instruments. It now has to drive a process for deeper engagement with countries and the new Global Practices.
- PMR is doing highly relevant work that builds on the Bank's experience and reputation in the carbon markets, and is a useful contribution in the current uncertain environment, [but the] Bank could do more, and expand the PMR gradually to cover more countries.
- I am not sure PMR is so effective in countries that cannot or do not want to commit to market-based mitigation policies at this time.
- There is a growing consensus among Senior Bank Management that we should get out of some businesses funded through Trust Funds since it makes us more scattered or fragmented. Some people think the PMR may be one case in point. However, I think the PMR brings a lot to the Bank's table in terms of providing client countries with very technical advice and support.

## **E. Conclusions**

**6.24.** It can be concluded that the PMR's mobilization of resources to date has been excellent and their use reasonable, even though there is a difference of views between ICPs and CPs regarding some aspects of the efficiency of the PMR to date. However, there is general agreement that translating approved MRPs into "Bankable" projects with grant agreements signed with the Delivery Partner has been too slow.<sup>120</sup> This has also adversely affected the PMR's effectiveness to date. Whether primarily due to delays

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<sup>120</sup> Several of the CP representatives interviewed by the evaluation team also suggested that the MRP preparation process has taken longer than desired in some cases, and clearly some ICPs have responded more quickly than others in this regard as can be judged by the length of time it has taken for some to present their final MRPs relative to the time the preparation funding was allocated by the PA.

on the countries' side, that of the Delivery Partner, or both, it is nonetheless evident that many of the final MRPs have not been fully ready for implementation at the time they were presented to the PA for endorsement.

**6.25.** Getting to the point where MRPs can be implemented on the ground involves two distinct appraisal and approval processes, one by the PMR and the other by the Delivery Partner. For that reason, a number of steps could be taken to facilitate implementation, including: (i) assessing the project's readiness for implementation as part of the MRP appraisal process—which at present focuses primarily on the technical quality of the proposals—including with respect to the ability of its executing agency or agencies to comply with the Delivery Partner's fiduciary (i.e., procurement and financial management), safeguards, and monitoring and evaluation and other (e.g., presentational aspects, such as the development of Results Frameworks, and legal) requirements; (ii) ensuring that the Delivery Partner undertakes its due diligence with regard to these requirements and provides any necessary training and capacity building support to the prospective executing agency or agencies prior to at the same time as the technical appraisal process by the reviewing technical experts and the PA; and (iii) ensuring the necessary coordination both between the interested country and the Delivery Partner's (i.e., in most cases the World Bank's) operational units and staff, as well as between the PMR Secretariat and the Delivery Partner, to ensure that (i) and (ii) occur in a timely fashion.

**6.26.** On the ICP side, in turn, it is important that all the legal, institutional, financial, and operational mechanisms that are needed for the project to start implementation once it has been appraised and approved by the Delivery Partner are themselves fully in place. If this is not the case, it would be prudent to delay presentation of the final MRP until whatever pending issues can be resolved, as this too is an essential aspect of readiness for implementation. It is also important to keep in mind how the timing and nature of potential changes in national government administrations may affect the implementation readiness of final MRPs converted into "Bankable" projects and signature of the associated Grant Agreements, as well as the possibility of delays that result from grant approval processes within the countries themselves. All of these factors need to be considered as MRPs are being prepared and should be taken into account in the decision as to when their final versions should be presented to the PA for its endorsement and allocation of grant funding.

**6.27.** In short, a maximum effort should be made by all concerned (i.e., ICPs, Delivery Partners and the PMR Secretariat) to ensure that final MRPs can start implementation as soon as possible after they are endorsed by the PA, including their transformation into projects that can be readily appraised by the Delivery Partner so that the associated Grant Agreements can be drawn up, negotiated and finalized in a timely way. Minimizing delays in this process is especially important in a dynamic environment such as that within which the PMR is operating, as circumstances can change quickly both at the national and international levels and can adversely affect the relevance of the MRPs as proposed, unless considerable agility is built into the process.

## Chapter VII: PMR Governance and Management

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**7.1.** The PMR’s governance and management arrangements remain largely unchanged to the present. The *Design Document* endorsed in May 2011 stated the following:

“The Partnership Assembly (PA), as the ultimate decision making body of the PMR, consists of the following participants: (i) all countries that have submitted an EoI [Expression of Interest] to participate in the PMR and whose participation has been confirmed at the organizational meeting of the PMR or any meeting of the PA (the “Implementing Country Participants” [ICPs]; and (ii) all donors that have contributed financially to the PMR and have entered into an administration agreement with the International Bank for Reconstruction and Development [i.e., the World Bank] (the “Contributing Participants”) [CPs].…Decisions of the PA will be made on a consensual basis, and any PMR Participant who holds a different view may request to record its view as a note to the decisions. If all efforts to reach consensus have been exhausted and no decision has been reached, decision will be taken by two-thirds majority of the ICPs and CPs present and voting at the meeting of the PA, on the basis of one (1) vote per PMR participant<sup>121</sup>.”

**7.2.** The voting members of the PA consist of the representatives of the 17 ICPs and 13 CPs. The PA meetings are co-chaired by one CP representative and one ICP representative who are selected by their peers on an annual basis. Provisions were also made for Observers to the Partnership Assembly meetings and for the participation of Technical Experts, including those drawn from a “roster of experts” established by the PMR Secretariat.<sup>122</sup> The category of Technical Partner (TP) was later created to admit, as non-voting members, countries and subnational entities that are in the process of establishing carbon pricing or other market-based mechanisms that may either receive financial and technical assistance. The first TP was Kazakhstan, confirmed at PA 8 in Mexico City in March 2014, the state of California and the province of Quebec, confirmed at PA 10 in Santiago, Chile in November 2014. Their admission to the PA needs to be formally approved by its voting members with specific resolutions drawn up for this purpose.

**7.3.** To support its day-to-day operations, a Secretariat is provided by the World Bank, which is also the principal Delivery Partner for the PMR, although the *Governance Framework* stipulated that it could also rely on other multilateral development banks and UN agencies to provide support for grant implementation. The Delivery Partners are responsible for assisting the ICPs and financial assistance-receiving TPs to carry out PMR activities at the national level, supervising grant implementation and providing technical support. The specific roles and responsibilities of the PA and the PMR Secretariat are listed in Box 2 of Chapter II. To date, the PA has established a number of technical “Working Groups” to further discuss and elaborate PMR activities with respect to: (i) Baselines; (ii) MRV Systems; (iii) Domestic Offsets; and (iv) to oversee development of the Evaluation Framework and this first independent evaluation. At PA 10, establishment of additional Working Groups was proposed for ETS and carbon taxes.<sup>123</sup> As in the case of the new upstream policy analysis work stream, while it is still too early to assess the performance and effectiveness of these Groups, their work should be evaluated in future years.

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<sup>121</sup> Partnership for Market Readiness, *Design Document*, *op. cit.*, para. 31, pg. 16.

<sup>122</sup> *Ibid.*, para. 33, pg. 16. It also stated that “the roster of experts includes, for example, representatives from organizations active in capacity building, consultants specializing in carbon markets, and academics and practitioners that have been involved in designing and implementing carbon market instruments.”

<sup>123</sup> See PMR Secretariat, *PMR Technical Work Program: Update*, presentation at PA 10, *op. cit.*

## A. Case Study, Survey and Interview Results

**7.4.** The three country case studies (i.e., China, Mexico, and Turkey) focused on PMR activities within each country and, thus, did not systematically seek to assess Partnership governance and management in general. However, those interviewed who were more familiar with the PMR, especially the country focal persons, expressed positive views overall, particularly with respect to the actions and support of the PMR Secretariat. This was also the case in Vietnam and in subsequent interviews with PA members.

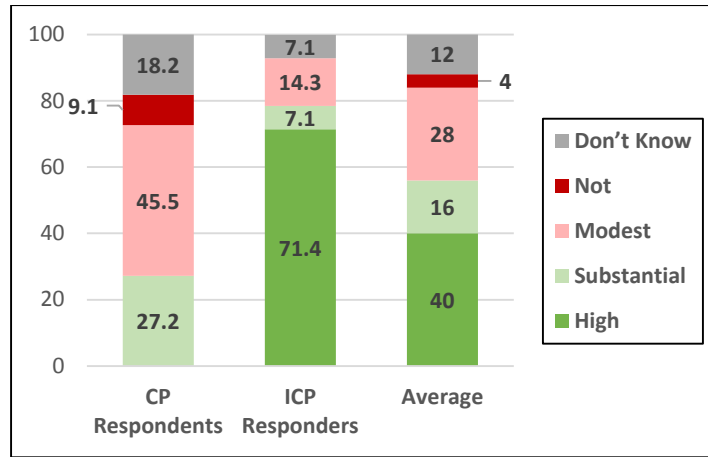
**7.5.** As observed in Table 3 in Chapter IV, roughly three-quarters of the ICP respondents surveyed rated the PMR's governance and management as either "highly" (20 percent) or "substantially" (53 percent) relevant but 13 percent rated them only "modestly" so, while another 13 percent responded "don't know." Among CPs, roughly the same share gave positive ratings in this regard, with 29 percent rating it "highly" relevant, but nearly 30 percent said it was either "modestly" (21 percent) or "negligibly" (7 percent) relevant. Thus, considered together, roughly one-quarter of the CP and ICP respondents view the PMR's governance and management arrangements as "highly" relevant and another 40 some percent as "substantially" so, but a quarter rated it below the line or could not judge it at all.

**7.6.** The surveys of CP and ICP representatives also included questions related to the transparency of the mobilization of resources and consultants by the PMR Secretariat and whether this latter process has been free of conflict and the consultants' independence ensured. The responses to the first two of these questions are presented in Figures 23 and 24. As has occurred with many other aspects, ICP responses were consistently more positive than those from CP representatives, which presumably reflects the closer working relationship between the Secretariat (and the Delivery Partner) and the ICPs than between the Secretariat and the CPs in most cases.<sup>124</sup> In written comments, one CP respondent stated that "there is not transparency with regard to mobilization of resources. The Secretariat conducts bilateral consultations with potential donors who announce (additional) contributions at PA meetings. There is perhaps not a way to change this. On the other hand, there is no transparency regarding selection of consultants either, at both the overall level (is there a roster? how does one get on it?), or with regard to individual assignments." A second CP respondent indicated "I don't know how the PMR Secretariat hires consultants, which suggests that if there is transparency it is reactive. However, I don't necessarily think that it needs to be any more transparent." The only response from an ICP representative was "we are not monitoring those issues."

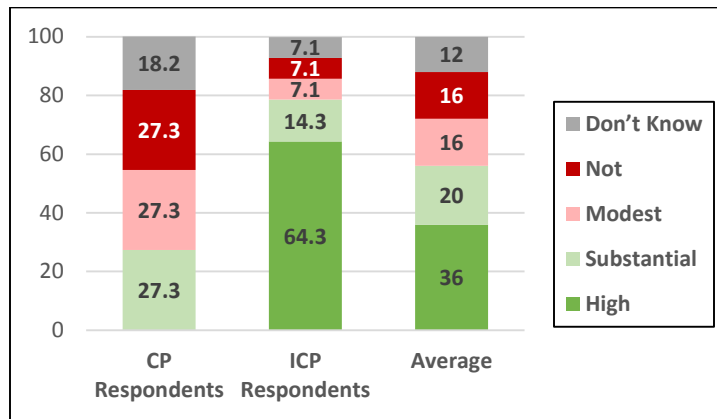
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<sup>124</sup> As would be natural, some CPs take a more proactive role than others outside of the regular PA meetings, and the same is also the case among the ICPs. In general, however, by the nature of its role and responsibilities, both the PMR Secretariat and the Delivery Partner have more frequent and more intensive interactions with the ICP focal persons for the PMR than those for the CPs. These differences are undoubtedly reflected in the some of the differences in the ratings among the survey respondents representing these two stakeholder groups that were recorded fairly consistently in the evaluation surveys and interviews.

**Figure 23:** Transparency in the mobilization of resources to date by the PMR Secretariat according to CP and ICP respondents (25 respondents – 11 CPs and 14 ICPs) – Rating %



**Figure 24:** Transparency in the mobilization of consultants<sup>125</sup> to date by the PMR secretariat according to CP and ICP respondents (25 respondents – 11 CPs and 14 ICPs) – Rating %



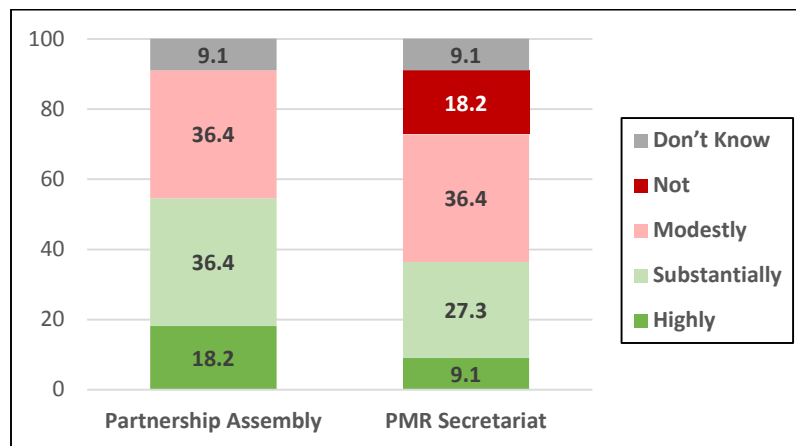
**7.7.** The same divergence of views between CP and ICP representatives is evident with respect to the extent to which consultant selection is perceived as having been free of conflict and consultant independence ensured (Annex 4 Tables A.21 and A.22), although “don’t know” had the largest number of responses (55 and 73 percent, respectively) among the CP representatives. One of the CP respondents reported that expert consultants are appointed by the Secretariat but that “their appointment is not transparent nor does the PA hear of how they were appointed. To be fair to the Secretariat though, the PA has never asked this.” A second CP observed that the PMR tends to work with the same institutions and “it is not completely clear how they draw on their resource base.” An ICP respondent stated that the World

<sup>125</sup> The PMR Secretariat hires consultants both to review the draft MRPs and to assist with other PMR tasks and events such as the drafting of Technical Papers and the implementation of Technical Workshops and Training events. In all likelihood, the ICP respondents are referring to the first type of consultants, while the CP respondents may be referring primarily to the latter as they are less likely to have contact with the former.

Bank selected the consultants with our inputs, “but we did not have a 'vote' in the selection process as World Bank procurement does not permit that, so we cannot comment on transparency.”

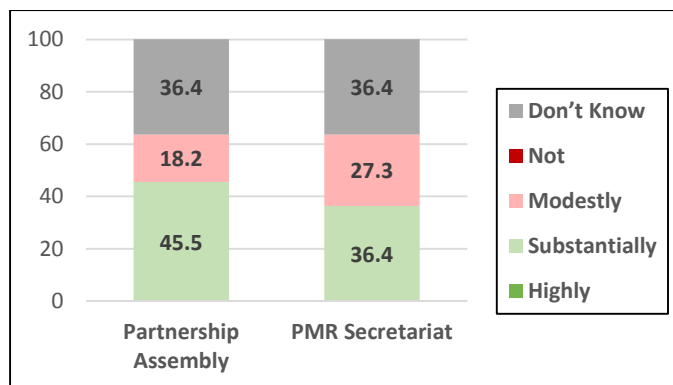
**7.8.** CPs were also asked how transparent and accountable to their founding documents and operational principles the Partnership Assembly and PMR Secretariat have been in allocating resources to the ICPs to date. These results are contained in Figures 25 and 26. Again, there were expressions of some skepticism about transparency and accountability. One CP respondent noted that “the PA makes allocation decisions on the basis of the Secretariat’s recommendations, which are not transparent. There may be general criteria, but the Secretariat never touches below the surface when putting a number on the table.” A second one added, that there was some confusion at the PA 9 meeting about the level of discretion that the PMR Secretariat has in allocating funding in certain situations, observing additionally that there was “a lack of clarity about the processes for negotiating and the finalizing the grant agreements, what they say when completed, and how (if at all) they can be amended post-signature.” A third CP affirmed, however, that it was “unlikely” that any funding decisions had been made that would be against the founding documents and operational principles. Although it was also noted that “an exception to this relates to upfront policy work, which the Secretariat introduced as a new ‘window’ that couldn’t have been foreseen in the original documents. There don’t seem to be any criteria for allocating resources under this window, which gives the Secretariat a free hand (i.e., non-transparent).”

**Figure 25:** Extent to which the PA and PMR Secretariat have been transparent in the allocation of resources to ICPs according to CP respondents (11 responses) – Rating %





**Figure 26:** Extent to which the PA and PMR Secretariat have been accountable in the allocation of resources to ICPs according to CP respondents (11 responses) – Rating %



**7.9.** Another CP representative stated both that “PMR Secretariat staff are nice, friendly, effective and efficient,” but that it was “not really transparent in the use of funds,” and another one said that the Secretariat has “not always prepared the budgetary proposals for the PA properly [which] has caused frustration (e.g., at PA 9 meeting on budget allocation).” It was added that the Secretariat “should prepare a more detailed proposal for additional grant use, like the US\$ 5 million grant [for the upstream policy analysis] discussed at the PA9 meeting in Cologne.” Overall, this respondent called for rules in relation to additional funding and for a system on how to prepare the proposals for PA meetings, concluding, more generally, that “better background documents” for proposed decisions and for alternatives are needed. During the same interview, the CP PA member also observed that:

In practice, the PA has not taken a position on the grants. China has received US\$ 8 million and the others US\$ 3 million. The proposal has come from the ICPs but the Secretariat has played a strong role in decision making, i.e., in persuading the countries to suggest US\$ 3 million instead of [US\$ 5 million] or US\$ 8 million. Criteria for grant allocation exist, but decision making has not been documented transparently. Neither ICPs nor CPs have questioned PMR decisions on grants. PMR has more grant assets than there is demand for and there are at the moment no plans available on how to use these grants. It will be seen whether the PMR Secretariat will prepare a concrete suggestion of future allocation of assets. [In general, however,] financing disbursement has been slow due to the slow MRP process.

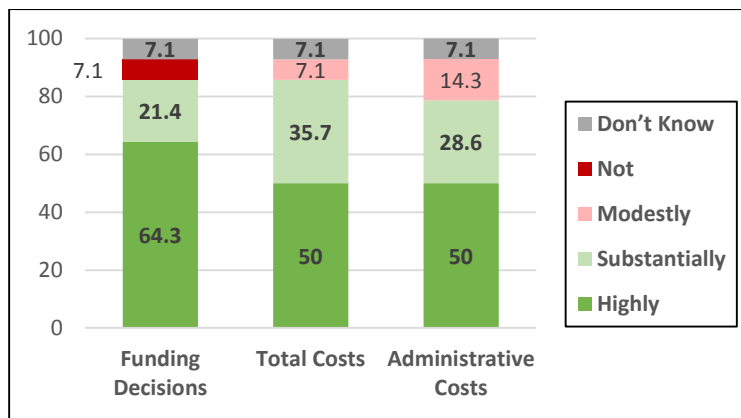
**7.10.** Some of the same concerns were raised in an interview with a former CP PA member before the PA 10 meeting in Santiago and echoed in the written comments of another present CP PA member following that meeting. In the former case, the interviewee questioned the US\$ 3 million grant allocations to ICPs in cases where these would only partly finance their final MRPs when additional resources were, in fact, available from the PMR. This was considered inefficient in that such countries would either then have to come back to the PMR with a second request for complementary funding or turn to other sources, both of which were likely to require additional time and effort on the ICPs’ and PA’s part further down the road. In the case of the latter, in commenting on the purpose of the present evaluation, it was also stated that:

One area I would like to see further exploration of, and perhaps this is governance, is change management – particularly in relation to the approved MRP proposals and the implemented grant agreements. The concern is not to micromanage, but to understand when a report back is needed. This is also related to the areas where the original MRP is no longer relevant to the policy context

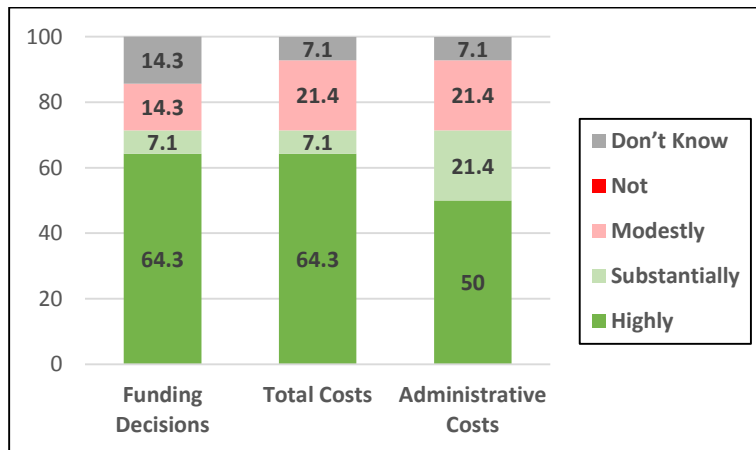
in the country (i.e., where there is a change of policy on mechanisms, etc.) and whether this triggers a change or request for additional support.

**7.11.** ICPs were also asked about the transparency and accountability of the PMR Secretariat in reporting on funding decisions, total PMR costs and administrative costs. These responses are summarized in Figures 27 and 28 below. ICP respondents were, once again, more positive in their responses than those representing CPs. One CP member interviewed by DPMG claimed that “the outcome of the use of funding is not transparent” and challenged the proposed mobilization of additional resources for a “second round (i.e., implementation of MRPs or starting some new processes).” The interviewee also questioned whether participation in a second round is really needed or if it was “only the wish of the World Bank,” and affirmed that the “PMR should consider designing the funding system and use of funds completely differently” and that the Bank’s role should focus on funding development of MRPs, but not so much on their implementation. However, this suggestion was not shared with other PA members and does not take into account the Delivery Partner’s fiduciary and other responsibilities with respect to any grant operation whose financing it administers.

**Figure 27:** Extent to which the PMR Secretariat Has been transparent in reporting on partnership funding decisions, and total and administrative costs according to ICP respondents (14 responses) – Rating %



**Figure 28:** Extent to which the PMR Secretariat has been accountable in reporting on partnership funding decisions, and total and administrative costs according to ICP respondents (14 responses) – Rating %



**7.12.** PA Observers and Technical Experts were also asked about the extent the governance structure of the PMR—more specifically the Partnership Assembly and the Secretariat—had been adequate to date for the delivery of its objectives to international standards. In considering their responses, however, the small number of the respondents in both cases—and thus the indicative rather than representative nature of the percentage distributions of the responses reported—should be remembered. World Bank staff members surveyed were asked how helpful the PMR Secretariat had been in providing technical and financial support to their country clients (see Annex 4 Tables A.23 to A.25). There were only a few comments from the Technical Experts, including this one: “I do not have much contact with the PA,” but the Secretariat is “very efficient in delivering its objectives.” However, another Technical Expert reported that “some structure between Secretariat and Assembly is required to quicken the process.”

**7.13.** The participating Delivery Partners rated the Secretariat more highly with regard to the provision of technical, as opposed to financial, support, but this could reflect the small size of the grants available to ICPs through the PMR when compared with most regular World Bank operations, which are much larger loans. Those who responded to the survey, however, were generally complimentary toward their colleagues in the PMR Secretariat. One wrote, for example, that the Secretariat has good experts in-house and as consultants, and another stated that its support has been “excellent.” A third one agreed, observing that Secretariat staff had provided “good technical support, especially, sporadically during missions.” However, he added that “outside missions, it has been more difficult to maintain the momentum and to keep the bar high.” Bank staff members also suggested that, looking ahead, the Secretariat should consider having “external experts on retainer/on-call for teams and clients to utilize as needs arise” and that a “key issue” will be to find financing to implement NAMAs or other emissions reductions projects.

**7.14.** Finally, Delivery Partner staff members were asked how effective the communication has been between the PMR Secretariat and their units and how helpful the various forms of Secretariat outreach (i.e., emails, brown bag seminars or lunches (BBLs), website) have been in terms of sharing useful information (see Annex 4 Tables A.26 and A.27). One staff member commented that the PMR Secretariat had been an integral part of the project throughout, observing further that “the unit/management have also been regularly briefed by the team” and the Secretariat had participated in the project appraisal process. A second affirmed that “communication has been strong with teams and is very good (and improving) with the unit” and a third one that the Secretariat has been working with us in developing the Terms of Reference for activities to support our country’s ETS, adding that its staff “are always available and have a lot of background experience which is useful to tap (since some of us are new to ETSs).”<sup>126</sup>

## **B. Conclusions**

**7.15.** On the whole, the governance arrangements for the PMR seem to be working well, and the Secretariat has been praised overall for its dedication and the quality of its work since the PMR’s inception. The assessments by ICP representatives, on average, were higher—in some cases, significantly so—than those by the CPs, a consistent pattern throughout this evaluation for reasons reflecting the different

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<sup>126</sup> There were also some useful suggestions. One Bank respondent encouraged the Secretariat to “continue informing the unit and staff on the importance and kind of activities being supported,” while another proposed establishing a “PMR country-mailing list that includes all relevant colleagues across all the pertinent Global Practices (i.e., sectors). Communicate with this group prior, during and after missions to keep us updated on what is going on. Link this mailing list to what is happening at the global level, including new developments during the PAs, relevant links to website, newsletters, etc.” Another Bank TTL interviewed suggested that greater resources should be made available so that task team members could participate in PA meetings and other PMR events on a more regular basis and also indicated that the supervision budgets for complex projects may need to be augmented, especially when there will be a need to hire specialized technical experts to review TORs for studies and the resulting products

expectations regarding the speed of implementation and the emergence of outcomes to date and the differing relationships and degrees of contact between these two groups and the PMR Secretariat.<sup>127</sup> Importantly however, none of the feedback suggests the need for major alterations to the PMR's governance and management framework and structures that have been put in place over the past three-and-a-half years.

**7.16.** At least one CP representative interviewed, however, indicated that, as it moves into a possible Second Phase, the PMR's objectives should be revisited taking into account how both the external environment and the PMR itself have evolved over this period. This is particularly appropriate in light of the recent addition of the upstream policy analysis work stream, which some CP PA members seem to regard as going beyond the PMR's original mandate and contributing to a greater "politicization" of its activities in a way that was not initially intended, although not all CP or ICP representatives or the PMR Secretariat share this view. This difference in views notwithstanding, as already suggested above, it would be useful for the PA, with the Secretariat's assistance, to clarify the PMR's objectives in the future and to better align them with its intended outcomes and medium- and longer-term desired impacts. This suggestion is elaborated on further in the context of the evaluation team's main recommendations in the next chapter.

**7.17.** A number of respondents, primarily CP representatives, expressed concerns about the lack of transparency in handling of resources. Specifically, they suggested that the PMR Secretariat should be more transparent in: (i) reporting on how the grant amounts to the individual ICPs are determined and whether, at least in some cases, these allocations should not be larger to more fully finance the MRPs;<sup>128</sup> and (ii) the annual PMR operating budget proposal requests and annual expenditure reports. A similar concern was raised by other PA members in relation to how consultants were selected by the Secretariat. Concerns were likewise raised at the PA 10 meeting in Santiago by some CP members about the criteria and procedures for determining which former Observers should be elevated to the status of non-assistance-receiving Technical Partners, and what their rights and obligations should be if they are approved by the PA, as was recently done in the cases of California and Quebec. The PMR's Governance Framework would appear to require further modification and clarification in this regard.

**7.18.** The evaluation team found that it would be helpful for the PMR Secretariat to provide more detailed information to the PA in response to these various concerns in the future, especially as refers to grant-related decisions. More information would also be appropriate concerning the Secretariat's coordination and other interactions with the PMR's main Delivery Partner, the World Bank, particularly in view of the persistent and sometimes significant delays between MRP approval by the PA and finalization of the respective Grant Agreements, which is necessary for PMR's implementation funding to flow to the ICPs.

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<sup>127</sup> Several of the past and present CP PA members interviewed by the evaluation team clearly indicated disappointment that the PMR had not generated more results on the ground to date. As representatives of countries that have contributed financial resources to the PMR, CP interviewees in several cases informed the evaluation team that their authorities have expressed frustration at the perceived slowness of the PMR process, having expected, perhaps unrealistically, that a much larger number of the MRPs would be under full implementation by now.

<sup>128</sup> Both of these questions were also posed by several of the past and present CP PA members interviewed by the evaluation team.

## Chapter VIII: Conclusions and Recommendations

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### A. Conclusions

**8.1.** The PMR has been of considerable relevance from the various perspectives considered in Chapter III. It has also demonstrated substantial efficiency in terms of the mobilization and use of its administrative and human resources. However, its effectiveness to date has been uneven in terms of its initial objectives, as it has advanced to much greater extent in relation to some than to others. For example, while the PMR has been successful in establishing a technical platform to enable policy makers from both ICPs and CPs, as well as other selected stakeholders, to share experience and information regarding elements of market readiness, it has not yet achieved the piloting, testing and sequencing of new concepts for market instruments, although this is mainly due to the early stage of MPR implementation. Its performance with respect to the other three of its five official objectives falls somewhere in between.

**8.2.** For the most part, its governance and management arrangements have functioned well, and all decisions are still being taken by the full Assembly rather than through the establishment of a Partnership Committee composed of an equal number of CP and ICP representatives for which specific allowance was made in the Governance Framework.<sup>129</sup> However, the PMR has been less efficient, as well as less effective, in delivering grant resources to ICPs, as the translation of MRPs into “Bankable” projects with signed Grant Agreements has taken longer—and in some cases significantly longer—than anticipated by numerous CP and ICP stakeholders. The PMR has also had some perceived shortcomings in terms of the reporting and transparent presentation of budgetary and other information to the PA. Thus, as per the question posed in the ToR for the present consultancy regarding the effectiveness of the governance structure of the PMR and the operational effectiveness of the grant mechanism, it can be concluded that experience to date has been largely positive with respect to the former but somewhat disappointing in terms of the latter. There are various reasons for this, which will be further elaborated in section C below.

**8.3.** As concerns the quality and effectiveness of the PMR’s technical work, knowledge sharing and capacity building program at the country, regional and global levels, here too, performance to date has been mixed. While a technical discussion platform has been successfully established and the PMR has provided valuable assistance during the process of MRP preparation, most in-country capacity building activities are still at an incipient stage as they are associated with MRP implementation that in most cases has not yet begun. The Technical Workshops and other PMR events carried out thus far in some ICPs and CPs are generally rated quite positively by their participants. However, other aspects of PMR knowledge sharing, including the website, are seen by some of those surveyed as having been less effective. Some of those interviewed by the evaluation team, moreover, would like to see more activities at the regional level and others would appreciate greater participation in PMR events by representatives of subnational governments, the private sector and civil society. In addition, more systematic assessment of the quality and usefulness of PMR knowledge products, including Technical Workshops and other training events and the Technical Notes and other analytical products, is needed, as is a more comprehensive monitoring and evaluation (M&E) system for the PMR as a whole.

**8.4.** Both the focus and scope of the PMR have evolved over the past three and a half years, from an initial emphasis on “market readiness” in anticipation of the expected emergence of international carbon markets to a current one with carbon pricing through taxes and other MBIs once this initial prospect diminished. This too is the result of several factors, especially the continuing uncertainty regarding the evolution of GHG mitigation policies, instruments and negotiations at both the international and national levels. This has affected decision making in both developed and developing countries and contributed to

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<sup>129</sup> Partnership for Market Readiness, *PMR Governance Framework, op. cit.*, paras. 4.6-4.7, pp. 3-4.

the sharp deterioration in international carbon prices and the “collapse” of the demand for new projects under the Clean Development Mechanism (CDM) of the Kyoto Protocol. In short, both the global and domestic contexts in which the PMR is operating have proven to be dynamic during its comparatively short life span. This is likely to continue to be the case at least leading up to the next major UNFCCC negotiating session to be held in Paris in December 2015.

**8.5.** In response to these changing market and policy environments, the PMR has shown considerable flexibility in its efforts to remain true to its “operating parameters” of being a country-led initiative to “build on nationally defined and prioritized mitigation policies, according to each Implementing Country Participant’s circumstances” and to “promote learning-by-doing through early and integrated efforts,” among others.<sup>130</sup> This responsiveness in view of changing external circumstances is commendable. However, it has also resulted in an evolution of the PMR itself (e.g., explicit emphasis on carbon pricing, recent addition of a new type of (non-assistance receiving) Technical Partner, establishment of Technical Working Groups, and an upstream policy analysis work stream, among others) as well as the language used in recent *Annual Reports* to describe its “core” objectives. As the PMR is now beginning to think about its aims and activities for a possible Second Phase, it would be useful for the PA to revisit its initial objectives. For purposes of convenience this and each of the other main and associated recommendations below will be numbered (as R1.1, R1.2, R2.1, etc.).

## **B. Revisiting the PMR’s Objectives**

**8.6.** The first lesson from the PMR experience is that in a rapidly changing external environment such as that in which the PMR is presently operating, and while flexibility is desirable, it is necessary to periodically take stock of how these changes may have affected the PMR objectives and activities, to ensure that its inputs, outputs, outcomes and impacts remain clearly defined and adequately aligned. Accordingly, the evaluation team recommends that the PA and the Secretariat consider updating and revising the PMR’s objectives (R1.1). Reconsidering how the PMR’s objectives were originally stated is recommended for three distinct reasons. First, as observed throughout this evaluation, the focus and scope of the PMR have evolved over time in response to a changing external environment and the evolving needs and demands of the ICPs, which depend on domestic political as well as other factors. The PMR’s objectives should, thus, be “updated” to reflect this evolution, including with respect to the predominant terminology used (e.g., “carbon pricing” versus “market readiness”), for example.

**8.7.** Second, the initial objectives contained in the May 2011 Design Document are a mixture of inputs (providing grant funding to countries, creating and disseminating a body of knowledge on market instruments), outputs (establishment of a platform to enable policy makers of government agencies, practitioners, and public and private entities to share experiences and information, sharing lessons learned, including with the UNFCCC), and intended outcomes (piloting, testing, and sequencing new concepts for market instruments and identifying potential synergies between national market based instruments at an early stage). As a general principle, the PMR’s objectives should focus on its intended outcomes and desired impacts. Importantly also, the PMR’s objectives should be the basis for establishing the Logical or Results Framework that should be a core element of its future M&E system which logically links its inputs/activities and outputs to its intended outcomes and desired medium and longer-term impacts. This will be discussed in further detail in Section E. below.

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<sup>130</sup> Partnership for Market Readiness, *Design Document, op. cit.*, pp. 14-15. The other two parameters are: to “coordinate with other market readiness efforts to avoid duplication and ensure effective use of resources,” and to “cooperate with other actors and processes,” with UNDP, UNEP, and other multilateral development banks specifically mentioned in this context.

**8.8.** Third, there is a need to clarify what is meant in practice by each objective in order to establish what achievements the PMR expects to be held accountable for and in what time frame, as well as to clearly identify the underlying assumptions and associated risks involved. For example in the case of one of the initial objectives contained in the Design Document: What exactly is meant by “to create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements?” This raises other questions such as: How and by whom would such knowledge be created? To whom and how would it be disseminated? Do “country-specific requirements” refer only to those of the ICPs (and assistance-receiving Technical Partners) or do they include those of the Contributing Participants (CPs) or even non-PMR participants as well? In short, what are the intended audiences for the knowledge to be generated and disseminated by the PMR and how will these services be delivered to each one? More will be said about this in Section D. below.

**8.9.** More specifically, it is suggested that the PMR objectives should correspond to what it hopes to achieve both in the short-run (i.e., its immediate intended outcomes) and over the medium and longer-term (its desired impacts) (R1.2). This is not clear in the original statement of the PMR’s objectives, but has become more evident over time, as the proposal for an Indicative Results Chain (IRC), presented by the PMR Secretariat to the PA 7 meeting in Marrakesh provides greater information in this regard<sup>131</sup>. The proposed IRC explicitly identified two “final” impacts: (i) reduced GHG emissions; and (ii) carbon pricing instruments for GHG mitigation in place. It also proposed four “intermediate” impacts: (i) good practice for core market readiness technical components; (ii) globally recognized GHG mitigation standards; (iii) emission reductions (ERs) for program pilots; and (iv) additional GHG mitigation investments<sup>132</sup>. These can be viewed as potential intended outcomes.

**8.10.** While the proposed IRC may not have been formally endorsed by the PA, it has been used by the evaluation team, together with the statement of the PMR’s objectives in the Design Document and subsequent versions of its “core” objectives identified in the past two Annual Reports, as the basis for elaboration of the draft Logical Framework that was presented as part of the proposed Evaluation Framework at PA 10 in Santiago. In this context, two major desired impacts for the PMR are proposed, one for the longer-term—mitigation of GHG emissions as a result of the implementation of carbon pricing and/or other market-based instruments assisted by the PMR—and the second for the medium-term—carbon pricing and/or other market-based instruments for GHG mitigation and/or core technical components that underlie them in place with the PMR’s assistance<sup>133</sup>. The way the latter is stated recognizes that ICPs are at very different stages in the design—and, in some cases (e.g., Brazil), even selection—of their carbon pricing or other MBIs. Others, such as Turkey for example, are limiting PMR-supported activities in their MRPs to the development of core technical components (i.e., MRV, registries, and/or other data management systems), while yet others, such as China, Mexico, Chile and South Africa, are designing and, in some cases, starting to implement carbon pricing and/or other MBIs with varying degrees of PMR assistance. Thus, it is important that the PMR’s stated objectives clearly recognize these differences (R1.3).

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<sup>131</sup> See PMR Secretariat, *Proposal for Establishment of a PMR Results Framework*, Washington D.C., September 2013. Even though it is unclear if the PA fully endorsed the IRC proposal, this document was also presented as Annex 3 to the ToR for the present evaluation (see, PMR Secretariat, *Terms of Reference for the First Independent Evaluation of the Partnership for Market Readiness (PMR)*, Washington D.C., February 3, 2014 (v. 3). So the evaluation team has used it as an input for its proposed draft Evaluation Framework presented at PA 10 in Santiago following incorporation of changes suggested by the EWG and on which the PA has not sent subsequently any comments indicating disagreement.

<sup>132</sup> *Ibid.*, Annex 3, pg. 7.

<sup>133</sup> See DPMG, *Partnership for Market Readiness (PMR): Evaluation Framework*, draft for presentation to the tenth Partnership Assembly meeting in Santiago, Chile, October 2014, pg. 5.

**8.11.** These desired impacts can also be expressed as long-term and medium-term objectives for the PMR, respectively, as follows: (i) to contribute to the mitigation of GHG emissions; and (ii) to put carbon pricing and/or other MBIs for mitigation of GHG emissions and/or the core technical components that underlie them in place. While these objectives refer primarily to the ICPs and assistance-receiving TPs, they are also applicable to some degree to the CPs and assistance-providing TPs, which likewise benefit from the exchange of information and experience through the PMR. This reflects the fact that three generic types of inputs are provided by the PMR: (i) financial assistance (i.e., MRP preparation and implementation grants) to ICPs and assistance-receiving TPs; (ii) technical assistance in various forms to ICPs and assistance-receiving TPs; and (iii) information and knowledge sharing through different venues and mechanisms (PA meetings, Technical Workshops, Technical Notes, the website, etc.) to ICPs, TPs, and CPs, and, in some cases (i.e., through the website, Technical Notes, and e-learning courses), to a much broader set of actual and potential stakeholders as well.

**8.12.** Similarly, the evaluation team has sought to identify the intended outcomes of the PMR, whose achievement should logically contribute to that of its medium- and longer-term objectives/impacts. Accordingly, the proposed outcomes in the draft Logical Framework for the PMR are: (i) ICP and assistance-receiving TP capacity to design, develop and implement carbon pricing and/or other MBIs and/or core technical components needed for GHG mitigation has been improved with PMR assistance and demonstrated; (ii) ICPs and assistance-receiving TPs pilot and test carbon pricing and/or other MBIs and/or core technical components for GHG mitigation developed with PMR assistance; (iii) compatibilities and synergies among and between national and international market instruments have been identified and achieved with PMR assistance; (iv) PMR knowledge and other non-financial resources help non-ICP countries, organizations, and jurisdictions to enhance their efforts to develop and/or implement carbon pricing and/or other MBIs; and (v) PMR countries help to positively influence the domestic and global policy environments with respect to GHG mitigation.

**8.13.** These intended outcomes can be translated into more immediate PMR objectives as follows:

- To help develop the capacity of ICPs and assistance-receiving TPs to design and develop carbon pricing and/or other MBIs and/or the core technical components needed for GHG mitigation.
- To help ICPs and assistance-receiving TPs to pilot, test and sequence carbon pricing and/or other MBIs and/or the core technical components needed for GHG mitigation
- To help PMR countries to identify and achieve compatibilities and synergies between and among domestic and international market instruments.
- To help CPs and non-financial-and-technical-assistance-receiving TPs, including organizations (e.g., the European Community) and subnational jurisdictions (such as California and Quebec), to enhance their efforts to develop and/or implement carbon pricing and/or other MBIs through the exchange of information and experience.
- To positively inform and influence the national and international policy environments for GHG mitigation.

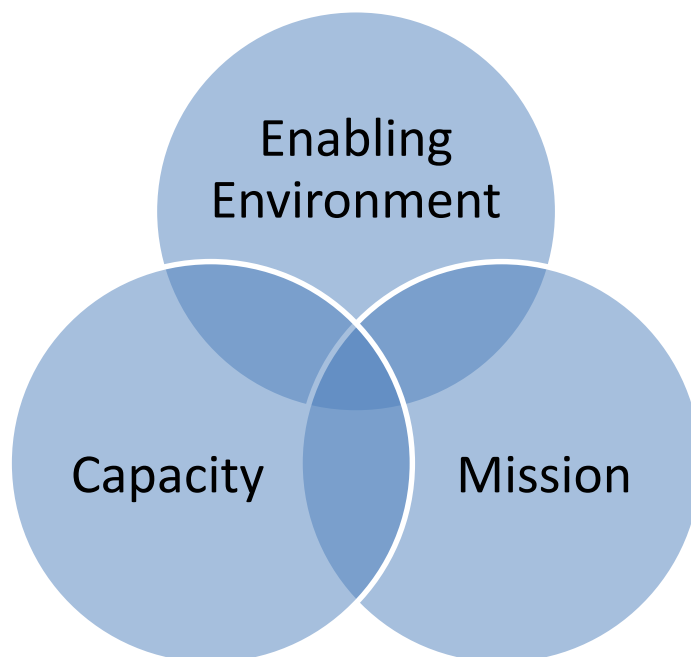
**8.14.** All but the last of these objectives are already explicit in one or more of the PMR's documents, while the final one is implicit in that the purpose of sharing lessons with the UNFCCC and other pertinent parts of the international community is intended to complement their knowledge base and inform their deliberations. The evaluation team recommends that it too should be made explicit (R1.4). This is because it directly refers to the "authorizing" or "enabling" environments that need to be in place at both the individual country and global levels for domestic and international carbon markets to be established and



operate effectively. This, in fact, is more important than building the institutional, financial, and technical capacity for carbon markets to operate at both of these levels, although the latter is also clearly necessary. This is the specific intended outcome to which the fifth objective in the list immediately above refers, and which will ultimately be essential to enable the PMR to help achieve the medium- and longer-term desired impacts/objectives suggested above.

**8.15.** The relationship between these two elements—enabling environment and capacity—together with a third can be referred to as the overall “mission” of any initiative such as the PMR can be seen as part of a generic model of development or public policy effectiveness, where the mission of any particular development or public policy venture refers specifically to its agreed objectives.<sup>134</sup> These three elements can be visualized as a set of overlapping circles, as in a Venn diagram (see below), where the aim is to increase the area of overlap between the mission, enabling environment, and capacity to implement the actions necessary to achieve that mission.

**Figure 29:** Overall Mission



**8.16.** An alternative way of thinking about this is as the three key component of a development effectiveness paradigm with a similar aim to expand the area of overlap among them. From this perspective, the three generic requirements for effectiveness are: (i) a clear definition of what is to be achieved (i.e., the mission); (ii) adequate political and institutional support for this mission (enabling environment); and (iii) the organizational and other required capacity to carry it out (capacity)<sup>135</sup>. All of these elements, moreover, can be viewed as *variables upon which it is possible to act*. The mission or longer-, medium-, and short-

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<sup>134</sup> This model is frequently utilized in its public policy case studies by Professors at the John F. Kennedy School of Government at Harvard University such as Mark Moore, and underlie such publications as his *Creating Public Value: Strategic Management in Government*, Harvard University Press, Cambridge, Massachusetts, 1995.

<sup>135</sup> This model was used in this way as the underlying analytical framework for the Independent Evaluation Group’s (IEG’s), *Environmental Sustainability: An Evaluation of World Bank Group Support*, The World Bank, Washington D.C., 2008, which was co-written by the two lead members of the DPMG evaluation team for the present evaluation (see pg. 11).

term objectives of the initiative should be clearly defined and aligned with its desired impacts and intended outcomes. Measures should also be determined in order to build or strengthen the technical, financial, and institutional capacities needed to achieve the mission. And the enabling environment can be influenced in such a way as to become as supportive as possible. These are generic challenges which every development initiative inevitably faces.

**8.17.** Seen in terms of the PMR more specifically and looking ahead to a possible Second Phase, once its updated and revised longer and medium-term objectives/desired impacts and more immediate ones/intended outcomes are clearly defined and agreed, then it is necessary to reconfirm what specific technical, institutional and financial capacities need to be strengthened in each of the intended beneficiary countries (R1.5). This would allow these countries to achieve their contributions to the overall mission, together with what enabling environment is needed in order for this capacity, once in place, to be able to produce the intended outcomes, desired impacts and thus achieve the associated objectives at both the national and PMR-wide levels. Even though the nature of the enabling environment at the individual country and the global levels cannot be determined by the PMR, this does not mean that the PMR cannot or should not seek to influence it using the information sharing and other tools available to it.

**8.18.** In summary, the evaluation team recommends that these considerations should be taken into account as the PA and the Secretariat begin think strategically about how the PMR's objectives should be framed as they look ahead to a possible Second Phase. While this process should begin as soon as possible, final decisions should most likely await the outcome of the UNFCCC's next COP in December of 2015. In the meantime, it is recommended that both the PA and the Secretariat closely follow how the deliberations and negotiations leading up to this important meeting evolve over the coming months and carefully consider their implications for the future objectives of the PMR as it contemplates a new phase of its existence, perhaps starting in 2016 (R1.6).

### **C. Gap between PA Funding Allocation and Signature of the Corresponding Grant Agreements**

**8.19.** The second main lesson from this evaluation is that in order for the PMR to become more efficient and effective, it needs to reduce the time between final MRP presentation to the PA and the signing of the respective Grant Agreements with the Delivery Partner, in most—and perhaps all—cases, the World Bank. This latter step is a *sine qua non* for implementation funding to flow to the ICPs. Any delays in this process thus constitute a roadblock in the path of achieving the PMR's objectives in a timely fashion. It can be argued that this delay, although a serious problem in the past, may no longer be as important since final MRPs have been approved for all but five of the present ICPs. However, it is likely that some original recipients may request additional funding to implement their existing MRPs or new components, and, thus, may need to go through a review process similar to that which occurred the first time around (and for which procedures also need to be defined and agreed by the PA). Should resources be mobilized for a Second Phase, it is also possible that additional ICPs could join the PMR, and, thus, would be starting the MRP preparation process from scratch.

**8.20.** There are various reasons for the delays between PA endorsement of funding for MRP implementation and signature of the respective Grant Agreements. On the one hand, the PA has technical quality requirements that need to be met in the final MRPs. On the other, the Delivery Partner has operational requirements regarding procurement, financial management, M&E, safeguards, and project presentation, which are additional to those required for the MRPs to be endorsed by the PA. However, both sets of requirements must be met before the Grant Agreement can be negotiated and signed. The more than one year delay between PA endorsement of implementation funding and Grant Agreement signature in the case of China, for example, was largely due to the implementing department's prior unfamiliarity with

World Bank procedures and requirements in these areas. While the delay was less (six months), similar factors contributed to the additional time required for Turkey to sign its Grant Agreement.

**8.21.** Country factors also play a role, and in several instances this has been the principal cause of delay. This can be clearly seen in the Mexican case, where the Government decided to channel PMR grant funds through its recently established Climate Change Fund (CCF), but it has taken well over an additional year for this Fund to become fully operational. The timing of national elections and the resulting change in central government administrations were largely responsible for a similarly extensive delay in finalizing the Grant Agreement with Costa Rica and have affected MRP preparation and World Bank appraisal timing in countries such as Chile and Indonesia. In the Costa Rican case, more specifically, the Delivery Partner decided to put off finalization of the Grant Agreement until after the new government was fully in place.

**8.22.** Independently of whether the delay is a result of factors on the country's side, on that of the Delivery Partner, or some combination of both, the common element is that the final MRPs are not fully ready for implementation at the time they are presented to the PA. And the reality is that two separate appraisal and approval processes need to take place, and that these appraisals focus on different elements. While the PMR appraisal process focuses primarily on the technical quality of the MRPs, that by the Delivery Partner also gives attention to its operational aspects, including development of a project-specific Results Framework, in addition to the other elements mentioned above.

**8.23.** The crux of the problem is the need to ensure that the final MRPs are ready for implementation by the time they are presented to the PA for approval. It is therefore recommended that the PMR seek to better harmonize and align the timing of the technical and operational appraisals of MRPs by ensuring that they are implementation ready, including with respect to their compliance with all relevant Delivery Partner procedures and requirements (R2.1). The two required appraisals. Accordingly, should occur in parallel or as closely in time as possible. Thus whatever analysis by the Delivery Partner and up-front capacity building required by the ICP to enable implementation to start should ideally takes place as much as possible in advance (R2.2). However, better coordination is needed both between the country in question and the Delivery Partner and between the PMR Secretariat and the Delivery Partner than appears to have occurred in the past (R2.3). In addition, implementation readiness requirements on the country's side, including the timing of elections and changes in government administrations, and operationalization of key implementation mechanisms should be clearly taken into account before a final MRP is considered by the PA (R2.4). If this is not done, not only is there a risk of considerable delays, but also the possible need for changes in the affected MRPs due to intervening events in the domestic and external environments.<sup>136</sup>

**8.24.** One of the main challenges in this regard, however, may well be internally within the Delivery Partners themselves.<sup>137</sup> It will thus be essential to explicitly situate the PMR's activities in a given country in the context of the broader set of climate change-related actions with which the Delivery Partner is

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<sup>136</sup> In the cases of both Chile and Mexico, for example, new governments have undertaken significant policy reforms, which, while enhancing the national authorizing environments for the MRPs, have also affected their relevance in the current context, thus requiring either some adjustments, or support outside the MRPs themselves, in some cases through other means of PMR support such as the new upstream policy analysis work stream.

<sup>137</sup> In the case of the World Bank, for example, the regional Vice Presidencies and Country Management Units (CMUs) and even the managers of the pertinent Global Practices may not view the PMR as a priority given the comparatively small amounts of the grants involved. Accordingly, PMR activities at the individual ICP level should be fully embedded within the respective Delivery Partner country strategies and operational pipelines and portfolios. The absence of such measures can adversely affect the availability of TTLs and team members, including procurement, financial management, disbursement, and legal specialists, as well as their attention to PMR grant-funded projects as compared with other tasks for which they are responsible.

involved (R2.4).<sup>138</sup> In order to better coordinate and harmonize the PMR technical appraisal and the Delivery Partner’s operational one, even though some of its current staff members possess operational experience in the World Bank, the PMR Secretariat might also want to consider incorporating a staff member with previous strong task team leadership experience as a member of its team (R2.5).<sup>139</sup>

**8.25.** It is interesting to observe, finally, that the UK’s most recent annual assessment of the PMR makes a very similar, if more general, recommendation to that presented above, more specifically, that the PMR “should continue to develop and implement ways of speeding up the grant agreement process, and ensure that the PMR participants are kept fully updated on the situation.”<sup>140</sup>

#### **D. Enhancing the PMR’s Knowledge Management and Sharing Activities**

**8.26.** A third major lesson of the present evaluation is that the full potential of the PMR’s KM&S activities has not yet been achieved. The evaluation team thus recommends that greater attention be given to this part of the PMR’s activities. More specifically, as the PMR looks forward to a possible Second Phase, the PA and the Secretariat should consider how these critical inputs can be used more strategically and effectively in the years ahead (R3.1). The PMR’s objectives in this regard should also be more clearly defined (R3.2). Perhaps unintentionally, “knowledge creation and dissemination” has even been dropped as one of the PMR’s “core objectives” according to the last two Annual Reports. In one sense, this is not inappropriate because KM&S, together with grant financing and targeted technical assistance, constitute essential inputs towards the achievement of its objectives rather than outcome per se. On the other hand, KM&S continue to be a central part of the PMR’s activities, as the same two Annual Reports clearly recognize. In addition, KM&S are the key elements over which the PMR Secretariat—as opposed to the ICPs, which have this responsibility in terms of MRP implementation—has control.

**8.27.** As evidenced by its presentation in this regard at the recent PA 10 meeting in Santiago, the PMR Secretariat has already begun to think more strategically about the PMR’s KM&S activities and its Technical Work Program more generally. This process should continue with both a clear definition as to the purpose and scope of its KM&S activities and a clear understanding of what their target audiences are or should be (R3.3). For example, to obtain greater visibility of and support for its activities at the ICP level, the PMR could better utilize its KM&S tools to enhance its cooperation with subnational governments and private sector entities like industry associations, power and energy enterprises, financial institutions, as well as with non-governmental and other civil society organizations that are already or can become active in GHG mitigation activities. As critical inputs, in short, these information and knowledge-related activities should be considered in terms of their contributions to the PMR’s longer-, medium- and shorter-term objectives, including the one proposed in Section B above to become more explicit—i.e., to positively influence the national and international policy environments for GHG mitigation (R3.4).

**8.28.** Regarding the actual and potential audiences for the PMR’s KM&S activities, as suggested in Chapter 5, there are at least three different ones: (i) those stakeholders among the PA members who

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<sup>138</sup> In the specific case of the World Bank, moreover, it will also be important to ensure that ensure that the managers of the department and unit in which the PMR Secretariat is situated do their utmost to inform and convince senior managers in both the regional/country and Global Practice units that will be responsible for their operationalization of the PMR’s importance in the context of its broader GHG mitigation agenda and portfolios in the regions, countries, and sectors involved, as well as in response to its broader corporate priorities and commitments in relation to climate change..

<sup>139</sup> This could involve including a current TTL for one or more of the PMR projects that are already getting off the ground among the Secretariat’s staff. The PMR could likewise use its KM&S activities and tools more effectively to help inform senior World Bank management, as well as other stakeholders, as to the importance of the PMR experience and the lessons it is generating regarding the issues and challenges that it is helping to address.

<sup>140</sup> United Kingdom, Department of Energy and Climate Change, *Partnership for Market Readiness*, op. cit. pg. 1.

participate in specific PMR events; (ii) other PA members who did not participate in the events in question but who could benefit from the information exchanged and knowledge generated there; and (iii) other interested stakeholders, including non-PMR countries, subnational jurisdictions, private sector entities, NGOs, academic and research institutions, etc., which are in a situation similar to that of the second audience. What KM&S services the PMR should seek to provide to each of these audiences, as well as how the external audience can be expanded to ensure greater outreach and potential influence by the PMR, should be carefully considered as well as the most efficient and effective means of doing so.

**8.29.** In this connection, it is recommended that the Secretariat elaborate, annually update, and present to the PA for its endorsement a Strategic KM&S Plan for the PMR, which, in addition to identifying what services would be provided to each of the above audiences and how this would be done, would also determine the associated human and financial resource requirements to deliver this support (R3.5). More generally, the systematization and professionalization of its KM&S activities should take on a greater role in a possible Second Phase of the PMR along the lines suggested in Annex 5. It should also be closely linked with its project and program level M&E activities, as a way of more effectively sharing results and lessons learned from the PMR experience at both the individual country and PMR-wide levels with the international community, including the UNFCCC, about which more will be said in the next section (R3.6). The Secretariat should likewise consider appointing a full-time experienced knowledge management specialist to lead this activity and to help coordinate it with the larger PMR Technical Work Program that includes operation of the increasing number of Technical Working Groups and other elements (R3.7).

**8.30.** The PMR's original aim with respect to KM&S—i.e., to create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements—should also be revisited with respect to the PMR's and the Secretariat's specific role and comparative advantage with regard to knowledge creation versus dissemination (R3.8). As the PMR Secretariat is not composed primarily of climate mitigation researchers or market instrument experts, nor should it be, it is recommended that it focus primarily on the dissemination of knowledge with respect to market mechanisms, with particular attention to that derived directly from the implementation of the MRPs and other PMR-supported activities, for which a strong M&E system will also be essential (R3.9). However, it can—and in the evaluation team's view, should—play a more systematic role in terms of knowledge management and dissemination with the three audiences identified above.

**8.31.** In addition, design of the content of PMR Technical Workshops and other learning activities should include greater prior consultation with potential beneficiaries (R3.10). The organizers should use standard exit surveys and other ex-post evaluation tools following training sessions to monitor and assess how well the expectations and needs of participants have been met and to determine how the contents, presentations and discussions could be enhanced (R3.11). As the feedback from interviews with some private sector participants in Turkey indicated, moreover, greater up-front consultation by Workshop organizers with their proposed audiences would help to better tailor their content to intended beneficiary needs. The results of exit surveys and recommendations regarding Workshop and training content should also be added to the PMR website in order to share feedback more widely among interested stakeholders (R3.12).

**8.32.** The Secretariat should explore more strategic and effective ways of managing and disseminating relevant knowledge that exists outside the PMR, including through stronger collaboration with other organizations—such as the UNFCCC, UNDP, UNEP, the other multilateral development banks, bilateral assistance agencies, and key NGOs and research institutes that are also engaged in pertinent capacity building activities, just to name a few (R3.13). It has already started to do so in several of its recent Technical Notes and other knowledge products (such as the proposed “checklist” for the upstream policy analysis) by using experienced external specialists. It is also seeking ways, including through the Working Groups, of obtaining a better picture with regard to specific ICP needs and demands for knowledge to help shape the ongoing Technical Work Program. These efforts should be continued and directly linked to the

“mapping” of MRP content currently being undertaken by the Secretariat to identify subsets of ICPs that would benefit from more specific knowledge sharing and lesson learning support (R3.14).

**8.33.** Better use should also be made of the information and knowledge that is shared in specific PMR events, such as the Technical Workshops and Training Events, which goes beyond the mere posting of Power Point presentations on the PMR website, which may be of limited usefulness to the various audiences identified above (R3.15). The website itself, while containing interesting information, should become more user-friendly as a knowledge management and dissemination tool if it is to maximize its potential (R3.16). These are important challenges for the PMR as it seeks to strengthen the relevance and effectiveness of its knowledge dissemination activities. An associated challenge is to closely link the PMR’s KM&S with its M&E activities. Finally, the PA may also want to consider establishing a Working Group to help guide and oversee the PMR’s KM&S activities. Such a Working Group, to be composed of interested PA members from both CPs and ICPs, could play a similarly constructive role to that which the EWG has played to date (R3.17).

**8.34.** As in the case of the previous evaluation team recommendation, the UK’s most recent assessment also makes a similar specific recommendation to the PMR: “continue to explore partnerships to deliver technical work with other reputable organizations (building on the collaborations initiated in 2014 with the German Agency for International Cooperation (GIZ), the Development Bank of Latin America (CAF) and the International Carbon Action Partnership (ICAP).”<sup>141</sup>

#### **E. Establishing and Operating a PMR Monitoring and Evaluation System**

**8.35.** A fourth important lesson is the need for the PMR to create and operate a full-fledged M&E system. The Secretariat’s proposal to establish a “PMR Results Framework” presented to and endorsed by PA 7 in Marrakesh essentially featured the creation of a PMR M&E system with two subsystems, one for operations monitoring and the other for performance evaluation under the umbrella of a “PMR Results Framework.” The evaluation team endorses but recommends an expansion of this proposal (R4.1). While a Logical or Results Framework is an essential element of any M&E system, it should not be confused with this system *per se*, which needs to contain other elements as well. In this context, and that of the proposed PMR Evaluation Framework (which is also a key element of any M&E system) “operations monitoring” is understood to refer primarily to the delivery of inputs and realization of outputs. “Performance evaluation”, in turn, refers to the assessment of the extent to which outcomes and impacts are achieved and of the reasons for any observed shortfalls and shortcomings and/or unexpected developments. Clearly, performance evaluation also depends on the proper delivery of inputs and realization of outcomes, and, thus, on the information generated by the operations monitoring subsystem. Although this subsystem is primarily intended to serve as a management tool to determine if a program or project is on track and whether its resources are being used properly in a timely and efficient way, it is also a source of vital information for the performance evaluation subsystem, which is principally concerned with effectiveness. The two subsystems must be carefully interconnected (R4.2).

**8.36.** At the present time, the PMR Secretariat contains—or at least proposes to develop—several key components of an M&E System, but other elements are still missing. Thus, the evaluation team recommends that a full M&E System be established over the coming year. The Secretariat’s “Results Framework” document cited above, stated that it would have two main purposes: (i) to assess the performance of the PMR at the global level, through periodic evaluations by an independent third party, of which the present exercise is the first; and (ii) to monitor the status and progress of the PMR activities at the country level, relying mainly on the World Bank’s existing supervision processes to provide reporting

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<sup>141</sup> *Ibid*, pg. 1.

on the implementation and outcomes of grant-financed activities<sup>142</sup>. However, the PMR also carries out other significant activities at the country level, including PA meetings and Side Events, Technical Workshops and Training sessions, and ICPs, CPs, and other stakeholders, may benefit from these activities, as well as from the PMR’s e-learning courses, website, Technical Notes and other knowledge products, Technical Working Group activities and the new upstream policy analysis work stream. The quality and effectiveness of all of these products and activities should also be monitored and evaluated (R4.3).

**8.37.** Thus, monitoring and evaluation of PMR activities should be a continuous process and not just the focus of one-off independent performance assessments, such as the present one, every three to five years (R4.4). A number of tools should be used for this purpose including beneficiary surveys and/or interviews of website users, e-learning course takers, and participants at PA meetings, exit surveys for Technical Workshops and training events, etc. (R4.4) In addition, special evaluation studies to more fully investigate and help address specific issues and problems such as the frequently cited lag between PA endorsement of implementation funding and the signing of the corresponding Grant Agreements with the Delivery Partner, which the present evaluation was not able to examine in depth, among others—should be undertaken on a timely, *ad hoc* and as-needed basis (R4.5).

**8.38.** The evaluation team also recommends that the PMR Secretariat consider appointing a specialist to be responsible on a full-time time basis for the development and operation of the PMR’s M&E System (R4.6). This would include helping to oversee the M&E activities for the individual MRPs once their implementation has started and aggregating appropriate information at the portfolio level, as well as coordinating M&E activities in relation to other PMR inputs and outputs at both the individual country and PMR-wide levels. As part of this activity, regular—at least annual (perhaps with less formal updates at intervening PA meetings) reports—should be provided to the PA to inform it of the status of MRP implementation and emerging results on the ground, both in the individual ICPs and assistance-receiving TPs and at the level of the PMR portfolio as a whole, to supplement reporting by the ICPs on a case-by-case basis (R4.7). Such information can also be used to keep senior management of the Delivery Partner or Partners systematically informed about any implementation issues and emerging lessons that should be brought to its/their attention and for follow-up action (R4.8). This would also help enhance the transparency of the interactions between the PMR Secretariat and the PA.

**8.39.** As in the case of PMR knowledge management and dissemination, it is recommended that the existing Evaluation Working Group be made permanent and its responsibilities expanded to help guide and oversee the design, establishment and operation of the PMR M&E System (R4.9). If this proposal is accepted, its name should be broadened to the Monitoring and Evaluation Working Group. Establishment and operation of the proposed KM&S and M&E Working Groups would also help to increase the transparency of PMR activities and to enhance its capacity to generate and effectively disseminate both its results on the ground as implementation proceeds and the emerging lessons from this experience to the UNFCCC and other interested parties in the international community.

**8.40.** Finally, as with the two previous recommendations, the UK’s annual assessment of the PMR likewise recommends that “deeper consideration should be given to assessing the impact of the PMR’s stakeholders’ events and exploring ways that it could be increased.”<sup>143</sup> The suggestions offered above have precisely the same objective.

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<sup>142</sup> See, PMR Secretariat, *Proposal for the Establishment of a PMR Results Framework*, *op. cit.* pg. 3.

<sup>143</sup> United Kingdom, Department of Energy and Climate Change, *Partnership for Market Readiness*, *op. cit.* pg. 1.

## **F. Increasing the Transparency of Reporting to the PA**

**8.41.** The fifth main lesson from the evaluation is the need to improve the transparency of reporting on some aspects of PMR business to the PA. A number of PA members have expressed dissatisfaction regarding their perceived present insufficient degree of transparency in the decision making process by the PMR Secretariat with regard to some resource allocation decisions and the eligibility criteria for non-assistance-receiving Technical Partners and for expert consultant selection. These concerns merit more in-depth investigation than has been possible during the course of the present evaluation, perhaps through one of the special evaluation studies proposed in the previous section. While PA members still seem willing to delegate many specific decisions to the Secretariat, some of its members have clearly expressed the desire to be more systematically informed, if not more fully consulted, about the more significant of these decisions, especially when the allocation of Trust Fund resources and the proposed admission of additional Technical Partners are involved.

**8.42.** Options for improving transparency include: (i) better preparation of decisions involving resource allocation to PA meetings from PMR Secretariat; and (ii) should PA membership significantly increase in the future establishing the Partnership Committee (PC) foreseen in the Design Document to do such preparatory work. In either case, it is recommended that the PMR Secretariat provide greater details in some of its reporting to the PA (especially on use of the administrative budget and new budget proposals for example, and in its updates on the Technical Work Program with respect to the operation and deliberations of the various Technical Working Groups as well as regarding the outputs and outcomes of the upstream policy analysis work stream) (R5.1). It should give greater attention to these concerns in the future, perhaps through a specific survey and/or additional one-on-one discussions with PA members (R5.2). This would be important not only to increase transparency, but also to further strengthen the existing degree of mutual respect and trust that has been achieved between the PA and the Secretariat over the past three and a half years, and which will be even more important should the PMR's membership and scope expand as it moves into a possible Second Phase. The proposed PMR KM&S strategy and enhanced activities and M&E System, if implemented, could also provide elements to help strengthen the Secretariat's transparency in relation to both its PA members and other stakeholders.

**8.43.** Interestingly, here too, the evaluation team's findings and recommendation are echoed by those in the United Kingdom's separate assessment of the PMR's performance over the past year. More specifically, the UK recommends that "the PMR should improve financial transparency by publishing full and complete accounts, alongside a narrative, on an annual basis."<sup>144</sup>

## **G. Staffing, Resource and Other Considerations for the Future**

**8.44.** Finally, several of the preceding recommendations have financial and/or human resource implications, especially in the event that experienced specialists in KM&S and M&E, which are distinct skill sets, are added to the Secretariat's team, which is already stretched in order to meet growing demands from ICPs and other stakeholders. Further financial and consultant resources would also be needed to implement the additional KM&S and M&E activities proposed above. However, these activities are likely to contribute directly to enhance the future relevance and effectiveness of the PMR as they will permit better and more user-friendly information and knowledge sharing and strengthen existing program management and internal learning arrangements at both the portfolio and the PMR-wide levels. These benefits are likely to be mutually reinforcing. The incorporation of a seasoned World Bank operational staff member as part of the team would help the Secretariat better coordinate the technical and operational appraisals of MRPs as well as the PMR's response to likely follow-on support requests from ICPs. This could take place without necessarily requiring the addition of another staff member to the Secretariat, as it

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<sup>144</sup> *Ibid.* pg. 1.



is likely that one or more of the present team may rotate to another position within the World Bank over the coming year or so, as has already happened with at least two former Secretariat members. Thus, this is more a question of strategic rather than incremental staffing.

**8.45.** Even in the absence of the activities recommended above, it is likely that the demands and work load on the PMR Secretariat will increase in the future for a variety of reasons, including: (i) the growing number of PA endorsed final MRPs that will soon begin implementation, with their associated increased supervision, monitoring, and oversight needs in which Secretariat staff, who have already participated in project preparation and appraisal, will most likely be an essential part of;<sup>145</sup> (ii) there are likely to be additional requests from ICPs for the use of uncommitted first-round resources in the PMR Trust Fund, which will also require further support from the Secretariat; (iii) the upstream policy analysis work stream will likewise require close supervision and oversight by the Secretariat and there will be new time demands associated with the increasing number of proposed Technical Working Groups; and (iv) the proposed Technical Work Program is likely to continue to expand and become more diversified as the PMR seeks to better tailor its support to the needs of different subsets of ICPs in accordance with the specific contents of their MRPs and other emerging interests.

**8.46.** Looking to the future, other countries and organizations will likely be interested in joining the PMR, including additional CPs as well as ICPs and TPs. If this proves to be the case, the PA should carefully consider the implications of expanding the membership of the PMR both in financial and human resource terms, as this will also necessarily increase the transaction, as well as the administrative, costs involved (R6.1). As suggested above, one of the most positive aspects of the PMR is its comparatively small size in terms of the number of core stakeholders (i.e., CPs, ICPs, and TPs) involved. This is one of the main reasons why the present PA's governance arrangements appear to have functioned effectively and, for the most part, efficiently, especially as a forum for the frank exchange of views. Considerable trust has been built up among and between the developed and developing country participants in the process and perhaps constitutes the PMR's greatest added value, and is recognized by most involved stakeholders as such.

**8.47.** Further expanding the number of countries and organizations involved, while one way of extending the PMR relevance and influence, also increases the risk that this forum could become more politicized and/or less manageable. In short, the potential expansion of the PMR could also present a significant trade-off. Thus, should it resolve to substantially increase its membership beyond its present size and/or expand its scope beyond its already growing set of activities, the PA and the PMR Secretariat should keep firmly in mind that there will be both potential costs as well as benefits and they should carefully identify and weigh them before arriving at any final decisions.

**8.48.** Should the PMR go into a Second Phase, including the possible admission of additional PA members, the work load on the Secretariat will grow even larger, as more ICPs and assistance-receiving TPs will be at different stages of the PMR process. The overall demand for assistance is likely to increase at least proportionally. To the extent that additional financial resources are mobilized from existing and/or new CPs, an expansion of the Secretariat with additional skills should be possible without substantially increasing the operating budget's share of the total resources available. However, even if this ratio should rise, the added benefits in terms of the PMR's capacity to achieve its objectives more effectively and efficiently could be considerable. In the short run, moreover, as it seems that not all of the US\$ 5 million allocated for upstream policy analysis in FY 15 is likely to be committed, some of these potential "surplus" resources could be utilized to finance some of the recommendations proposed above.

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<sup>145</sup> According to the Beijing-based TTL for the PMR project in China, for example, this will definitely be the case for that operation at least, and the same is very likely to occur in other PMR operations as well.

**8.49.** Finally, the evaluation team recommends that the PA and the World Bank should reconsider the Secretariat's staffing and associated administrative budget needs for FY 2016 and beyond (R6.2). Based on the growing demands on the Secretariat associated with MRP implementation and other activities, together with the opportunity to enhance its relevance, effectiveness and efficiency through the addition of the staff and/or consultant skills identified during the present evaluation. It is thus also recommended that the Secretariat prepare and submit to the PA for its consideration a strategic staffing and associated financing plan for the years ahead, ideally prior to the (likely) May 2015 PA meeting, when the stage will be set for next fiscal year (R6.3).

## Terms of Reference for the First Independent Evaluation of PMR<sup>146</sup>

### PMR Overview

1. The Partnership for Market Readiness (PMR), which became operational in April 2011, is a grant-based, capacity building trust fund that provides funding and technical assistance for the collective innovation and piloting of market-based instruments that reduce greenhouse gas (GHG) emissions. The Partnership brings together developed and developing countries, as well as other key experts and stakeholders, in order to provide a platform for technical discussions on market instruments, South-South exchange, collective innovation for pilot efforts and the implementation and scale up of financial flows.
2. The PMR aims to provide a platform for technical discussions and the exchange of information on market instruments for mitigation; it also aims to help interested countries build the capacity to scale up their mitigation efforts, and pilot instruments appropriate to their domestic context.
3. The PMR objectives, as stated in the Governance Framework, are:
  - a. to provide grant financing to countries for building market readiness components;
  - b. to pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage;
  - c. to create a platform to enable policy makers, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote cooperation amongst emerging and developing countries, and explore and innovate together on new instruments and approaches;
  - d. to create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
  - e. to share lessons learned, including with the UNFCCC.
4. Building on the objectives, the PMR has decided to operate in accordance with the following principles:
  - a. to be country-led and to build on nationally defined and prioritized mitigation policies, according to each implementing country's national circumstances;
  - b. to coordinate with other readiness efforts to avoid duplication and ensure effective use of resources;
  - c. to cooperate with other actors and processes that are undertaking similar initiatives, such as UN agencies and other multilateral development banks; and
  - d. to promote learning-by-doing through early and integrated efforts.

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<sup>146</sup> Annexes to these Terms of Reference were removed from Annex 1. They can be obtained from the PMR.

5. The first part of the PMR Results Framework—which was endorsed by the PMR PA at its Seventh Meeting in Marrakesh, in October 2013 (see Annex 3)—proposes to establish a system to evaluate the performance of the PMR as a whole. It would include key questions to assess the PMR’s achievements against its objectives and would focus primarily on the PMR’s overall impact on the global GHG mitigation agenda.

6. Other relevant background information on the PMR is available in the Design Document and the PMR Governance Framework on the PMR website at [www.thepmr.org](http://www.thepmr.org).

### **PMR Evaluation**

7. As provided in the PMR Governance Framework, evaluation is the responsibility of the governing body—in this case, the Partnership Assembly (PA).<sup>147</sup> The PA has approved the Terms of Reference (ToR) for the First Independent Evaluation of the PMR, based on which the PMR Secretariat is to source external consultants to undertake its First Independent Evaluation. The PA has established an Evaluation Working Group (EWG) to provide overall oversight at different stages of evaluation. The PMR Secretariat will facilitate the evaluation process in accordance with the guidance provided by the EWG and report progress to the PA. In addition, the PMR Secretariat is responsible for monitoring PMR operations and undertaking regular assessment of progress achieved in relation to annual work plans, for the purpose of identifying reasons for divergence from the plans, and to take necessary actions to improve performance. The PMR Secretariat has proposed to the PA, in its Budget for fiscal year 2014, to undertake the First Independent Evaluation as part of its regular work program.

### **Suggested Evaluation Approach**

8. The Consultant is expected to develop an evaluation approach that allows for continuous incorporation of feedback in real-time, with progressive updates at PA meetings. The Consultant is expected to propose an approach that starts with the most strategic questions, before moving on to subsidiary ones. The detailed methodology will be formulated by the Consultant and made available to the PA.

### **Evaluation Period**

9. The evaluation will cover ongoing as well as completed activities, comprising desk reviews, questionnaires, interviews and fieldwork in Implementing Countries. The First Independent Evaluation will cover approximately the first two and a half years of PMR operations, i.e., from April 2011 to December 2013.

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<sup>147</sup> The Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards, IEG-World Bank, Washington, D.C. 2007, recommends that evaluation is the responsibility of the governing body or other unit separate from management. In most of these programs, evaluations are commissioned by part-time governing bodies and conducted by independent teams of consultants or independent experts. In either case, the body commissioning the evaluation takes responsibility for the quality of the final report and for disseminating the findings and recommendations, in different formats for different audiences, as appropriate.

## **Audience**

10. The evaluation is of interest to the PMR PA and Observers, the World Bank Management, and the broader market readiness community (see list of relevant stakeholders in Annex 1). The evaluation framework that will be developed as part of the assignment will help define a clear process for the feedback and recommendations resulting from the periodic evaluations, including the first, to be taken into account at the country level and at the global level - that is, at a level to review the structure, functions, and outputs of the PMR process as a whole.

## **Timeline**

11. The date for the completion of the First Independent Evaluation (Draft Evaluation Report and Evaluation Framework) is October 2014 (PA10), with interim results to become available in time for the PA meeting in May 2014 (PA9). After the First Independent Evaluation, the PA will determine the frequency of the evaluations.

## **Evaluation Objectives and Scope of Work**

12. Following the PMR objectives and in accordance with Article I of the PMR Governance Framework, the objectives of the First Independent Evaluation will be:
- a. To develop a detailed Evaluation Framework for periodic evaluations, including key questions and indicators to (i) review the conduct of market readiness activities and piloting of carbon market instruments in all countries and review common elements among all MRPs; and (ii) assess the interactions between the PMR's global processes and implementation at the country level, with a view to determine how the global processes have affected country capacity and how the PMR has contributed to developing best practices on carbon market instruments. The Evaluation Framework will be the central tool of the PMR Periodic Evaluation System. Along with the PMR Operations Monitoring System, which includes a system to monitor the status and progress of PMR operations at the country level, the PMR Periodic Evaluation System constitutes one of two main components of the overall PMR Results Framework.
  - b. To assess the effectiveness of the governance structure of the PMR and the operational effectiveness of the grant allocation mechanism, and suggest ways of enhancing PMR support to the PMR Implementing Country Participants. In light of this objective, the scope of the proposed evaluation includes progress made by the PMR in directing resources to the activities that are most likely to contribute to market readiness in the future, including the piloting of market-based instruments. The First Independent Evaluation is proposed to be implemented mainly, but not exclusively, at the global level.
  - c. To conduct an evaluation of the PMR's technical work, knowledge sharing and capacity building program at the country, regional and global levels.

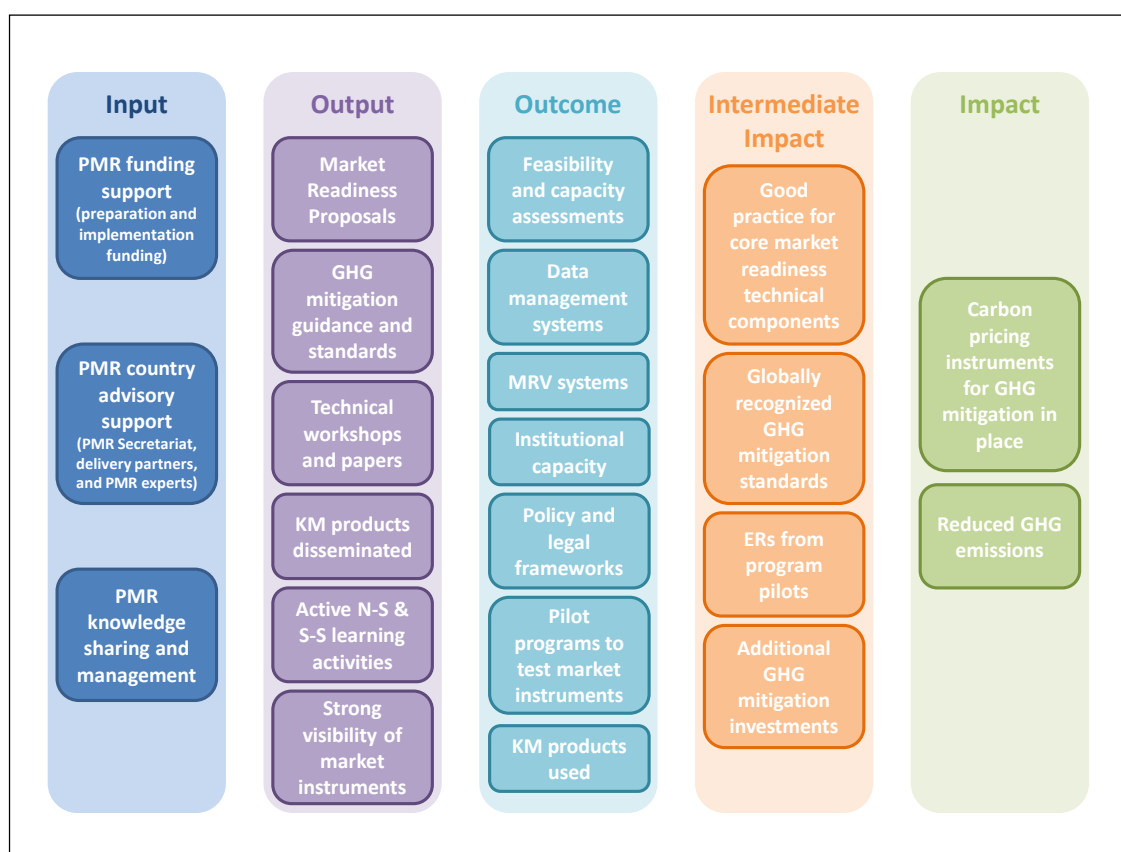
The First Independent Evaluation will report on key outputs and catalytic effects of those outputs, and the early outcomes that were achieved particularly from the market readiness process.

## Determining Key Evaluation Questions

13. The First Independent Evaluation will ensure a broad and representative perspective on the achievements and challenges in the PMR. The framework questions will be based on the standard OECD/DAC Results Based Management, Monitoring and Evaluation Framework (RBM MEF), consisting of inputs, outputs, outcomes and impacts (as illustrated, for indicative purposes, in Figure 1 below). **In this case, outcomes and impacts are perhaps too early to assess, but the causal chain leading up to them would be investigated.**

14. OECD/DAC Standard Evaluation Criteria include relevance, effectiveness, efficiency, impacts and sustainability.<sup>148</sup> The First Independent Evaluation will primarily address the first three criteria. The remaining two, i.e., impacts and sustainability, will be targeted in subsequent evaluations.

**Figure 1 – Indicative Results Chain for PMR Intervention**



<sup>148</sup> The World Bank's Internal Evaluation Group (IEG) has adapted these OECD/DAC criteria to meet the needs of global programs. Despite these improvements, the prevailing evaluation methodologies for the assessment of global programs have several known shortcomings. These would need to be addressed in the evaluation framework for PMR, when the evaluation methodologies are drafted by the evaluation team. For example, the relevance of a global activity is considered, not simply in terms of international consensus in support of that activity, but also in terms of the extent of country ownership. The latter takes into account, among other things, the subsidiary principle, i.e., the extent to which an activity is being carried out at the most appropriate level, and the actual or likely winners and losers among stakeholders using the so-called horizontal considerations.

15. The First Independent Evaluation is mainly *formative*, focusing primarily on processes and early outputs, rather than *summative*. The intention is to tailor the scope of the evaluation so that results can be obtained in a timely manner to allow for course corrections early on in the operations of the Partnership. The recommendations proposed in the final evaluation report will be put forward for endorsement by the Partnership Assembly. Subsequent evaluations may be more ambitious given that those will build on the evaluative evidence that has been gathered through the First Independent Evaluation.

16. Periodic evaluations should review the progress made towards reaching the PMR's objectives, identify constraints that make achievement of specific objectives difficult or impossible, and recommend adjustments. The purpose of the First Independent Evaluation is primarily to assess the appropriateness of the program's process and initial outputs, including the grant funding allocation process, the delivery of technical assistance, the reinforcement of capacity and the dissemination of knowledge products, and to review the PMR governance and management arrangements. Subsequent evaluations should develop into more outcome/impact-oriented assessments. The First Independent Evaluation will help define the appropriate Evaluation Framework, including key questions and indicators, to carry out the assessments of outcomes and impacts of the PMR.

17. Annex 2 presents a set of key questions which should serve as a starting point to develop the Evaluation Framework and guide the First Independent Evaluation. This set of questions is organized in three clusters: (i) relevance, (ii) effectiveness and (iii) performance of the PMR. It is not exhaustive and is provided for indicative purposes. Many of these questions require several sub-questions to allow for an informed answer in the evaluation. Whilst the focus of the First Independent Evaluation is on the key questions included in the three clusters provided in Annex 2, the Consultant should elaborate and incorporate more specific sub-questions, as relevant, to supplement and strengthen the evaluation. In addition, as part of the work to develop the Evaluation Framework, the Consultant should also define the questions and indicators related to the more outcome/impact-oriented assessments that will be required for subsequent evaluations and that are not covered in the set of questions presented in Annex 2.

## **Methodology**

18. In collecting and analyzing data and drawing conclusions and recommendations, the evaluation methodology will be based on a wide variety of sources of information and use methods to ensure that evaluation will result in a valid, credible and legitimate report. Several key questions will be underpinned by literature reviews. The evaluation team will follow an approach to ensure that questions are properly understood and presented, underlying assumptions have been analyzed, and the resulting data gathering and analysis deliver aggregate and synthetic qualitative and quantitative judgments on the basis of diverse materials (from desk studies, interviews, surveys, portfolio analysis, field visits and verification through stakeholder consultations). If needed, a special methodology to gather and analyze data will be developed and adopted. The use of an evaluation matrix that depicts indicators associated with key program activities and outcomes, sources of information, and methodology to be used for assessing key evaluation questions is recommended. The evaluation team will develop the detailed methodology.

## **Deliverables/ Specific Outputs expected from Consultant**

19. It is expected that the Consultants will:

- Propose a methodology, including key criteria and indicators for each cluster of evaluation questions included in the terms of reference, to be agreed with the PA’s Evaluation Working Group before the start of the actual evaluation work, and prepare the inception report;
- Implement and independently undertake the necessary evaluative work for each cluster, evaluate relevant sources of information through desk reviews and literature studies, participate in a sample of representative PMR countries and field visits, report on these visits and findings for evaluation purposes, and interact with representatives of PMR member countries, PMR Secretariat, NGOs, CSOs and stakeholder groups (representative list in Annex 1);
- Prepare draft reports for each cluster, including evaluative findings and emerging recommendations;
- Conduct discussions with the PA’s Evaluation Working Group as relevant;
- Share the interim findings with and seek feedback from the PMR Participants at PA9 (May 2014), and incorporate feedback from stakeholders before drafting the report;
- Prepare the Final Report for the First Independent Evaluation: Submit the Draft Evaluation Report to the PMR Secretariat for circulation, share the findings and recommendations with and seek feedback from the PMR Participants at PA10 (October 2014), and incorporate feedback from stakeholders before submitting the Final Evaluation Report in December 2014;
- Prepare the Evaluation Framework: Submit the Draft Evaluation Framework for subsequent Periodic Evaluations, including key questions and indicators, to the PMR Secretariat for circulation, share it with and seek feedback from the PMR Participants at PA10 (October 2014), and incorporate feedback from stakeholders before submitting the Final Evaluation Framework in December 2014.

All deliverables shall be written in English.

## Delivery Schedule

20. The desired timeline for the evaluation is as follows. The consultant should keep in view the following milestones and timeline in submitting their proposals.

Tentative Timeline for Conduct of First Independent Evaluation:

	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
Inception report, refining ToRs and evaluation methodology development											
Evaluative work, including country visits and interaction and discussions with stakeholders											
Interim findings (PA9)											
Preparation of Draft Evaluation Report and Draft Evaluation Framework											



Presentation of the Draft Evaluation Report and the Draft Evaluation Framework for feedback from the PA (PA10)												
Circulation of the Draft Evaluation Report and the Draft Evaluation Framework for feedback from other relevant stakeholders (after PA10)												
Inclusion of feedback from PA and relevant stakeholders (after PA10)												
Submission of the Final Evaluation Report and the Final Evaluation Framework to the PMR Secretariat												

**Acceptance Criteria for Deliverables**

21. The deliverables shall be prepared in accordance with international good practice for evaluations, clearly written and presented, with appropriate level of detail and in accordance with the Terms of Reference, keeping in view the audience. Soft and paper copies of the report shall be presented. Specific criteria shall be developed and mutually agreed with the consultant before the contract is signed.

**Coordination with the Evaluation Working Group and incorporation of feedback**

22. The Consultant shall undertake the First Independent Evaluation in an independent manner, following a teleconference with the EWG to finalize details of the deliverables and allow any questions for clarification to be answered. The Consultant will regularly consult the PA’s Evaluation Working Group to seek advice on the general direction of the work. The PMR Secretariat at the World Bank will facilitate the country field visits. The Consultant will incorporate feedback received from the Partnership Assembly, in particular after PA9 and PA10, and from other relevant stakeholders. Publication of the report shall be the responsibility of the PMR Secretariat.

**Budget**

23. Budget shall be proposed by the consultant based on the team’s composition, personnel requirements, and the expected travel and subsistence expenses for travel to at least three representative PMR countries and three meetings of the PMR Partnership Assembly.

## PMR Technical Notes, Workshops and Other Events Undertaken to Date

### Technical Notes

1. Crediting Mechanisms Overview – December 2011
2. Domestic Emissions Trading Schemes (ETS) – April 2012
3. The Nuts and Bolts of Baseline Setting – August 2012
4. Supporting GHG Mitigation with Effective Data Management Systems – May 2013
5. Options and Guidance for the Development of Baselines – October 2013
6. Overview of Carbon Offset Programs: Similarities and Differences – January 2015 (revised)
7. Lessons Learned from Linking Emissions Trading Systems: General Principles and Applications – February 2014
8. A Survey of the MRV Systems for China’s ETS Pilots -- July 2014
9. Preparing for Carbon Pricing: Case Studies from Company Experience: Royal Dutch Shell, Rio Tinto, and Pacific Gas and Electric Company – January 2015<sup>149</sup>

In addition to the above, a *Design Guide for Mandatory GHG Reporting Programs* was reportedly issued in July 2014, and a *Discussion Paper on Components and Linkages of MRV at Different Levels* for the second PMR Regional Training on MRV systems for Latin America and the Caribbean in March 2014 (see below).

### Technical Workshops

1. Mitigation Programs for Scaled-up Crediting Mechanisms, Istanbul, Turkey October 2011
2. Domestic Emissions Trading Schemes (ETS), Shenzhen, China, March 2012
3. Baseline Setting and Registry Set-up, Cologne, Germany, May 2012
4. Modeling Tools and Data Reporting, Sydney, Australia, October 2012
5. Policy Mapping and Effective Instruments for GHG Mitigation in Transport, Washington, USA, March 2013
6. Building Readiness for Implementation, Barcelona, Spain, May 2013
7. Stakeholder Engagement and Communication, Marrakesh, Morocco, October 2013
8. Carbon Tax, Cologne, Germany, May 2014
9. Different Market-Based Approaches and Implications for a Future Carbon Market, Santiago, Chile, November 2014<sup>150</sup>

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<sup>149</sup> According to the Update presented at PA10 in Santiago in early November 2014, other Technical Notes that are either under preparation or proposed for elaboration in 2015 include: (i) “Assessing Options to Use International Offset Program in the Domestic Context” (expected to be finalized by Ecofys in early 2015); (ii) “Guidance Note on the Development of GHG Data Management Registry (proposal under development); (iii) “Guidance and Functional Specifications for Transaction Registry (proposal under development); and (iv) “Guidance Note on the Use of Benchmarks in Market Based Mechanisms (proposal under development). In addition, an “ETS Handbook,” which is further described as “a how to guide for the development and operation of an ETS capturing experience from around the world” that is being jointly prepared by authors from the Oko Institut in Germany, the Massachusetts Institute of Technology (MIT) in the United States, and Tsinghua University in China, is expected to be completed by the second half of 2015, as is a “carbon tax guide that provides an overview of the topic, discusses the main design elements and major developments around the world,” although its expected release date was not mentioned.

<sup>150</sup> A tenth Technical Workshop on “Carbon Markets: From Current Practices to Their Role in the New Climate Regime” is scheduled for PA 12 in London on March 12, 2015.

## Side Events to PA Meetings

1. ETS in Operation: Australia's Clean Energy Future Packages in conjunction with PA4 in Sydney, October 2012
2. Tackling Climate Change: Pricing Carbon to Achieve Mitigation in conjunction with PA5 in Washington, March 2013
3. PMR Information Sharing: Emissions Trading in North America in conjunction with PA5 in Washington, March 2013
4. Stepping Up to the Challenge: Domestic Climate Action and Carbon Pricing Instruments in conjunction with PA 8 in Mexico City, March 2014
5. International Experiences and Lessons to Inform the Development of Mexico's ETS in conjunction with PA 8 in Mexico City, March 2014
6. Preparing for Carbon Pricing Policies; A Business-Government Dialogue in conjunction with PA 9 in Cologne, May 2014
7. Getting Ready for Carbon Pricing Policies: Challenges and Opportunities for the Energy Sector," immediately following PA10 in Santiago, November 2014.

## Regional Training Events

PMR Training Events on Monitoring, Reporting and Verification (MRV) systems for GHG emissions, not restricted to PMR participant countries, have been held for Asia in Beijing in September 2013,<sup>151</sup> for Latin America and the Caribbean, focusing specifically on such systems for NAMAs (Nationally Appropriate Mitigation Activities), in Mexico City in March 2013,<sup>152</sup> and for other countries in Izmir, Turkey in September 2014.<sup>153</sup>

## Other Technical Events

1. Expert Meeting on Modelling for Carbon Pricing Instruments, Washington, April 2013.
2. MRV-ing GHG Emissions Under Existing and Developing Pricing Mechanisms, Bonn, April 2014.
3. Approaches and Tools to Setting Mitigation Scenarios, Washington, September 2014.
4. Interactions Between Energy and Carbon Pricing Policies, Santiago, November 2014.

## Country-to-Country Exchanges (also referred to as South-to-South exchanges)

Two such events have taken place to date. The first was between Shenzhen, China and Rio de Janeiro, Brazil and was held in the latter city in August 2013 and the second, on domestic offset systems, was held in Mexico City in March 2014.

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<sup>151</sup> This training event focused in facility-level GHG reporting. Participating countries included China, Indonesia, India, Singapore, Thailand and Vietnam.

<sup>152</sup> This training event was convened by the PMR and the International Partnership on Mitigation and MRV and jointly organized in collaboration with GIZ of the German Government and the Andean Development Corporation (CAF). Participating countries included Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Peru, and Uruguay.

<sup>153</sup> This event also focused largely on MRV at the facility level. Participating countries included Jordan, Morocco, Kazakhstan, South Africa, Tunisia, Turkey and Ukraine.

**E-learning**

An E-learning course on *Emissions Trading Systems: Using Markets to Promote Low Emissions Development* was elaborated in collaboration with the former World Bank Institute in October 2013, and a second such course on MRV systems is presently under development, and a third on carbon taxes is proposed for 2015.

**Working Group Meetings**

1. Baselines Working Group, March 2013.
2. Offsets Working Group, March 2014.

**Survey Questionnaires**

# Questionnaire for Implementing Country Participants

## Background

Below is a survey consisting of 23 questions covering aspects of the relevance, effectiveness and efficiency of the PMR to date. This questionnaire, to be completed by representatives of Implementing Country Participants (ICPs), is designed to collect insights on the performance of the PMR since inception and to feed into an evaluation of that performance. For each question, a four point rating scale is used: High, Substantial, Modest and Negligible/Not. A “Don’t Know or Not Applicable” option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The “H” and “S” ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive and “above the line” from an evaluative perspective), while “M” and “N” ratings refer to moderately and significantly inadequate results or unsatisfactory performance (or “below the line” from an evaluative standpoint). Each item or set of items to be rated is followed by an open-ended questions asking for the rationale for your rating or ratings. In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate your country.

\* Please indicate the type of the organization you represent.

- Ministry
- Government agency
- Public sector company
- Private sector company/ consulting firm
- Financial institution
- Industry sector (please specify below)
- Industry association
- University/ Academic institution
- Environmental NGO
- Other NGO
- Other (please describe)

Description

## Questionnaire for Implementing Country Participants

\* Please specify the name of your organization.

# Questionnaire for Implementing Country Participants

## Relevance

\* 1a. To what extent are the PMR's current objectives, design and activities relevant in relation to your country's needs, priorities and strategies regarding market readiness and carbon pricing?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Not Relevant	No Opinion
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 1b. To what extent are the PMR's current objectives, design and activities realistic in relation to your country's needs, priorities and strategies regarding market readiness and carbon pricing?

	Highly Realistic	Substantially Realistic	Modestly Realistic	Not Realistic	Don't Know/Not Applicable
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?



## Questionnaire for Implementing Country Participants

\* 2. To what extent have the PMR strategy, governance and management structure, roles and responsibilities, and resource mobilization been relevant to your country's or organization's needs to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance & Management Structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roles and Responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource Mobilization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 3. To what extent has the PMR's approach to capacity building and the Market Readiness Proposal (MRP) process been relevant for your country or organization to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Approach to Capacity Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MRP Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Implementing Country Participants

## Effectiveness

\* 4. To what extent has the PMR helped your country to develop or refine its legal and regulatory framework for GHG mitigation and/or to adopt globally recognized GHG mitigation standards to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know/Not Applicable
Legal Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
GHG Mitigation Standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 5. To what extent has PMR support been effective in terms of contributing to the establishment and/or consolidation of the following market readiness "infrastructure" in your country to date?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know/Not Applicable
Monitoring, Reporting and Verification (MRV) systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other data management systems (specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Implementing Country Participants

\* 6. To what extent has PMR support been effective in terms of contributing to the establishment and/or consolidation of the following carbon pricing or market-based instruments in your country to date?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know/Not Applicable
Domestic Emissions Trading Schemes (ETS)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scaled-up Emissions Reduction (ER) Crediting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Instruments (specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7. How useful has the exchange of knowledge and experience among Contributing Participants and ICPs to date regarding alternative approaches to market readiness and carbon pricing been for your country or organization?

	Highly Useful	Substantially Useful	Modestly Useful	Not Useful	Don't Know
Exchange of Knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exchange of Experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Implementing Country Participants

\* 8. Have there been any unexpected positive (e.g., additional new bilateral or multilateral assistance, etc.) and/or negative factors (e.g., unnecessary overlap with other initiatives, etc.) associated with PMR assistance to your country to date?

	Yes	No	Don't Know
Positive Results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Negative Results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If yes to either or both, what were they?

\* 9. How useful have the various elements of the PMR's technical work program been to date?

	Highly Useful	Substantially Useful	Moderately Useful	Not Useful	Don't Know
Technical Notes and Other Analytical Products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country-to- Country Exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 10. How helpful has the technical advice and operational support provided by expert consultants hired by the PMR, the World Bank or the country for MRP preparation and/or review been to date?

	Highly Helpful	Substantially Helpful	Modestly Helpful	Not Helpful	Don't Know/Not Applicable
Consultant Technical Advice (refers to the technical content of the MRP)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consultant Operational Advice (refers to the proposed arrangements for implementation and management of the MRP)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Questionnaire for Implementing Country Participants

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 11. To what extent have the Partnership Assembly (PA), PA Side Events, Technical Workshops and Trainings, and PMR Website provided effective platforms for the exchange of useful information and knowledge to date?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events or Country-to-Country Exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 12a. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been well-prepared to date?

	Highly well-prepared	Substantially well-prepared	Modestly well-prepared	Not well-prepared	Don't Know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

## Questionnaire for Implementing Country Participants

How could this situation be improved?

\* 12b. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been followed-up to date?

	Highly well followed-up	Substantially well followed-up	Modestly well followed-up	Not well followed-up	Don't Know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 13. To what extent has the governance structure of the PMR been effective in delivering its objectives to date, specifically as concerns the following elements?

	Highly Effective	Substantially Effective	Moderately Effective	Not Effective	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Partnership Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Working Groups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Implementing Country Participants

## Efficiency

\* 14. To what extent has the PMR Secretariat been responsive to date in relation to your country's or organization's needs for technical and institutional support in developing the market readiness proposal (MRP)?

	Highly Responsive	Substantially Responsive	Modestly Responsive	Not Responsive	Don't Know
Need for Technical Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Need for Institutional Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 15. To what extent has the PMR Secretariat been efficient in managing and coordinating Partnership activities and provided timely and quality services to your country or organization to date?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Management of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Coordination of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Timely Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Quality Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could the identified shortcoming(s) be improved?

# Questionnaire for Implementing Country Participants

\* 16a. How transparent has the PMR Secretariat been in reporting on funding decisions and on total and administrative costs?

	Highly Transparent	Substantially Transparent	Modestly Transparent	Not Transparent	Don't Know
Funding Decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total Costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administrative Costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 16b. How accountable has the PMR Secretariat been in reporting on funding decisions and on total and administrative costs?

	Highly Accountable	Substantially Accountable	Modestly Accountable	Not Accountable	Don't Know
Funding Decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total Costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administrative Costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 17a. To what extent has the mobilization of resources and consultant support by the PMR Secretariat been efficient?

	Highly Efficient	Substantially Efficient	Moderately Efficient	Not Efficient	Don't Know
Mobilization of Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobilization of Consultants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.



# Questionnaire for Implementing Country Participants

How could this situation be improved?

\* 17b. To what extent has the mobilization of resources and consultant support by the PMR Secretariat been transparent?

	Highly Transparent	Substantially Transparent	Moderately Transparent	Not Transparent	Don't Know
Mobilization of Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobilization of Consultants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 18. To what extent does the PMR Secretariat presently possess the necessary human (i.e., both in terms of the number of staff and their technical, managerial and operational skills) and financial (i.e., the capital allocated for management of the Partnership) resources required to efficiently administer the Partnership and the Trust Fund?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Implementing Country Participants

\* 19. To what extent have the expert consultants hired by the World Bank and/or the country for MRP preparation and reviewers hired by the PMR Secretariat for MRP quality assurance been used efficiently for the preparation and assessment of the MRP in your country?

	Highly Efficiently	Substantially Efficiently	Modestly Efficiently	Not Efficiently	Not Applicable	Don't Know
Preparation of MRP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality Assurance of MRP	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this support be improved?

\* 20. To what extent has the selection process for the expert consultants and MRP reviewers been transparent and free of conflict? Has their independence been ensured?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Transparent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free of Conflict	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Independence Ensured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 21. To what extent does the combination of expert reviewers of the MRPs, the PA review and endorsement process, and World Bank due diligence represent an efficient and effective process for preparing, assessing, and ensuring quality MRPs and grant agreements?

	Highly	Substantially	Modestly	Negligibly	Not Applicable	Don't Know
Efficient (Timely) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective (Quality Assurance) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Questionnaire for Implementing Country Participants

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 22. To what extent have the human and other resources provided by the World Bank (not including the PMR Secretariat) been adequate for the implementation of the PMR mission in your country to date?

	Highly Adequate	Substantially Adequate	Modestly Adequate	Not Adequate	Not Applicable	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 23. Do you have any other comments or suggestions regarding the relevance, effectiveness and/or efficiency of the PMR to date?

# Questionnaire for Contributing Participants (CPs)

## Background

Below is a survey consisting of 19 main questions covering aspects of the relevance, effectiveness and efficiency of the PMR to date. This questionnaire, to be completed by representatives of PMR Contributing Participant countries, is designed to collect insights on the performance of the PMR since its inception and to feed into an evaluation of that performance. For each question, a four point rating scale is used: High, Substantial, Modest, Negligible/Not. A "Don't Know or Not Applicable" option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The "H" and "S" ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive and "above the line" from an evaluative perspective), while "M" and "N" ratings refer to moderately and significantly inadequate results or unsatisfactory performance (or "below the line" from an evaluative standpoint). Each item or set of items to be rated is followed by one or two brief open-ended questions asking for the rationale for your rating or ratings. In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate your country.

\* Please indicate your organization type.

- International Institution
- Ministry
- Government agency
- Public sector company/ consulting firm
- Private sector company
- Financial institution
- Industry sector (please specify below)
- Industry association
- University/ Academic institution
- Environmental NGO
- Other NGO
- Other (please describe)

Description

## Questionnaire for Contributing Participants (CPs)

\* Please specify the name of your organization.

# Questionnaire for Contributing Participants (CPs)

## Relevance

\* 1a. Are PMR's current objectives, design and activities relevant in relation to international needs, priorities and strategies regarding market readiness and/or carbon pricing?

	Highly relevant	Substantially relevant	Modestly relevant	Negligibly relevant/Not Relevant	Don't Know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more relevant?

\* 1b. Are PMR's current objectives, design and activities consistent with international needs, priorities and strategies regarding market readiness and/or carbon pricing?

	Highly consistent	Substantially consistent	Modestly consistent	Negligibly/ Not consistent	Don't know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more consistent?

## Questionnaire for Contributing Participants (CPs)

\* 2. Have the PMR strategy, governance and management structure, roles and responsibilities, and resource mobilization been relevant in terms of international needs regarding market readiness and/or carbon pricing to date?

	Highly relevant	Substantially relevant	Modestly relevant	Negligibly/ Not relevant	Don't Know
Strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance and Management Structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roles and Responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource Mobilization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 3. Has the PMR's approach to capacity building and the Market Readiness Proposal (MRP) process been relevant in terms of Implementing Country Participant (ICP) needs regarding market readiness and/or carbon pricing to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly/ Not Relevant	Don't Know
Approach to Capacity Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MRP Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Contributing Participants (CPs)

## Effectiveness

\* 4. How effective has the PMR been to date in helping ICPs develop or refine their legal and regulatory frameworks for GHG mitigation?

	Highly effective	Substantially effective	Modestly effective	Negligibly/ Not effective	Don't know
Legal Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
GHG Mitigation Standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 5. How effective has PMR support been to date in terms of contributing to the establishment and/or consolidation of the following market readiness "infrastructure" or core technical components in ICPs?

	Highly effective	Substantially effective	Modestly effective	Negligibly/ Not effective	Don't know
Monitoring, Reporting and Verification (MRV) systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registries/tracking tools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other data management systems (specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?



## Questionnaire for Contributing Participants (CPs)

\* 6. How effective has PMR support been to date in terms of contributing to the establishment and/or consolidation of the following carbon pricing/market-based instruments in ICPs?

	Highly effective	Substantially effective	Modestly effective	Negligibly/ Not effective	Don't know
Domestic Emissions Trading Schemes (ETS)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scaled-up Emissions Reduction (ER) Crediting Mechanisms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Instruments (specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7. How useful have the various elements of the PMR's technical work program been to date?

	Highly useful	Substantially useful	Modestly useful	Negligibly/ Not useful	Don't know
Technical Notes and Other Analytical Products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country-to-Country Exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Contributing Participants (CPs)

\* 8. To what extent have the Partnership Assembly (PA), PA Side Events, Technical Workshops and Trainings, and PMR Website provided effective platforms for the exchange of useful knowledge and information to date?

	Highly effective	Substantially effective	Modestly effective	Negligibly/ Not effective	Don't know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events and Country-to-Country Exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 9a. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been well-prepared?

	Highly Well-prepared	Substantially Well-prepared	Modestly Well-prepared	Not Well-prepared	Don't know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Contributing Participants (CPs)

\* 9b. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been adequately followed-up?

	Highly followed-up	Substantially followed-up	Modestly followed-up	Negligibly/Not followed-up	Don't Know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 10. How useful has the exchange of knowledge and experience among CPs and ICPs to date regarding alternative approaches to market readiness and carbon pricing been for your country or organization?

	Highly Useful	Substantially Useful	Modestly Useful	Negligibly/Not Useful	Don't Know
Exchange of Knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exchange of Experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 11. To what extent has the governance structure of the PMR been adequate to date for delivering its objectives, specifically as concerns the following constituent elements?

	Highly Adequate	Substantially Adequate	Modestly Adequate	Not Adequate	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Working Groups	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Partnership Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

## Questionnaire for Contributing Participants (CPs)

How could this situation be improved?

# Questionnaire for Contributing Participants (CPs)

## Efficiency

\* 12a. How responsive has the PMR Secretariat been to date in relation to ICP needs for technical and institutional support in developing their market readiness “infrastructure” or core technical components and instruments?

	Highly Responsive	Substantially Responsive	Modestly Responsive	Not Responsive	Don't Know
Need for Technical Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Need for Institutional Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this support be improved?

\* 12b. How helpful has the PMR Secretariat been to date in relation to ICP needs for technical and institutional support in developing their market readiness “infrastructure” or core technical components and instruments?

	Highly Helpful	Substantially Helpful	Modestly Helpful	Not Helpful	Don't Know
Need for Technical Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Need for Institutional Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this support be improved?

## Questionnaire for Contributing Participants (CPs)

\* 13. How efficient has the PMR Secretariat been in managing and coordinating PMR activities and providing timely and quality services to ICPs to date?

	Highly Efficient	Substantially Efficient	Modestly Efficient	Not Efficient	Don't Know
Management of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Coordination of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Timely Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Quality Service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 14a. How transparent have the Partnership Assembly and PMR Secretariat been in allocating resources to ICPs to date?

	Highly Transparent	Substantially Transparent	Modestly Transparent	Not Transparent	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 14b. How accountable to its founding documents and operational principles have the Partnership Assembly and PMR Secretariat been in allocating resources to ICPs to date?

	Highly Accountable	Substantially Accountable	Modestly Accountable	Not Accountable	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Questionnaire for Contributing Participants (CPs)

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 15a. To what extent has the mobilization of resources (i.e., capital contributions from CPs) and consultant services by the PMR Secretariat been efficient to date?

	Highly Efficient	Substantially Efficient	Modestly Efficient	Not Efficient	Don't Know
Mobilization of Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobilization of Consultants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 15b. To what extent has the mobilization of resources (i.e., capital contributions from CPs) and consultant services by the PMR Secretariat been transparent to date?

	Highly Transparent	Substantially Transparent	Modestly Transparent	Not Transparent	Don't Know
Mobilization of Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mobilization of Consultants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Contributing Participants (CPs)

\* 16. To what extent does the PMR Secretariat presently possess the necessary human (i.e., both in terms of the number of staff and their technical, managerial and operational skills) and financial (i.e., the capital allocated for management of the Partnership) resources required to efficiently administer the Partnership and the Trust Fund to date?

	High	Substantial	Modest	Negligible/Not	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 17. To what extent has the selection process for the expert consultants and MRP reviewers been transparent and free of conflict? Has their independence been ensured to date?

	High	Substantial	Modest	Negligible/Not	Don't Know
Transparency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free of Conflict	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Independence Ensured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 18. To what extent does the combined use of expert reviewers of the MRPs, PA review and approval, and World Bank due diligence represent an efficient and effective process for preparing, assessing, and ensuring quality MRPs and grant agreements?

	High	Substantial	Modest	Negligible/Not	Don't Know
Efficient (Timely) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective (Quality Assurance) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



## Questionnaire for Contributing Participants (CPs)

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 19. Do you have any other comments or suggestions regarding the relevance, effectiveness and/or efficiency of the PMR to date?

# Technical Workshop Participants - PMR Questionnaire

## Background

Below is a survey consisting of 7 main questions covering aspects of the relevance, effectiveness and efficiency the PMR to date. This questionnaire, to be completed by participants of Technical Workshops, is designed to collect insights on the quality and usefulness of PMR Workshops will feed into an overall first evaluation of the PMR's performance. For each question, a four point rating scale is used: High, Substantial, Modest and Negligible/Not. A "Don't Know or Not Applicable" option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The "H" and "S" ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive and "above the line" from an evaluative perspective), while "M" and "N" ratings refer to moderately and significantly inadequate results or unsatisfactory performance (or "below the line" from an evaluative standpoint). Each item or set of items to be rated is followed by an open-ended questions asking for the rationale for your rating or ratings In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate your country.

\* Please indicate your organization type.

- Ministry
- Government agency
- Public sector company
- Private sector company/ consulting firm
- Financial institution
- Industry sector (please specify below)
- Industry association
- University/ Academic institution
- Environmental NGO
- Other NGO
- Other (please describe)

Description

## Technical Workshop Participants - PMR Questionnaire

\* Please specify the name of your organization.

\* In which workshop(s) did you participate? Please include date and place.

\* What was (were) the topics?

# Technical Workshop Participants - PMR Questionnaire

## Relevance

\* 1. How relevant was the topic of the workshop(s) to your country's and organization's needs concerning market readiness and/or carbon pricing infrastructure and/or instruments?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Not Relevant	Don't Know
Country's Needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organization's Needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation have been improved?

\* 2. Would some other topic or topics have been more relevant or useful to your country's or organization's needs in relation to market readiness and/or carbon pricing infrastructure and/or instruments?

Yes

No

If yes, please specify topic(s).

# Technical Workshop Participants - PMR Questionnaire

## Effectiveness

\* 3. To what extent was the information/knowledge shared in the workshop(s) useful and to what extent has it influenced your subsequent professional work?

	Highly	Substantially	Modestly	Negligibly	Don't know or No Opinion
Useful Information/ Knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Influenced Subsequent Professional Work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation have been improved?

\* 4. How would you rate the quality of the workshop's preparation/organization, and follow-up (if any)?

	High quality	Substantial quality	Modest quality	Negligible quality	Don't Know or No Opinion
Quality of Preparation/ Organization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of Follow-up	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation have been improved?

\* 5. How would you rate the technical quality of the presentations and the discussion in the workshop(s)?

	High quality	Substantial quality	Modest quality	Negligible quality	Don't know or No Opinion
Technical Quality - Presentations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Quality - Discussions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Technical Workshop Participants - PMR Questionnaire

Please provide brief rationale for your ratings.

How could this situation have been improved?

# Technical Workshop Participants - PMR Questionnaire

## Efficiency

\* 6. To what extent was the time allocated for the workshop(s) sufficient to adequately cover the topic(s) and how would you rate the efficiency of time management by the Coordinators?

	High	Substantial	Modest	Negligible	Don't Know or No Opinion
Time Sufficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time Management Efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could the situation have been improved?

\* 7. Do you have any other comments or suggestions regarding the relevance, effectiveness, and/or efficiency of the PMR's technical workshops?

# Questionnaire for Technical Experts

## Background

Below is a survey consisting of 13 questions covering aspects of the relevance, effectiveness and efficiency of the PMR to date. This questionnaire, to be completed by technical experts that have worked with/or the PMR, is designed to collect insights on the performance of the PMR since its inception and to feed into an evaluation of that performance. For each question, a four point rating scale is used: High, Substantial, Modest and Negligible/Not. A "Don't Know or Not Applicable" option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The "H" and "S" ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive and "above the line" from an evaluative perspective), while "M" and "N" ratings refer to moderately and significantly inadequate results or unsatisfactory performance (or "below the line" from an evaluative standpoint). Each item or set of items to be rated is followed by an open-ended questions asking for the rationale for your rating or ratings. In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate your country.

\* Please indicate your organization type.

- Ministry
- Government agency
- Public sector company
- Private sector company/ consulting firm
- Financial institution
- Industry sector (please specify below)
- Industry association
- University/ Academic institution
- Environmental NGO
- Other NGO
- Other (please describe)

Description



## Questionnaire for Technical Experts

\* Please specify the name of your organization.

# Questionnaire for Technical Experts

## Relevance

\* 1a. Are PMR's current objectives, design and activities relevant in relation to international needs, priorities and strategies regarding market readiness and/or carbon pricing?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly/ Not Relevant	Don't Know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more relevant?

\* 1b. Are PMR's current objectives, design and activities consistent with international needs, priorities and strategies regarding market readiness and/or carbon pricing?

	Highly Consistent	Substantially Consistent	Modestly Consistent	Negligibly/Not Consistent	Don't Know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more consistent?

## Questionnaire for Technical Experts

\* 2. Have the PMR strategy, governance and management structure, roles and responsibilities, and resource mobilization been relevant in terms of international needs since PMR's inception?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly/Not Relevant	Don't Know
Strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance and Management Structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roles and Responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource Mobilization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 3. Has the PMR's approach to capacity building and the Market Readiness Proposal (MRP) process been relevant in terms of Implementing Country Participant (ICP) needs to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly/Not Relevant	Don't Know
Approach to Capacity Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MRP Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Technical Experts

## Effectiveness

\* 4. How effective has PMR support been to date in helping ICPs develop or refine their legal and regulatory frameworks for GHG mitigation and adopt globally recognized GHG mitigation standards?

	Highly effective	Substantially effective	Modestly effective	Negligibly/Not effective	Don't know
Legal Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory Framework	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
GHG Mitigation Standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 5. How effective has PMR support been to date in terms of contributing to the establishment and/or consolidation of the following market readiness "infrastructure" in ICPs?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly/Not Effective	Don't Know
Monitoring, Reporting and Verification (MRV) systems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Registries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other data management systems (specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Technical Experts

\* 6. How effective has PMR support been to date in terms of contributing to the establishment and/or consolidation of the following carbon pricing/market-based instruments in ICPs?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly/Not Effective	Don't Know
Domestic Emissions Trading Schemes (ETS)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Scaled-up Emissions Reduction (ER) Crediting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Carbon Taxes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Instruments (specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7. How useful have the various elements of the PMR's technical work program been to date?

	Highly useful	Substantially useful	Modestly useful	Negligibly useful	Don't know
Technical Notes and Other Analytical Products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country-to-Country Exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 8. How would you rate the quality and innovativeness of the technical guidance and advice provided by the PMR to the ICPs?

	High	Substantial	Modest	Negligible	Don't Know
Technical Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Innovativeness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Questionnaire for Technical Experts

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 9. To what extent has the governance structure of the PMR been adequate to date for delivering its objectives, specifically as concerns the Partnership Assembly and Secretariat?

	Highly Adequate	Substantially Adequate	Modestly Adequate	Not Adequate	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Partnership Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Technical Experts

## Efficiency

\* 10. How efficient has the PMR Secretariat been in managing and coordinating PMR activities and provided timely and quality services to ICPs to date?

	Highly Efficient	Substantially Efficient	Modestly Efficient	Not Efficient	Don't Know
Management of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Coordination of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Timely Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Quality Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 11. How efficient has the PMR Secretariat been in contracting the services of technical experts and effective in terms of matching their skills with individual ICP needs or matching their skills to the various elements of the PMR technical work program?

	High	Substantial	Modest	Negligible	Don't Know
Efficiency in Contracting Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Matching Skills with ICP Needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Matching Skills to Technical Work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

## Questionnaire for Technical Experts

\* 12. To what extent does the PMR Secretariat presently possess the necessary human and financial resources (both in terms of the number of staff and their technical, managerial and operational skills) required to efficiently administer the Partnership and the Trust Fund to date?

	High	Substantial	Modest	Negligible	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

\* 13. Do you have any other comments or suggestions regarding the relevance, effectiveness and/or efficiency of the PMR to date?



# Questionnaire for WB TTLs and Team Members

## Background

### Background

Below is a survey consisting of 8 questions covering aspects of the relevance, effectiveness and efficiency of the PMR to date. This questionnaire, which is to be completed by World Bank Task Team Leaders and Team Members, is designed to collect insights on the performance of the PMR since its inception and to feed into an evaluation of that performance. For each question, a four point rating scale is used: High, Substantial, Modest and Negligible/Not. A "Don't Know or Not Applicable" option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The "H" and "S" ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive and "above the line" from an evaluative perspective), while "M" and "N" ratings refer to moderately and significantly inadequate results or unsatisfactory performance (or "below the line" from an evaluative standpoint). Each item or set of items to be rated is followed by an open-ended questions asking for the rationale for your rating or ratings. In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate the PMR Country(ies) on which you are working.

\* Please indicate the Global Practice to which you are mapped.

\* Please indicate the number of months or years you have been working with PMR.

# Questionnaire for WB TTLs and Team Members

## Relevance

\* 1. To what extent are the PMR's objectives and activities a priority for your professional work in the Bank?

	High priority	Substantial priority	Moderate priority	Negligible priority	Don't Know
PMR's Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR's Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

\* 2. To what extent are the PMR's objectives and activities a priority for your Unit in the Region and the pertinent Country and Global Practice Management Departments?

	High priority	Substantial priority	Moderate priority	Negligible Priority	Don't Know
Priority for My Unit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority for Country Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority for Global Practice Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for WB TTLs and Team Members

## Effectiveness

\* 3. How effective has the communication between the PMR Secretariat and your Team and your Unit/ Management been to date?

	Highly Effective	Substantially Effectively	Moderately Effective	Not Effective	Don't Know
Communications with Team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communications with Unit/ Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 4. How helpful are the PMR Secretariat's various forms of outreach for sharing useful information with TTLs: email, BBLs for TTLs, PMR website?

	Highly helpful	Substantially helpful	Moderately helpful	Not helpful	Don't Know
Email Communication	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BBLs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 5. How helpful has the PMR Secretariat been in terms of providing technical and financial support for your PMR-related work with your country clients to date?

	Highly Helpful	Substantially Helpful	Modestly Helpful	Not Helpful
Technical Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Questionnaire for WB TTLs and Team Members

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for WB TTLs and Team Members

## Efficiency

\* 6. To what extent does the combined use of expert MRP reviewers, PA review and approval, and World Bank due diligence represent an efficient and effective process for preparing, assessing, and ensuring quality Market Readiness Proposals (MRPs) and grant agreements?

	Highly	Substantially	Modestly	Negligibly	Not Applicable	Don't Know
Efficient (Timely) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective (Quality Assurance) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7. To what extent does the PMR Secretariat presently possess the necessary human and financial resources (both in terms of the number of staff and their technical, managerial and operational skills) required to efficiently administer the Partnership and the Trust Fund?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

\* 8. To what extent have the human and other resources provided by the Bank (other than by the PMR Secretariat) been adequate for the efficient implementation of the PMR mission in the country or countries in which you are working to date?

	Highly Adequate	Substantially Adequate	Modestly Adequate	Not Adequate	Not Applicable	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Questionnaire for WB TTLs and Team Members

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 9. Do you have any other comments or suggestions regarding the relevance, effectiveness and/or efficiency of the PMR to date?

# Questionnaire for Partnership Assembly Observers

## Background

Below is a survey consisting of 12 questions covering key aspects of the relevance, effectiveness and efficiency of the PMR to date. This survey, which is to be completed by Observers to PA Meetings, is designed to collect insights on the performance of the PMR since its inception and to feed into an evaluation of that performance. For each question, a four point rating scale is used: High, Substantial, Modest and Negligible/Not. A "Don't Know or Not Applicable" option is also available where relevant. The rating scale is defined as follows:

- High (H) means that expectations have been fully met or exceeded in terms of achievement/likely achievement of desired results and/or performance is highly satisfactory.
- Substantial (S) means that, while not fully met, achievements/likely achievements have nonetheless been significant and/or performance is generally positive or satisfactory.
- Modest (M) means that desired results have been only partially achieved/likely to be achieved and/or performance is less than anticipated or moderately unsatisfactory.
- Negligible/Not (N) means that expected results have been negligibly or not achieved/likely to be achieved and/or that performance is considerably lower than anticipated or unsatisfactory.

The "H" and "S" ratings refer to excellent and generally satisfactory results and performance, respectively (i.e., are both positive or "above the line" from an evaluative perspective), while "M" and "N" ratings refer to moderately and significantly inadequate results or unsatisfactory performance (i.e., are "below the line" from an evaluative standpoint). Each item or set of items to be rated is followed by open-ended question asking for the rationale for your rating or ratings. In cases where you provide a rating of M or N, please provide a suggestion for how the situation could be improved.

\* Please indicate your country.

\* Please indicate your organization type.

- Ministry
- Government agency
- Public sector company
- Private sector company/ consulting firm
- Financial institution
- Industry sector (please specify below)
- Industry association
- University/ Academic institution
- Environmental NGO
- Other NGO
- Other (please describe)

Description

## Questionnaire for Partnership Assembly Observers

\* Please specify the name of your organization.



# Questionnaire for Partnership Assembly Observers

## Relevance

\* 1. Are the PMR's current objectives, design and activities relevant in relation to international needs, priorities and strategies with respect to market readiness and/or carbon pricing?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more relevant?

\* 1b. Are the PMR's current objectives, design and activities consistent with international needs, priorities and strategies with respect to market readiness and/or carbon pricing?

	Highly Consistent	Substantially Consistent	Modestly Consistent	Negligibly Consistent	Don't Know
Objectives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could they be made more consistent?

## Questionnaire for Partnership Assembly Observers

\* 2. Have the PMR strategy, governance and management structure, roles and responsibilities, and resource mobilization been relevant in terms of international needs since PMR's inception?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance and Management Structure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Roles and Responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource Mobilization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 3. Has the PMR's approach to capacity building and the Market Readiness Proposal (MRP) process been relevant in terms of Implementing Country Participant (ICP) needs to date?

	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Approach to Capacity Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MRP Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Partnership Assembly Observers

## Effectiveness

\* 4. To what extent have the Partnership Assembly (PA), PA Side Events, Technical Workshops and Trainings, and PMR website provided effective platforms for the exchange of useful knowledge and information to date?

	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PMR Website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 5a. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been well-prepared?

	Highly Well-prepared	Substantially Well-prepared	Modestly Well-prepared	Not Well-prepared	Don't know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Partnership Assembly Observers

\* 5b. To what extent have PA Meetings, Side Events, and Technical Workshops and Trainings been adequately followed-up?

	Highly followed-up	Substantially followed-up	Modestly followed-up	Negligibly followed-up	Don't Know
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PA Side Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical Workshops and Trainings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 6. How useful has the exchange of knowledge and experience among Contributing Participants (CPs), Implementing Country Participants (ICPs) and Observers to date regarding alternative approaches to market readiness and carbon pricing been in your view?

	Highly Useful	Substantially Useful	Modestly Useful	Not Useful	Don't Know
Exchange of Knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exchange of Experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7a. How informative has your participation as an observer in PA Meetings and other PMR events been to you and/or your organization to date?

	Highly Informative	Substantially Informative	Modestly Informative	Not Informative	Not Applicable
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other PMR Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# Questionnaire for Partnership Assembly Observers

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 7b. How useful has your participation as an observer in PA Meetings and other PMR events been to you and/or your organization to date?

	Highly Useful	Substantially Useful	Modestly Useful	Not Useful	Not Applicable
PA Meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other PMR Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 8. To what extent has the governance structure of the PMR been adequate to date for delivering its objectives to international standards, specifically as concerns the Partnership Assembly and Secretariat?

	Highly Adequate	Substantially Adequate	Modestly Adequate	Not Adequate	Don't Know
Partnership Assembly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Partnership Secretariat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

# Questionnaire for Partnership Assembly Observers

## Efficiency

\* 9. How efficient has the PMR Secretariat been in managing and coordinating PMR activities and provided timely and quality services to ICPs to date in your experience?

	Highly Efficient	Substantially Efficient	Modestly Efficient	Not Efficient	Don't Know
Management of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Coordination of PMR Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Timely Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision of Quality Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 10. To what extent does the PMR Secretariat presently possess the necessary human and financial resources (both in terms of the number of staff and their technical, managerial and operational skills) required to efficiently administer the Partnership and the Trust Fund to date?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide brief rationale for your ratings.

\* 11. To what extent does the combined use of expert reviewers of the MRPs, PA review and approval process, and World Bank due diligence represent an efficient and effective process for preparing, assessing, and ensuring quality MRPs and grant agreements?

	Highly	Substantially	Modestly	Negligibly	Don't Know
Efficient (Timely) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effective (Quality Assurance) Process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Questionnaire for Partnership Assembly Observers

Please provide brief rationale for your ratings.

How could this situation be improved?

\* 12. Do you have any other comments or suggestions on the relevance, effectiveness and/or efficiency of the PMR to date?

### Additional Survey Results

**Table A.1:** Relevance of PMR Objectives in Relation to Staff Professional Work and for Sector Units and Country Teams according to World Bank Delivery Partners Teams Involved in PMR Activities (8 responses)

Stakeholder Group/ Rating (%)	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Delivery Partners	62.5	25.0	12.5	0	0
Delivery Partner Institution's Sector Units	12.5	37.5	25.0	12.5	12.5
Delivery Partner Institution's Country Management Units	0	25.0	25.0	37.5	12.5

**Table A.2:** Relevance of PMR for Establishment of ICP Legal and Regulatory Frameworks according to ICP Respondents (15 responses)

Item/ Rating (%)	Highly Relevant	Substantially Relevant	Modestly Relevant	Negligibly Relevant	Don't Know
Legal Framework	6.7	26.7	20.0	20.0	26.7
Regulatory Framework	6.7	26.7	26.7	13.3	26.7
GHG Mitigation Standards	6.7	26.7	20.0	20.0	26.7

**Table A.3:** Effectiveness of PMR Support for Establishment/Consolidation of Core Technical Components according to ICP Respondents (15 responses)

Item/ Rating (%)	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
MRV System	20.0	46.7	0	0	33.3
Registry	0	53.3	13.3	0	33.3
Other Data Management System	0	40.0	6.7	0	53.3

**Table A.4:** Effectiveness of PMR Support to Date for Establishment/Consolidation of Carbon Pricing and Other Market Instruments for GHG Mitigation according to ICP Respondents (15 responses)

Item/ Rating (%)	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
Domestic ETS	6.7	40.0	6.7	0	46.7
Scaled-up ER Crediting Mechanisms	0	33.3	6.7	0	60.0
Carbon Taxes	0	53.3	0	0	46.7
Other Instruments	0	40.0	0	0	60.0



**Table A.5:** Usefulness of Consultant Technical and Operational Advice Provided through PMR according to ICP Respondents (15 responses)

Item/ Rating (%)	Highly Useful	Substantially Useful	Modestly Useful	Negligibly Useful	Don't Know
Consultant Technical Advice	33.3	33.3	20.0	0	13.3
Consultant Operational Advice	13.3	33.3	20.0	0	33.3

**Table A.6:** Effectiveness of PMR Support to ICPs on Various Elements to Date according to PMR Participating Technical Experts (8 responses)

Item/Rating (%)	Highly Effective	Substantially Effective	Modestly Effective	Negligibly Effective	Don't Know
Legal Frameworks	12.5	0	12.5	25.0	50.0
Regulatory Frameworks	12.5	0	37.5	0	50.0
GHG Mitigation Standards	12.5	12.5	25.0	0	50.0
MRV Systems	12.5	50.0	12.5	0	25.0
Registries/Tracking Systems	12.5	37.5	12.5	0	37.5
Other Data Management Systems	0	25.0	12.5	0	62.5
Domestic ETS	12.5	12.5	37.5	0	50.0
Scaled-up ER Crediting Mechanisms	0	12.5	37.5	0	50.0
Carbon Taxes	0	37.5	12.5	0	50.0
Other Instruments	0	25.0	12.5	0	62.5

**Table A.7:** Usefulness of Elements of PMR Technical Work Program according to Participating Technical Experts (8 responses)

Item/Rating (%)	Highly Useful	Substantially Useful	Modestly Useful	Negligibly Useful	Don't Know
Technical Notes/Other Analytical Products	37.5	37.5	0	0	25.0
Technical Workshops/Training	75.0	25.0	0	0	0
Country-to-Country Exchanges	12.5	25.0	0	0	62.5

**Table A.8:** Usefulness of the Partnership Assembly Meetings, Side Events, Workshops and Website according to PA Observers (4 responses)

Item/Rating (%)	Highly Useful	Substantially Useful	Modestly Useful	Negligibly Useful
Partnership Assembly	50.0	25.0	25.0	0
PA Side Events	50.0	25.0	0	25.0
Technical Workshops and Trainings	75.0	25.0	0	0
PMR Website	75.0	25.0	0	0

**Table A.9:** Quality and Innovativeness of PMR Advice to ICPs according to Participating Technical Experts (8 responses)

Item/ Rating (%)	High	Substantial	Modest	Negligible	Don't Know
Technical Quality	37.5	50.0	0	0	12.5
Innovativeness	12.5	50.0	25.0	0	12.5

**Table A.10:** Quality of PMR Secretariat's Preparation of PA Side Events to Date according to Various Stakeholder Groups (33 responses)

Stakeholder Group/ Rating (%)	High	Substantial	Modest	Negligible	Don't Know
CP Respondents	16.7	58.3	16.7	0	8.3
ICP Respondents	53.3	40.0	0	0	6.7
PA Observers	75.0	0	25.0	0	0
<b>Total</b>	<b>41.9</b>	<b>41.9</b>	<b>6.4</b>	<b>0</b>	<b>12.9</b>

**Table A.11:** Quality of PMR Secretariat's Follow-Up to PA Side Events to Date according to Various Stakeholder Groups (33 responses)

Stakeholder Group/ Rating (%)	High	Substantial	Modest	Negligible	Don't Know
CP Respondents	8.3	25.0	25.0	8.3	33.3
ICP Respondents	33.3	40.0	13.3	6.7	6.7
PA Observers	25.0	25.0	50.0	0	0
<b>Total</b>	<b>22.6</b>	<b>32.3</b>	<b>22.6</b>	<b>6.4</b>	<b>16.1</b>

**Table A.12:** Quality of PMR Secretariat's Preparation of Technical Workshops to Date according to Various Stakeholder Groups (33 responses)

Stakeholder Group/ Rating (%)	High	Substantial	Modest	Negligible	Don't Know
CP Respondents	16.7	50.0	8.3	0	25.0
ICP Respondents	53.3	40.0	6.7	0	0
PA Observers	75.0	25.0	0	0	0
<b>Total</b>	<b>41.9</b>	<b>35.5</b>	<b>6.4</b>	<b>0</b>	<b>10.0</b>

**Table A.13:** Quality of PMR Secretariat's Follow-Up to Technical Workshops to Date according to Various Stakeholder Groups (33 responses)

Stakeholder Group/ Rating (%)	High	Substantial	Modest	Negligible	Don't Know
CP Respondents	8.3	16.7	33.3	0	41.7
ICP Respondents	33.3	46.7	13.3	6.7	0
PA Observers	75.0	25.0	0	0	0
<b>Total</b>	<b>29.0</b>	<b>32.3</b>	<b>19.4</b>	<b>3.2</b>	<b>16.1</b>

**Table A.14:** Quality of Technical Workshop and Follow-Up by PMR Secretariat according to Workshop Participants (30 responses)

Item/Rating (%)	High	Substantial	Modest	Negligible	Don't Know
Preparation Quality	57.1	35.7	3.6	0	3.6
Follow-Up Quality	28.6	39.3	21.4	3.6	7.1

**Table A.15:** Efficiency of PMR Management and Coordination and Provision of Timely and Quality Services by the PMR Secretariat according to PA Observers (4 responses)

Item/Rating (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
Management of PMR Activities	50.0	25.0	0	0	25.0
Coordination of PMR Activities	50.0	25.0	0	0	25.0
Provision of Timely Services	50.0	25.0	0	0	25.0
Provision of Quality Services	50.0	25.0	0	0	25.0

**Table A.16:** Efficiency of PMR Management and Coordination and Provision of Timely and Quality Services by the PMR Secretariat according to Technical Experts (8 responses)

Item/Rating	Highly	Substantially	Modestly	Negligibly	Don't Know
Management of PMR Activities	50.0	25.0	0	0	25.0
Coordination of PMR Activities	25.0	50.0	0	0	25.0
Provision of Timely Services	25.0	50.0	0	0	25.0
Provision of Quality Services	37.5	37.5	0	0	25.0

**Table A.17:** Efficiency of the PMR Secretariat in terms of Mobilizing Resources and Consultants according to ICP Respondents (15 responses)

Item/Ratings (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
Mobilization of Resources	57.1	21.4	21.4	0	0
Mobilization of Consultants	57.1	35.7	7.1	0	0

**Table A.18:** Efficiency of the PMR Secretariat in terms of Mobilizing Resources and Consultants according to CP Respondents (14 responses)

Item/Ratings (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
Mobilization of Resources	0	63.6	9.1	0	18.2
Mobilization of Consultants	0	54.6	9.1	0	36.4

**Table A.19:** Efficiency of PMR Secretariat in Contracting Consultants and Its Effectiveness in Matching Their Skills and ICP and Work Program Needs according to Technical Experts (8 responses)

Item/Rating (%)	High	Substantial	Modest	Negligible	Don't Know
Efficiency in Contracting Consultants	62.5	0	12.5	0	25.0
Effectiveness in Matching Skills with ICP Needs	50.0	12.5	0	0	37.5
Effectiveness in Matching Skills with Work Program needs	50.0	12.5	0	0	37.5

**Table A.20:** Extent to which Human and Other Resources Provided by the World Bank were Adequate for Efficient Implementation of PMR Mission in Participating Countries according to Bank Staff (8 responses)

Item/ Rating (%)	Highly	Substantially	Modestly	Not	Don't Know
Human Resources	0	62.5	12.5	0	12.5
Other Resources	0	25.0	12.5	25.0	37.5

**Table A.21:** Extent to which Selection of Consultants Has Been Free of Conflict according to CP and ICP Respondents (29 responses)

Stakeholder Group/ Rating (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
CP Respondents	0	9.1	18.2	18.2	54.6
ICP Respondents	57.1	14.3	0	0	28.6
<b>Total</b>	<b>32.0</b>	<b>16.0</b>	<b>8.0</b>	<b>8.0</b>	<b>40.0</b>

**Table A.22:** Extent to which Independence of Consultants Is Ensured according to CP and ICP Respondents (29 responses)

Stakeholder Group/ Rating (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
CP Respondents	0	9.1	18.2	9.1	72.2
ICP Respondents	57.1	7.1	0	0	35.7
<b>Total</b>	<b>32.0</b>	<b>8.0</b>	<b>8.0</b>	<b>4.0</b>	<b>48.0</b>

**Table A.23:** Extent to which PMR Governance Structure Has Been Adequate to Date for Delivery of the Partnership's Objectives according to PA Observers (4 responses)

Item/Rating (%)	Highly	Substantially	Modestly	Negligibly	Don't Know
Partnership Assembly	50.0	0	0	0	50.0
PMR Secretariat	25.0	25.0	0	0	50.0

**Table A.24:** Extent to which PMR Governance Structure Has Been Adequate to Date for Delivery of the Partnership’s Objectives according to Technical Experts (8 responses)

Item/Rating (%)	Highly	Substantially	Modestly	Negligibly	Don’t Know
Partnership Assembly	12.5	25.0	12.5	0	50.0
PMR Secretariat	25.0	37.5	0	0	37.5

**Table A.25:** Helpfulness of the PMR Secretariat to Date in Providing Technical and Financial Support to their Client Countries according to Delivery Partners (8 responses)

Item/Rating (%)	High	Substantial	Modest	Not	Don’t Know
Technical Support	50.0	37.5	12.5	0	0
Financial Support	37.3	25.0	37.5	0	0

**Table A.26:** Effectiveness of Communications between PMR Secretariat and other World Bank Staff Participating in Partnership Activities according to these Staff (8 responses)

Item/Rating (%)	High	Substantial	Modest	Negligible	Don’t Know
Communications with Team	50.0	25.0	25.0	0	0
Communications with Unit	25.0	25.0	50.0	0	0

**Table A.27:** Helpfulness of Various Forms of Communication between PMR Secretariat and other World Bank Staff Participating in Partnership Activities according to these Staff (8 responses)

Item/Rating (%)	High	Substantial	Modest	Negligible	Don’t Know
Email	25.0	62.5	12.5	0	0
Brown Bag Seminars	25.0	25.0	25.0	12.5	12.5
PMR Website	37.5	25.0	25.0	12.5	0

## The PMR's Knowledge Management and Sharing Activities<sup>154</sup>

### A. Introduction

As observed in Chapter IV, the *Governance Framework* of the PMR specified five key program objectives:

- i. To provide grant financing to countries for building market readiness components;
- ii. To pilot, test and sequence new concepts for market instruments, both for domestic and new international mechanisms, and to identify potential synergies between national market based instruments at an early stage;
- iii. To create a platform to enable policy makers, practitioners, and public and private entities to share experiences and information regarding elements of market readiness, to learn from one another, promote cooperation amongst emerging and developing countries, and explore and innovate together on new instruments and approaches;
- iv. To create and disseminate a body of knowledge on market instruments that could be tapped for country-specific requirements; and
- v. To share lessons learned, including with the UNFCCC.

However, even though the fourth item on this list has not been repeated as such in more recent statements of the PMR's "core objectives," knowledge creation and dissemination clearly continue to be a priority for the Partnership. Objectives iii and v, as well as iv, among the objectives endorsed by the first PA meeting as part of the PMR's *Design Document* are integrally related to the idea of knowledge management and sharing (KM&S). In addition, Objective ii can be approached through a KM&S frame, and KM&S can beneficially help to leverage positive outcomes of the grant financing alluded to in the first objective. Thus, it could be argued that, from the outset of the PMR, KM&S has been seen as essential for success of the PMR virtually across the board.

Based on the three country case studies, PMR's Implementing Country Participants (ICPs) also clearly recognize the value of PMR activities related to the sharing of relevant information and knowledge:

- China - According to the PMR focal point in Beijing, the PMR's greatest contribution to date has been to help the country obtain useful information and tap specialized expertise from other countries.
- Mexico - Even though Mexico, like China, is more advanced in terms of its existing knowledge and approach than many other ICPs, those interviewed by DPMG pointed out the relevance and usefulness of the information exchange and technical support provided by the Partnership. This

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<sup>154</sup> The evaluation of the PMR's KM&S activities was largely limited to reviewing the contents of the PMR website, and was carried out by DPMG team member, Mark Trexler, who has extensive experience in carbon policy, carbon markets, and knowledge management.

has not only occurred directly through PMR-sponsored events, but also indirectly as a result of the subsequent exchanges with individual PA members on a bilateral basis.

- Turkey – PA meetings have been effective in providing feedback from other countries, experts and the PMR Secretariat, which is doing a great job in organizing technical workshops. A correct platform and people have been provided to collect feedback. PMR is constantly informing countries on technical issues and helping them to better absorb information provided at PA meetings. PMR Turkey disseminates PA meeting and other PMR information to line ministries.

KM&S, moreover, has two particularly important characteristics when it comes to considering and evaluating performance of the PMR:

- KM&S is the PMR activity over which the PMR Secretariat has the greatest direct control. Unlike outcomes tied to individual countries' initiatives, the PMR Secretariat has almost complete control of whether and how knowledge is created and disseminated through PMR events and the PMR website.
- Unlike the grant-based activities being carried out through the PMR, many of which are very recent or have yet to get underway, different KM&S activities could have gotten underway soon after the Partnership's inception in 2011. As a result, it is the only objective for which there is potentially enough of a track record to permit a fuller assessment of the PMR's performance to date in relation to its stated objectives and to provide more specific recommendations as to how this objective could be more effectively achieved.

### **Audiences for KM&S in the PMR**

Given the larger "market readiness" objectives of the PMR, several potential audiences for KM&S activities can be identified:

- Individuals in the PMR network who are able to participate directly in relevant PMR activities, including PA meetings, side events and technical workshops and training events.
- The much larger number of members of the PMR network who do not directly participate in a specific activity or event, but who are clearly also an intended audience for the PMR's KM&S activities, including members of the network able to raise the visibility and enhance local "ownership" of the PMR, as well as to publicize its objectives and activities among other key local, including relevant private sector and civil society, stakeholders in the host country.
- The much larger external population that is not directly or presently involved in the PMR but is engaged in the myriad of policy and other activities around the world relevant to the subject of carbon markets and "market readiness."

These three audiences are vastly different in potential size. Direct participants in relevant PMR events to date number several hundred. The second audience is at least several times larger than the first. However, the third audience is potentially enormous given the growing interest in carbon market and carbon pricing mechanisms in both industrialized and industrializing countries.

## **KM&S Review Methodology**

Ideally all three of the audiences identified above would be engaged for purposes of an evaluation of the PMR's KM&S activities. This was accomplished to some extent through the inclusion of KM&S relevant questions in the surveys and interviews carried out as part of the evaluation. But a broader and targeted effort to engage representatives of all three potential audiences, especially the third one, was beyond the scope of the current evaluation.

### **The PMR Website**

The PMR website is an important vehicle for information sharing and dissemination under the PMR, and it is the primary repository of the documents and materials from PA meetings, Technical Workshops and other PMR-sponsored activities. As noted in the PMR's most recent *Annual Report*:

Launched in October 2012, the PMR website is a growing repository for information on market-based instruments for GHG mitigation. It is designed to both provide PMR Participants with the information they need on PMR meetings, workshops and processes, while also being a one-stop shop for resources on market-instruments and market readiness for the public.

The website is a "living" tool and evolves with the PMR. Looking ahead a number of features are under development to extend its reach and improve functionality. These include providing access to e-learning courses, developing an online discussion forum for PMR Participants, and creating an online, searchable database of experts in the climate change space.<sup>155</sup>

With some 300 Power Point Presentations (PPTs) and other documents available on the PMR website, not including PPTs and documents relating to the administrative aspects of the PMR and countries' applications for grant-based funding that are not the primary focus of this assessment, the contents of the web site were judged to be a good indicator of how KM&S have been approached during the first three and a half years of the PMR. Most of the documents available through the website are cross-referenced, appearing in both the topical and event-based branches of the website (see attached graphic). Approximately 25 PMR events of various kinds have taken place over the course of the 3 plus years since the PMR's inception. In most cases, all the pertinent documentation and materials for each event is available at the website. An overview of these events and the types of associated information contained on the PMR website is provided in the schematic Chronology of Events diagram immediately below.

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<sup>155</sup> PMR, *Annual Report April 2013-2014*, *op. cit.*, pg. 17.



Figure 1: Chronology of Events diagram



## What Is Knowledge?

An important aspect of any effort to evaluate KM&S activities under the PMR is to define what is meant by “knowledge,” and by knowledge management and sharing. Knowledge management is a growing discipline in its own right, and there is a large literature when it comes to these questions. But perhaps the most important point is to distinguish between three different terms: data, information, and knowledge, as David Blair does usefully in his 2002 paper *Knowledge Management: Hype, Hope or Help?*<sup>156</sup>

- “Data” are facts and figures that are meaningful in some way.
- “Information” is data that has been organized for a particular purpose. To turn data into information it has to be structured so it can be used as easily as possible.
- “Knowledge” is a function of data and information that provides an individual with a specific ability – or an area of expertise - that can also be lost. To cite one specific definition: “Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers.”

Bearing these definitions in mind, it is often easier to point to examples of what is not knowledge, than to reliably characterize what is. The same goes for the larger topic of knowledge management and dissemination, and how they can be differentiated from information sharing and dissemination. In the

<sup>156</sup> Journal of the American Society for Information Science and Technology, 53(12).

case of PMR materials, for example, any given PPT or document may constitute data or information, but may or may not contribute to the actual creation and dissemination of knowledge. Implementing the Technical Work Plan of the PMR is not synonymous with knowledge management, even though it may involve substantial information sharing.

As part of the evaluation of the contents of the PMR's website, as well as the contents and materials associated with the individual events carried out through the PMR, materials were assessed against the three initial PMR objectives previously mentioned:

- Creating a platform to share experiences and information;
- Creating and disseminating a body of knowledge;<sup>157</sup> and
- Sharing lessons learned.

Each of the some 300 documents making up the KM&S knowledge base as of mid-2014 was quickly reviewed and characterized in terms of its contribution to these three objectives. All of the documents made available through the PMR's website were integrated into a document tracking system prepared as part of this evaluation and utilizing TheBrain™ software ([www.thebrain.com](http://www.thebrain.com)). This system will be made available to the PMR as part of the final deliverables under this evaluation. A video overview of the system has been prepared as an alternative means of presenting the conclusions of the present assessment, and is available through the following link: <http://youtu.be/iuoymziDkB8>

### **KM&S Review Results**

Conclusions from the assessment described above are presented here, beginning with purely factual ones and transitioning to conclusions that evaluate performance of the KM&S activities against the PMR's original objectives. These then form the basis for a series of recommendations in the final section.

- As noted above, the PMR website is largely limited to materials presented at the various events convened by the PMR, and, as of mid-2014, was comprised of the ~300 PPTs presented at the ~25 events that constitute the PMR's activities to that time. Some links are provided to relevant World Bank documents, but the large external literature relevant to various aspects of "carbon market readiness" is not reflected.
- The organization of PPTs at the PMR website is not designed to facilitate the use of those materials, or encourage use of the website by the three audiences identified above that could benefit. For example:
  - i. There is no consistent naming convention used for posted PPTs, making it much more difficult to track what PPT goes with which event.
  - ii. Many of the events do not include a summary of the event, or provide insight into which of the listed PPTs or other materials deserve additional attention. Few

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<sup>157</sup> As concerns knowledge creation or "production" in the context of climate change adaptation projects, for example, see a recent article by Dries Hegger, Machiel Lamers, Annemarie Van Zeijl-Rozema, and Carel Dieperink, *Conceptualizing Joint Knowledge Production in Regional Climate Change Adaptation Projects: Success Conditions and Levers for Action*, *Environmental Science & Policy* 18, 2012, pp. 52-65.

visitors to the website are likely to be motivated to wade through the long list of PPTs without additional guidance as to what they might benefit from reading.

As a result, the PMR's website (termed a "Knowledge Center") is organized more as a document "warehouse" than as a system for creating and disseminating knowledge. The PMR's Technical Work Plan categorizes PMR events into several categories; the number of events per category has, not surprisingly, been quite limited:

- Technical Trainings: 3 workshops specific to MRV
- Technical Workshops: 8 workshops covering widely varying topics
- South-South Exchange: 2 workshops
- Working Group Meetings: 2 meetings
- Other Events: 8 events, many of them components of other conferences

Substantively, in turn, PMR events have tackled several aspects of market mechanisms:

- One workshop on carbon taxes
- Several events on carbon pricing
- Several events on offsets
- Several events on baselines
- Several events on Emissions Trading Systems (ETS)

Given that the history of all of these topics goes back for many years—more than 20 years in the case of carbon offsets for example—and that the history of the use of market-based instruments for environmental management purposes goes back even further,<sup>158</sup> a relevant question is whether the PMR is simply re-packaging existing information and knowledge, or creating and disseminating new knowledge. In the case of "offsets," "baselines," and "MRV," for example, there have literally been hundreds of workshops and events carried out by numerous organizations over the course of the last 15 years, particularly in the course of developing and implementing the Clean Development Mechanism (CDM) under the Kyoto Protocol. With respect to the individual PMR events, which are generally of short duration, moreover, it is clear that they can only scratch the surface of available knowledge on whatever topic on which the event is focused.

The topics covered in PMR workshops and events are frequently quite technical in nature, and experience with these topics has shown that they are often not intuitive (e.g., baseline setting) to participants and broader audiences who are less familiar with them. As a result, the rapid-fire nature of the events, with presentation after presentation being delivered, in some cases up to two dozen presentations across a two-day workshop, raises questions about how much of that information can be readily absorbed and

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<sup>158</sup> See, for example, David W. Pearce and R. Kerry Turner, *Economics of Natural Resources and the Environment*, Johns Hopkins University Press, Baltimore, Maryland, 1989.

retained by participants. This makes explicitly planning for ease of access to the materials and the learnings from the events all the more important for knowledge creation and dissemination purposes.

PMR events and deliverables have largely focused on reporting what different PMR participants are doing when it comes to the topic being discussed, e.g. developing ETS systems, developing offset programs, examining carbon pricing, etc. Of the roughly 300 PPTs reviewed, the great majority are relatively short documents (often <10 slides). This is not unusual in the context of 20-minute speaking slots, but does raise questions about their role in communicating a “body of knowledge.” Substantial analytical work is less common within the PMR, with the exceptions being the in-depth PMR Technical Notes on baseline setting and data management.<sup>159</sup> Many of the Technical Notes prepared by the PMR are comparative in nature, focusing on how different countries are approaching different elements of “market readiness.”<sup>160</sup>

Even at more specific and substantively focused Technical Workshops, PA Side Events and South-South Exchanges, where the presentations and subsequent discussions are more specific and technical, only the PPTs – as opposed to more detailed papers and transcriptions of oral presentations and the following discussion – are stored on the website. This makes it very difficult for any of the three potential audiences to use the website to access the learning and knowledge associated with the events.

### **Evaluating the PMR’s KM&S Efforts**

In evaluating the performance of any KM&S effort, it must be recognized that workshops and events fulfill multiple objectives. Often the greatest value of a conference or workshop is the opportunity for “meeting and greeting” among participants, establishing relationships that continue beyond the confines of the event itself. This networking function is a legitimate objective in its own right. Under these circumstances, however, knowledge creation and dissemination are easy to overlook since they are more difficult and less immediate.

A key question, therefore, is: What is the PMR’s desired outcome for some of these events? If they are primarily intended to serve as an opportunity for relationship building, or for straightforward information exchange, they are likely to be designed very differently than if they are trying to maximize the learning available to the three potential audiences we have previously identified. The materials prepared for a workshop in which dozens of short presentations offer participants an opportunity to get to know each other can certainly be posted to a website after the workshop, but whether these same materials can effectively benefit any of the three potential audiences after the workshop itself is far from clear.

- The first “participant” audience may have little reason to return and review materials they already saw when presented at the conference.
- The second “indirect” audience, even if particularly interested in the topic, may find it very hard to follow the materials without the verbal accompaniment from the speaker, nor would it benefit from the results of the subsequent discussion unless this is also somehow captured and made available on the website.
- The third “potentially interested” audience may never even become aware of the materials available at the PMR website given the vast number of such materials available through a simple

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<sup>159</sup> This refers specifically to PMR Technical Notes 5 and 4, respectively.

<sup>160</sup> See Technical Notes 1, 2 and 6, for example, on crediting mechanisms, ETS, and carbon offsets, respectively.

Google search (a Google search for “GHG baselines” generates 14.5 million results in 0.36 seconds).

Nevertheless, more and more conferences and workshops are seeking to lengthen the “lifespan” of the event by posting some or all of the materials presented there. It is also increasingly common to post videos of the sessions themselves, which can be much more informative than a PPT, but also more time-consuming to access and assess.

As already noted, PMR events have generally tackled topics that have been in the policy arena for many years. However, when a field is characterized by a rapid rate of turnover of professionals and other interested parties in relevant ministries and institutions, or audiences that are widely dispersed geographically and culturally, such repetition can be very useful. But it does raise the question of whether other means exist by which the value of such workshops can be expanded to benefit other potential audiences without having to hold another in-person workshop. As noted above, of the three potential audiences for KM&S activities, the first “participant” audience is by definition very limited, while the third “interested” audience is potentially enormous.

The original objectives of the PMR, as stated above, can be interpreted to suggest that the PMR has the goal of fostering knowledge creation and dissemination for purposes of “market readiness”—and, more recently carbon pricing—across all three potential KM&S audiences, and to fulfill a true “knowledge management” rather than just “information sharing” role. To date, however, the PMR has focused largely on “information sharing,” and done little to more effectively support knowledge creation and dissemination across the three potential audiences.

This is not necessarily a surprising finding. It mirrors the outcome of many capacity building efforts across the climate change mitigation space over the last 20 years. In the case of the PMR, a small Secretariat staff is charged with overseeing millions of dollars of grant-based initiatives, and has organized workshops and events to support those initiatives. The events often aim to help provide the building blocks (e.g., MRV training) that countries have prioritized for purposes of their own market readiness efforts. Going the next step, and turning “information” into “knowledge” for participants has perhaps been “a bridge too far” given the limitations imposed by funding, staffing and competing priorities.

The key question for PMR participants at this juncture, therefore, is whether this is the KM&S outcome that they aspire to and are comfortable with in the context of the PMR’s multiple objectives? Or is it time to rethink and strengthen the PMR’s KM&S efforts with an eye toward broadening both its external audiences—and hence visibility and relevance—as well as the potential value added of this part of PMR operations? In either case, it is important that the PA and PMR Secretariat more clearly define their intentions in this regard.

At this point in the evolution of public policy regarding climate change mitigation, and given the growing focus on “pricing carbon” as a response strategy, there is little question that a concerted KM&S effort when it comes to “market readiness” for market mechanisms and carbon pricing could provide substantial value. Indeed, given the continuing uncertainty regarding the timing and direction of climate policy and carbon market mechanisms, “market readiness” almost certainly requires construction of the kind of “platform” and “body of knowledge” originally foreseen in the PMR’s founding documents. In view both of the large uncertainties regarding the timing and direction of climate change policies and measures in light of the technical and policy complexities involved and the constant turnover of personnel at relevant institutions around the world, it is unlikely that KM&S activities focused primarily on an audience of direct

participants in PMR workshops and training events can realistically generate widespread “market readiness” for the form or forms and timing that such initiatives may eventually take.

### **The “What If?” of PMR’s KM&S**

When it comes to climate change mitigation and market mechanisms, and the internalization of the existing economic externality through “pricing carbon,” the breadth of available information is enormous and expanding rapidly. As Carla Odell titled one of her books on knowledge management, “If only we knew what we know!”<sup>161</sup>

What if, through a focused PMR KM&S system, the three potential PMR audiences identified above could “know what we know,” and apply that knowledge to the development not only of national climate mitigation and carbon pricing initiatives that are appropriate for local circumstances, but to the eventual development of an international framework that can help successfully respond to climate change?

Each potential audience would benefit from different elements of such a KM&S system, none of which are being implemented by the PMR at present.

#### ***Audience 1 – Direct Participants***

- What if participants could easily engage via the PMR KM&S system in the necessary “pre-learning” they need to take advantage of the training or workshop they will be part of, e.g. on MRV?
- What if participants through the PMR KM&S system could easily revisit the key conclusions of and lessons learned from the training or workshop they were part of, and find key resources of direct importance to the questions they face in their home country?

#### ***Audience 2 – Indirect Participants (but also including Audience 1)***

- What if participants at one PMR event could use the PMR KM&S system to easily access and learn from other PMR events that they were not able to attend in person?
- What if senior decision-makers in a PMR participant country or organization could be pointed through the PMR KM&S system to particularly important and valuable lessons learned from a pertinent PMR event, coming significantly up a key learning curve as a result?
- What if important constituencies including private sector actors and NGOs could be more effectively brought into the PMR process through the PMR KM&S system by being able to benefit after the fact from PMR workshops and events?

#### ***Audience 3 – The Potentially Interested Broader Network (but also including Audiences 1 and 2)***

- What if interested constituencies could easily access the best available literature (and other materials from graphics to blogs and videos) on each of the primary topics involved in market readiness through the PMR website?

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<sup>161</sup> O’Dell, Carla and Ostro, Nilly, *If Only We Knew What We Know: The Transfer of Internal Knowledge and Best Practice*, 1998.

- What if the key conclusions, lessons, tables, and figures from that literature, as well as workshop PPTs and technical notes, were organized in such a way to as to be seamlessly available through the PMR KM&S system?
- What if interested parties could use the PMR KM&S to find the “best available answers” to their specific questions on the many aspects of “market mechanisms,” “market readiness,” and carbon pricing, and be directed to the sources where they could further delve into the question?
- What if interested parties could use the PMR KM&S system to find who is already working on the same topic or question they most need answered to advance their work under the PMR?

All of these “what if’s” could be accomplished with available information and technology, although there are obvious resource implications for the PMR. A visual overview of just one potential approach to building such a system has been prepared as part of our interim report, and is available through the following link: <http://youtu.be/pyvoMzo79lc>

### **Conclusions and Recommendations**

This evaluation has sought to assess the nature, including the present strengths and limitations, of the PMRs KM&S activities in the context of the original objectives established for it, recognizing that these objectives appear to have evolved since then, but that explicitly or implicitly KM&S appears to remain central to them. Based on the assessment summarized above, four primary conclusions can be reiterated:

- i. Knowledge management and sharing was—and probably still is—conceived of as a key element of the PMR, but this should be formally reaffirmed.
- ii. To date, the PMR Secretariat appears to have focused insufficient attention on KM&S efforts beyond the organizing of workshops and other events and posting many Power Point Presentations (PPTs) on its website.
- iii. As a result, the PMR’s KM&S activities appear to be less relevant and effective than they could be.
- iv. An alternative approach to KM&S aimed at “readiness” in the dynamic arena of market mechanisms and carbon pricing offers the PMR and the PMR Secretariat, in particular, the opportunity to greatly expand the long-term value and value added of the PMR.

Associated with the above evaluation findings, the following general recommendations can also be made:

The Participant’s Assembly (PA) and the PMR Secretariat should reconsider its present approach to KM&S and the extent of its value added to date, keeping the three (and possibly more) potential audiences firmly in mind. In doing so, the comparative costs and benefits of enhancing the present system should also be carefully assessed and considered.

Should the PA decide to formally revise the PMR’s objectives to better reflect both how the international policy environment and dialogue regarding climate change mitigation and, in response to this, the PMR itself have evolved over the past three years, it should also consider the role of KM&S in the context of these objectives on the assumption that it is likely to continue to be of importance.

Should the PA and the PMR Secretariat decide that the present somewhat limited relevance and effectiveness of the Partnership's KM&S efforts should be strengthened, additional human and financial resources will be needed for this purpose. This should include addition of a knowledge management specialist having familiarity with climate change mitigation challenges and the use of market-based instruments to promote cost-effective GHG emissions reduction to the Secretariat's present team and the possible establishment by the PA of a Knowledge Management and Sharing Working Group to help guide and oversee this important set of activities.