



Thematic evaluation of the EU support to environment and climate change in third countries (2007-2013)

Final Report
Executive Summary
September 2015

Executive Summary

The evaluation's purpose, scope and background

The evaluation has three objectives:

- To assess EU support to environment and climate change in third countries through the Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy (ENRTP)¹, and through the geographic instruments.
- To evaluate EU support to strengthening global environment and climate governance, provided under ENRTP and channelled mainly through international organisations.
- To assess EU support for mainstreaming environment and climate change issues into EU external aid programmes through the analysis of two key sectors: infrastructure (including energy) and agriculture/rural development.

The assessment focuses on outcomes and impacts of the EU actions in environment and climate change, identifies key lessons and best practices, and produces recommendations in order to improve the current and future EU strategies, policies and actions. The evaluation covers the period 2007-2013. The geographical scope includes all third regions and countries under the mandate of the EU Directorate-General for International Co-operation and Development (DG DEVCO) that are covered by the thematic programme ENRTP and by the Development Co-operation Instrument (DCI), European Development Fund (EDF) and European Neighbourhood Partnership Instrument (ENPI) geographic instruments. Also, interventions co-financed and managed by the EU Directorate-Generals for Environment (DG ENV), Energy (DG ENER) or Climate Action (DG CLIMA) are included if the funds are provided by DG DEVCO.

As such, this assessment replies to the Court

¹ Refer to Box 2

of Auditor's recommendation of carrying out an overall evaluation of the Commission's development cooperation environmental assistance (interventions and mainstreaming).

Methodology

The evaluation is based on the methodological guidelines developed by the DG DEVCO Evaluation Unit. It was conducted in four main phases: inception, desk, field, and synthesis. The evaluation was managed by the Evaluation Unit, incorporating all relevant EU services in a Reference Group (RG) responsible for overseeing the process. The design chosen for the evaluation was a multiple case study design, based on the use of a mixed-methods approach. Ten Evaluation Questions (EQs) were formulated following a structured process based on an analysis of the EU policy framework and reconstruction of the EU's intended intervention logic related to environment and climate change support. An inventory of EU financial support for environment and climate change was prepared. Evaluation Questions, Judgement Criteria (JCs) and Indicators were defined to guide data collection and analysis. To achieve a reasonable balance between accumulating a rich evidence base and keeping the study to feasible proportions, it was decided (in consultation with the RG) to focus on a sample of 15 cases (11 countries and four global) during the desk phase. Eight countries were selected for field visits. The evaluation used a combination of tools and techniques for primary and secondary data collection, such as online surveys to 35 EU Delegations, analysis of all Regional and Country Strategy Papers to identify focal areas of support and an in-depth analysis for a selection of 35 Country Strategy Papers, literature review, meta-analysis of evaluations/audits, and interviews with stakeholders (around 260 persons were interviewed).

The evaluation was implemented between December 2013 and May 2015.

Overall assessment of EU support to environment and climate change

The support has been **relevant** at country, regional and global levels. The scale of the support to environment and climate change has been a rather modest percentage of the total EU development co-operation budget, but has nonetheless contributed significantly towards the achievement of EU and partner policy goals and targets.

The combination of thematic and geographic instruments has been reasonably **effective** in contributing towards the overarching policy goals. Significant results have been achieved in all the focus areas of support. Environment and climate change have been more effectively mainstreamed than in earlier periods, although there is still much improvement that can be made. For the sectors considered (infrastructure and agriculture and rural development), there was clearly an improvement in mainstreaming during the period from 2007 to 2013, as measured by the priority given by the EU Delegation (EUD) in policy dialogue on environment and climate change and the incorporation of environmental and climate change indicators in other sectors. Most of the support for global governance has been effective in strengthening country policy commitments and international mechanisms for implementing global conventions and agreements on environment and climate change. The EU support has significantly increased the capacity of the United Nations Environment Programme (UNEP) and the UN Framework Convention on Climate Change (UNFCCC) in particular, to operationalise their unique global mandates, although there is still a long way to go in terms of implementation of international conventions and global commitments. Environment and climate change figure far more prominently in the new Sustainable Development Goals (SDGs) than in the previous MDGs, so future EU support for environment at national, regional and global levels will be an important contribution to ensure the achievement of the globally agreed goals for human and economic development.

There were significant **efficiency** improvements between the first and second phases of the thematic programme. The recommendations from the first phase review to simplify the

structure of the ENRTP, to reduce the scattered nature of calls for proposals and to work more systematically through global governance bodies such as UNEP and UNFCCC have been implemented. They have resulted in consistent and predictable support to UNEP and UNFCCC, which has enabled them to carry out their tasks more efficiently than before, as it enables better planning of work and more long-term actions. Working through the global agencies has led to a greater economy of scale than would have been possible under EU-launched projects. However, EU visibility and the engagement of civil society have suffered, and regional organisations only received a very small proportion of the EU support for environment.

The EU support has been partner-led and demand-driven, and these longer-term and more difficult approaches adopted by both geographic instruments and the thematic programme are likely to enhance the **sustainability** of results.

Although there have been significant results, the scale and timescale of support has not been enough to lead to **impacts** in terms of reversing negative environmental and climate change trends. The decline is undoubtedly less than would have been the case without EU support, but more support is needed, as well as working closely with others and stimulating a higher prioritisation within developing countries themselves, before a long-lasting and tangible impact can be seen.

Although there is room for improvement, the EU support has been **coherent, co-ordinated and complementary** to assistance provided by Member States and other donors, as well as between the thematic and geographic instruments. There is particularly room for improvement in linking the support of the thematic and geographic instruments for implementing international conventions. The **added value** of the EU support has been in its scale, consistency and coherence with other support efforts. Opportunities to make better use of EU expertise and know-how, and to engage with EU business interests and promote an exchange of civil society, have not been fully exploited.

Analysis and main findings for each evaluation question

EU support to environment and climate change across different instruments (geographic and thematic) has contributed significantly to the EU's overall environment and climate change policy aims.

EU policies had ambitious targets for environment and climate change, and the funding provided was significant, although only comprising 6% of the total development co-operation budget. EU support provided through geographic instruments was well aligned with national priorities and needs, whereas ENRTP support was, to a large extent, guided by international Multilateral Environmental Agreements (MEAs) and EU policy priorities. The EU effectively engaged in policy dialogue to promote increased prioritisation of, and action on, environmental and climate change concerns. EU support also focused on strengthening global MEA processes that have influenced national policies, usually in a way that is in line with EU policy objectives. In this sense, a major policy aim has been achieved, and the EU support contributed to ensuring an increased prominence of environment and climate change in national development processes and to increasing the commitment of third countries to global environmental and climate change governance. The combination of ENRTP and geographic instruments enabled the EU to engage in a relevant and substantial manner at global, regional and country levels. However, the broader policy dialogue on development priorities has not always addressed environment and climate change issues to its full potential. EU environment and climate change policies are internally coherent, but they are also numerous, and there is not a single comprehensive policy that captures the EU's position and targets. This makes it more difficult for EUDs to understand and apply the policy guidance.

EU support (via the ENRTP and geographic instruments) has initiated processes that are likely to lead to developing countries being better prepared for low emissions development.

The EU has supported a number of leading global programmes aimed at preparing developing countries for low emission

development. The support, aimed at developing Measuring, Reporting and Verification (MRV), Nationally-Appropriate Mitigating Action (NAMAs), Low Emission Development Strategies (LEDS) and market readiness, follows best practice. The approaches used take account of the fact that low emission development is a long-term aim where results are crucially dependent on ensuring early country-level commitment. Through a combination of the global support programmes, the EU has reached more than 35 countries. Notable results include:

- significant advancement of MRV systems in many of the selected countries (although it is too early to conclude that fully robust MRV systems have been developed);
- a considerable pipeline of NAMAs in a variety of different sectors (some are being developed in lesser developed countries such as Uganda, where six NAMAs are being supported);
- a number of LEDS that are well embedded in national plans and programmes, and are likely to be implemented (examples include LEDS in Moldova, Colombia and the Philippines, where authorities have credible plans to implement the strategies);
- the provision of a number of platforms and events for experience exchange and knowledge sharing between developing countries.

EU support (via the ENRTP and geographic instruments) has contributed to improving the enabling environment for investments in sustainable energy development.

Support was provided to the well-established EU Energy Initiative and ACP-EU Energy Facility, and to the Sustainable Energy for All initiative (SEA4ALL). The focus of this evaluation was on the Global Energy Efficiency and Renewable Energy Fund (GEEREF), the innovative risk capital-based fund of which the EU is the founder and lead donor. Notable results include:

- 1.6 million people accessing clear and sustainable energy, with the prospects of up to 9 million if current plans succeed;
- a high leverage with private and donor financed risk capital for renewable energy – although not for energy efficiency, which

was not found relevant for the risk capital approach;

- lower financial barriers and risk perception – through establishing a track record of investment returns in small-scale renewable energy in developing countries;
- significant environment, employment and capacity development benefits – although the opportunity to proactively target and involve Small and Medium-Sized Enterprises (SMEs) has not been fully exploited.

EU support (via the ENRTP and geographic instruments) has helped in improving the capacity of partner countries to prevent/reduce the loss of biodiversity, but not to an extent that can reverse the declining trend.

EU support – through a variety of interventions, ranging from policy dialogue to awareness-raising and concrete demonstration projects – has ensured that partner countries maintain a focus on biodiversity conservation, and thus is likely to have contributed to slowing down the loss of biodiversity. However, overall loss of biodiversity continues. Mainstreaming of biodiversity into non-sector interventions has gradually improved – for example, in the integrated water resources management, and in agriculture-rural development and forestry sectors. The EU has supported a large number of field interventions that contribute to achieving the biodiversity-related Aichi goals and targets in most partner countries – in particular, attempting to address the underlying causes of biodiversity loss. EU support to protected area management has been instrumental in developing, testing and applying innovative approaches to biodiversity conservation and protected areas management. Sub-governments and communities are now more aware of benefits of protected areas, and there is evidence of greater responsibility being taken for the protected area management and its wildlife.

The EU has supported processes that lead to sustainable and resource-efficient production and consumption policies and practices. However, it is too early to conclude that the supported countries have made the transition to a green economy development path.

The EU has a number of programmes that work directly to develop policy, strengthen capacity and spread good practice in sustainable

consumption and production (SCP) and Green Economy (GE). Many of these began towards the end of the evaluation period. Most progress has been achieved where countries already have committed to SCP/GE. While most projects have engaged in policy development, the majority of grant money from EU-supported programmes has been used at the enterprise level. Many successful pilot projects, with a range of partners, have been established, but lack of access to affordable financing for eco-innovation remains a major challenge to scaling up. Overall, there is some good progress on implementation of interventions and transfer of good practice, both top-down and bottom-up, but it is too early to see signs that economies are becoming greener at the macro level.

The ENRTP has contributed to strengthening international environmental governance in relation to MEAs and UNEP-related processes, but there is still much work to be done in supporting concrete implementation.

The EU, through Strategic Co-operation Agreements, has strengthened UNEP and the MEA Secretariats. These agreements have strengthened UNEP and the Secretariats by:

- enhancing their ability to prepare strategic long-term planning of activities;
- developing synergies and co-ordination within and among UNEP sub-programmes and MEA Secretariats;
- supporting the developing countries' implementation of their MEA obligations;
- further developing UNEP and MEA Secretariats' roles as "venture catalysts" conceiving and mobilising resources for development of innovative solutions;
- improving their ability to provide updated and reliable data and information for decision making.

UNEP's mandate and role in providing global leadership on environment and biodiversity issues has been strengthened and, in this sense, the support has promoted and contributed to achieving EU goals and objectives concerning global environmental issues.

The ENRTP contributed to strengthening international climate governance through support to UNFCCC.

A core aim of the EU is to promote multilateralism as a critical tool to tackle global challeng-

es, such as climate change. The EU support has created an environment conducive to reaching global agreements, and for ensuring that developing countries can engage effectively in global negotiations and implement their commitments under UNFCCC. The capacity of the UNFCCC Secretariat to support UNFCCC processes has been strengthened. The EU has provided consistent and predictable support that has enabled developing countries to participate proactively in the UNFCCC negotiations. Through these actions, EU support has built a stronger knowledge base and development capacity to address climate change. Developing countries actively use the skills obtained to address climate change, and good progress has been made in the formulation of climate change policies, strategies and plans at country level.

The EU has developed an appropriate framework and an approach for environmental and climate change mainstreaming in its support to partner countries.

DG DEVCO has developed mainstreaming guidelines and tools, and has provided capacity building for EUDs. The EU mainstreaming guidelines are of good quality and promote important mainstreaming tools. However, the tools promoted do not fully take into consideration the economic opportunities and national systems. Nevertheless, the tools are highly appreciated, and the mainstreaming capacity in Delegations has increased significantly, with most Delegations having become significantly more active in mainstreaming. Although the tools are very useful, some Delegations noted that the QSG process and the procedures and demands of the programming documents, identification and action fiches were also crucial in ensuring attention to mainstreaming during design.

Environment and climate change have been mainstreamed considerably more than in previous periods throughout the programme and project cycle of EU support to; a) agriculture and rural development; and b) infrastructure.

The core mainstreaming tools have mostly been rigorously applied and followed up on. The EU requirements for the development of Country Environmental Profiles (CEPs) have been followed in most countries, with variation in quality and extent. Strategic Environmental

Assessments (SEA) have been applied, but not to their full potential. Environmental Impact Assessments (EIA) have been carried out and monitored during project implementation. However, the degree of mainstreaming of environment and climate change is highly dependent on the level of awareness and commitment of national partners and decision makers. Where projects and programmes have, from the onset, incorporated specific outcomes and indicators clearly directed towards improvement of the environment and climate change situation, the evidence is that actual implementation corresponds with the intentions.

The EU has used its available instruments in a way that enhances complementarity in support of the overall EU goals of a healthy environment, sound natural resource management, and strong environmental and climate governance in developing countries.

ENRTP was established as a tool to provide support to global environmental governance processes and environmental innovations in line with EU's policy objectives – unlike geographic instruments, which have a geographically delineated scope and are based on the priorities of partner governments. Notable results include:

- ENRTP has enabled the EU to support global processes and innovations in order to address global environmental and climate change challenges in a coherent and strategic manner;
- synergies and benefits were obtained through a number of ENRTP and geographic actions, and through ENRTP and the actions of other donors – even if not to their full potential;
- synergies were mainly obtained when there was a shared thematic/topical focus of country programmes and ENRTP.

The ENRTP also enabled the EU to address environmental issues in countries, where the country strategies did not allow geographical instruments to do so. This also relates to a challenge identified in the 2009 Mid-Term Review of ENRTP, which found a common misconception in EUDs that ENRTP is an instrument for compensating for the absence of an environment focus in the country programmes, rather than as an instrument for supporting

innovation. This perception is notably less evident now than it was in 2009.

Main conclusions

Cluster 1 – Policy and strategic focus

Conclusion 1: EU policies and strategies for environment and climate change are appropriate, but fragmented and difficult to access.

EU policies and strategies for environment and climate change are appropriate, but fragmented and difficult for EUD staff and others to access. The EU has developed a series of policy statements and strategies that have been continuously adjusted and updated. They are highly appropriate and, in many respects, at the leading edge, but they are numerous and scattered across many different documents. There is no one document that summarises or provides an overview of the complex arena of environment and climate change. EUD staff, and especially others outside the EU staff, find it difficult to access, refer to and make use of the guidance provided.

Conclusion 2: The EU policy-level influence on environment and climate change has been considerable, but has not yet reached its full potential.

Through a combination of direct policy support actions, the use of indicators related to environment and climate change in budget and project support, and policy dialogue, the EU focus on sustainable development substantially increased in the period 2007 to 2013. However, the full potential has not been reached, and there is still considerable scope for increasing policy influence. Close to half of the Delegations surveyed report that environment and climate change still does not feature strongly in their interaction with national partners. Moreover, opportunities have not been fully exploited to make greater use of indicators in budget support and to strengthen the linkages between country-level and global dialogue.

Conclusion 3: By supporting environment and climate change, even where the initial response of national partners is weak, the EU support has been able in some coun-

tries to promote and build up a readiness to respond to change.

Even where the initial response of national partners has been weak and the context unfavourable, the EU support to environment and climate change policy has often had a constructive effect. By sending consistent messages on the importance of environment and climate change, supporting more informed decision-making through studies, promoting institutional reforms and building up a technical level of readiness and a capacity to respond, the EU has ensured that national partners are more likely to promote changes in the political and institutional context that are favourable to environment and climate change. Such support has also put the relevant institutions in a better position to respond when change does occur.

Cluster 2 – Results and impacts

Conclusion 4: EU support has led to results across the environment and climate change sector, but there is still a long way to go before this will lead to transformative change and to reversing declining trends.

The EU support has led to important results within biodiversity conservation, use of sustainable energy, mitigation of greenhouse gases, improved adaptation, management of natural resources, control of pollution, and the promotion of sustainable consumption and production. However, the scale of the support – even though the thematic EU support has been largely harmonised with global effort – has not been sufficient to reverse declining trends and to combat the strength of forces working against sustainable development.

Conclusion 5: Where the EU has promoted market-based approaches on a pilot basis there have been encouraging results, but access to finance has proved a major challenge for scaling-up.

Access to sustainable energy and the promotion of the green economy through sustainable consumption and production has been promising at the pilot level, and has, in some cases, also resulted in encouraging levels of replication. However, securing access to finance has proved a major challenge. The EU initiative to set up a risk capital facility for sustainable energy has led to significant results, which indi-

cates the benefit of promoting dedicated, market-based and innovative approaches.

Conclusion 6: The thematic and geographic instruments have been complementary and have created results, but advantage has not always been taken of opportunities for synergy.

The combination of ENRTP and geographic instruments enabled the EU to engage in a relevant and substantial manner at global, regional and country levels. This has led to promising results, and there are good examples of synergies between ENRTP and geographic instruments, but opportunities have not always been taken full advantage of due to a limited involvement of EUDs in the design and implementation of many ENRTP actions.

Cluster 3 – Environment and climate change governance

Conclusion 7: The scale and consistency of EU support to global governance of environment and climate change has strongly contributed to progress towards reaching global agreements, and strengthening the implementation of such agreements.

The consistent EU support for global environment and climate change governance has been an important contribution to strengthening the capacity of developing countries to participate effectively in the negotiations, and to implement their outcomes. The scale and consistency has meant that the international organisations assisting developing countries to take an active role in global governance have been able to plan on the basis of a longer-term and more consistent framework, which has contributed to creating cumulative capacity development.

Conclusion 8: EU support to UNEP and MEA Secretariats has led to greater effectiveness and coherence in the international efforts to support MEA implementation, but the results in terms of implementation of conventions at country level is still lagging, particularly for biodiversity.

The gradual increase in EU support to UNEP and MEA Secretariats has contributed to more effective implementation of their mandates and functions in order to achieve agreed international environmental goals and priorities. Fur-

thermore, EU support has significantly contributed to achieving synergies and co-ordinated work between MEAs within the clusters of biodiversity and chemicals & wastes. However, the potential for synergies between global environmental governance support and country programmes has not been fully capitalised on in terms of ensuring that the enabling environment is in place at national level for the implementation of MEA provisions.

Conclusion 9: By working through international organisations, the EU has contributed to greater effectiveness and coherence in addressing global public goods and challenges in the field of environment and climate change – where the international organisations have a global mandate that is credible and a high level of performance.

The strategy of working through already established international programmes – such as those of UNEP, UNDP, the World Bank, OECD, the International Civil Aviation Organisation (ICAO) and Local Governments for Sustainability (ICLEI) – has led to greater coherence and has reduced the danger of proliferating different approaches than would probably have been the case with the alternative of setting up new EU-led projects. For example, developing countries are approached from all angles by support efforts for MRV, NAMA and LEDS, and there is an acute danger of confusing methodologies and incompatible databases and processes being set up. If not harmonised and -co-ordinated well, this could lead to duplication, waste of resources, and a lowering of capacity in the countries. Attempts to establish a global co-ordination have not yet met with success. However, the EU approach of working through global organisations has considerably helped in reducing the overlap, and in strengthening national-level co-ordination. A global approach to a global problem has shown itself to be more credible and more likely to lead to voluntary adoption of climate change mitigation and environmental targets. However, it is crucial that the global mandate of the relevant organisation is credible and its performance high. The findings indicate that monitoring of fulfilment of visibility requirements and performance levels are essential factors in working effectively through international organisations.

Cluster 4 - Mainstreaming

Conclusion 10: There has been significant progress in mainstreaming environment and climate change in EU support to sectors such as infrastructure and agriculture/rural development, especially where there is national ownership.

EU support has contributed to an increased focus on mainstreaming environment and climate change at national policy level in “environmentally sensitive sectors” in partner countries. However, there is still a gap between policy/ strategies and actual implementation.

Conclusion 11: The EU guidance and tools for mainstreaming are appropriate, but need updating.

EU mainstreaming guidelines and tools are appropriate and have significantly contributed to enhancing mainstreaming in EU actions in other sectors. But they do not fully take into consideration the economic opportunities and national systems, and ENRTP-supported specialist mainstreaming projects and approaches (PEI, TEEB/biodiversity mainstreaming) are not fully taken advantage of in the efforts to ensure mainstreaming in the EU’s bilateral support.

Main recommendations

Cluster 1 – EU policy framework and actions

Recommendation 1: Develop a one-stop policy brief.

Prepare a one-stop policy brief of the current EU policy positions, in the form of a living document that is kept up-to-date.

Recommendation 2: Strengthen coherence between global and national policy dialogue.

Strengthen linkages between global, regional and national policy dialogue; mobilise EU member state embassies to help in establishing a link to Government in countries where EUDs do not have a substantial engagement in the environment/climate change sectors; provide extra resources for EUDs that do not have a substantial engagement in environment/climate change for mobilising short-term

inputs for specific demarches; ensure demarches are timely, so that partner governments can consider EU positions before developing their own MEA positions.

Recommendation 3: Optimise indicators in budget and project support.

Increase the use of indicators related to environment and climate change in budget and project support operations in order to improve mainstreaming and strengthen the coherence with the new SDGs.

Cluster 2 – Implementation approach

Recommendation 4: Enhance co-ordination between geographic and thematic actions.

Enhance the involvement of EUDs in thematic programmes by ensuring that they are involved in the early decision-making on thematic priorities related to their country and are kept well informed, particularly on targeted actions.

Recommendation 5: Promote innovative finance.

Increase EU support for access to finance, especially by SMEs, so that they can participate in market-based approaches aimed at increasing the adoption of sustainable energy and transition to the green economy, thereby responding to SDG 12.

Recommendation 6: Work with multilateral institutions.

Continue to work through established multilateral institutions for global public environment and climate change goods. Place a greater emphasis on the engagement of EU and Member State actors, and on the transfer of technology and institutional and regulatory know-how.

Recommendation 7: Enhance synergies and strengthen mainstreaming in EU support across sectors by linking future thematic supported mainstreaming projects and non-environment/climate change interventions in country programmes.

Further integrate the approaches and capacities of global mainstreaming projects provided through thematic instruments with the implementation of non-environment/climate change interventions in country programmes – for example, by developing joint actions between

EUDs and the national interventions of the global thematic mainstreaming projects. Better mainstreaming is central for achieving the new SDGs, as they emphasise the interconnectedness of environmental sustainability, poverty reduction and sustained economic development.

Recommendation 8: Prioritise environment and climate change in development co-operation.

Promote and prioritise greater co-operation on environment and climate change through close co-ordination of the ongoing thematic programme on Global Public Goods and Challenges and through support provided via geographic instruments to contribute to the new SDGs – responding to the increasing importance of securing sustainable development in medium-income and lower-income countries, and in fragile and conflict affected situations