



FRAMEWORK CONTRACT COM 2015 Europe Aid/ 137211/ DH/ SER/ Multi

Lot 1: EVALUATION

**Evaluation of EU international cooperation on Sustainable
Consumption and Production
Europe Aid/ 137211/ DH/ SER/ Multi Lot 1**

FINAL REPORT

Executive Summary

18th December 2017

Project Title:	Evaluation of EU international cooperation on Sustainable Consumption and Production
Project Number:	Europe Aid/ 137211/ DH/ SER/ Multi Lot 1
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The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the concerned countries.

Date of report: 18th December 2017

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EXECUTIVE SUMMARY

OBJECTIVE, SCOPE, CONTEXT AND METHODOLOGY

Objective of the evaluation

This evaluation examines EU support provided to developing countries to adopt green economy and Sustainable Consumption and Production (SCP) practices. The evaluation follows these twofold objectives:

- To provide an independent assessment of EU international cooperation on the Green Economy, with a focus on Sustainable Consumption and Production (SCP);
- To identify key lessons and forward-looking recommendations.

Scope

The evaluation covers SCP initiatives supported by the EU within the framework of the Development Cooperation Instrument –including thematic and geographic components- and the European Neighbourhood and Partnership Instrument. This includes the three SWITCH regional programmes (SWITCH-Asia¹, SWITCH Africa Green² and SwitchMed³) and the Secretariat of the 10 Years Framework of Programmes on SCP (10YFP). The EU has allocated more than € 250 million over the last 10 years to these programmes.

The SWITCH regional programmes aim to contribute to EU development policy ambition to "*promote a 'green economy that can generate growth, create jobs and help reduce poverty'*"⁴ by supporting the adoption of SCP patterns, based on the development of enabling frameworks, improved capacities of Micro, Small and Medium-sized Enterprises (MSMEs) and business service providers, as well as networking among policy makers and businesses. The 10 YFP also aims to accelerate the shift towards SCP.

To analyse the wider EU international cooperation on SCP and the green economy and identify recommendations, the evaluation also takes into account other initiatives supported by the EU and contributing directly or indirectly to the green economy transition. This includes actions in relevant sectors such as environment and private sector development, including actions implemented through the blending instruments⁵.

Policy context

Over the last few decades the environmental crisis has accelerated. Over time, economic and human development will regress without sufficient actions taken globally. The 2030 Agenda for Sustainable Development⁶ and its 17 Sustainable Development Goals (SDGs) respond to the need to take international action. Transforming economies is imperative to successfully meet the Agenda, which targets the need to decouple economic growth from environmental degradation.

¹ <http://www.switch-asia.eu/>

² <http://www.switchafricagreen.org>

³ <http://www.switchmed.eu/en>

⁴ COM (2011) 637 final: Communication from the Commission "Increasing the impact of EU Development Policy: an Agenda for Change". See <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52011DC0637&qid=1412922281378&from=EN>

⁵ https://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en

⁶ Transforming our world: The 2030 Agenda for Sustainable Development. See also: <http://www.un.org/sustainabledevelopment/>

The EU acknowledges the need to shift towards a low carbon green and circular economy, both domestically and in the context of its international cooperation and development policy, as consistently highlighted in relevant Communications of the European Commission on EU development policy, including the Communication “Agenda for Change”⁷ and in the new European Consensus on Development⁸.

Methodology

The evaluation was carried out between September 2016 and September 2017 in three phases, a Desk phase, a Field phase and a Synthesis phase. The DEVCO strategic evaluation approach and criteria⁹ were used for the evaluation. Data and information sources included a vast range of documents, programme evaluations, interviews with EU institutions and other stakeholders in Europe involved with Green Economy interventions, discussions with key stakeholder groups during field visits to six countries, including EU Delegations, UN agencies, Government institutions at local and national levels, Grantees, MSMEs, Chambers of Commerce, Trade Associations and SWITCH National Focal Points in Asia and Africa, and surveys of Grantees and EU Delegations.

CONCLUSIONS BY EVALUATION CRITERIA

Relevance

Conclusion 1: On the ground interventions are in line with EU policies and the global development agenda

EU development policy provides a comprehensive framework for enhanced support to developing countries in greening their economies. The evaluation concludes that the EU on the ground interventions implemented over the last years are increasingly relevant to EU policies and the global development agenda. The design and focus of these interventions – including for instance investments in protecting and enhancing the value of **natural capital**, reducing the **utilisation and consumption of resources**, reducing **energy production** costs, increasing the share of the Green Economy to overall Gross Domestic Product (GDP) – are in line with recent policy and programming documents, especially the 2030 Agenda for Sustainable Development (which includes Goal 12 and target 8.4, dedicated specifically to SCP)¹⁰, the new European Consensus on Development¹¹ and the Global Public Goods and Challenges 2014-2020 Multi-Annual Indicative Programme (GPGC)¹².

Conclusion 2: Interventions are relevant both to target groups’ needs and partner countries’ priorities

A combination of sources – including interviews with relevant counterparts (in both the EU and partner countries) and documentation on the design of interventions – indicates that the needs and constraints of the relevant target groups –primarily MSMEs and government bodies- have been taken into account during projects design and implementation. For example, the activities of the Regional Policy Support Component of the SWITCH-Asia programme managed by UNEP were based on a comprehensive needs assessment carried

⁷ COM (2011) 637 final: Communication from the Commission "Increasing the impact of EU Development Policy: an Agenda for Change". See <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52011DC0637&qid=1412922281378&from=EN>

⁸ 2017/C 210/01 - Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission. See https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en

⁹ <https://ec.europa.eu/europeaid/node/1573>

¹⁰ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

¹¹ Ibid.

¹² https://webgate.ec.europa.eu/fpfs/mwikis/aidco/index.php/Global_Public_Goods_and_Challenges_programme

out¹³ before the start of implementation. It was thorough and included stakeholder needs in all partner countries in Asia.

Effectiveness

Conclusion 3: The effectiveness of the regional SWITCH programmes is satisfactory

The SCP initiatives have achieved positive outputs and outcomes, for example assisting with drafting of policies and legislation, raising awareness of stakeholders and training MSMEs in Green Economy principles. In addition to the regional SWITCH programmes, the 10YFP Secretariat has been effective in promoting knowledge sharing. However, the evaluation has concluded that the effectiveness of the regional policy support actions was less than ideal, particularly regarding the SWITCH Africa Green programme.

Impact

Conclusion 4: There has been variations in impact across programme components

There are variations in **impact** of the different components of the programmes. Most impact has been achieved by the **Green Business Development component** of the SWITCH regional programmes. Although current monitoring and evaluation systems provide limited evidence, the methods used by the Consultant indicate that impact is quite high, in terms of **uptake of SCP practices** and increased levels of investments by MSMEs, contributing notably to the **creation of green jobs**.

Policy support impact has varied between the regions according to the performance of the implementing partners. The effectiveness and impact of the **Network Facilities** is not fully known. Respondents to the Grantee survey and interviews indicated quite a high level of satisfaction with networking and information dissemination activities, but also that the contribution of the NF to greater levels of green investment, SCP take-up and scaling up is not regarded as significant. However, it is noted that some initiatives meant to scale up results were undertaken, such as the establishment of the Switchers Fund to bring finance directly to environmental and social entrepreneurs in the Mediterranean region.

Efficiency

Conclusion 5: The SWITCH programmes have achieved overall good cost-effectiveness, although Regional Policy Support Components are considered expensive

Overall, EU supported programmes on SCP are regarded as relatively cost effective. For example, according to data and information sourced from stakeholders, monitoring reports and the survey of grantees carried out by the consultant there has been substantial take up of green technologies by MSMEs, significant levels of new investments and major green job creation resulting from the green business projects of the regional SCP programmes, with a far higher financial value than programme costs. However, the Regional Policy Support Components (RPSC) of the SWITCH-Asia and SWITCH Africa Green programmes have been expensive in relation to benefits achieved, as there is insufficient evidence of the adoption of new policies, particularly SWITCH Africa Green.

The main factors hampering the cost-effectiveness of the programmes were considered by most stakeholders, including EU Delegations, to be: (i) insufficient cooperation between components of programmes; and ii) less successful external service provision.

¹³ UNEP: capacity building and policy needs assessment for sustainable consumption and production. Final report 2013.

Coherence

Conclusion 6: EU cooperation on SCP shows positive internal coherence, although coordination among programmes could improve

The regional SCP programmes, the 10YFP Secretariat and dedicated Green Economy interventions are **internally coherent**, however there is **insufficient interaction between the business development and policy components of programmes**. **Improved coordination** of EU SCP and Green Economy initiatives **would be beneficial at central, regional and country levels** to maximise impact, building on the progress already made at the annual Green Economy coordination meetings organised by DEVCO.

Complementarity

Conclusion 7: SCP programmes show a good degree of complementarity, with possible overlaps in policy actions

The **full suite** of EU funded **SCP** and **dedicated Green Economy** interventions are generally complementary to each other. The extent to which other donors have been involved in policy and implementation projects on SCP and the Green Economy is not fully indicated in EU documentation. Although DEVCO, which has a crucial coordinating role, has taken concrete measures to address the information gaps on external actions, much remains to be done. **In terms of overlap** there are concerns regarding support under the regional SWITCH programmes and other policy support initiatives such as those of the 10YFP and the Partnership for Action on Green Economy (PAGE).

Sustainability

Conclusion 8: Evidence of stakeholders' ownership of programme results demonstrate positive elements of sustainability

EU support to the development of SCP and green economy policies shows positive elements of **sustainability**, as evidenced by a degree of local ownership of programme outputs, outcomes and impacts, effective capacity building; and examples of effective assistance in policy formulation, in consultation with stakeholders. There is evidence of policy take-up in the SWITCH-Asia and SwitchMed programmes. In addition, policy initiatives such as the Partnership for Action on Green Economy appear to be successful.

Regarding EU **support to Green Business Development**, improved processes and procedures have been well documented. Many valuable manuals and guidelines have been produced, most projects have continued to manage project web sites, and some have continued with dialogue after project completion. A number of projects have set up self-funding mechanisms to continue their actions. The main determinant for sustainability is the level of investment in Green Economy technologies and the widespread take up of SCP by the private sector and government agencies (green procurement etc.). In this regard there is some evidence to suggest that a degree of success has been achieved, however, more needs to be done.

EU Added Value

Conclusion 9: There is clear EU added value of EU level cooperation on SCP at the international level

The evaluation assessed the added value resulting from EU support/intervention(s), compared to what would have been achieved by national and other external agencies. EU documentation reviewed provides very limited formal analysis of value added. At the **international level**, the EU is represented, through the European Commission, in various international discussions, which have influenced global policy development on the environment and the Green Economy, for example the G7 meetings, the Rio+20 outcomes, and the establishment of the 10 YFP, and it has played a very prominent role in **global** and **regional policy** formulation and advocacy in many other forums. From this point of view **EU added value is clear**. EU value added in relation to external interventions on other components of the Green Economy was not fully evaluated by the Consultant.

RECOMMENDATIONS

Recommendation 1: Better informed programming and design of interventions

This recommendation is linked to conclusion 1 (Relevance).

High importance in the medium term.

Implementation to be undertaken by DEVCO and EUDs.

More integrated programming and design can be achieved, through: i) improving the **understanding** within EU institutions of the Green Economy, its components, its contribution to EU development priorities; ii) better definition and documentation of EU interventions contributing to the Green Economy, including a data base consolidating information on all projects funded at **regional and country levels**; and iii) a more **effective monitoring and evaluation system**, which is essential for informing **the design of future initiatives**. Furthermore, the system would contribute to complementarity and increase potential synergies between groups of EU interventions, whilst avoiding overlap.

Despite the progress made to date in policy formulation, and the design of a multitude of initiatives, more can be done to **increase the relevance** of interventions and contribute further to **meeting the updated EU policy objectives, as framed in the new European Consensus on Development and the 2030 Agenda, notably its Goal 12 on SCP**. It is also essential to **increase further the relevance** of EU interventions to the needs and opportunities of **partner countries**. In addition, a more systemic approach towards Green Economy **mainstreaming** is needed, in particular in areas primarily addressing economic (rather than environmental) objectives, such as private sector development.

These steps are **inextricably linked and integral to moving the EU Green Economy agenda forward**. They will assist in achieving as complete a **picture** as possible on the comparative merits of the full range of EU Green Economy interventions, in relation to environmental, economic and social costs and benefits, and ultimately will improve data driven selection of interventions.

Recommendation 2: Better prioritising EU Green Economy investments based on a return on investment approach

This recommendation is linked to conclusion 1 (Relevance).

High importance in the short term.

Implementation to be undertaken by DEVCO and EUDs.

The **European Commission** should consider the **added value** of a “**return on investment**” approach to Green Economy initiatives in the form of cost-benefit analysis. The European Investment Bank (EIB) and EU Development Banks prepare feasibility studies as a basis for making lending decisions – including in the context of the EU regional Blending Facilities– and their methodologies can provide guidance. The constraints to estimating monetary returns on investments for the entire suite of EC interventions are recognised, including financial resource levels, expertise needs, and institutional constraints. Moreover, methodologies for computing the monetary benefits of interventions, addressing, for example, climate change, or biodiversity, are less developed, and have not really been widely applied.

Among the benefits to assess, higher attention to the employment impact of investments is of particular importance, considering the potential contribution of the green economy to job creation as well as the importance of the issue in EU development policy.

One of the possible steps towards this approach would be to **conduct a study of methodologies** available, of the added value of carrying out feasibility studies, and for which of the Green Economy interventions such studies would be relevant.

Recommendation 3: Improve the Focus of Policy Support

This recommendation is linked to conclusions 3 (Effectiveness) and 5 (Efficiency).

High importance in the medium term.

Implementation to be undertaken by DEVCO, EUDs, Implementing Partners, Partner Countries.

In many countries overarching policies are already in place, and therefore support should build on these and be **aligned to specific demands** from country stakeholders, notably government agencies, incorporating specific areas of policy formulation, inspection and enforcement. **At regional level** policy support should have a particular focus on **advocacy** and as many countries as possible should be targeted. A particular focus should be on supporting the translation and integration of international and (sub-regional) policy mechanisms into **existing national level** and sectoral policies/plans. This means a **lesser focus** on developing **new** policy documents, action plans and roadmaps, although this may still be needed in some countries, depending on their context.

Recommendation 4: Improve the Design of Green Business Development Interventions

This recommendation is linked to conclusions 3 (Effectiveness) and 4 (Impact).

High importance in the medium term.

Implementation to be undertaken by DEVCO, EUDs.

In designing future interventions account should be taken of **lessons learned**, which are itemised more fully under Section 5 of the report. A few examples are presented hereunder:

- **Challenges** include resistance to change and changes in government and personnel, which in turn results in policy changes, which can be retrogressive. In evaluating progress these challenges need to be taken into account, including adjustments to the timelines of Green Business projects that may need to be increased due to factors outside their control.
- **Successful partnerships** include organisations that have **economic** and financial **expertise** and experience, and include **local partners** with clear and favourable linkages and relationships with government agencies. Consideration needs to be given to providing **expertise** to projects to prepare **marketable business models**, where required, and assisting in providing **access to green finance**.
- Grants are more effective when **realistic proposals** and Business Plans are prepared, indicating the financial viability of technical solutions, taking into account **the local environmental, social and economic landscape**, leading to successful applications for finance.
- Projects that address **sectors of significant socio-economic importance** to countries are more successful than those that address sectors that are of less importance. For example, **targeting Industrial Parks and Special Economic Zones** may be given increased attention in some countries when these are also priorities of partner countries.
- **Government agencies** need to be convinced about the potential for green business to contribute to GDP and of the importance of relevant practices such as **procurement** of less costly and environmentally friendly **green products and services**.
- Options need to be explored for taking further advantage of the more recent EU policy developments on encouraging **mutually beneficial “green” trade** to increase and diversify markets between the EU and developing countries and for **MSMEs** to be given further support to take advantage of the enormous value of green trade.

Recommendation 5: The argument for a stronger focus on Sustainable Consumption

This recommendation is linked to conclusions 1 and 2 (Relevance).

High importance in the medium term.

Implementation to be undertaken by DEVCO, Implementing Partners.

With regard to **relevance**, there is an argument that the projects should focus more strongly on **sustainable consumption** (SC), including sustainable public procurement and increased visibility of the benefits of SC. Demand for green products is one of the main drivers for sustainable production and for the adoption of green practices by businesses. Several International Organisations, including UNEP in particular, have considerable resources, knowledge, networks and contacts, on a global scale on sustainable consumption, which can be used to deepen and broaden the scale and scope of interventions.

Recommendation 6: Strengthen support to networking and dialogue

This recommendation is linked to conclusion 4 (Impact).

High importance in the medium term.

Implementation to be undertaken by DEVCO, EUDs.

The impact of the regional SCP programmes needs to be enhanced through strengthening support to networking. Existing SWITCH network facilities have a primary role in assisting with information dissemination, fostering multiplier effects and increasing investments in Green Economy production. The new SWITCH-Asia SCP Facility, which combines technical assistance, coordination functions and support to enhancing impact, represents a further improvement to the overall design of the programme and can be used as an example for other regions. Consideration should be given to extending the Facility aims and objectives, activities and impact, to cover the entire portfolio of EU Green Economy/ SCP initiatives and to establishing similar Facilities in other regions.

Recommendation 7: Significantly Improve EU Green Economy Monitoring and Evaluation

This recommendation is linked to conclusion 4 (Impact).

High importance in the short term.

Implementation to be undertaken by DEVCO, EUDs.

The Monitoring and Evaluation (M&E) System should be improved for **all EU Green Economy interventions**. It should in particular: i) better record intervention costs (capital and operating costs) and other resource inputs; ii) better **measure outputs, outcomes and impact**, including economic, social (in particular employment) and environmental impact. A particular focus on impact and benefits is required, through the provision of harmonised output and impact indicators, building on ongoing efforts within DEVCO.; and iii) **Progress reports** should be compiled regularly for programmes and individual projects, including outputs, outcomes and impact, **quantified as far as possible**.

M&E information should be used for improving coordination and integration of Green Economy programming and the design of interventions based on a full picture of past and ongoing performance and future needs; for informing management at all levels of progress, for increasing the impact of interventions; and providing information for **producing regular EU Green Economy cooperation reports**, which will provide a comprehensive picture of all interventions for participating stakeholders. It will assist in providing **visibility on the nature and high value of EU Green Economy interventions**.

Recommendation 8: Enhance the Coherence and Complementarity of EU Interventions

This recommendation is linked to conclusions 6 (Coherence) and 7 (Complementarity).

Moderate importance in the short term.

Implementation to be undertaken by DEVCO, EUDs, Implementing Partners, Partner Countries.

A clearer definition of the **scope and articulation of different programmes**, and of the role of their stakeholders, is required. Across the **full portfolio** of EU actions, complementarities, synergies and the avoidance of overlap should be promulgated through existing and/or new forums at national, regional and global level. Strengthening and expanding collaboration with influential Ministries beyond Ministries of Environment is also needed, as well as the presence of Country Focal Points, or coordinators, facilitating collaboration among programme stakeholders.

At EU level, events held by DEVCO could delve deeper into specific SCP and Green Economy topics on a thematic and sectoral basis and involve a broader range of key stakeholders such as EU Member States, development banks, key donors and private enterprises. Consideration needs to be given to **increasing the resources for support and coordination activities**. In addition, there needs to be an increased **level of awareness of the value of SCP cooperation within the European Commission**, with the aim of encouraging participation and cooperation of relevant European Commission services and other EU Green Economy actors.

At regional and national level, increased coordination needs to be facilitated by the SWITCH programmes Network Facilities, or their equivalent, with the support of EU Delegations, and support **structured dialogue** with the full range of stakeholders. Although these facilities should focus on the SWITCH regional programmes primarily, it would be beneficial to promote coordination with other relevant Green Economy interventions.

EU **Green Economy guidance can be improved**, for example a **Green Economy Hand Book** needs to be produced as a key reference document to assist with the detailed design, implementation, monitoring and evaluation of Green Economy interventions, including SCP.

Recommendation 9: Achieving Long Term Green Economy Sustainability

This recommendation is linked to conclusion 8 (Sustainability).

High importance in the long term.

Implementation to be undertaken by DEVCO, EUDs.

To improve sustainability, the evaluation recommends – as also presented in recommendation #2 above – to prioritise EU Green Economy investments based on a return on investment approach. This would ensure long term results that outlast the duration of a specific project.

In addition to this, sustainability would be considerably strengthened by raising awareness among relevant stakeholders – especially MSMEs – of the importance of committing the necessary resources, not only to achieve immediate goals, but also to achieve long-term results.

Finally, additional attention should also be dedicated to financial and institutional and organizational arrangements for sustainability after project completion and the role of EU Delegations in assisting with sustainability at national level needs to be strengthened. For instance, certain projects managed to continue their actions even after the completion date thanks to self-funding mechanisms.

Recommendation 10: Systematically Assess EU Added Value in design and implementation of interventions

This recommendation is linked to conclusion 9 (EU Added Value).

Moderate importance in the short term.

Implementation to be undertaken by DEVCO, EUDs.

To address the lack of formal analysis of added value in project documentation, it is recommended that all EU programming and operational documents describe more specifically the expected or achieved added value advantages of an EU-level action. Similarly, monitoring reports need to include added value information.