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

**FINAL REPORT**

**Volume 1: Main Report**

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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.

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## Main Acronyms and Abbreviations

<b>10 YFP</b>	Ten Year Framework of Programmes on Sustainable Consumption and Production patterns
<b>ACP</b>	Africa, Caribbean, Pacific
<b>ACSSD-GE</b>	Advancing Caribbean States' Sustainable Development through Green Economy
<b>ADB</b>	Asian Development Bank
<b>AECID</b>	Spanish Cooperation Agency for International Development
<b>AFD</b>	French Development Agency
<b>AFIF</b>	Africa Investment Facility
<b>AIF</b>	Asian Investment Facility
<b>APAEC</b>	ASEAN Plan of Action for Energy Cooperation
<b>APRSCP</b>	Asia Pacific Roundtable for Sustainable Consumption and Production
<b>AREI</b>	Africa Renewable Energy Initiative
<b>ASEAN</b>	Association of South East Asia Countries
<b>B2B</b>	Business to Business
<b>B4LIFE</b>	Biodiversity for life (EC programme)
<b>BMO</b>	Business Intermediary Organisations
<b>CEO</b>	Chief Executive Officer
<b>CEP</b>	European Commission Country Environmental Profiles
<b>CIF</b>	Caribbean Investment Facility
<b>CIFs</b>	World Bank Climate Investment Funds
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CREEC</b>	Centre for Research in Energy and Conservation
<b>CSCP</b>	Collaborating Centre on Sustainable Consumption and Production GmbH (Wuppertal)
<b>CSR</b>	Corporate Social Responsibility
<b>DAC</b>	Development Assistance Committee
<b>DCI</b>	Development Cooperation Instrument
<b>DEVCO</b>	Directorate-General for International Cooperation and Development
<b>DTIE</b>	UN Environment's Division of Technology, Industry and Economics
<b>EaP GREEN</b>	The "Greening Economies in the Eastern Neighbourhood" programme
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EC</b>	European Commission
<b>EDF</b>	European Development Fund
<b>EFCA</b>	Environmental full-cost accounting
<b>EFI</b>	European Financial Institutions
<b>EFSD</b>	European Fund for Sustainable Development
<b>EGA</b>	Environmental Goods Agreement
<b>EIB</b>	European Investment Bank
<b>EIP</b>	EU External Investment Plan
<b>ELECTRIFI</b>	Electrification Financing Initiative
<b>EMS</b>	Environmental Management Systems
<b>ENRTP</b>	Sustainable Management of Natural Resources, including Energy
<b>EQ</b>	Evaluation Questions
<b>ESCO</b>	European Association of Energy Services Companies
<b>EU</b>	European Union
<b>EUD</b>	EU Delegation
<b>FIP</b>	Forest Investment Program
<b>FLEGT</b>	Forest Law Enforcement, Governance and Trade
<b>FMO</b>	Netherlands Development Finance Company
<b>G7</b>	Group of seven major advanced economies countries

<b>GCCA +</b>	Global Climate Change Alliance +
<b>GDP</b>	Gross Domestic Product
<b>GE</b>	Green Economy
<b>GEEREF</b>	EC funded Global Energy Efficiency and Renewable Energy Fund
<b>GEI</b>	Green Economy Initiative
<b>GGGI</b>	Global Green Growth Institute
<b>GGKP</b>	Green Growth Knowledge Platform
<b>GHG</b>	Green House Gas
<b>GPGC</b>	Global Public Goods and Challenges
<b>GPP</b>	Green public procurement
<b>ICLEI</b>	Global network of cities committed to building a sustainable future
<b>IFCA</b>	Investment Facility for Central Asia
<b>IL</b>	Intervention Logic
<b>ILO</b>	International Labour Organisation
<b>IT</b>	Information Technology
<b>JC</b>	Judgement Criteria
<b>KfW</b>	German government-owned development bank;
<b>KQ</b>	Key Evaluation Questions
<b>LAIF</b>	Latin America Investment Facility
<b>LIFE</b>	EU Programme for the Environment and Climate Action
<b>Lux-Dev</b>	Luxembourg Development Agency
<b>MAP</b>	Mediterranean Action Plan
<b>MDG</b>	Millennium Development Goals
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NAP</b>	National Action Plan
<b>NF</b>	Network Facility
<b>NFP Associations</b>	Not for Profit Associations
<b>NGO</b>	Non-Government Organisation
<b>NIF</b>	Neighbourhood Investment Facility
<b>NSA - LA</b>	Non State Actors and Local Authorities
<b>PAGE</b>	Partnership for Action on Green Economy
<b>PCM</b>	Project Cycle Management
<b>PEI</b>	UNDP-UNEP Poverty Environment Initiative
<b>PI</b>	European Commission Partnership Instrument
<b>PIDG</b>	Private Infrastructure Development Group
<b>PIF</b>	Pacific Investment Facility
<b>PROPARCO</b>	French Development Financial Institution
<b>PSD</b>	Private Sector Development
<b>R20</b>	A global coalition of partners led by regional governments that work to promote and implement projects that are designed to produce local economic and environmental benefits
<b>RECP</b>	Resource Efficient and Cleaner Production Programme
<b>REDD+</b>	Reducing Emissions from Deforestation and Forest Degradation
<b>REEDTE</b>	Promoting Resource Efficiency and Eco-innovation in Developing and Transition Economies– “the eco-innovation project
<b>Rio+20</b>	United Nations Conference on Sustainable Development
<b>ROM</b>	Results Oriented Monitoring
<b>RPSC</b>	Regional Policy Support Component
<b>S2G Facility</b>	SWITCH to Green Facility
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SADC</b>	Southern African Development Community
<b>SCP</b>	Sustainable Consumption and Production
<b>SCP/RAC</b>	Centre for Sustainable Consumption and Production
<b>SDG</b>	Sustainable Development Goals

<b>SE4All</b>	Sustainable Energy for All initiative
<b>SEED</b>	Sustainable Development in Africa
<b>SEZ</b>	Special Economic Zone
<b>SFP</b>	Stakeholder Focal Point
<b>SME</b>	Small and Medium Size (enterprises)
<b>SPPEL</b>	Sustainable Public Procurement and Eco-labelling
<b>TEEB</b>	The Economics of Ecosystems and Biodiversity
<b>TEST</b>	Transfer of Environmentally Sound Technology for Inclusive and Sustainable Industrial Development
<b>UNDESA</b>	United Nations Department of Economics and Social Affairs
<b>UNDP</b>	United Nations Development Programme
<b>UNEA</b>	United Nations Environment Assembly
<b>UNEP</b>	United Nations Environmental Programme
<b>UNEP FI</b>	UNEP Finance Initiative
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>UNOPS</b>	United Nations Office for Project Services
<b>USD</b>	United States Dollar

## 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-Asia<sup>1</sup>, SWITCH Africa Green<sup>2</sup> and SwitchMed<sup>3</sup>) 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'*"<sup>4</sup> 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 instruments<sup>5</sup>.

#### 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 Development<sup>6</sup> and its 17 Sustainable Development Goals (SDGs) respond to the need to take international

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<sup>1</sup> <http://www.switch-asia.eu/>

<sup>2</sup> <http://www.switchafricagreen.org>

<sup>3</sup> <http://www.switchmed.eu/en>

<sup>4</sup> 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>

<sup>5</sup> [https://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending\\_en](https://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en)

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

action. Transforming economies is imperative to successfully meet the Agenda, which targets the need to decouple economic growth from environmental degradation.

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”<sup>7</sup> and in the new European Consensus on Development<sup>8</sup>.

## 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 criteria<sup>9</sup> 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)<sup>10</sup>, the new European Consensus on Development<sup>11</sup> and the Global Public Goods and Challenges 2014-2020 Multi-Annual Indicative Programme (GPGC)<sup>12</sup>.

*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

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<sup>7</sup> 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>

<sup>8</sup> 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](https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en)

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

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

<sup>11</sup> Ibid.

<sup>12</sup> [https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Global\\_Public\\_Goods\\_and\\_Challenges\\_programme](https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Global_Public_Goods_and_Challenges_programme)

the SWITCH-Asia programme managed by UNEP were based on a comprehensive needs assessment carried out<sup>13</sup> 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.

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<sup>13</sup> 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.

## MAIN REPORT

# 1 INTRODUCTION TO THE EVALUATION

## 1.1 Background

1. Over the last few decades the environmental crisis has accelerated, and over time, economic and human development will regress without sufficient actions taken globally. The 2030 Agenda for Sustainable Development, which provides a broad international framework for sustainable development includes a dedicated Sustainable Development Goal on SCP (SDG 12) and 16 other SDGs, most of which are directly, or indirectly linked to the inclusive Green Economy.
2. As stated in the Terms of Reference (see Appendix 1), EU development policy provides a clear mandate for EU international cooperation on the Green Economy in partner countries, to address environmental problems, but also to achieve economic growth and create jobs. The new EU Consensus on Development<sup>14</sup>, which aligns the Union's development policy with the 2030 Agenda, foresees further EU action on the green -and circular- economy.
3. The European Commission, EU Member States and development partners, such as development banks in the EU have much relevant experience and expertise to support partner countries' actions to green their economies. Cooperation on the Green Economy and SCP is a specific area of EU intervention in partner countries (e.g. through the development of enabling frameworks and support to green businesses), incorporating many aspects of development, such as, trade cooperation, agriculture, energy, climate change and private sector development.
4. A proper assessment of EU past and ongoing cooperation on SCP and the Inclusive Green Economy has been commissioned by the European Commission, with a focus on EU SCP programmes and constructive recommendations on future interventions. The evaluation was carried out between September 2016 and September 2017. It will guide future planning and implementation of international cooperation on SCP, including the development of the SWITCH to Green flagship initiative<sup>15</sup>, as announced in the Global Public Goods and Challenges (GPGC) Programme<sup>16</sup> and in the Commission Communication on the role of the private sector in achieving inclusive and sustainable growth in developing countries<sup>17</sup>.
5. The main ongoing initiatives on SCP and green economy to which the EU financially contributes to include:
  - SCP focused initiatives (including the SWITCH regional programmes in Asia<sup>18</sup>, the Mediterranean<sup>19</sup> and Africa<sup>20</sup>, as well as support to the 10 Year Framework Programme on SCP<sup>21</sup>)
  - “Dedicated” Green Economy initiatives (including the Partnership for Action on Green Economy<sup>22</sup> (PAGE) and the Green Economy Coalition<sup>23</sup> (GEC), as well as projects under the resource efficiency and green economy priority of the EU-UNEP Strategic Cooperation Agreement.

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<sup>14</sup> 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

<sup>15</sup> <http://www.switchtogreen.eu/>

<sup>16</sup> [https://ec.europa.eu/europeaid/sites/devco/files/mip-global-public-goods-and-challenges-2014-2020-c20145072\\_en\\_0.pdf](https://ec.europa.eu/europeaid/sites/devco/files/mip-global-public-goods-and-challenges-2014-2020-c20145072_en_0.pdf)

<sup>17</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52014DC0263&qid=1400681732387&from=EN>

<sup>18</sup> <http://www.switch-asia.eu/>

<sup>19</sup> <http://www.switchmed.eu/>

<sup>20</sup> <http://www.switchafricagreen.org/>

<sup>21</sup> <http://www.unep.org/10yfp>

<sup>22</sup> <http://www.un-page.org/>

<sup>23</sup> <http://www.greenecommycoalition.org/>

- Complementary Green Economy Initiatives, that do not aim to support SCP exclusively, but whose objectives, approaches and tools make them relevant to EU objectives on the Green Economy and on SCP. These include actions in various areas of EU cooperation, such as environment related sectors, climate change or private sector development.

## 1.2 Purpose and Objectives

6. The generic purpose of the evaluation is:
- 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 learned and to produce recommendations to improve current initiatives and inform future choices on the formulation and implementation of international cooperation actions on the Green Economy and SCP.
7. The TOR states that "particular attention will be given to the impact of EU cooperation on SCP (e.g. number of jobs created, savings and income generated by SMEs, reduction in resources consumption...), which has been less documented in relevant project descriptions / evaluations to date. The evaluation will present Case Studies of selected projects and best practices to showcase impact as well as challenges faced. The evaluation takes into account the fact that many EU funded SCP projects are pilot / demonstration projects meant to support the scaling-up of regional SCP practices and tools, with a focus on long-term impact, including capacity development, as well as direct immediate impact". The approach is **distinctly forward looking** and provides recommendations for future international cooperation actions. Particular attention has been given to emerging issues identified in the context of EU policies and ongoing projects, including aspects such as decent and green job creation, green SMEs access to finance, and eco-entrepreneurship.

## 1.3 Scope

8. The scope of the evaluation is depicted in the table below:

**Table 1: Scope**

<b>Programme Focus</b>	<ul style="list-style-type: none"> <li>• SWITCH-Asia</li> <li>• SwitchMed</li> <li>• SWITCH Africa Green</li> <li>• EU support to the 10 YFP</li> <li>• Other EU initiatives contributing to the Green Economy are not the main focus of the evaluation, as stated in the TOR; however, for comparative purposes, and for the analysis of the integration of EU support on SCP to the broader EU cooperation on the Green Economy, these other initiatives have been taken into account in the evaluation</li> </ul>
<b>Temporal</b>	<ul style="list-style-type: none"> <li>• From the start of the implementation phase of SWITCH programmes, i.e. since 2008 (launching of the first SWITCH programme in Asia) until now</li> </ul>
<b>Thematic</b>	<ul style="list-style-type: none"> <li>• All areas of support covered by the above programmes, in particular policy development, private sector capacity building, and awareness raising;</li> <li>• All practices covered by the above programmes, including resource efficiency, eco-labelling, industrial symbiosis, improved product design etc.</li> <li>• All economic sectors covered by the above programmes, including sustainable tourism, waste management and recycling, agri-business industries, chemicals, textiles etc.</li> </ul>
<b>Geographical</b>	<ul style="list-style-type: none"> <li>• All countries covered by the SWITCH Programmes and the 10 YFP</li> <li>• Particular attention was given to actions at country level, in particular through field visits</li> <li>• Conclusions drawn with respect to partner countries</li> </ul>

## 1.4 The Report

9. The Final Report (Main Report) is comprised of:
- **Executive summary:** Main findings, conclusions and recommendations

- **Section 1: Introduction to the Evaluation:** Background, purpose and objectives, scope and report content
- **Section 2: Evaluation Methodology:** Approach, definition of the Green Economy, the drivers of change, the categorisation of EU Green Economy initiatives and evaluation criteria, and the methodology for the four core EU funded SCP programmes
- **Section 3: EU international cooperation on SCP:** International context - SDGs, relevant international political commitments, etc.
- **Section 4: Answers to the Evaluation Questions:** Relevance, Effectiveness, Efficiency, Impact, Coherence / complementarity, Sustainability, EU added value
- **Section 5: Conclusions and Recommendations**

The Main Report is supported by Appendixes 1 to 9, as listed in the Contents page above. Additional, detailed analysis on the SWITCH regional programmes and on EU support to the 10 YFP was prepared during the assignment, as a basis to draw the conclusions presented in the Main report.

## **2 EVALUATION METHODOLOGY**

### **2.1 Approach**

10. The evaluation is complex and takes a wider scope. The approach takes into account EU evaluation guidelines<sup>24</sup>, the provisions of the Terms of Reference (see Appendix 1), DG DEVCO development policy and its provisions on the Green Economy, and relevant programming documents, such as the GPGC<sup>25</sup> 2014-2017 Multi-Annual Indicative Programme.

### **2.2 Definition of the Green Economy**

11. A more precise definition of the Green Economy assists in evaluating how the EU Green Economy interventions contribute to the objectives of EU policy, recognizing that all “environmental” actions have an economic value. In this regard, the Communication "Agenda for Change"<sup>26</sup> provides specific elements of the definition of Green Economy in the context of development cooperation, stating that “EU development policy should promote a ‘green economy’ that can generate growth, create jobs and help reduce poverty”. It also indicates the pathway to an inclusive green economy, as one based on “valuing and investing in natural capital including through supporting market opportunities for cleaner technologies, energy and resource efficiency, low-carbon development while stimulating innovation, the use of information and communication technologies, and reducing unsustainable use of natural resources”, as well as contributing “to improving the resilience of developing countries to the consequences of climate change”.
12. Thus, a distinguishing feature of more recent Green Economy definitions is the valuation of natural capital and ecological services, which is embodied in Environmental full-cost accounting (EFCA)<sup>27</sup>; and a recognition that sustainable production consists of two parts, which are resource efficiency (energy, water and materials) and sustainable production of energy and clean water. The broader conceptualization of the Green Economy and the linkages between environmental aims and the economy, and the role of the private sector in the Green Economy, has received increased attention more recently. An important implication of the Green Economy concept is the better understanding of the economic importance of environmentally sustainable practices, which should not only be seen as reversing negative environmental trends, but also driving future growth and jobs. The Consultant has classified the components of the Green Economy in relation to these elements (as shown at Section 5.1.2.1).

### **2.3 The Drivers of Change**

13. The evaluation methodology takes into account the main drivers of change that motivate and lead to actions taken on SCP and the Green Economy, and which differ by country. The consultant identifies these drivers as: i) a proper understanding by governments and stakeholders of the need to address environmental issues; ii) an enabling policy framework, iii) recognition of economic and financial opportunities by the private and public sectors, such as viable green businesses with lower costs of production and increased revenue and expanded markets, either internally, or from increased opportunities in trade; improved access to capital on reasonable terms for investment in SCP/ Green Economy initiatives; increasing the number of green jobs; opportunities for government agencies to take up green procurement through financial incentives, such as lower costs of products and services;

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<sup>24</sup> Systematic and timely evaluation of EU funded programme evaluations is an EC priority, incorporating activities, instruments, legislation and non-spending activities in order to demonstrate accountability and to promote lesson learned to improve policy and practice.

<sup>25</sup> Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020.

<sup>26</sup> [https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en)

<sup>27</sup> Estimates direct costs and allocates indirect costs by collecting and presenting information about the possible environmental, social and economic costs and benefits (the “triple bottom line”) and advantages for each proposed alternative.

and iv) increased market opportunities arising from increasing consumer awareness and education on the benefits of a Green Economy / SCP leading to increased demand for green products and services.

## 2.4 Categorisation of EU Green Economy Initiatives and Evaluation Criteria

14. The EU portfolio of SCP and Green Economy initiatives has been categorized into three main groups, for the purpose of the evaluation, to align with the methodology and provisions of the ToR.

**Table 2: Groups of EU funded Green Economy Initiatives taken into account and Evaluation Criteria**

**Group 1: The Four EU funded Core Regional SCP programmes: (SWITCH-Asia, SWITCH Africa Green, and SwitchMed and the UNEP managed Secretariat of the 10YFP):** These programmes have been evaluated according to the **7 evaluation criteria** stipulated in the ToR: Relevance, Effectiveness, Efficiency, Impact, Coherence/ Complementarity, Sustainability and EU Added Value (See Appendix 5 for definitions). The SWITCH regional programmes each have three components, which are policy, green business development, and networking. Each component, within each programme, has been evaluated according to the seven evaluation criteria.

**Group 2: “Dedicated” Green Economy Initiatives:** These include other Green Economy related interventions suggested in the ToR, including those under the Green Economy Priority of EU-UNEP Strategic Cooperation. These initiatives are evaluated through the provision of programme/project profiles and through **two criteria only** (Coherence/ Complementarity and EU added value) as agreed with DEVCO.

**Group 3: Complementary Green Economy Interventions:** The evaluation considers complementary initiatives in other sectors (e.g. climate change, biodiversity, energy, water, private sector development) contributing to the Green Economy, including through the EU investment facilities. As with Group 2, these initiatives are evaluated through the provision of programme/ project profiles and through **two criteria only** (Coherence/ Complementarity and EU added value) as agreed with DEVCO.

15. To provide a broader perspective of EU International Cooperation on the Green Economy and SCP, examples of interventions of other actors, such as UN agencies and the World Bank Group are given. They illustrate that international cooperation, in the true sense of the word, includes establishing complementarities, areas for collaboration and synergies, and avoiding overlaps, through global knowledge and collaboration.

## 2.5 Methodology for the Four Core EU Funded SCP programmes

16. The methodology used for the more detailed evaluation of the three core EU funded SCP programmes and the 10YFP, according to the seven evaluation criteria, appears at Appendixes 3 and 4.

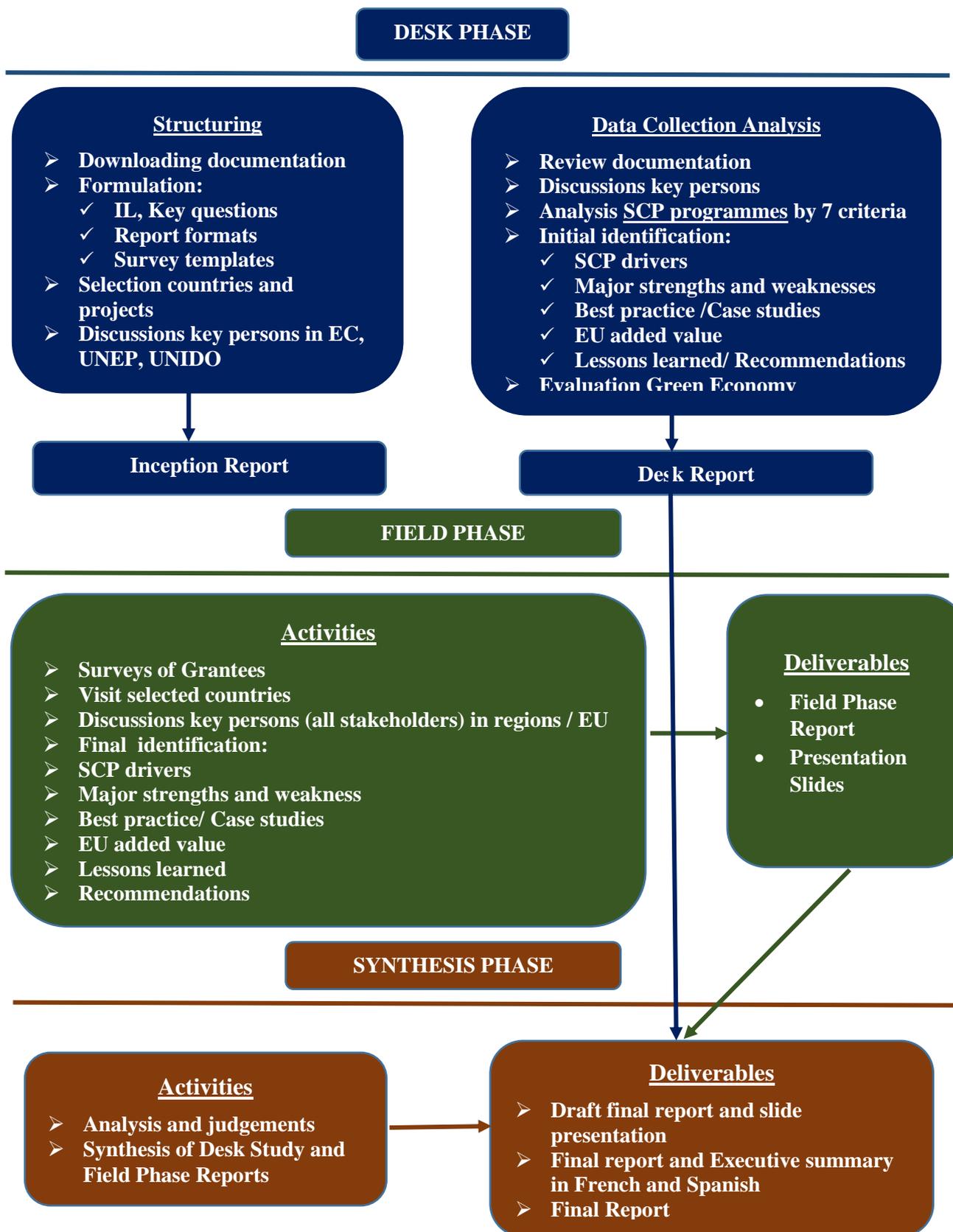
### 2.5.1 Main Activities

17. Main activities included: i) a Desk Study, including a review of documentation and interviews with EU and UN personnel, ii) field visits to 6 countries (Asia: China, Nepal, and Thailand; Africa: Uganda and Kenya; Mediterranean: Morocco) including interviews with key stakeholders (government agencies, implementing agencies (Delegations, EU and UN), Grantees, Non State Actors, the private sector, business intermediaries, National Contact Focal Points, other international organisations e.g. UNEP and UNIDO; and iii) surveys of Grantees and EU Delegations. The evaluation phases, tasks and deliverables are shown in the table below, and depicted graphically in Figure 1 overleaf.

**Table 3: Evaluation Phases and Deliverables**

<b>Evaluation phases</b>	<b>Stages</b>	<b>Tasks/ Methodology</b>	<b>Deliverables</b>
<b>1. <u>Desk phase</u></b>	<ul style="list-style-type: none"> <li>• Inception: Structuring of the evaluation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Downloading documentation</li> <li>➤ Formulation of Intervention Logic, Key questions</li> <li>➤ Formulation Report formats</li> <li>➤ Formulation survey templates</li> <li>➤ Selection countries and projects</li> <li>➤ Discussions key persons in EC, UNEP, UNIDO</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inception report</li> </ul>
	<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Analysis</li> </ul>	<ul style="list-style-type: none"> <li>➤ Review documentation</li> <li>➤ Discussions key persons</li> <li>➤ Analysis of SCP programmes by 7 criteria</li> <li>➤ Initial identification of SCP drivers, major strengths and weakness, best practice, case studies, EU added value, lessons learned, recommendations</li> <li>➤ Evaluation green economy programmes</li> </ul>	<ul style="list-style-type: none"> <li>➤ Desk report</li> </ul>
<b>2. <u>Field phase</u></b>	<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Verification of the hypotheses</li> </ul>	<ul style="list-style-type: none"> <li>➤ A survey of Grantees</li> <li>➤ Visit selected countries</li> <li>➤ Discussions key persons all stakeholders in regions and EU</li> <li>➤ Interviews with Grantees and analysis of projects</li> <li>➤ Final identification of SCP drivers, major strengths and weakness, best practice, case studies, EU added value, lessons learned, recommendations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Evaluation notes (Field phase report) and slide presentation</li> </ul>
<b>3. <u>Synthesis phase</u></b>	<ul style="list-style-type: none"> <li>• Analysis</li> <li>• Judgements</li> </ul>	<ul style="list-style-type: none"> <li>➤ Analysis and judgements</li> <li>➤ Synthesis of Desk Study Report and Field Phase Report</li> </ul>	<ul style="list-style-type: none"> <li>➤ Draft final report and slide presentation</li> <li>➤ Final report and Executive Summary</li> </ul>

**Figure 1: Evaluation Phases, Tasks, Deliverables**



## 2.5.2 Intervention Logic (IL), Questions, Judgement Criteria (JC), and Indicators

18. The Hypothesis of the IL for the evaluation assumes that the EU investments made on SCP and Green Economy interventions (finance and other resources) will result in activities that result in positive returns on the investments in terms of outputs, outcomes and impact. These, in turn, will contribute to EU and global policy objectives and the internationally agreed SDGs, in particular SDG 12 and other related SDGs. The IL for EU interventions is presented at Appendix 3. The key questions and judgement criteria are shown in the table below.

**Table 4: Key Questions and Judgement Criteria per Criteria**

Criteria	EQ	JC
<b>Relevance</b>	EQ 1: To what extent is the intervention still relevant?	<ul style="list-style-type: none"> <li>• Relevance of programmes to SCP / Green Economy strategies and policies</li> <li>• Relevance of programmes to needs and constraints of stakeholders, particularly MSMEs</li> <li>• Extent to which the drivers of change are addressed</li> </ul>
<b>Effectiveness</b>	EQ 2: To what extent have the SCP objectives and results been achieved?	<ul style="list-style-type: none"> <li>• Extent to which SCP policies have been formulated and implemented</li> <li>• Extent to which SCP technologies have been taken up by stakeholders, particularly MSMEs</li> <li>• Extent of support to transitioning to the Green Economy</li> <li>• Extent of effectiveness of network contributions to EU and global SCP Agendas</li> </ul>
<b>Efficiency</b>	EQ 3: How efficient and cost effective has the intervention been?	<ul style="list-style-type: none"> <li>• Justification of costs in relation to benefits achieved</li> <li>• Factors influencing efficiency</li> </ul>
<b>Impact</b>	EQ 4: What is the long term policy, technical and networking impact of the intervention on the EU and global SCP and Green Economy Agendas?	<ul style="list-style-type: none"> <li>• Extent of support to EU, international, regional, country SCP policies</li> <li>• Extent of adoption of sustainable SCP practices by stakeholders, particularly MSMEs</li> <li>• Extent of identification of drivers for change</li> <li>• Extent of contribution to the Green Economy</li> </ul>
<b>Coherence/ complementarity</b>	EQ 5: To what extent is the intervention coherent internally? EQ 6: To what extent is the intervention complementary to other SCP and Green Economy interventions	<ul style="list-style-type: none"> <li>• Extent of internal coherence</li> <li>• Extent of complementarity, synergies with other EU, international SCP and Green Economy programmes</li> <li>• Barriers to coherence and complementarity</li> </ul>
<b>Sustainability</b>	EQ 7: How likely is policy, technical, financial, institutional sustainability? EQ 8: How likely is it that there will be a continuation of long-term benefits after assistance has been completed?	<ul style="list-style-type: none"> <li>• Effectiveness of sustainability mechanisms taking into account the evolving policy and institutional framework and general socio-economic conditions</li> <li>• Risks to net benefit flows over time</li> </ul>

<p><b>EU added value</b></p>	<p>EQ 9: What is the added value resulting from the EU support/intervention(s), compared to what would have been achieved by national and other external agencies?</p>	<ul style="list-style-type: none"> <li>• Identified added value in relation to policy, technical and networking impacts without the EU intervention</li> <li>• Extent to which the issues addressed by the intervention continue to require action at EU level</li> <li>• Likely consequences of stopping or withdrawing the existing EU intervention</li> </ul>
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## 2.6 Data Sources

19. A comprehensive review of documents was carried out (see Appendix 6 and references in the text) including, among others:
- International development policies and agreements: 2030 Agenda for Sustainable Development<sup>28</sup> and the Sustainable Development Goals (SDGs), UNIDO and European Union Cooperation 2005 – 2015 – a partnership for inclusive and sustainable industrial development, UNEP/UNIDO Cooperation with the EU: Fruitful cooperation in more than 100 countries around the world<sup>29</sup>, Uncovering Pathways towards an Inclusive Green Economy<sup>30</sup>, etc.
  - EU development policy: COM (2011) 637 "Increasing the impact of EU Development Policy: an Agenda for Change"<sup>31</sup>, DEVCO (2014) A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries - COM(2014) 263 final.<sup>32</sup>, The new EU Consensus on Development<sup>33</sup>, Blending instruments and programme documents<sup>34</sup> and related links for LAIF, AIF, IFCA, AfIF, ITF, CIF, IFP, and thematic initiatives (ElectriFI, AgriFI and Climate Finance Initiative) etc.
  - Regional SCP programmes: SWITCH-Asia<sup>35</sup> etc., The Strategy Paper for Asia 2007-2013<sup>36</sup>, SWITCH Africa Green<sup>37</sup>, The African 10 Year Framework Programme (10YFP) on Sustainable Consumption and Production<sup>38</sup>, Kenya Green Economy Strategy and Implementation Plan (GESIP), May 2015<sup>39</sup>, SwitchMed website<sup>40</sup>, SwitchMed Annual progress reports for all components for years 2013, 2014, 2015 and partial progress of 2016 etc.
20. A large number of EU and UN agency personnel were interviewed, and a wide range of stakeholders was interviewed in countries visited during the Field Phase (Appendix 7), including:

<sup>28</sup> <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>29</sup> [http://www.unido.org/fileadmin/user\\_media\\_upgrade/Worldwide/Offices/LIAISON OFFICES/EU UNIDO 2005-2015.pdf](http://www.unido.org/fileadmin/user_media_upgrade/Worldwide/Offices/LIAISON_OFFICES/EU_UNIDO_2005-2015.pdf)

<sup>30</sup> [http://web.unep.org/greeneconomy/sites/unep.org/greeneconomy/files/ige\\_narrative\\_summary.pdf](http://web.unep.org/greeneconomy/sites/unep.org/greeneconomy/files/ige_narrative_summary.pdf)

<sup>31</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52011DC0637&qid=1412922281378&from=EN>

<sup>32</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52014DC0263&qid=1400681732387&from=EN>

<sup>33</sup> [http://www.consilium.europa.eu/en/press/press-releases/2017/06/07-european-consensus-development/;](http://www.consilium.europa.eu/en/press/press-releases/2017/06/07-european-consensus-development/)  
[https://ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/european-consensus-development_en)

<sup>34</sup> [http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending\\_en](http://ec.europa.eu/europeaid/policies/innovative-financial-instruments-blending_en)

<sup>35</sup> <http://www.switch-asia.eu/>

<sup>36</sup> European Commission, Regional Programming For Asia(\*) Strategy Document 2007-2013

<sup>37</sup> <http://www.switchafricagreen.org/J>

<sup>38</sup> [http://www.unep.org/roa/docs/pdf/Africa\\_10YFP\\_March05.pdf](http://www.unep.org/roa/docs/pdf/Africa_10YFP_March05.pdf)

<sup>39</sup> <http://www.environment.go.ke/wp-content/uploads/2015/05/Kenya-Green-Economy-Strategy-and-Implementation-Plan-GESIP-.pdf>

<sup>40</sup> <http://www.switchmed.eu/en>

- Key persons in DEVCO (such as regional SWITCH programme managers), UNEP, UNIDO personnel associated with work on the Green Economy, staff of the SWITCH to Green Facility funded by the EC etc.
- Key stakeholders in the six countries visited, including EU Delegation staff, National Contact Focus Points for the regional SCP programmes, UN agencies and other development agencies staff, Ministries of Environment and other government agencies such as Ministries of Commerce and Industry, collaborating Centres on SCP, Chambers of Commerce and Trade Associations, staff of applicants and partners implementing projects funded by the regional SCP programmes (for example 11 in Asia), and beneficiary SMEs interviewed individually or in group forums

## 2.7 Reflections on the Methodology

21. Key Issues were:

- **Availability of data and information:** In general, data available on effectiveness, economic impact, complementarity and synergies, and EU added value, was limited and monitoring and evaluation systems require strengthening. There was more data available for the SWITCH-Asia programme than for SWITCH Africa Green and SwitchMed, partly due to the fact that SWITCH-Asia has a longer history of implementation, and partly due to the activities of the Network Facility activity that compiles Project Impact Sheets, which is not the case for the other SCP programmes.
- **The generic purpose of the evaluation is:** i) to provide an independent assessment of EU international cooperation on the Green Economy, with a focus on Sustainable Consumption and Production (SCP); and ii) to identify key lessons and produce recommendations to improve current and inform future choices on the formulation and implementation of international cooperation actions on the Green Economy and SCP. The objectives thus embrace both the wider Green Economy and SCP. A related challenge was to implement a work programme within the limited resources that combined, in part, a review of the above-mentioned SWITCH to Green programme components, and in particular the learning to be distilled, with a wider-ranging and forward-looking **study dimension**.

22. **The TOR specified the EU interventions** to be evaluated, which are all funded by the **European Commission**, but excluded programmes and projects designed and implemented by **EU Delegations**. Strictly speaking, in order to carry out a full evaluation of the coherence, complementarity, synergies and avoidance of overlap of EU funded SCP and Green Economy interventions it would also be necessary to take into account numerous Green Economy initiatives undertaken by other EU actors, including EU Member States, the EIB, the EBRD, other EU development banks, NGOs, the private sector and also many international organisations, which were not required to be assessed under the ToR of this evaluation. However, these actions are covered briefly under Section four, in order to give some indication of the scope of other interventions. A fuller analysis of complementarities, synergies and the avoidance of overlap should be undertaken in due course in subsequent evaluations to provide a full picture of EU and international actions on the Green Economy covering the globe.

23. **The resources available** to the consultant included 150 person days. This was barely sufficient for the in-depth evaluation of the three core Switch SCP programmes and the 10YFP. The “taking account” of other EU supported programmes contributing to the Green Economy in complementary sectors (e.g. environmental, energy, water) was undertaken with person days that were not provided for.

### 3 CURRENT EU INTERNATIONAL COOPERATION ON SCP AND THE GREEN ECONOMY

#### 3.1 The Broader Context

##### 3.1.1 Global Agenda

24. There have been major improvements over the last few years to the international policy context for the environment and for sustainable economic growth. Despite concerns at recent negative actions by the current United States administration, the positive “enabling environment” for environmental and Green Economy actions at the global level has changed dramatically for the better. This has resulted in a renewal of hope for global progress and added to the momentum for change.

The Paris agreement on climate change, the first-ever universal, legally binding global climate deal<sup>41</sup>, has been adopted by 195 countries in November 2016. The agreement opens a new chapter in the journey of tackling climate change and is expected to trigger actions that drive the development and diffusion of clean technologies. In addition, the 2030 Agenda for Sustainable Development<sup>42</sup> and its 17 Sustainable Development Goals (SDGs), was adopted in September 2015, and provides an overarching environmental framework for responding to, protecting, and enhancing the natural assets of countries, both marine and terrestrial, environmental degradation, air pollution, climate change and sustainable consumption and production. The 2030 Agenda also recognizes **international trade** and investment as a key component for increasing market demand for green products.

25. The 2030 Agenda for Sustainable Development provides the overarching framework for EU international cooperation and development programmes. Some SDGs are directly linked to the achievement of an inclusive green economy, such as:

- SDG 8 – Promote inclusive and sustainable economic growth, employment and decent work for all, with its 11 specific targets, of which target 8.4 is particularly pertinent to the role of SCP in contributing to the Green Economy “Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead”
- SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- SDG 12 - Ensure sustainable consumption and production patterns (SCP), which is the main tool to ensure resource efficient manufacturing and consumption along global value chains
- Other SDGs, although indirectly related, emphasize environmental sustainability, at least through some of their targets, and contribute to the promotion of a Green Economy in the programming of actions targeting a wide number of focal sectors prioritized in EU development cooperation programmes

26. Other progressive international policy developments have assisted in moving the global Green Economy Agenda forward. For example, the outcome document of the OECD-organised 4th High Level Forum on Aid Effectiveness in Busan<sup>43</sup> focused on action to be taken to facilitate, leverage and

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<sup>41</sup> [https://ec.europa.eu/clima/policies/international/negotiations/paris\\_en](https://ec.europa.eu/clima/policies/international/negotiations/paris_en)

<sup>42</sup> Transforming our world: The 2030 Agenda for Sustainable Development. See also: <http://www.un.org/sustainabledevelopment/>

<sup>43</sup> In Busan, Korea, on the occasion of the Fourth High Level Forum on Aid Effectiveness: November- December 2011, over 3000 delegates met to review progress on implementing the principles of the Paris Declaration. They also discussed how to maintain the relevance of the aid effectiveness agenda in the context of the evolving development landscape.

strengthen the impact of diverse sources of finance to support sustainable and inclusive development, including aid for trade; the Climate Bonds Initiative<sup>44</sup>, an international, investor-focused not-for-profit organization, is working solely on mobilizing the \$100 trillion bond market for climate change solutions to promote investment in projects and assets necessary for a rapid transition to a low-carbon and climate resilient economy; and the World Bank Group and several regional development banks support the Green Economy through green financing schemes.

27. The European Commission, and UN Agencies (UNEP, UNIDO etc.) have worked together effectively for many years in the environmental field. The EU and UNEP entered into a more structured cooperation in 2004, through a Memorandum of Understanding (MoU), which was updated in 2014<sup>45</sup>. Strategic cooperation agreements were signed between UNEP and the Commission in 2011 and 2014 for over €75 million<sup>46</sup>. This cooperation is funded through the EU's thematic programme for environment and natural resources (2011-2013) and the Global Public Goods and Challenges (2014-2017) programme of the Development Cooperation Instrument (DCI). Regarding SCP in particular, the EU was deeply involved in the ground-breaking UN led SCP “Marrakech Process”<sup>47</sup>, that started in 2003, which gave impetus to the global SCP agenda. The Marrakech Process led to the formulation of the 10-year framework of programmes on SCP (10YFP)<sup>48</sup> and its adoption in 2012.
28. An important initiative supporting the global Green Economy agenda is the **Green Economy Initiative (GEI) of UNEP** launched in 2008<sup>49</sup>, consisting of global research and country-level assistance aimed at motivating policymakers to support environmental investments as a way of achieving sustainable development. The components of the initiative, some of which are financially supported by the EU, include Advisory Services; an Environment and Trade Hub; the Green Growth Knowledge Platform (GGKP); the Partnership for Action on Green Economy (PAGE); the Economics of Ecosystems and Biodiversity (TEEB); and the United Nations Environment Programme Finance Initiative (UNEP FI), which is continuously building its membership, and works closely with over 200 members, who have signed the UNEP FI Statement of Commitment. The UNEP Inquiry is intended to support Green Economy actions by identifying best practice, and exploring financial market policy and regulatory innovations that would support the development of a green financial system.

### 3.1.2 *Partner Countries Policy Context*

29. The rationale for EU SCP and Green Economy investments in partner countries is supported by a generally positive policy context, although this varies., and the benefits of green economic growth, as shown in many studies<sup>50</sup>.
30. Broader national policies on the environment and the Green Economy are well entrenched in many developing countries and this is a fast developing trend.

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The forum culminated in the signing of the Busan Partnership for Effective Development Co-operation by ministers of developed and developing nations, emerging economies, providers of South-South and triangular co-operation and civil society -marking a critical turning point in development co-operation.

<sup>44</sup> [www.climatebonds.net](http://www.climatebonds.net)

<sup>45</sup> [http://ec.europa.eu/environment/international\\_issues/pdf/com\\_unep\\_mou\\_final.pdf](http://ec.europa.eu/environment/international_issues/pdf/com_unep_mou_final.pdf)

<sup>46</sup> [http://ec.europa.eu/environment/international\\_issues/relations\\_un\\_en.htm](http://ec.europa.eu/environment/international_issues/relations_un_en.htm)

<sup>47</sup> The Johannesburg Plan of Implementation signed at the UN World Summit on Sustainable Development (WSSD) in 2002, called upon all governments to “change unsustainable patterns of consumption and production” to accelerate the shift towards sustainable consumption and production. The Plan called them to promote the development of a 10-year framework of programmes on SCP (10YFP).

<sup>48</sup> The Rio+20 Conference reaffirmed that Sustainable Consumption and Production is a cornerstone of sustainable development. The well-being of humanity, the environment, and the functioning of the economy, ultimately depend upon the responsible management of the planet’s natural resources.

<sup>49</sup> <http://web.unep.org/greeneconomy/what-inclusive-green-economy>

<sup>50</sup> <http://www.greengrowthknowledge.org/affiliated-program/green-growth-best-practices-initiative>

In **Sri Lanka** the enabling environment for SCP and Green Economy interventions has improved over the last decade. The Ministry of Environment developed a report on “National Strategy for Sustainable Development covering the period 2009-2013.” Subsequently the Presidential Secretariat developed an Action Plan (2009-2016), under which the government established a National Council for Sustainable Development (NCSA), chaired by the President with 22 ministers in charge of major economic development sectors serving as members.

**China** has committed to green growth in its 12th Five Year Plan. Actions include investing in natural resource management, with the aim of creating 1 million new forestry jobs and reducing rural poverty (OECD, 2013).

**South Africa** has committed to the transition to a sustainable Green Economy, through a number of framework policy instruments such as the National Development Plan 2030, the New Growth Path (NGP), the framework for economic policy and the National Strategy for Sustainable Development and Climate Change Response Policy, to facilitate the transition towards a Green Economy.

**Chile** launched the National Green Growth Strategy in December 2013 outlining a set of actions over the short, medium, and long term (2014-2022). Actions include implementing environmental management instruments, promoting the market for environmental goods and services, and monitoring and measuring progress (Government of Chile, 2013).

**Rwanda** released the Green Growth and Climate Resilience National Strategy for Climate Change and Low Carbon Development in October 2011. It aims to be a developed climate-resilient, low carbon economy by 2050, through the achievement of three key strategic objectives: energy security and a low carbon energy supply; sustainable land use and water resource management; and social protection and disaster risk reduction (Republic of Rwanda, 2011).

31. The role of sub-national governments has been acknowledged and promoted, for example through the Covenant of Mayors<sup>51</sup> as well as other municipal or regional networks, such as ICLEI<sup>52</sup> and the R20<sup>53</sup>, which have demonstrated the willingness and efficiency of local actors' involvement in the transformation of the economy. Significant opportunities also exist to improve policy frameworks through cooperation at regional and sub-national levels<sup>54</sup>.

### 3.1.3 *Economic Context*

32. Green economy delivers benefits arising from growth in environmentally friendly sectors and activities. This refers to new products and services as well as to growth in existing sectors, where environmentally friendly practices become more profitable, taking into account factors such as the development of new technologies, the anticipation or adoption of new regulations, and the changing preferences of consumers who become more aware of the environmental impact of the products they buy, whilst a comprehensive economic transformation may require difficult trade-offs and potentially costly or politically sensitive measures.
33. The scope and scale of green growth opportunities is illustrated by recent estimates of benefits by international organisations. In 2014, UNEP estimated that the global market in low-carbon and energy

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<sup>51</sup> The Covenant of Mayors constitutes a growing network of more than 6000 municipalities that commit to reduce energy use and GHG emissions. See <http://www.covenantofmayors.eu>

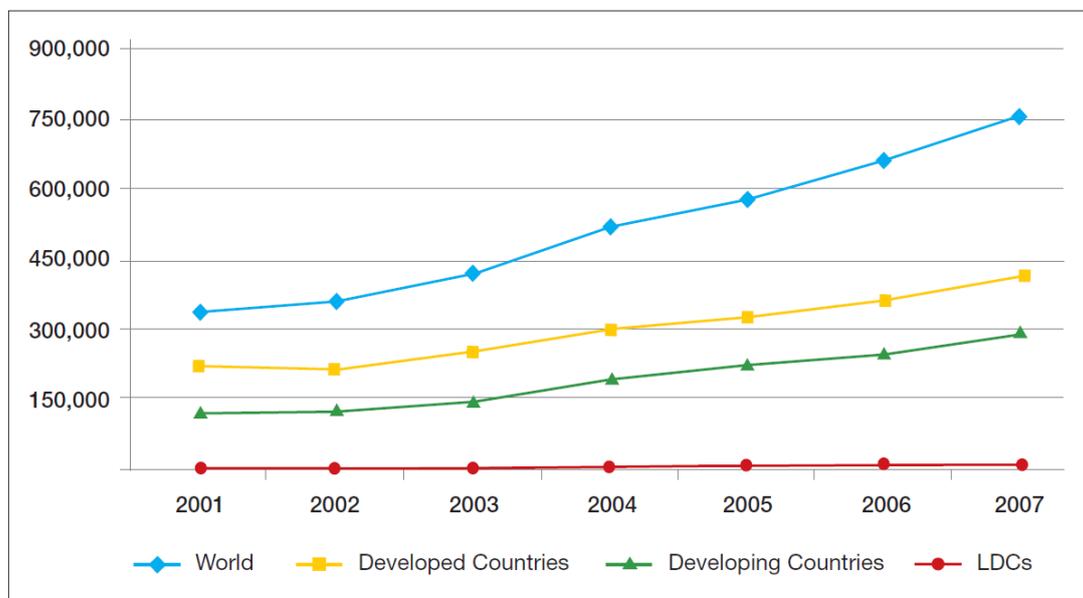
<sup>52</sup> ICLEI is a global network of cities committed to building a sustainable future. See <http://www.iclei.org/>

<sup>53</sup> R20 is a coalition of partners led by regional governments that work to promote and implement projects that are designed to produce local economic and environmental benefits. See <http://regions20.org/>

<sup>54</sup> EU Strategic Approach to International Cooperation on Green Economy: Seizing new opportunities to generate growth, create jobs, and help reduce poverty

efficient technologies will nearly triple to US\$ 2.2 trillion by 2020<sup>55,56</sup>. In a recent report<sup>57</sup> UNEP stresses that LDCs rely very much on natural capital assets, on which their green economies are often based, with a significant possibility for renewable energies in particular. The report states that, “while other countries face sizeable economic and social costs of “decarbonisation”, alongside costs linked with retiring inefficient fossil fuel-based technologies, LDCs can jump start the Green Economy transition by maintaining and expanding the sustainable practices that already exist”. The growth in environmental goods exports is growing fast.

**Graph 1: Growth of Environmental Goods Export, 2001-2007 - \$ million (UNEP 2013)**



34. In a study prepared by the EC in 2009, reference was made to the **EU eco-industry Environmental technology industries**<sup>58</sup>, which have seen rapid growth in recent years, to become one of the biggest sectors of the EU economy. Environmental technologies help measure, prevent and correct environmental damage to water, air and soil and solve problems such as waste, noise and damage to ecosystems. The eco-industry in the EU is mostly made up of small and medium sized businesses. Its annual turnover in 2008 of €319 billion represents about 2.5% of Europe’s Gross Domestic Product (GDP) and the study stated that “the market for environmental protection is a big opportunity for European firms. **The global market for eco-industries is currently around €1,000 billion per annum and this is expected to triple by 2030.** The EU is a **market leader** and holds roughly one third of the global market”.
35. Relatively few SMEs in the EU are doing business beyond Europe<sup>59</sup>. SMEs contribute 64% of environmental impact in the EU<sup>60</sup>. Regarding market opportunities outside of the EU an example of

<sup>55</sup> International Institute for Sustainable Development & United Nations Environment Programme. (2014). Trade and Green Economy: A Handbook. Published by the International Institute for Sustainable Development, Geneva. See <http://web.unep.org/sites/unep.org/greeneconomy/files/publications/Trade-GE-Handbook-FINAL-FULL-WEB.pdf>

<sup>56</sup> “Why a Green Economy Matters for the Least Developed Countries”

<sup>57</sup> See [http://www.unep.org/greeneconomy/Portals/88/documents/research\\_products/Why%20a%20GE%20Matters%20for%20LDCs-final.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/research_products/Why%20a%20GE%20Matters%20for%20LDCs-final.pdf)

<sup>58</sup> <http://ec.europa.eu/environment/enveco/studies.htm>

<sup>59</sup> Study on Support Services for SMEs in International Business - Final Report - Client: DG Enterprise and Industry: 2012 - Ecorys

<sup>60</sup> SMEs and the environment in the European Union. Report prepared in 2010 for the European Commission, DG Enterprise and Industry under the Competitiveness and Innovation Programme 2007-2013. Performing organisation(s):

potential for green products is that of ASEAN<sup>61</sup>. The ASEAN Plan of Action for Energy Cooperation (APAEC) 2010–2015, for example, has a target of raising the proportion of renewable energy used in the ASEAN region to 15 % by 2015.

36. The EU has policies that support increased trade for MSMEs and “green” trade between the EU and developing countries, such as “Aid for Trade”<sup>62</sup>, which is part of Official Development Aid (ODA) related to improving countries’ capacity to trade.

**Commission’s strategy in the Communication on ‘Small Business, Big World’<sup>63</sup>:** Objectives include “to provide SMEs with easily accessible and adequate information on how to expand their business outside the EU, improve the coherence of the activities and fill the gaps in the existing services”. One of the seven flagship initiatives of the Europe 2020 strategy is a strategy for smart, sustainable and inclusive growth, which mentions that at EU level, the Commission will work to promote the internationalisation of SMEs: **The EU communication on “Trade for all: Towards a more responsible trade and investment policy”<sup>64</sup>:** Underlines the importance of deepening relations between the EU and the Asia-Pacific region for economic growth within Europe and stresses that this is reflected in the European Union’s trade policy (it also recognises that Australia and New Zealand are a key part of this strategy and that widening and deepening trade with these partners can help to meet this goal)

37. There is a better understanding of the costs of inaction on environmental sustainability. The Asian Development Bank predicts that “climate change will slash up to 9 percent of the South Asian economy every year by the end of this century, if the world continues on its current fossil-fuel intensive path”<sup>65</sup>. In sectors relying on ecosystem services, like water supply or agriculture, initiatives such as the UN TEEB project have shown that measures protecting these services often deliver more economic benefits to society than those ignoring their full environmental impact and associated costs.

## 3.2 EU Policies on SCP

### 3.2.1 The EU Policy Framework for International Cooperation on the Green Economy

38. Against the backdrop of major global policy context and initiatives, increasingly it has been recognized that transforming economies is imperative to successfully **meet the EU** and global environmental and economic agenda, with balanced economic, social and environmental dimensions<sup>66</sup>. In the context of development cooperation specifically, policy initiatives setting the framework for EU international Green Economy initiatives include in particular the European Consensus on Development, which was updated in 2017<sup>67</sup>, and which aligns the EU’s development policy with the 2030 Agenda. The purpose of this Consensus is to “provide the framework for a common approach to development policy that will be applied by the EU and its Member States and guide the action of EU institutions and Member States in their cooperation with developing countries. The new Consensus reaffirms the importance of international cooperation on the green and circular economy, highlighting that “the EU and its Member

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Danish Technological Institute and PLANET S.A., Greece. Project organisation. Reference: Calogirou Constantinos, Stig Yding Sørensen, Peter Bjørn Larsen, Stella Alexopoulou et al. (2010)

<sup>61</sup> EU Business Avenues programme

<sup>62</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/development/aid-for-trade/>

<sup>63</sup> [http://europa.eu/rapid/press-release MEMO-11-765\\_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-11-765_en.htm?locale=en):<http://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A52011DC0702>

<sup>64</sup> COM/2015/0497: Trade for all: Towards a more responsible trade and investment policy

<sup>65</sup> Asian Development Bank, 2014: Assessing the costs of climate change and adaptation in South Asia

<sup>66</sup> Multiannual Indicative Programme for the Thematic Programme 'Global Public Goods and Challenges' for the period 2014-2020. C(2014)5072: <https://ec.europa.eu/europeaid/commission-implementing-decision-adopting-multiannual-indicative-programme-thematic-programme-global>

<sup>67</sup> Strasbourg, 22.11.2016 COM(2016) 740 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Proposal for a new European Consensus on Development Our World, our Dignity, our Future

States will promote resource efficiency and sustainable consumption and production, including the sustainable management of chemicals and waste, with a view to decoupling economic growth from environmental degradation and enabling the transition to a circular economy".

39. There has been a growing emphasis in EU policy formulation that recognizes that the Green Economy results in increased profitability from new products and services and growth in existing green growth sectors; including the development and adoption of new policies and regulations, new technologies, and changing consumption patterns of consumers, who switch to purchasing environmentally friendly products through education and awareness raising as well as the marketing of green products by private enterprise. It is also recognized by the EU that Green Economy benefits also include reduced environmental degradation, integrating ecosystems degradation and restoration costs in private sector and public sector economic modelling, and other "services of nature" including aspects such carbon storage estimated at USD 145 trillion<sup>68</sup>. The global cost of not negating climate change has been assessed at over \$ 4 trillion<sup>69</sup>.
40. Progressive developments on internal EU Green Economy policy and actions provides a firm foundation for international cooperation in developing countries. EU actions provide models for SCP and Green Economy policy formulation and transfer of technologies, supported by a wide body of knowledge and expertise across all aspects of SCP and the Green Economy.
41. The evolution of EU internal policies on economic growth is supported by the wealth of relevant experience of the EU to build on in order to support partner countries' actions to green their economies. The EU's domestic experience, including initiatives such as the Resource-efficient Europe roadmap<sup>70</sup>, the Green action plan for SMEs<sup>71</sup> or the Circular economy action plan<sup>72</sup>, offers opportunities for transfer of EU know-how, as well as potential synergies with international cooperation actions to generate mutual benefits. They also demonstrate EU's determination to shift towards a resource-efficient, low-carbon economy in order to achieve sustainable growth.

SCP and Green Economy policy and initiatives in the EU itself have increasingly recognized that the Green Economy has socio-economic benefits, incorporating actions that take advantage of the business case for action. For example, the benefits of linking economic growth with green production and consumption brings socio-economic benefits that are highlighted by a study on the circular economy<sup>73</sup> in the EU providing evidence that "a circular economy", enabled by the technology revolution, would allow Europe to achieve a 7 percent increase in GDP in comparison to the current development scenario<sup>74</sup> and it is estimated that by 2020, up to 20 million jobs in Green Economy sectors could be created in the EU<sup>75</sup>.

42. These policy initiatives contribute to guide EU's external action and also respond to the EU's objectives and commitments made in relevant international fora, including the three Rio Conventions. The EU is represented in high level policy forums, such as the G7. At the meeting of July 2016, the communique

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<sup>68</sup> Costanza & al. (2014): Changes in the global value of ecosystem services. *Global Environmental Change*, 26

<sup>69</sup> By the Economist magazine (2015). *The Cost of Inaction. Recognising the Value at Risk from Climate Change*.

<sup>70</sup> [http://ec.europa.eu/environment/resource\\_efficiency/about/roadmap/index\\_en.htm](http://ec.europa.eu/environment/resource_efficiency/about/roadmap/index_en.htm)

<sup>71</sup> [http://ec.europa.eu/growth/smes/business-friendly-environment/green-action-plan/index\\_en.htm](http://ec.europa.eu/growth/smes/business-friendly-environment/green-action-plan/index_en.htm)

<sup>72</sup> [http://ec.europa.eu/environment/circular-economy/index\\_en.htm](http://ec.europa.eu/environment/circular-economy/index_en.htm)

<sup>73</sup> DEVCO Paper: EU Strategic Approach to International Cooperation on Green Economy: Seizing new opportunities to generate growth, create jobs, and help reduce poverty

<sup>74</sup> Ellen MacArthur Foundation and the McKinsey Center for Business and Environment (2015). *Growth within:*

A circular economy vision for a competitive Europe. See <https://www.ellenmacarthurfoundation.org/publications/growth-within-a-circular-economy-vision-for-a-competitive-europe>

<sup>75</sup> European Commission Staff Working Document (2012) 92 final: Exploiting the employment potential of green growth

of the G7 highlighted SCP and the 10YFP, illustrates that the momentum that SCP has gathered in global policy forums.

43. **Further, the EU fully recognizes that the private sector should play a key role in driving the transformation to the green economy**, as underlined in the 2014 Communication from the Commission on the role of the private sector in international development<sup>76</sup>. Adopting environment-friendly business practices is already widespread, with many commercial and economic opportunities making such a process attractive to the private sector, including the rapid growth of the environmental goods and services global market, savings from resource efficient production processes, improved reputation, and increased security of supply chains resulting from the procurement of sustainably produced raw materials. The private sector is responding positively to this challenge, with relevant initiatives, including the development of standards and certification schemes, being important drivers of green economy transformation in many countries. Over the last decade, support by the Commission for private sector development has averaged EUR 350 million per year<sup>77</sup>.
44. The Communication from the Commission “A **Stronger Role of the Private Sector** in Achieving Inclusive and Sustainable Growth in Developing Countries”<sup>78</sup>, recognises the economic and social impact of private sector development, which can be substantial<sup>79</sup>. As a driver of inclusive growth and job creation, responsible for 84% of GDP and 90% of jobs in developing countries, the private sector is ideally placed to deliver on the promise of sustainable and socially inclusive economic development. The EU Global Public Goods and Challenges (GPGC)<sup>80</sup> 2014-2020 programming document has an emphasis on greening economies and **further involving the private sector** “... promote green economy that can generate growth, create jobs and help reduce poverty by valuing and investing in natural capital”.

### 3.2.2 *New and Emerging Policies and Themes*

45. The new EU Consensus on Development states that “the EU and its Member States will also contribute to scaling-up private and public investments in the low-emission, climate-resilient green economy”; and the Commission has been developing new tools for implementing private sector development objectives through the regional Blending Frameworks<sup>81, 82</sup>. These have been operational for some time. The principle of the mechanism is to combine EU grants with loans or equity from public and private financiers. Using blending as a tool for EU external cooperation offers various benefits to different stakeholders. Relevant findings from a recent DEVCO evaluation of the Blending Facility<sup>83</sup> indicate

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<sup>76</sup> COM(2014) 263 final: Communication from the Commission “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”

<sup>77</sup> [http://ec.europa.eu/europeaid/node/679\\_hr](http://ec.europa.eu/europeaid/node/679_hr)

<sup>78</sup> COM (2014) 263 final: Communication from the Commission “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”

<sup>79</sup> [http://ec.europa.eu/europeaid/sectors/economic-growth/private-sector-development\\_en](http://ec.europa.eu/europeaid/sectors/economic-growth/private-sector-development_en)

<sup>80</sup> Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020

<sup>81</sup> The EU implements blending operations through regionally or thematically focused financial instruments that support projects contributing to the fulfilment of EU and partner country strategic development goals. The EU blending facilities are organised in Blending Frameworks corresponding to the financing instruments providing funding in support of the Union’s external policies

<sup>82</sup> European Financial Institutions (EFI involved in blending include: KfW: German government-owned development bank; Spanish Cooperation Agency for International Development (AECID); French Development Agency (AFD); European Investment Bank (EIB); European bank for Reconstruction and Development (EBRD); Netherlands Development Finance Company (FMO); Netherlands Development Finance Company (PROPARCO); African Development Bank (AFDB); Private Infrastructure Development Group (PIDG); and the Luxembourg Development Agency (Lux-Dev).

<sup>83</sup> Evaluation of Blending: Final Report Volume I – Main Report. December 2016: ADE: Contract EVA 2011/Lot 1 Specific Contract N° 2014/352910/1

that, in the environmental field, energy is by far the biggest sector in which EU blending finance has been provided (35%), with water and sanitation also attracting significant support (20%). Blending projects target environmental objectives, include climate change mitigation, and to a lesser extent, adaptation.

46. The new European External Investment Plan (EIP) (Adopted June 2016<sup>84</sup>) targets the EU Neighbourhood and Africa. At the centre of the EIP lies the creation of a new European Fund for Sustainable Development (EFSD)<sup>85</sup>. It is comprised of regional investment platforms, which will combine financing from existing blending facilities<sup>86</sup> and the EFSD. It has a guarantee mechanism with resources stemming from the EU budget and the 11th European Development Fund<sup>87</sup>. Investments will target specific regions, countries or sectors through the establishment of “investment windows” by the Commission. The EIP also entails technical assistance to support micro, small and medium-sized enterprises in preparing bankable projects, to promote public and private dialogue and improve the regulatory and business environment in partner countries, as well as structured dialogue to support an enabling investment climate. In line with the new EU Consensus on Development which states that “the EU and its Member States will also contribute to scaling-up private and public investments in the low-emission, climate-resilient green economy”, the EIP is expected to scale up EU action on the Green Economy.

### 3.2.3 *The Aspirations set out in the GPGC Multi-Annual Indicative Programme 2014-2017, in the new Consensus on development and the Programme on Global Public Goods and in the Agenda for Change*

47. **The GPGC Multi Annual Indicative Programme 2014-2017** notes that “in the past a number of programmes have been implemented, without sufficiently exploiting inter-linkages with other programmes in complementary sectors at the programming stage. It also stresses the need for approaches that do not fit within the historically determined boundaries of the EU's regional programmes and for global action. Improved coherence between thematic programmes is also encouraged, particularly on emerging multidisciplinary issues... a more systematic exchange is needed between the thematic programmes and the relevant international cooperation activities of the research framework programme... reflecting the concept of Global Public Goods, the GPGC programme will seek to tackle key economic, social, environmental and climate change issues in an integrated and holistic way, which acknowledges the essential inter-dependency between them... the approach to programming will be unified in promoting synergy across different sectors and will also be sufficiently flexible to accommodate current important development processes. The EU will develop a set of multi-dimensional flagship programmes, which will address key GPGC issues with a view to avoiding fragmentation, ensuring high impact and highlighting and expressing EU key interest and policies... Flagship programmes will go beyond traditional stand-alone projects...” etc.

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<sup>84</sup> European Commission Brussels, 14.9.2016 COM(2016) 581 final: Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan

<sup>85</sup> Commission proposal for a Regulation of the European Parliament and of the Council on the European Fund for Sustainable Development (EFSD) and establishing the EFSD Guarantee and the EFSD Guarantee Fund, COM(2016) 586.

<sup>86</sup> For Africa, see Commission Decision (2015)5210 and for the Neighbourhood, Commission Implementing Decision (2016)3436.

<sup>87</sup> Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p. 1).

48. **Moreover the New Consensus on Development**<sup>88</sup> “for the first time, applies in its entirety to all European Union Institutions and all Member States, which commit to work more closely together. It fully integrates the economic, social and environmental dimensions of sustainable development and recognises the strong interlinkages between the different elements of such actions”.
49. A clear **description of the components of the Green Economy** is articulated in the **Agenda for Change**<sup>89</sup>. The linkages between environmental aims and the economy and the role of the private sector have been given prominence. “Development is not sustainable if it damages the environment, biodiversity and natural resources and increases the exposure/vulnerability to natural disasters. EU development policy should promote a ‘green economy’ that can generate growth, create jobs and help reduce poverty by valuing and investing in natural capital<sup>7</sup>, including through supporting market opportunities for cleaner technologies, energy and resource efficiency, low-carbon development while stimulating innovation, the use of ICT, and reducing unsustainable use of natural resources. It should also contribute to improving the resilience of developing countries to the consequences of climate change”.

### 3.3 EU Funded SCP and Green Economy Interventions

50. To address its development policy objectives on the environment and sustainable growth, the EU finances diverse SCP/Green Economy programmes through the European Commission, whilst projects involving SCP and the Green Economy have also been funded by other EU institutions such as the EIB and Member States. The evaluation is concerned with the evaluation of three main groups funded by the Commission.

#### 3.3.1 Group 1: The Four EU funded Core SCP programmes

51. The three switch regional programmes, SWITCH-Asia, SWITCH Africa Green and SwitchMed and the 10YFP, which has global reach, cover a large range of key economic sectors in developing countries, for example agri-business, garments, manufacturing, construction materials etc.; and SCP practices, including resource efficiency, eco-innovation, green products design, green products consumer demand, and green public procurement etc.
52. They all have three components, which are policy support, green business development and networking. In combination, they address the drivers of change. In relation to international goals they all clearly address SDG 12 (SCP) and have an impact on a number of other relevant SDGs. A particular characteristic of the EU funded regional SCP programmes is that they comprehensively address the participation of MSMEs in SCP and Green Economy practices.

##### 3.3.1.1 SWITCH-Asia

53. The programme has two phases of implementation, 2007 to 2013 and 2014 to 2020. The overall objective of the SWITCH-Asia II programme is to promote sustainable growth, contribute to economic prosperity and poverty reduction in Asia and to mitigate climate change impacts. The programme has 19 target countries: Afghanistan, Pakistan, Lao PDR, Nepal, Bhutan, Bangladesh, Sri Lanka, Myanmar, Maldives, Cambodia, Vietnam, the Philippines, China, India, Indonesia, Thailand, DPRK, Malaysia and Mongolia. The programme has three components:
- A Regional Policy component implemented by UNEP and managed by their office in Bangkok, Thailand, together with the UNEP Economy Division in Paris. National Policy components have been implemented in Malaysia, Indonesia, the Philippines, Thailand and Sri Lanka

<sup>88</sup> <http://www.consilium.europa.eu/en/press/press-releases/2017/06/07-joint-strategy-european-consensus-development/>

<sup>89</sup> Brussels, 13.10.2011 COM(2011) 637 final Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Increasing the impact of EU Development Policy: an Agenda for Change {SEC(2011) 1172 final} {SEC(2011) 1173 final}

- Green Business Projects, managed by DEVCO and the EU Delegations. A total of 105 projects has been approved including in all eligible countries, since 2008
- A Network Facility. The Facility is implemented by the GFA Consulting Group and the Collaborating Centre on Sustainable Consumption and production (CSCP), based in Wuppertal, Germany. The Network Facility started operations in 2008.

### 3.3.1.2 SWITCH Africa Green

54. The programme is currently in its first phase of implementation running from March 2014 to February 2017. The overall *objective* is to support six target countries (Burkina Faso, Ghana, Mauritius, Kenya, South Africa and Uganda) to achieve sustainable development, by engaging in the transition towards an inclusive Green Economy, based on sustainable consumption and production patterns, while at the same time generating growth, creating decent jobs and reducing poverty. The objective will be achieved primarily through support to private sector-led inclusive green growth.<sup>90</sup> This will support the development of green businesses and eco-entrepreneurship and use of SCP practices by having in place (i) Micro, Small and Medium Enterprises (MSMEs) and business service providers that are better equipped to seize opportunities for green business development, ii) better informed public and private consumers, and (iii) enabling conditions in the form of clear policies, sound regulatory frameworks, incentives structures, such as tax, and other fiscal and market-based instruments influencing key sector(s) in the 6 target African countries. UNEP implements three components, in cooperation with UNDP and UNOPS.<sup>91</sup>

- The Policy Support component addresses the specific needs of each pilot country, building on and scaling up activities to strengthen institutions and provide appropriate tools and instruments.<sup>92</sup>
- The Green Business component aims at supporting the transformation towards an inclusive Green Economy, by providing services to MSMEs that enable them to start and develop resource efficient and green businesses, based on sustainable production practices.
- The Networking Facility aims at providing project support services such as fostering networking and communication among the projects and countries, distilling knowledge from project implementation for wider replication, and facilitating policy uptake.<sup>93</sup>

### 3.3.1.3 SwitchMed

55. The programme objective is to facilitate the shift toward Sustainable Consumption and Production in the Southern Mediterranean Region. To do so, the initiative stimulates the demand and supply side of SCP, by acting on the key drivers and barriers, existing economic conditions and legislative frameworks. It supports industry, emerging green entrepreneurs, civil society and policy makers through policy development, demonstration activities and networking.

56. SwitchMed is collaboratively coordinated by the EU, United Nations Industrial Development Organisations (UNIDO), United Nations Environment Programme Mediterranean Action Plan (UNEP/MAP), its Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC) and the UNEP-DTIE (Division of Technology, Industry and Economics). It implements two collaborative projects:

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<sup>90</sup> UNEP, Project Document SWITCH Africa Green, 2013, p1.

<sup>91</sup> UNEP, Project Document SWITCH Africa Green, 2013, p25.

<sup>92</sup> Instruments are taken to mean: policies, regulatory frameworks, incentives structures, tax and market based instruments enabling private sector led inclusive green growth through green business development, eco-innovation and policies, practices and actions promoting a shift to sustainable consumption and production patterns in targeted sector(s).

<sup>93</sup> UNEP, Project Document SWITCH Africa Green, 2013, p2.

- The SwitchMed Policy project, starting in October 2012 with UNEP-MAP as the implementing organisation. Participating countries are Morocco, Algeria, Tunisia, Egypt, Jordan, Israel, Palestinian Occupied Territories and Lebanon
  - The SwitchMed Demonstration and Networking Components, starting in February 2014 with UNIDO as the implementing organisation. Participating countries are Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestine Occupied Territories, Tunisia. Currently the EU has suspended all cooperation with Syria and due to security reasons, it was decided that Libya will not take part in this project
57. The regional policy component targets the Barcelona Convention and its member countries<sup>94</sup> and it supports the ENPI South countries as well as Jordan. The main outputs from this component include the submission to the Contracting Parties of the Barcelona Convention of a set of proposals for the integration of SCP in the Regional Mediterranean policy and governance framework, a SCP Road Map for the Mediterranean and the establishment of an SCP online knowledge platform. Likewise all contracting Parties to the Barcelona Convention benefit from the capacity building that will be delivered through the preparation, holding and follow-up of the MCSD meeting organized within the project as well as the pooling of resources within the UNEP/MAP network and the synergies established with UNEP/MAPs thematic Regional Activity centres (RACs).
58. The demonstration component is divided into 3 subcomponents:
- Sustainable production - MED TEST II: stimulates the demand and supply of sustainable production services to industry. Executed by UNIDO
  - Green entrepreneurship and civil society empowerment: promotes the adoption of new green and socially inclusive business models, targeting start-ups; and advocating sustainable consumption patterns and values among consumers and civil society at broad. Executed by SCP/RAC/UNEP-MAP
  - SCP National action plans demonstration: implements demonstration activities on SCP national action plans (NAPs) within the policy umbrella of the SwitchMed integrated programme. Executed by UNEP-DTIE and SCP/RAC/UNEP-MAP
59. The networking facility component contributes to the visibility, effectiveness, long-term sustainability and impact of the programme. In addition, internationalisation of start-ups and SMEs will be supported through closer cooperation between business support organisations in the EU and in four Southern Mediterranean countries (Egypt, Lebanon, Tunisia, and Morocco). Executed by SCP/RAC/UNEP-MAP.

#### 3.3.1.4 The 10 YFP

60. The programme was adopted at the Rio+20 Conference as a framework for action on SCP. It has been in operation since 2012. The structure of the 10YFP consists of: i). A 10-member Board consisting of two members from each UN regional group. The Board has the main functions of promoting the 10YFP; guiding the secretariat; assisting in securing funding, including contributions to the Trust Fund; ii). National and Stakeholders Focal Points: National Focal Points are nominated by Member States with the objective of ensuring contact and coordination with the Board and the Secretariat, and to support the 10YFP implementation. Major groups make important contributions in promoting SCP in various areas and through different activities.

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<sup>94</sup> Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, the European Community, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Syria, Tunisia and Turkey.

61. Programmes are at the core of the 10YFP. The programmes build capacity to implement policies, voluntary instruments, management practices, information and awareness raising activities to promote the shift to SCP patterns. The programmes support the use of a mix of policy, regulatory and voluntary instruments and set clear objectives, activities and indicators of performance and success. Programme components are:
- Consumer information
  - Sustainable lifestyles and education
  - Sustainable public procurement (SPP)
  - Sustainable buildings and construction
  - Sustainable tourism
  - Sustainable food systems
62. **The EU has funded the Secretariat** for a number of years. The funding source is the Development Cooperation Instrument<sup>95</sup> (DCI). The Secretariat provides a service to UNEP and the 10YFP agenda with the main objective to fulfil the functions of the 10YFP and administers the Trust Fund.

#### 3.3.1.5 Regional SCP Programmes Funding

63. The total amounts committed for the regional programmes indicate that SWITCH-Asia, which has a very wide geographic coverage and is the oldest programme, has an allocation amounting to 75 % of total committed funds, and SWITCH Africa Green funding is 15 % of the total. The amount provided to fund the 10YFP is comparatively small.

**Table 5: Funding Commitments Regional SCP Programmes and 10YFP Secretariat**

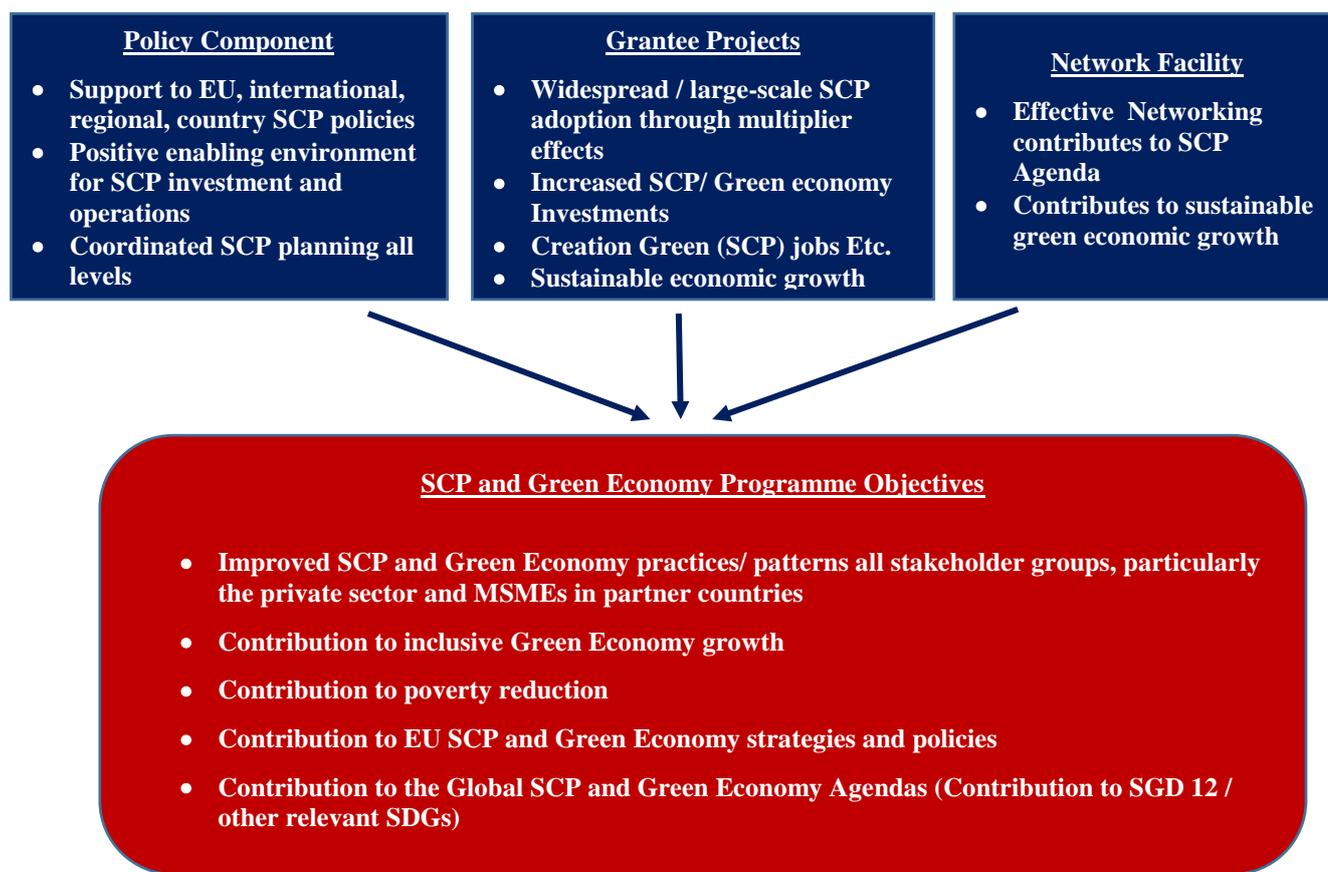
Intervention	Amounts Committed (€ ml)	Percentage of Total EC Commitments (rounded)
<b>SCP Regional Programmes and 10YFP Secretariat</b>		
SWITCH-Asia	191.12	74
SWITCH Africa Green	39.5	15
SwitchMed	23	9
10 YFP (Secretariat)	4.75	2
<b>Total</b>	<b>257.46</b>	<b>100</b>

#### 3.3.1.6 Intervention Logic for Regional SCP Interventions

64. The IL presented in Appendix 3 shows the logical flow and relationships between money spent, components, activities, outputs, outcomes, impact, the ultimate objectives of the regional and 10 year SCP Framework programmes; and the contributions and support of these programmes to both EU strategies and policies and the global SCP and Green Economy Agendas. This process can be summarised as showing the “return on EU investments” over time. The Programme outcomes and impact result in the achievement of the programme objectives, including sustainable SCP and inclusive Green Economy growth and support policy at national, regional, EU and Global levels.

<sup>95</sup> 2012-2016 support funded through the DCI Thematic Programme for Environment and Natural Resources (ENRTP); 2016-2019 support funded through the DCI Thematic Programme for Global Public Goods and Challenges (GPGC).

**Figure 2: The Switch Regional Programmes and the 10YFP Contribution to the Green Economy**



### 3.3.2 Group 2: EU funded “Dedicated” Green Economy Portfolio

65. The EU funded Green Economy portfolio is intended to support countries to green their economies. There is scope for synergies with the regional SCP programmes, particularly policy and networking. Some of the programmes are in a sense global (e.g. Partnership for Action on Green Economy<sup>96</sup> with selected countries in four regions); and others are regional (e.g. Supporting Entrepreneurs for Sustainable Development in Africa (SEED))<sup>97</sup>.
66. These EU funded initiatives support the transformation to the Green Economy of developing countries, each with their own thematic sectors. For example, the Partnership for Action on Green Economy (PAGE) supports countries wishing to embark on greener and more inclusive growth trajectories, creates an enabling environment for implementation of the Paris climate agreement, and assists beneficiary countries in developing, adopting and implementing green economy policies and practices to foster economic growth, create income and jobs, reduce poverty and inequality, and strengthen the ecological foundations of economies. The Green Economy Coalition<sup>98</sup> (GEC) is a large multi-stakeholder network of organisations such as NGOs, research institutes, UN organisations, business organisations and trade unions working on the Green Economy and committed to accelerating the transition to a green and fair economy. GEC enables civil society to have access to national and global green economy policy processes, so that social justice and poverty reduction is delivered, and a supportive framework is provided for small businesses and ensures that local communities are engaged

<sup>96</sup> <http://www.un-page.org/>

<sup>97</sup> <https://www.seed.uno>

<sup>98</sup> <http://www.greeneconomycoalition.org/>

in new green economy opportunities, job creation and just transitions. The “Greening Economies in the Eastern Neighbourhood” (EaP GREEN) programme<sup>99</sup>, is implemented by OECD in cooperation with UNECE, UNEP, and UNIDO to assist the European Union’s Eastern Partnership (EaP) countries in their transition to green economies, including through sustainable consumption and production practices, changes in national legislation and cooperation with financial institutions and NGOs, among others. The “Advancing Caribbean States’ Sustainable Development through Green Economy (ACSSD-GE)” programme<sup>100</sup>, includes a regional Centre of Excellence, increased investment in the Green Economy and a capacity-building portfolio.

67. Under the EU-UNEP Strategic Cooperation Agreement<sup>101</sup> sustainable cleaner production systems and eco-innovation are the focus of the Promoting Resource Efficiency and Eco-innovation in Developing and Transition Economies<sup>102</sup> (REEDTE); the supporting Entrepreneurs for Sustainable Development in Africa<sup>103</sup> (SEED) project co-funded by the EU, and in partnership with the UNEP Green Economy Initiative, introduced a special focus on Africa from 2010, with the aim of supporting African countries looking to encourage green and sustainable economic sectors and socially responsible initiatives; the Stimulating the demand and supply of sustainable products through Sustainable Public Procurement and Eco-labelling<sup>104</sup> (SPPEL) programme, planned activities at the national level to implement UNEP’s Sustainable Public Procurement (SPP) approach combined with a proactive use of ecolabels. The Poverty-Environment Initiative<sup>105</sup> (PEI) funded by the EU and implemented by UN agencies (UNDP and UNEP) is a global programme that mainstreams poverty-environment objectives into national development and sub-national development planning.
68. Funds committed to the initiatives are shown in the table below. The amounts are comparatively modest.

**Table 6: Funds Committed to the main EU Funded Global and Regional Green Economy Interventions**

<b>Intervention</b>	<b>Amounts Committed (€ ml)</b>	<b>Percentage of Total EC Commitments (rounded)</b>
Partnership for Action on Green Economy (PAGE)	8.0	25
Green Economy Coalition	3.0	10
Promoting Resource Efficiency and Eco-innovation in Developing and Transition Economies (REEDTE) – “the eco-innovation project	4.0	13
Advancing Caribbean States’ Sustainable Development through Green Economy (ACSSD-GE)	1.0	3
Supporting Entrepreneurs for Sustainable Development in Africa (SEED)	2.5	8
Stimulating demand and supply of sustainable products through Sustainable Public Procurement and Ecolabelling” (SPPEL).	2.97	9
The “Greening Economies in the Eastern Neighbourhood” Programme (EaP GREEN)	10.0	32
<b>Total</b>	<b>31.47</b>	<b>100</b>

<sup>99</sup> <http://www.oecd.org/env/outreach/eapgreen.htm>

<sup>100</sup> <http://web.unep.org/greeneconomy/sites/unep.org/greeneconomy/files/15.pdf>

<sup>101</sup> [http://ec.europa.eu/environment/international\\_issues/relations\\_un\\_en.htm](http://ec.europa.eu/environment/international_issues/relations_un_en.htm)

<sup>102</sup> <http://www.unep.org/resourceefficiency/Business/CleanerSaferProduction/Eco-InnovationTheUNEPApproach/TheEco-InnovationProject/tabid/106016/Default.aspx>

<sup>103</sup> <https://www.seed.uno>

<sup>104</sup>

<http://www.unep.org/resourceefficiency/Consumption/SustainableProcurement/SustainablePublicProcurementandEcolabelling/-tabid/130240/Default.aspx>

<sup>105</sup> <http://www.unpei.org/>

### 3.3.3 *Group Three: Complementary EU Funded Initiatives contributing to the Green Economy*

#### 3.3.3.1 Overview

69. EU funded initiatives in various sectors comprehensively address the SCP and Green Economy drivers of change, in particular actions in the fields of the environment (climate change, biodiversity, forestry etc.), energy, water, and the private sector. There is scope for synergies and complementarity with the regional SCP and Green Economy interventions. Examples of relevant EU funded interventions that address different aspects of the Green Economy and SCP are given below.

#### 3.3.3.2 Environment and climate change programmes

70. Environment and climate change initiatives are funded under both geographical and thematic programmes. The thematic programme **Global Public Goods and Challenges (GPGC)** and its GPGC Multi-Annual Indicative Programme 2014-2017 forms part of the Union's development cooperation policy with an overall objective of **supporting inclusive sustainable development**. It aims to support **transformation towards green economies and inclusive green growth** based on the principles of efficient, effective and intra-generational use of resources, investment in, and conservation of, natural capital, sustainable consumption and production and transitioning to low carbon and climate resilient societies, while taking into account the health costs of pollution.

71. The GPGC programme seeks to strengthen the coherence of external actions and their link with other EU policy initiatives, such as the EU climate and energy policies, biodiversity, environment, water resources management, and water diplomacy. The GPGC also seeks to support the establishment of innovative partnerships in order to leverage private sector engagement and funding and to stimulate innovative, new business models that can create decent jobs and help reduce poverty, enhance resource efficiency including by valuing and investing in natural capital.

72. The EU has a set of multi-dimensional flagship initiatives, which address key GPGC issues with a view to avoiding fragmentation, ensuring high impact and highlighting and expressing EU key interest and policies. **Flagship initiatives** create or support existing innovative partnerships and actions to promote transformation towards an inclusive green economy. These include:

- SWITCH to Green – Supporting private sector-led inclusive green growth
- The Global Climate Change Alliance plus GCCA+
- Biodiversity for Life Initiative (B4LIFE) – An ecosystem-based approach for economic growth, climate change mitigation and adaptation, food security and good governance
- FLEGT: improving forest law enforcement, governance and trade to foster inclusive sustainable development

73. With its Agenda for Change, the EU was one of the first to recognise that insulating developing countries from shocks (such as scarcity of resources and supply, price volatility) helps to provide the foundations for sustainable growth. Inequalities should be tackled by **giving poor people better access to energy without harming the environment**. In order to provide universal energy access by 2030 the IEA estimates that \$48 billion per year in investment is needed. Therefore for making the best use of limited development funding, it is important to strengthen and leverage actions at a global scale, to promote the creation of an enabling market and regulatory environment that attracts massive private investment in sustainable energy services providing simultaneously for the extension of benefits to those categories of energy poor that risk being left behind.



## 3.4 Coordination and Quality support

### 3.4.1 Coordination of Green Economy Cooperation

79. The main relevant initiative to **coordinate EU international cooperation** on SCP and the Green Economy is the **SWITCH to Green Flagship Initiative**, which aims to link complementary programmes to improve their overall coherence, coordination and visibility. It aims to strengthen the linkages between macro-level initiatives, such as PAGE, and micro-level interventions, such as the green business components of the SWITCH regional programs, in order to reinforce synergies and create stronger enabling environments for green economies. The flagship should also promote synergies between EU international cooperation and domestic policies and initiatives, such as the Green Action Plan for SMEs or the eco-innovation action plan and contribute to improved Policy Coherence for Development, with better integration of lessons learned, thus adding to the legitimacy of the EU as a development partner encouraging Green Economy reforms in partner countries. It is also intended to make a significant EU contribution to the 2030 Agenda, in particular SDG 12, SDG8 and SDG9<sup>112</sup>.
80. Under the SWITCH to Green Flagship Initiative, a group composed of **DEVCO thematic units** dealing with issues closely related to the inclusive Green Economy, such as employment, private sector development and climate change, has been established, including DEVCO and NEAR geographic units dealing with major green economy related programs, as well as DG ENV to promote coordination among Green Economy related initiatives, ensure lessons learned sharing, and providing guidance to the SWITCH to Green facility, which supports the flagship implementation.
81. **The DEVCO Unit responsible for the Environment, Natural Resources and Water**, including the Green Economy, has responsibility for contributing to the external dimension of EU environment policies, for the programming and management of the environment component of the GPGC and coordinates the implementation of thematic flagships: (1) Biodiversity for Life (B4Life), (2) SWITCH to Green; and (3) Forest Law Enforcement Governance and Trade (FLEGT). DEVCO Unit C2 is also responsible for supporting the **mainstreaming of environmental objectives** in EU development cooperation. A significant part of UNIT C2's efforts are geared towards **supporting EU Delegations** in the management of EU development and international cooperation on environment matters. In this context, the unit provides support to EU Delegations on green economy policy dialogue and programme management.
82. DEVCO Unit C2 also oversees the SWITCH to Green Facility which supports the development of the SWITCH to Green flagship programme<sup>113</sup>. The Facility assists with tailored support on 1). The identification and formulation of actions contributing to the SWITCH to Green flagship initiative, 2) dialogue and exchange of experiences on supporting the transformation towards an inclusive Green Economy between the EU and partner countries and 3) knowledge creation and communicated. Support is delivered through the provision of inputs to project documents, the delivery of trainings, tool development, events organisation etc.
83. Major Green Economy coordination initiatives have been undertaken in 2016/17 by Unit C2, with the support of the SWITCH to Green Facility. For example, the first SWITCH to Green Coordination Meeting involved partners implementing the main international cooperation initiatives supported by the EU on green economy and SCP; and a "DEVCO Week on Environment" with two seminars held back-to-back in February 2017, aimed primarily at EU Delegations.

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<sup>112</sup> EU Strategic Approach to International Cooperation on Green Economy (EC draft) - Seizing new opportunities to generate growth, create jobs, and help reduce poverty.

<sup>113</sup> <http://www.switchtogreen.eu/?p=128>

### **3.4.2 *Monitoring and Evaluation framework, including Results Oriented Monitoring (ROM)<sup>114</sup> and Evaluation of Projects and Programmes<sup>115</sup>***

84. The EU funded regional SCP and Green Economy programmes are monitored, among others, through ROM missions, in the same manner as other EU funded development cooperation projects. ROM reviews aim to support EC Operational Managers to: 1) increase transparency and accountability in the use of public funds; 2) shift to a results and impact based assessment of aid rather than one based mostly on commitments and disbursements; and 3) improve the quality of cooperation projects and programmes through the provision of timely, relevant, independent and well-focussed information. DEVCO evaluations of individual EU-funded projects and programmes during and after their implementation apply to interventions related to the Green Economy. Project evaluations complement the ROM missions. Evaluations on project/programme level are used to improve on-going operations and to learn from experience.

### **3.4.3 *The SCP / Green Economy Results Chain and Monitoring Indicators***

85. An important ongoing development in DEVCO related to the conceptualisation of Green Economy design and implementation is the preparation of an SCP/Green Economy Results Chain and more standardized indicators for measuring the progress of projects and programmes, which will be depicted in a Results Chain flow chart showing the links and relationships of EU SCP and Green Economy actions between areas of intervention, outputs, outcomes and impact. Improved indicators for the SWITCH-Asia and SWITCH Africa regional programmes have been included in the guidelines for applicants of the most recent (2016) calls for proposals. These developments represent a substantial improvement compared to previous guidance on indicators. The indicators are related to each of the drivers of change (economic, environmental and social). Standardisation of SCP indicators has also recently been undertaken by UNEP in a comprehensive and detailed manner.

### **3.4.4 *Mainstreaming***

86. The main EC tool for environment mainstreaming is the 2016 Guideline<sup>116</sup> that provides a framework for strengthening the contribution of EU international cooperation and development policy to sustainable development, by integrating, or mainstreaming, environmental and climate change considerations into the different phases of the EU programme and project cycle and encourages their more systematic utilisation. With growing interest globally in the Green Economy concept, specific tools and studies have also been developed that can support the mainstreaming of green economy aspects into cooperation programmes in relevant sectors. One aspect of the Guideline that is of particular interest is the recommended **method for producing Country Environmental Profiles (CEP)**. The CEP concept is in line with the recommendation of the Consultant that monitoring of the outputs, outcomes and impact of SCP and Green Economy initiatives of Green Economy actions should be country based (see following section 4). Mainstreaming is also undertaken by the EU supported UNDP-UNEP Poverty Environment Initiative<sup>117</sup> (PEI), which takes a global perspective in supporting country-led efforts to put pro-poor, pro-environment objectives into the heart of government by mainstreaming poverty-environment objectives into national development/ sub-national development planning (policymaking, budgeting, implementation, monitoring) with financial and technical support.

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<sup>114</sup> <http://capacity4dev.ec.europa.eu/rom/>

<sup>115</sup> [http://ec.europa.eu/europeaid/project-and-programme-evaluations\\_en](http://ec.europa.eu/europeaid/project-and-programme-evaluations_en)

<sup>116</sup> Tools and Methods Series Guidelines No 6 Integrating the environment and climate change into EU international cooperation and development. Towards sustainable development February 2016. Directorate-General for Development and Cooperation — EuropeAid ISSN 1977-8309. Directorate-General for International Cooperation and Development.

<sup>117</sup> <http://www.unpei.org/>

87. One area of importance in mainstreaming is the **EU portfolio of Private Sector Development** initiatives. There are many examples of the prioritisation of SCP and Green Economy issues in EU private sector support programmes, including, for example, the EU Business Avenues in South East Asia programme<sup>118</sup>, whose priorities include construction and building technologies, environment and water technologies, organic food and beverages, and green energy technologies; and the Leather integrated Initiative for sustainable Employment creation (LIFE), which addresses environmental problems created by tanneries in Ethiopia and the development of a leather industrial park and sets high environmental criteria that are fully compliant with international standards. On the other hand, in an evaluation of the EU support to the private sector carried out in 2013<sup>119</sup>, mention is made of the fact that private sector actions include the environment as a main cross-cutting theme, however the comment was made that “cross-cutting issues were generally at best included as a formality”; and “these findings were confirmed by interviews with Commission staff who explained that crosscutting issues were generally taken into account in the action fiches, but that little further action was taken on them and that little has been done in terms of monitoring the impact of interventions on such issues”.

### **3.4.5 Training**

88. Internally the EC conducts training on many topics, such as aid delivery methods, contractual procedures, thematic areas etc. Training in SCP and the Green Economy is coordinated by DEVCO Unit C2 under the Methodological and Knowledge Sharing (MKS) programme, with the support of the SWITCH to Green and the Mainstreaming Facilities. Trainings take place in selected countries in the regions and are attended by EU Delegations in the region of the countries where the training takes place, as well as representatives of national GE stakeholders. They cover a wide range of topics on the Green Economy over a period of one to four days. Presentations are usually complemented by exercises and field trips.

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<sup>118</sup> <https://www.eubusinessavenues.com/>

<sup>119</sup> Evaluation of the European Union’s Support to Private Sector Development in Third Countries Final Report Volume I March - EuropeAid ADE-EvalPSD Final Report

## 4 THE EVALUATION

89. By agreement with the Contracting Authority, answers to EQ covering relevance, effectiveness, efficiency, impact and sustainability are specifically based on the evaluation of the main SCP programmes (i.e. SWITCH-Asia, SwitchMed, SWITCH Africa and the 10 YFP), while answers to EQ covering coherence/complementarity and EU added value also take into account the broader EU funded Green Economy interventions.

### 4.1 Relevance

**EQ 1: To what extent is the intervention still relevant?**

90. The answer to this question is articulated through three judgement criteria: relevance of the programme to SCP / Green Economy strategies and policies; relevance of programmes to needs and constraints of stakeholders, particularly MSMEs; and the extent to which the drivers of change are addressed.
91. The EU portfolio of Green Economy initiatives remains completely relevant to global and EU policy. In combination, these initiatives address all of the drivers for change for achieving a Green Economy. However, although much has been accomplished, further progress needs to be made to fulfil the relevance of the interventions to EU policy, such as taking full advantage of the full spectrum of supportive EU policy developments, and associated funding mechanisms, prioritizing the need for financial leverage and green trade, and improving coordination mechanisms and processes.

#### 4.1.1 Addressing International Policy

92. The EU is a major player in international policy formulation and implementation. Its policies are fully relevant to, and in line with, international Green Economy policy in all its dimensions, such as, the 2030 Agenda for Sustainable Development and its 17 SDGs and the Paris Agreement on Climate Change, which for the first time brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assisting developing countries to do so. Many of the SDGs are directly, or indirectly, addressed by the different categories of the EU Portfolio of Green Economy interventions with an emphasis on SCP.
93. As explained in previous sections of the text and by the Department of Economic & Social Affairs of the UN<sup>120</sup> in a recent analysis, the SDGs are comprised of a network of goals and targets that can be related to the objectives and desired results of interventions; SDG 12 plays a central role in the 2030 Agenda through its connection to other SDGs. In this regard the **regional EU SCP interventions** directly address responsible consumption and production SDG 12, whilst also addressing other directly relevant SDGs, such as Decent Work and Economic Growth (SDG 8), Climate Action (13) the Partnership of the Goals (SDG 17), clean water and sanitation (SDG 6), industry, innovation and infrastructure (SDG 9), sustainable cities and communities (SDG 11), life below water (SDG14) and life on land (SDG 15). SCP also has an impact on the remaining SDGs (1- no poverty; 2- Zero hunger, 3 – good health and wellbeing, 4- quality education, 5 – gender equality, 10 – reduced inequalities, 16 – peace, justice and strong institutions).
94. Specific mention is made of the relevance of the EU portfolio of **SCP** interventions that have a direct impact on **climate change**, because of its overriding and pervasive importance, for example, actions leading both to increased efficiencies in resource use and sustainable production of energy. The scale of the climate challenge, to which the EU contributes, is illustrated by the collective target by

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<sup>120</sup> Department of Economic & Social Affairs (DESA) Working Paper No. 141 ST/ESA/2015/DWP/141 March 2015. Towards integration at last? The sustainable development goals as a network of targets Department of Economic & Social Affairs: David Le Blanc.

developed countries to provide USD 100 billion by 2020 for climate activities in developing countries from all sources, including mobilizing private sector investments, with a new and higher target to be set by 2025. The agreement demands renewed emphasis on mainstreaming and integration of climate change aspects into all sectors of EU cooperation to support climate change adaptation and mitigation in partner countries to reach the EU's target of at least 20 % climate-related spending by 2020. As mentioned in previous sections of the text the global cost of not negating climate change has been assessed at over \$ 4 trillion<sup>121</sup>.

95. The activities of the **Regional Policy Support Component (RPSC)** of the regional SCP programmes are consistent with the objectives of the programmes and commitments made at Rio+20 and the Sustainable Development Goals (SDGs). They address needs in terms of awareness raising, training and capacity building, effective policy frameworks and plans and formulation of policy. The **Country Policy Support actions** have been very well targeted at stakeholder needs, including support to the preparation of country SCP Plans. Moreover, Green Business Projects also often have a policy support component. Furthermore, the **Network Facilities** provide a sound platform for supporting SCP and Green Economy strategies and policies in the region. They provide a forum for discussion and information sharing from a regional perspective. In **combination**, these elements of policy support enhance the contribution made to any of the higher EU Green Economy priorities, such as job creation, sustainable growth, engaging the private sector, and addressing climate change

#### 4.1.2 Addressing EU Policy

96. The **new EU Consensus on Development** provides the main policy framework for EU Green Economy initiatives, highlighting EU priorities such as climate change, job creation, sustainable growth, and the promotion of investments to which green economy initiatives contribute directly. In this regard the relevance of the EU portfolio of SCP interventions is absolutely clear.
97. The EU SCP portfolio contributes to the **overarching objective** of “**greening economies**” and further involving the private sector, for example: i) as defined in the Agenda for Change “... promote green economy that can generate growth, create jobs and help reduce poverty by valuing and investing in natural capital”; ii) the Communication from the Commission “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”<sup>122</sup> with support to partner countries governments’ efforts aimed at developing the private sector, with a particular focus on assistance to micro, small and medium-sized enterprises, and iii) The new EU Consensus on Development, which commits the EU and its Member States “to promote resource efficiency and sustainable consumption and production, including the sustainable management of chemicals and waste, with a view to decouple economic growth from environmental degradation and enable the transition to a circular economy”.
98. In the EC Environmental Mainstreaming Guidelines it is mentioned that a **national level** Country Environmental Profiles (CEP) should be prepared by Delegations to provide the necessary information to integrate environmental concerns into country analysis and response strategy and, if required, inform policy dialogue on environment and natural resource management. This is an appropriate method to determine needs, constraints, opportunities and complementarities; however CEPs are not systematically used by the EU.
99. In line with EU Green Economy policy the **SCP programmes** have increased the awareness of the objectives of SCP in the target countries, raised the profile of SCP and have made progress in achieving the various programme objectives and intended results, in **specific sectors**, in specific towns, and in specific regions. They have substantially contributed to the aim of a “switch to green” (SWITCH-Asia), or are likely to achieve the programme aims over time (SwitchMed and Switch Africa Green).

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<sup>121</sup> By the Economist magazine (2015).

<sup>122</sup> COM (2014) 263 final: Communication from the Commission “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”.

Similarly, the **broader Green Economy** programmes and **complementary** programmes in other sectors contributing to the green economy have made substantial progress in terms of policy, information exchange and SCP activities that address global and EU SCP objectives, for example in clean energy production, which has been funded on a large scale by the EU.

100. The activities of **SWITCH programme Green Business projects**, or their equivalent, in all eligible countries, has included an appropriate and very wide group of stakeholders, providing an excellent platform for engagement and the inclusion of players from a wide spectrum from the private sector, giving them an advantage for addressing the economic/ financial driver of change, including SCP funded investments and enterprise viability, with a strong focus on MSMEs and their needs. This is fully in line with EU development policy. Relevance is also illustrated by a continuing high demand for Grant project funding as has been amply illustrated by the undiminished submission of proposals for funding, although it is acknowledged that part of the interest of partnerships may be a result of a need to secure funding. Furthermore, the high level of interest in the programmes is clear from **discussions with key stakeholders**, including government agencies, National Contact Focal Points, the NGO sector and the private sector; however discussions revealed that EU emerging policy themes require more focus
101. Although some individual projects of the **regional SCP programmes** include **trade** related activities, various relevant EU policies and emerging themes have not yet been fully addressed. Trade policies include: i) the EU communication on “Trade for all: Towards a more responsible trade and investment policy”<sup>123</sup>, which underlines the importance of deepening relations between the EU and the Asia-Pacific region; ii) the Environmental Goods Agreement (EGA): Liberalising trade in environmental goods and services<sup>124</sup>; and iii) the objectives of the Commission’s strategy in the Communication on ‘Small Business, Big World’<sup>125</sup> to provide SMEs with easily accessible and adequate information on how to expand their business outside the EU, improve the coherence of the activities and fill the gaps in existing services. In this regard opportunities exist for the programmes to consider the extent to which programmes can improve their future design in order to increase the chances of achieving Green Economy trade objectives and results
102. Interaction between the regional SCP programmes and the **broader private sector initiatives** funded by the EU is not entirely clear. Significant relevant steps have been taken by the European Commission and **EU financial institutions** (such as the EIB and other European Financial Institutions –EFIs) to increase the **availability of finance** to the private sector, through leveraging, in which the **regional Blending facilities**<sup>126</sup> play a key role. To date there has been insufficient use of these facilities to enable MSMEs in **the regional SCP programmes** to borrow, when other sources of finance are not available. Advantage can also be taken of the Regional Investment Platforms under the EIP, in Africa and the EU Neighbourhood. Recently the SWITCH-Asia programme has held a workshop in Thailand, which discussed linking Grantees to the wider EU funding initiatives. .

#### *4.1.3 Relevance of programmes to “greening the global economy and the needs and constraints of stakeholders, particularly MSMEs*

103. At a higher level the programme is entirely relevant to the overarching aim of greening the global economy. The EU SCP and Green Economy initiatives are well placed to seize opportunities

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<sup>123</sup> COM/2015/0497: Trade for all: Towards a more responsible trade and investment policy.

<sup>124</sup> <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1116>

<sup>125</sup> [http://europa.eu/rapid/press-release\\_MEMO-11-765\\_en.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-11-765_en.htm?locale=en)

<sup>126</sup> The regional blending facilities use strategic grants allowing the Commission to leverage additional development finance for infrastructure investments and to facilitate access to finance for micro, small and medium sized enterprises. This includes innovative financial instruments such as guarantees to boost SME lending by commercial banks, and risk capital to invest in funds that lend on or invest in SME energy efficiency projects.

associated to the growth in environmental goods and services trade, new trade agreements such as EGA, and the potential for job creation in green sectors

104. The EU portfolio of interventions addresses the needs and constraints of stakeholders. Interviews in the EU and in partner countries indicated that stakeholder needs and constraints have been taken into account. This is also apparent from documentation on the design of the interventions, for example, the Action Fiche for SWITCH-Asia<sup>127</sup> and its Guidelines for Applicants. Typically, the major beneficiaries are: (i) Intermediary (business) organisations and networks (e.g. chambers of commerce and industry associations); (ii) Not-for-profit organisations aiming at pursuing sustainable development, and (iii) Governmental institutions, both at the regional and local level. The major target groups are: (i) Small and Medium-Sized Enterprises (SMEs), which are the main beneficiaries of the improved environmental practices, technologies and management processes; consumer organisations and consumer (groups) who will benefit from better-quality and environmentally friendly products; (ii) Government bodies procure responsibly.
105. Needs and constraints for the RPSC have been well researched. For example, the activities of the Regional Policy Support Component of the SWITCH-Asia programme were based on a comprehensive needs assessment carried out by UNEP<sup>128</sup> before the start of implementation. It was thorough and included stakeholder needs in all countries in Asia. The RPSC has addressed needs in terms of awareness raising, training and capacity building, policy frameworks and plans and formulation of policy. The RPSC is consistent with the objectives of EU SWITCH-Asia Program, UNEP, and government commitments made at Rio+20 and the Sustainable Development Goals (SDGs). The 5 Country Policy Support actions in Asia (Thailand, Sri Lanka, Malaysia, Indonesia, Philippines) and country interventions in Africa and the Mediterranean were very well targeted at stakeholder needs, including support to the preparation of country SCP Plans. The activities of the Green Business projects in all eligible countries, in all regions, have been based on clearly identified stakeholder needs. They have addressed constraints (policy, and technical) needs in both the public and private sectors, with a strong focus on MSMEs and their needs, including capacity building, business development and networking. National Grant project partners have generally been appropriate in terms of national knowledge, networks and contributions to activities, ranging from capacity building to technical implementation and have been complementary to the expertise of international partners. The Network Facilities address the needs and constraints of stakeholders, through dissemination of information on SCP etc.

#### 4.1.4 *Extent to which the drivers of change are addressed.*

106. The drivers of change are conceptually very well addressed by the SCP and “Dedicated” Green Economy interventions. The three components of the regional SCP programmes are aligned with the drivers for change, including promoting an enabling policy environment that encourages investment, and a switch to SCP practices and patterns; environmental / SCP/ Green Economy benefits that lead to a better quality of life and sustainable living; financial opportunities for government agencies to take up green procurement and for MSMEs to invest and take up SCP practices; and changes in consumer preferences embracing the consumption of green produce and services. The various activities of the NF assist with dissemination of information and promotion to assist with achieving the outcomes and impact of the Policy Support Component and the Green Business projects in relation to the drivers of change.

## 4.2 Effectiveness

**EQ 2:** To what extent have the SCP objectives and results been achieved?

<sup>127</sup> SWITCH-Asia – Promoting Sustainable Consumption and Production – DCI-ASIE/2012/23422

<sup>128</sup> UNEP: capacity building and policy needs assessment for sustainable consumption and production. Final report 2013.

107. The answer to this question is articulated through the following judgement criteria: extent to which SCP policies have been formulated, extent to which SCP technologies have been taken up by stakeholders, particularly MSMEs, extent of support to transitioning to the Green Economy, extent of effectiveness of network contributions to EU and global SCP Agendas. There are variations in the degree of effectiveness of the **regional SCP programme** components, insofar as the Policy Support and Network Facility components in SWITCH Africa Green have been less effective than their counterparts in Asia and the Mediterranean. The **10 YFP** has been effective.

#### *4.2.1 Extent to which SCP policies have been formulated*

108. There is a considerable amount of information and data available in Progress reports of the **SWITCH-Asia programme** and project Impact Sheets, produced by the NF, to indicate that within sectors, Green Business projects have been effective in assisting with the drafting of policies and legislation. This has undoubtedly led to positive outcomes and more importantly, in many cases, the implementation of new or adjusted policies by government agencies that ultimately assists in increasing the take up of SCP practices by MSMEs and increases the prospects for additional multiplier effects, economic effectiveness including access to green finance, environmental effectiveness, and social contributions. In **SwitchMed** and **SWITCH Africa Green** there is evidence that a similar result has been achieved. It is clear from documentation (Progress reports and Project Impact Sheets) and field interviews that, with SWITCH-Asia, outputs and outcomes have been achieved that help to provide an enabling environment for SCP that has been particularly effective at country and project levels, where country and local government policy and legislation has been moved forward. Whilst there has been some evidence of effectiveness of the regional policy support actions, the evaluation has concluded that the delivery of regional policy support actions needs to be improved, to demonstrate full effectiveness, particularly regarding the SWITCH Africa Green programme. The four consumption and production priority areas targeted by SwitchMed are main upstream drivers of pollution generation and environmental pressures on the ecosystems in the Mediterranean. Policies and action plans proposed by SwitchMed and demonstration interventions implemented by MEDTEST, the Green Entrepreneurship, and the SCP-NAP Demos subcomponents are effective contributions to the Mediterranean and global SCP agendas. The four consumption and production priority areas are major socio-economic contributors in the Mediterranean region, namely in terms of employment and wealth generation.
109. As itemised under Section 5.3.2.1 below in subsequent phases of the programmes more **results focused reporting** is required. **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**. Policy support improvements should include a clear definition of the **roles of different agencies** and related methodologies and inculcating the need for a positive “mind-set” to ensure that collaboration between RPSC, country based actions and Grant project activities results in **mutually reinforcing impact** of the different policy components.

#### *4.2.2 Extent to which SCP technologies have been taken up by stakeholders, particularly MSMEs*

110. Green business development activities have been effective in achieving outputs and outcomes that may lead to increased investment and take-up of SCP practices in the three regional SCP programmes. In particular, the private sector has been engaged, including MSMEs and Business Intermediary Organisations (BMOs). For example, the key building blocks (identification of opportunities and capacity building) for project implementation and operationalization in most of the targeted countries have been put in place in SWITCH Africa Green. The projects show a good degree of uptake of SCP practices among the targeted groups (MSMEs, eco-entrepreneurs, farmer communities, etc.) and the majority of projects have successfully completed the foreseen activities for the first reporting period, with few exceptions. The Green Business Projects have contributed substantially to sector wide policy improvements at local, and in some cases, national levels, that have encouraged take up of SCP

technologies by MSMEs. Field visits in Asia and Morocco indicated that there has been a significant degree of take-up of SCP technologies, although there have also been some failures.

### Examples of Policy Effectiveness

#### SWITCH Africa Green

- Stock taking/inventory and review of existing policies and instruments and mapping of gaps. Country level assessment examples of policy reviews: The **Ghana report** was validated on 21 July 2015; the Uganda report was validated on 27 July 2015; the Kenya report was validated on 16 November 2015, the South Africa report was validated on 10 March 2016 and in Burkina Faso it was reviewed on 2 March 2016. The document for Mauritius was adopted in December 2016. In Kenya the project “Upscaling sustainable commercial production of medicinal plants by a community-based conservation groups at Kakamega forest in Kenya” has clear policy development effectiveness as it involves the Kakamega County Government and the private sector in the development of mechanisms for Public Private Community Partnerships (PPCP) for product development and commercialization for MSMEs.

#### SwitchMed

- In **Algeria**, the national SCP needs assessment was developed under the overall coordination of the National Cleaner Production Center. A multi-stakeholder national validation workshop with the participation of over 100 participants (representing government, private sector, civil society, media, academia and international donors) was organized in September 2015. **Egypt** used their recently elaborated national Green Economy report together with a complementary assessment of SCP needs done under the policy component as the basis for developing their SCP-National Action Plans (NAP). The result was a needs assessment –focused on recent SCP policy developments in each of the selected priority sectors (agriculture, energy, water and municipal solid waste), highlighting the importance of existing inter linkages between the Green Economy and SCP, including consideration for economic sustainability, social inclusion and poverty eradication, and environmental integrity.
- **SWITCH-Asia: Multi-country Lead Elimination Project (Bangladesh, India, Sri Lanka, Nepal, China, Thailand, Philippines and Indonesia)**. The project established 15 contacts per policy event per country per year, resulting in:
  - ✓ The drafting or enactment of lead paint regulations (enforcing legal limits for lead in paint and/or legally binding restriction in the use of lead in decorative paint) in the seven target countries
  - ✓ Lead-free regional public procurement policies in Nepal, the Philippines, and Sri Lanka
  - ✓ Mandatory labelling of paint cans in the three countries
  - ✓ In total, 13 new policies, regulations or standards were established

**SEID - Sustainable and Efficient Industrial Development (Nepal and Bhutan)**: Engaged policy makers through meetings, training workshops, large scale seminars (40+ participants), exhibition of local building materials, and a technology showcase trip to Austria. Three new policies were defined. Submitted a revision for hotel rating standards in Nepal; supported the release of green building guidelines in Bhutan; submitted a proposal for a public-private partnership programme for renewable energy use.

#### 4.2.3 *Extent of support to transitioning to the Green Economy*

111. There is clear evidence of **environmental** effectiveness of the support to Green Economy transitioning in many projects, with much quantified data available in Progress reports of the three regional SCP programmes (and in the case of the SWITCH-Asia Programme Impact Sheets as well), although in some projects only qualitative descriptions of environmental impact are available. There is also data from Progress Reports that indicates that many projects have achieved a degree of **economic effectiveness** that may translate into impact and support to transitioning to the Green Economy. A large proportion of projects include an SC component, which is important as a driver for change of the “switch to green”.

### **Examples of Effectiveness that enhance the prospects for transitioning to the Green Economy**

SwitchMed: MEDTEST subcomponent: Has resulted so far in 1,370 companies contacted during the marketing phase, more than 231 industries selected for initial site assessment, 120 demonstration companies signed a contract for project implementation until the third quarter of 2016 and 94 company teams from the industry demo projects formed and received TEST training. The Green Entrepreneurship subcomponent: The activities under this subcomponent have resulted in 73 workshops of the Green Entrepreneurship implemented in the 8 countries, 3,810 people have submitted applications and 1,408 Green Entrepreneurs trained until September 2016, with the largest number of them in Tunisia (322 Green Entrepreneurs), followed by Morocco (255), Jordan (170), Egypt (162), Palestine (151), Algeria (120), Lebanon (68) and Israel (50). A total of 138 Green Entrepreneurs out of 1,408 have been selected and received individual coaching to improve their Green Business Models, and 126 Green Entrepreneurs have applied for the incubation phase and 11 Green Entrepreneurs have been selected so far for the incubation phase.

SWITCH-Asia: Greening Supply Chains in the Thai Auto and Automotive Parts Industries: Reached more than 350 MSMEs via the CEO Forum in seven regions, benefitting some 200 MSMEs with environmental consulting. Involved 10 stakeholder groups through more than 25 outreach activities, such as CEO Forums, (field) training sessions, stakeholder conferences, best practice forums, business association programmes, meetings with other ongoing SWITCH-Asia projects, etc. The project engaged various stakeholders, such as hotel associations, industry associations and the Ministries of Industry, Environment and Tourism in Nepal; Department of Renewable Energy in Bhutan, Ministry of Works and Human Settlement in Bhutan, industrial park management authorities, etc.

SWITCH Africa Green: National Stakeholder Workshops were held in the 6 pilot countries and tools were made available to the stakeholders on different aspects of green business development. Networking between the 10YFP secretariat and national focal points and SWITCH-Asia and SwitchMed was promoted in view of the first regional networking forum. Quarterly reports and greening the business toolkits and other project information have been distributed to stakeholders through the website, accompanied by on-site training (The networking platform is operational with about 120 registered users – Report April 2016). The first SWITCH Africa Green regional networking, back to back with the 9th Africa Roundtable on Sustainable Consumption and Production (ARSCP 9) in Kampala on 30 May - 2 June 2016, together with an expo and showcase of the projects, which was effective in strengthening coordination and an understanding of factors contributing to project success

#### *4.2.4 Extent of Effectiveness of Network Contributions to EU and global SCP Agendas*

112. The Network Facilities in Asia, the Mediterranean and Africa have been relatively effective, through their various activities and have contributed to EU and global SCP agendas. A wide range of stakeholders have been successfully engaged in regional forums that provide opportunities for exchanges of information and networking, including Green Business Projects, government agencies etc., as confirmed by the Grantee survey carried out by the Consultant and during field interviews. The NF have publicized and promoted SCP through their web sites and other media. They have produced good quality papers. The share of the multimedia content has grown in recent years. The SWITCH-Asia and SwitchMed NF, in particular, have successfully managed to assist in creating individual programme brands. The SWITCH-Asia NF Project Impact Sheets have much to commend them, as do the newsletters that are widely circulated; and this activity could be replicated by other interventions. These sheets contain information on both effectiveness and impact, including processes, partnerships and a mix of outputs, outcomes and impact and also constitute an important source for dissemination of good practice. Many of them are useful for providing examples of Case Studies.

#### *4.2.5 The 10YFP Secretariat*

113. The Secretariat has been effective in terms of activities, leading to a great deal of knowledge sharing and a greater understanding of the objectives of the 10YFP and the need for collective and coordinated policy action For example, 4 meetings of the 10YFP Board have been organized (Oct. 2013, March and Oct. 2014, and May 2015); the 10YFP UN Inter-Agency Coordination Group was established in May 2013, with 19 UN bodies. 2 meetings of the 10YFP IACG were organized (May 2013 and May

2014); in 2015, 124 National Focal Points and 58 Stakeholder Focal Points representing 8 Major Groups had been nominated; the process for SFPs nomination is in the process of being reformed in consultation with UNDESA and major groups' representatives to ensure greater transparency and participation on the ground; for NFPs, 3 webinars were organized and 3 meetings / workshops (WEOG in 2013, Africa and South East Asia in 2014) were held; For SFPs, 5 webinars were organized in 2014, and one meeting during UNEA (June 2014); and the 2nd Meeting of the 10YFP Stakeholder Focal Points was held on 13 May 2015, in New York City, USA. In 2015, an inventory of financial mechanisms relevant to SCP and the 10YFP was developed to support the 10YFP programmes in their fund-raising efforts. In 2016, a professional online Trust Fund management platform was developed in order to increase the efficiency of the process put in place for open calls for proposals. In its efforts to provide guidance and support to the 10YFP programmes an inventory of financial mechanisms relevant to the 10YFP / SCP includes information about more than 30 cooperation and financing mechanisms with potential opportunities to support projects under the 10YFP and its programmes. This inventory will be available in the future on the Global SCP Clearinghouse.

### 4.3 Efficiency

**EQ 3: How efficient and cost effective has the intervention been?**

114. The answer to this question is articulated through justification of costs in relation to benefits achieved and factors influencing efficiency. Overall the SCP programmes and the 10YFP have been cost effective, although there are queries on the cost effectiveness of the RPSC and the NF of SWITCH Africa Green.

#### 4.3.1 Justification of Costs in relation to Benefits achieved

##### 4.3.1.1 Efficiency of Regional SCP Programmes and the 10YFP

115. Funding Commitments for the regional SCP programmes and the 10YFP are shown in the tables below.

**Table 7: SWITCH-Asia funding**

Component	Funding Amount (€ ml 2007-2017)	Disbursed (€ ml)	% age Disbursed	Number of projects
Regional Policy Support	7,2	7,2	100	
<b>Total Grantee Projects</b>	177.32	137.48	77.5	105
Network Facility 1 (2008-2013 )	3,2	3,2	100	
Network Facility 2 (2013-2017)	3.4	2.85	81.6	
<b>Total all Components</b>	191.12	150.73	78.86	

**Table 8: SWITCH Africa Green Programme**

Component	Funding Amount (€ ml 2010-2016) <sup>129</sup>	Disbursed (€ ml)	% age Disbursed	Number of projects
Policy Support component	5,750,000			
Green Business component	30,050,000			34
Network Facility component	3,700,000			
<b>Total all Components</b>	39,500,000	9,778,867	24,75	

<sup>129</sup> These figures correspond to commitments made during the period 2010-2016, although the corresponding implementation period covered by the 2 tranches of funding to SWITCH Africa is 2014-2020.

**Table 9: SwitchMed (Policy Component project)**

Executing partner	Funding Amount (€)	Disbursed (€)	% age Disbursed
<b>Total UNEP (MAP, DTIE, SCPRAC)</b>	3,099,790	2,419,500	78.05%

**Table 10: SwitchMed (Demonstration and Networking Component Project)**

Executing partner	Funding Amount (€ 2010 to 2016)	Disbursed (€)	% age Disbursed
<b>UNIDO</b>			
Year 1: 01/02/2014 to 31/01/2015	3,884,230	3,884,230	100%
Year 2: 01/02/2015 to 31/05/2016	2,004,580	2,004,580	100%
<b>SCP/RAC/UNEP-MAP</b>			
Year 1: 01/02/2014 to 31/01/2015	1,810,220	1,810,220	100%
Year 2: 01/02/2015 to 31/05/2016	1,859,506	1,859,506	100%
<b>UNEP-DTIE</b>			
Year 1: 01/02/2014 to 31/01/2015	472,215	472,215	100%
Year 2: 01/02/2015 to 31/05/2016	516,189	516,189	100%
<b>Total all partners</b>			
Year 1: 01/02/2014 to 31/01/2015	6,166,664	6,166,664	100%
Year 2: 01/02/2015 to 31/05/2016	4,380,275	4,380,275	100%
<b>Total</b>	10,546,939	10,546,939	100%

**Table 11: 10 YFP**

Component	Funding Amount (€ ml)
<b>Secretariat 2012 to 2016</b>	2.5
<b>Secretariat 2016 to 2019</b>	2.25
<b>Total</b>	<b>4.75</b>

116. **The effectiveness and impact of the three regional SCP programmes and the 10YFP are outlined in subsequent sections of the text. In combination** the three components of the regional SCP programmes have been mainly efficient and cost effective regarding SwitchMed. In SWITCH-Asia, although there are queries regarding the regional policy support component, the impact of the programme, overall, is considered to be substantial. In SWITCH Africa Green, benefits to-date of the policy and network components are more questionable, however in relation to small amounts of funding for the Green Business projects benefits are considered to be reasonable. The proportion of total SCP funds committed to each programme and the 10YFP is appropriate, considering their timelines and SCP and Green Economy issues and needs; and overall costs are justified. The SwitchMed programme has been particularly cost effective, with a high level of private sector engagement and the potential for significant impact. The 10YFP Secretariat is clearly efficient, with significant outputs in relation to costs, which are not excessive, taking into account the wide range of activities undertaken, many of which have global reach.

#### 4.3.1.2 Efficiency of the Wider EU Portfolio of Interventions related to the Green Economy

117. Total commitments for the “Dedicated Green Economy” interventions presented in section 4.6 are € 31.47 million. The evaluation has not assessed the benefits of the interventions falling under this category. It is observed that the individual funding amounts are modest and more than likely are justified, particularly as they complement EU and other donor funded interventions at sector level). For example, they incorporate coordination of Green Economy policies, through PAGE, and the build-up of civil society support, through GEC. As such, they are coherent with needs, with the caveat that wider coverage would increase their impact. It is beyond the scope of the evaluation to analyse the efficiency of the Complementary Green Economy initiatives. It is merely observed that total

commitments of “Complementary Green Economy” initiatives between 2007 and up to 2020 are large. For example, the funding amounts for the interventions on the Global Climate Change Alliance plus GCCA+) flagship, the flagship Biodiversity for life (B4LIFE), and the Forest Law Enforcement Governance and Trade (FLEGT) flagship amounts to over € 1.5 billion.

#### 4.3.2 *Factors Influencing Efficiency*

118. The close operational linkages between different components and subcomponents are one of the main factors influencing the efficiency of the programmes, albeit that this aspect could be improved, together with the cost effectiveness of the methodology applied. With regard to the latter, the lessons learned from the SwitchMed intervention indicate that the modus operandi of the programme, which does not finance projects as such, may be worthy of consideration for future interventions. This consists of involving MEMS at all stages of the project cycle, including design and attendance at annual programme events. There is a caveat to this conclusion though, as the real impact of the programme is yet to be defined by the programme itself, and hence an element of uncertainty remains.

#### 4.4 **Impact**

**EQ 4:** What is the long term policy, technical and networking impact of the intervention on the EU and global SCP and Green Economy objectives?

119. The answer to this question is articulated through 1) extent of support to EU, international, regional, country SCP policies, 2) extent of adoption of sustainable SCP practices by stakeholders, particularly MSMEs, 3) extent of contributions to the drivers for change, and 4) the extent of contributions to the Green Economy. All of the SCP programmes and the 10YFP have contributed positively to the EU and global SCP and Green Economy objectives, although the extent of measurable impact differs amongst the programmes, partly due to the different lengths of implementation of the programme, and the effectiveness of programme management and structures. In this regard, a number of EU Delegations expressed concerns regarding the SWITCH Africa Green programme.

##### 4.4.1 *Extent of support to EU, International, Regional, Country SCP Policies*

120. Information used to evaluate the extent of support of the policy component has been sourced from previous evaluations, for example, the internal UNEP evaluation of the 10YFP; the internal UNEP evaluation of the SWITCH-Asia Regional Policy Support Component (RPSC)<sup>130</sup>, a needs assessment carried out by UNEP<sup>131</sup> <sup>132</sup>, and an evaluation funded by the EU carried out in 2015<sup>133</sup> on the progress of the regional PSC and national PSC projects for Malaysia and Indonesia; a review of ROM reports; discussions were held with stakeholders in the EU and during country visits; and the Grant survey carried out provided additional information.
121. The extent of support to policies has been achieved through regional policy support components (RSPC), country level policy support and the activities of Green Business projects. The effectiveness of these policy components was presented under Section 4.2 above. The SWITCH-Asia RPSC has had an impact with respect to establishing the baseline situation regarding policy in all countries in Asia,

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<sup>130</sup> United Nations Environment Programme Terminal Evaluation. “SWITCH to Sustainable Policies and Innovation for Resource Efficiency in Asia – Regional Policy Support Component (SWITCH-Asia RPSC) Final Evaluation Report: Dr. Dick van Beers and Dr. Andy Rowe: Draft Version No. 2 18 November, 2016

<sup>131</sup> SWITCH-Asia Policy Support Component - Capacity Building and Policy Needs Assessment on Sustainable Consumption and Production – UNEP / IGES/ CSIRO –EU: Final Report

<sup>132</sup> Terminal Evaluation of the UNEP Project: Global Platform for Action on Sustainable Consumption and Production (SCP): Supporting the Implementation of the 10 Year Framework of Programmes on SCP (10YFP) : TERMINAL EVALUATION REPORT : FOURTH DRAFT, January 2017

<sup>133</sup> Evaluation of SWITCH-Asia Regional and National Policy Support Components Malaysia and Indonesia: Letter of Contract N°2015/356496: FINAL EVALUATION REPORT: IBF: August 2015

trained national agency staff, carried out policy advocacy, and provided many networking opportunities; however the impact of the RPSC in terms of providing support that will result in increased investments in green technologies and the take-up of SCP practices is difficult to assess in the absence of any analysis by the RPSC itself. However, since many activities have been successfully carried out across nine of the SWITCH-Asia countries (the number was limited by budget constraints) it is likely that a degree of impact has been achieved. Green Business projects in SWITCH-Asia are regarded by previous evaluations and the Consultant to have had an impact in improving the enabling environment, as indicated in numerous Project Impact Sheets and discussions with stakeholders in countries visited, including government agencies and Grantees, and the same applies to country level actions, however these were limited to five countries (Indonesia, Malaysia, Sri Lanka, Thailand and the Philippines).

#### Positive Policy Impact: SWITCH-Asia and SwitchMed

The regional policy support component of SWITCH-Asia has managed to bring SCP to the forefront of the agenda of some Asian countries and advocated successfully its benefits. It created and strengthened regional SCP fora in Asia (APRSCP, ASEAN forum on SCP and South Asia forum on SCP). The RPSC managed, with the support of international partners (the United Nations Environment Programme and the CSIRO Minerals Resources Flagship), an extremely informative evaluation of SCP performance in Asian countries published in 2015 that was financed by the European Union through the SWITCH-Asia RPSC Programme. National projects have delivered valuable policy outputs, which have been well received by the different stakeholders. The national projects have actively engaged with their immediate counterparts as well as with other Ministries and stakeholders. Their engagement has resulted in changes to the institutional and legal frameworks. The Malaysia country PSC (Evaluation of SWITCH-Asia Regional and National Policy Support Components Malaysia and Indonesia: Letter of Contract N°2015/356496: Final Evaluation Report: Prepared by Pierre MAHY 2015) has been able to elevate SCP to the highest possible level of the country's overall policy framework, i.e. the 11th Malaysian Development Plan (2016-2020) officially released in May 2015. Green growth for sustainability and resilience is one of the key chapters of the Plan. The Plan specifically refers to the SCP Blueprint, which will outline measures and areas of priority to achieve green growth. The impact of the Network Facility has provided long term building of relationships, and dissemination of policy information that may lead to further multiplier effects and take-up of SCP technologies and in turn this will have a positive impact on contributions to the Green economy and SCP agenda. **SwitchMed** has contributed to adoption of Directives and Strategies by the Contracting Parties of the Barcelona Convention, reflecting the strong political commitment of the region with SDG 12 (responsible consumption and production): a Regional Action Plan on SCP, a Regional Action Plan on Marine Litter (ML) integrating SCP measures and a revised Mediterranean Strategy for Sustainable Development (MSSD) integrating the strategic Directions of the SCP Action Plan and a UNEP/MAP Middle Term Strategy in which SCP is identified as crosscutting theme. SwitchMed Policy component has contributed to and benefitted from this strong and unique dimension of MAP/Barcelona Convention related to SCP.

122. The Grantee survey carried out by the Consultant (see Appendix 9) indicated the following regarding policy impact.

- **Did your Project result in Policy Formulation:** Nearly two thirds of respondents stated that their project resulted in policy formulation

#### Selected examples of Project Effectiveness and Impact

Adoption of E-waste Rules in India;

Development and registration of a National Competency Standard of traditional hand weaving by the Ministry of Manpower of Indonesia;

Adoption of National Law on Plastic Bag Waste Reduction in Bangladesh and mandatory Jute Packaging for certain types of commodities;

Regional policy roadmap to promote higher efficiency and increase minimum energy performance standards adopted by the ASEAN Ministers of Energy Meeting;

- **Has the policy component been effective resulting in implementation by government agencies:** Nearly two thirds of grantees responding to this question stated that policies have not resulted in implementation by government agencies
  - **Has SCP policy encouraged MSMEs to invest in SCP practices:** Fifty percent of respondents stated that SCP policy had encouraged MSMEs to invest in SCP practices. Since the other 50 % stated that policy had not encouraged MSMEs to invest in SCP practices this raises questions on the impact of policy development on practices at business level
123. Overall there is considerable room for improvement in reporting systems for the policy support components, in order to link outputs, outcomes and impact. Furthermore, it is essential that the RPSC, the Green Business projects and the Network Facilities coordinate their support and exchange information on progress, effectiveness and impact on a regular basis. This means the adoption of a “mind-set” that entails taking a positive approach to collaboration.
124. Regarding the 10YFP the extent of support to EU, international, regional and country SCP policies is potentially substantial, as is assistance provided in coordination at all levels. Multiplier effects and impact are likely from activities, although not yet substantiated by Impact reporting. Examples of the potential impact of the 10YFP are:
- The shift towards SCP and the 10YFP has gained a lot of support at the international level, in the context of the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs), notably through the engagement of the 10YFP, major sustainable development actors from all sectors of society actively involved in the 10YFP programme, the Secretariat’s work on SCP indicators for the SDGs, as well as through key events such as the 1st international meeting of the 10YFP. The 10YFP Secretariat provides guidance on coordination and implementation, as well as assisting partners in developing project proposals and facilitating communication with regional and national stakeholders.
  - Regional and sub-regional dialogue and cooperation activities highlighted the need to ensure open communication channels between all the main actors of the 10YFP, as well as to build or strengthen bridges between regions, countries and the 10YFP programmes. Multi-stakeholder mobilization for the implementation of the 10YFP at the global, regional and national levels has intensified.
125. Progress Reports indicate that monitoring and reporting on progress as well as on impacts will be a challenge for the 10YFP, given the multiple layers that shape the platform. How far the 10YFP has made a practical impact in providing an enabling environment for improved SCP patterns by government agencies and private enterprise and securing incentives by private enterprise to invest in SCP and Green economy initiatives is not entirely clear.

#### 4.4.2 *Extent of Adoption of Sustainable SCP Practices by Stakeholders, particularly MSMEs*

126. The extent of the adoption of sustainable SCP practices by stakeholders, particularly MSMEs, is influenced by improvements to the enabling environment provided by policy initiatives, as presented under Section 4.4.1 above, the impact of Green Business projects and green business development activities and the impact of the Network Facilities. In SWITCH-Asia 95 Green Business projects have been implemented over an eight-year period, in SWITCH Africa Green 34 projects have been implemented over a 3-year period and in SwitchMed the green business development component has made considerable progress.
127. In all three programmes, current monitoring and evaluation systems provide insufficient evidence on impact. ROM and previous evaluations provide no data, in terms of investments made, enterprise viability, number of MSMEs taking up SCP practices, or the number of green jobs created. None of the programmes has prepared a programme wide analysis of impact. The Consultant used the Network Facility Project Impact Sheets and Progress reports to prepare examples of impact for the SWITCH-

Asia programme. A similar exercise was carried out for SWITCH Africa Green using progress reports and with SwitchMed various documents were consulted for information on progress. Field interviews were very useful in obtaining further information and views, and a survey of Grantees provided further useful evidence on impact. Although data sets could be considerably improved, there is information and data available in many of the Progress reports and the NF Impact Sheets in SWITCH-Asia, from which judgements were made by the Consultant, that indicate that within sectors there has been effective implementation of policies with positive outputs, outcomes and impact in many projects; including environmental impact, take up of SCP practices by MSMEs/ multiplier effects, greater access to funding, greater economic viability of enterprises as a result of increased resource use efficiency and/or increases in income due to increased market opportunities, and positive social impact contributions were made. The impact of the Green Business projects is judged to be quite high overall.

128. Examples of Project Impact Sheets prepared by the Consultant, based on NF Project Impact Sheets and Progress Reports appear at Appendix 8. One example of a Project Impact Sheet from the SWITCH-Asia programme is provided to illustrate that projects can, and do, have a considerable impact on the drivers for change under the SWITCH-Asia programme. Although there is no aggregated data available for all projects, either by country, sector or overall, it is judged by reviewing all data sources and conducting interviews that impact for all of the drivers of change is considerable, based on a review of selected projects, field interviews and the Grantee survey carried out.

### **Thailand Example: Greening Supply Chains in the Thai Auto and Automotive Parts Industries**

The overall objective of the action is to improve sustainable production of SMEs in the Thai auto and automotive parts supply chains. Expected results are:

- Productivity and quality of products of at least 250 SMEs have increased, while environmental impacts per production unit have been reduced;
- Number of SMEs complying with international environmental regulations has increased;
- New financial packages for SMEs to invest in improvement measures are widely used in the market;
- Alliances and networks for greening the supply chain of Thai automotive industry have improved;
- Good practices and related policies have been promoted.

The target group is 3 000 related companies in Thailand, of which more than 90% are SMEs. The direct target groups of the project were 500 SMEs in Tier 2 and 3 organised either in supply chains, related associations, product clusters or industrial areas in six provinces. Industries covered included tyres, safety glass, lights, engines, batteries, input shafts and crank shafts. Despite the diversity, basic production processes are similar, such as stamping, forging, casting or machining: Duration: 2/2012 - 1/2015: Total budget: EUR 2.020,000 (EU Contribution: 80%).

<b>Policy Development</b>
<ul style="list-style-type: none"> <li>• Organised four policy events / dialogues with policymakers. Contributed to three policies regulating the automotive sector, and resource and energy efficiency: • Thai Automotive Industry Master Plan; • Thai Green Industry Mark; • 20 Year-Energy Efficiency Plan.</li> <li>• Major policy recommendations focused on: • Incentive mechanisms, e.g. improving processes and criteria for soft loans, subsidies, tax exemptions; • Improving standard infrastructure, e.g. simplifying the certification procedure and reducing the processing time for applications, enhancing the capacity of auditors, considering supply chain greening initiatives such as green procurement guidelines; • Law and regulation, e.g. broadening excise taxes to cover pollutant emissions from vehicles, setting up a sub-committee to ensure coordination between policies in different ministries.</li> <li>• Ministry of Industry adopted the recommendation on improving the process of standard application, such as improving rewards and incentives for the Green Industry Mark (GIM) programme, improving the process of a GIM application. This encouraged SMEs to implement SCP practice</li> </ul>
<b>Economic and Green Finance Impact</b>
<ul style="list-style-type: none"> <li>• Achieving monetary saving of EUR 7.9 million by beneficiary companies</li> </ul>

<ul style="list-style-type: none"> <li>• Created additional business opportunities for SMEs by: • improving Thai suppliers' production performance as they implemented resource and energy measures to meet the Green Procurement criteria set by Tier 1 companies and car makers, such as 40 suppliers within Calsonic company's supply chain; • reduced production costs by using resource and energy more efficiently, which in turn created higher profit; • increasing interest from car makers like BMW and Audi that wished to source from Thai local suppliers which has increased their performance</li> <li>• Increased the supply chain's efficiency by encouraging SMEs to make resource plans and calculations when employing new measures. Some SMEs in Tier 1 and 2 established an award or incentive system for their workers who successfully implemented the measures</li> <li>• 376 SMEs invested in measure implementation with a total one-off investment of EUR 2 million. 1 SME benefitted from better access to finance. • Total amount of Green Finance leveraged for SMEs: EUR 623 000</li> <li>• Training and workshops were conducted to target SMEs as well as to identify the gap/obstacles of accessing green financial packages.</li> <li>• The project used existing green financial products and subsidy programmes, e.g. Productivity Improvement Loans from the SME Bank, Energy Guarantee Saving Programme from the Kasikorn Bank, and 80-20 Subsidy Programme from the Ministry of Energy</li> </ul>
<b>Environmental and Climate Change Impact</b>
<ul style="list-style-type: none"> <li>• Achieved total water use saving of 118 230 m<sup>3</sup>/year, representing an average saving of 51% and total solid waste saving of 2 161 tonnes/year, representing an average saving of 49%</li> <li>• Reduced environmental risks by implementing SCP measures, such as good housekeeping, recycle and reuse, and reduction in use of raw materials/inputs</li> <li>• Reduced greenhouse gases (GHG) through implementation of SCP measures, soil contamination through reduced solid waste, and wastewater disposal/ Reduced GHG emissions of 16 413 tonnes CO<sub>2</sub> equivalent per year</li> <li>• Achieved total energy saving of 114 433 082 GJ per year or an average saving of 27%.</li> <li>• SCP measures implemented to increase energy efficiency include technology modification and change of materials/product inputs. • Measures carried out to enhance business awareness on climate change risks: <ul style="list-style-type: none"> <li>• Information workshop to provide general information on climate change and its impact;</li> <li>• Training courses where SMEs visualised the potential impact of lowered energy consumption. SMEs learned to calculate GHG emission reduction brought by a reduced energy consumption (electricity, natural gas)</li> </ul> </li> <li>• Demonstration of green procurement guidelines of brand car makers (e.g. BMW, Audi, TOYOTA) that require GHG emission reduction. This made SME suppliers aware of the importance of climate change to their business.</li> </ul>
<b>Multiplier Effect/ Stakeholder Engagement</b>
<ul style="list-style-type: none"> <li>• Engaged 502 SMEs in project activities and organised three outreach activities • Involved 22 stakeholders: • International Car Makers e.g. TOYOTA, BMW, Audi, Mercedes Benz, VW, Isuzu. They contributed by sharing knowledge and good practice to SMEs during a study trip as well as sourcing potential Thai suppliers</li> <li>• Industrial associations e.g. Thai Auto Parts Manufacturers Association (TAPMA), Thai Sub-contracting Association, Thai Automotive Association, Glass Association, Rubber Association, Iron and Steel Association. They were engaged in pursuing member participation in the project training course</li> <li>• Financial institutions e.g. SME Bank, Kasikorn Bank, Bangkok Bank, ESCO association. They were involved to facilitate training on the application of financial loan/packages</li> <li>• Government agencies e.g. Ministry of Industry, Ministry of Energy. They contributed in improving the process of Green Industry Mark application, and access to ESCO service and 80-20 subsidy programme</li> <li>• The Automotive Institute embedded Loss Reduction Process (LRP) into their training service to improve the quality of local trainers</li> </ul>
<b>Social Impact</b>
<ul style="list-style-type: none"> <li>• Achieved 35% reduction in work-related accidents through the implementation of health and safety risk reduction measures introduced in SMEs, such as less exposure to dust, safer chemical handling, less noise, reduced risks of metal scrap related injuries, reduced overwork due to clearer work instructions, etc.</li> </ul>
<b>Europe – Asia Cooperation</b>
<ul style="list-style-type: none"> <li>• Six events were held with European and Asian participants.</li> <li>• Four EU-Asia study tours were organised. This included a study trip to Germany to gain knowledge of SCP good practice in German car production, as well as matchmaking between German buyers and Thai SMEs.</li> <li>• Two new EU-Asia partnerships were initiated.</li> </ul>

- Attended international events, e.g. SWITCH-Asia networking meetings, SCP Leadership Programme for SCP, the 11th Asia Pacific Roundtable for Sustainable Consumption and Production (APRSCP), and UN Winter School for SCP.
- Contributed to SCP knowledge exchange in automotive supply chain management including tools, showcases and success factors

129. With SWITCH Africa Green the assessment of the long-term impact of the programme both on policy, the grants' final beneficiaries, and the local communities, proves challenging at this stage of project implementation (first year in the case of countries who participated in the second Call for Proposals and a few months into the second year for those participating to the first Call). In terms of environmental impact there is some evidence that a degree of impact has been achieved. With respect to economic impact there is limited evidence regarding multiplier effects, enterprise viability, SCP levels of investment and employment; and social impact, such as green jobs created. At this stage, most projects have only carried out stakeholder mapping and engagements actions, aimed at identifying MSMEs for successive workshops and hands-on training on different SCP practices and green technologies. There is some evidence to suggest that the activities carried out to date will result in capacity enhancement for green business development and Eco entrepreneurship and a positive picture in terms of long term uptake of SCP practices has started to emerge that may result in a transformed green business model. A Project Impact Sheet prepared by the Consultant from information contained in Progress Reports, ROM reports and field visits is shown below to illustrate the level of impact that can be gauged at this stage of programme implementation:

**Uganda Example: Up-scaling Generation, Commercialization and Utilization of Banana Peels and Sugar Cane Waste based Biogas and Charcoal Briquettes Energy Sources in Uganda**

Grantee: AFRI-BANANA PRODUCTS AND LIMITED

Partner: Centre for Research in Energy and Conservation (CREEC)

The project targets MSMEs and Community Organizations to promote biomass based green energy technologies, focusing on green energy generation, green energy business development and up-scaling. According to the project reporting, 70% of the beneficiaries reached so far either directly or indirectly are women. The project also engages with policy decision makers for charting a sustainable way forward. The project actions carried out so far included awareness and sensitization sessions, through seminars, conferences and open discussion sessions, and, for the selected MSMEs, a series of capacity building trainings and hands-on practical sessions, business incubation and mentoring on green energy technologies. According to the Interim report referring to July 2015-March 2016 and successive progress reporting up to October 2016, the project so far has had numerous positive results.

<b>Policy Development</b>
<ul style="list-style-type: none"> <li>● The project has a strong policy development component in regard to SCP objectives and good practices, it foresees a number of visits to relevant Parliamentary, Municipal Authorities and Committee Officials to identify gaps in the policies and jointly chart the favourable way forward.</li> <li>● The project aims to develop 5 favourable policy guidelines/ briefs including all stakeholders in the green energy technology value chain, from production to consumption. A baseline survey is already in place and will feed into policy guidelines favourable to up-scaling and sustainability of the project activities.</li> </ul>
<b>Economic and Green Finance Impact</b>
<ul style="list-style-type: none"> <li>● The project has been building the selected MSMEs business capacity through business incubation/ training and mentoring system. 30 MSMEs/ community organizations participating in green energy technologies business dealing in Charcoal briquettes and biogas have been recruited for business incubation/ mentorship and training in clean energy</li> <li>● In the period from July 2015 to March 2016: <ul style="list-style-type: none"> <li>✓ 3 tool kits for MSME business development were adopted (downloaded from UNEP recommended sources).</li> <li>✓ The Centre for Research in Energy and Energy Conservation (CREEC) held 3 businesses Training for 15 target biogas companies (currently using the skills acquired to improve on their green businesses).</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>✓ ABP held 2 charcoal briquette business mentorship trainings in green business (15 targeted stakeholders).</li> <li>✓ At the current stage of the project a business mentor is in the process of profiling all stakeholders' revenue performance to determine progress in MSME business growth and development.</li> <li>● Over 40 MSMEs reached through capacity building activities on green energy generation, commercialization and utilization.</li> <li>● 33 MSMEs recruited and practicing clean energy technologies, out of an initial aim of 30 MSMEs and Community Organizations.</li> <li>● 33 MSMEs and community organizations running green energy technologies business development and up-scaling.</li> <li>● These 33 MSMEs are impacting over 300 unlisted beneficiaries in clean energy production and commercialisation.</li> <li>● High level of awareness achieved and information dissemination realized. <ul style="list-style-type: none"> <li>✓ 65 clean energy producers reached through MSMEs</li> <li>✓ Over 200,000 people sensitized through radio talk shows</li> <li>✓ Approximately 200,000 reached through radio advert</li> <li>✓ Over 3,000,000 people sensitized</li> <li>✓ 800 participants informed through the WAITRO conference</li> </ul> </li> <li>● Advanced theoretical training, hands-on technical training, and vocational skills related to charcoal briquette equipment fabrication - <ul style="list-style-type: none"> <li>✓ 51 University students and lectures sensitized</li> <li>✓ 1 National association of clean energy established etc.</li> </ul> </li> <li>● Clean energy business development, performance, and partner networking established to support MSMEs business sustainability: <ul style="list-style-type: none"> <li>✓ 6 cottage industries using charcoal briquettes</li> <li>✓ 3 metal fabricators producing and supplying machines</li> <li>✓ 9 recruited MSMEs fabricating briquette machines etc.</li> </ul> </li> <li>● The direct creation of 114 green jobs and 498 indirect green jobs.</li> <li>● Average income increase measured at 40%.</li> </ul>
<b>Social impact</b>
<ul style="list-style-type: none"> <li>● By offering capacity building and skills training to young and elderly especially (70% of the direct/indirect beneficiaries so far are women), the project contributed to engage the weakest groups in the population and increase their household incomes.</li> </ul>
<b>Stakeholder Engagement/Multiplier Effect</b>
<ul style="list-style-type: none"> <li>● The Abakashaki Eco-friendly charcoal briquette producers, part of the MSMEs stakeholder group has already started training groups of youths from vocational institutions and universities</li> <li>● This multiplier activity has benefitted the development of a young local entrepreneurial community, as a few of the trainee has started small scale enterprises in their towns</li> <li>● Thanks to ABP partnership with Universities and Higher Education Institutions, the project stakeholders can access innovations coming from these institutions and receive support on scaling production and quality assurance (support in energy related standards assessment).</li> <li>● The project was flexible to re-adapt its strategy based on stakeholders' needs emerged from the baseline survey results. This included considering an increase in the number of women and youth for supporting in Charcoal briquettes manufacturing. The project also realized that stakeholders identified for support were leading large groups of members (One stakeholder is leading an umbrella of 4 groups charcoal briquette makers in western Uganda of which 3 are women groups). The project considered including the 3 groups also as SAG stakeholder.</li> </ul>
<b>Environmental Impact</b>
<ul style="list-style-type: none"> <li>● The project has a positive environmental impact, related to Its main objective is the uptake of clean energy production processed, energy efficient practices and support to MSMEs for the commercialisation of charcoal briquettes and biogas</li> <li>● The project has reached beyond the 30 recruited MSMEs as it demonstrates the fact that, thanks to its dissemination activities, 2 cottage industries producing banana juice have started using charcoal briquettes as source of efficient energy, reporting sustained increase in production and reduced energy expenditures</li> <li>● MSMEs participants have also acquired techniques to reduce, reuse and recycle waste generated from their production processes: biogas stakeholders have learnt to use slurry to produce manure, fertilizers</li> </ul>

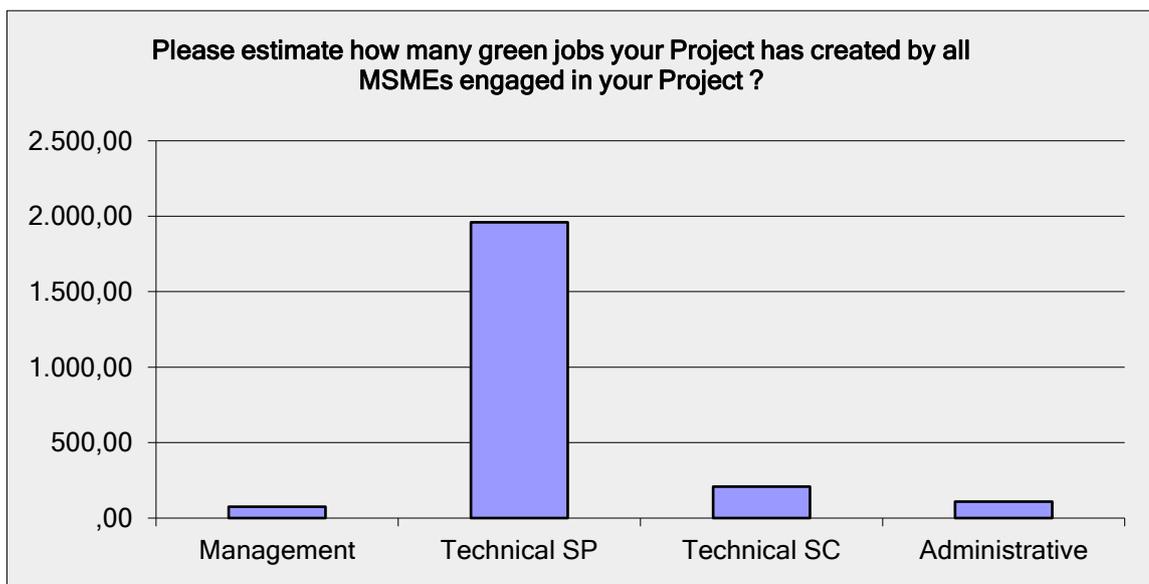
and charcoal briquettes; charcoal briquettes stakeholders have started sorting our biodegradable waste like food remains, vegetable etc. to carbonize and produce charcoal briquettes, thus generating a positive impact at environmental level.

- The project in its final stage will also seek to adopt eco-labelling to certify the product quality, when the required level will be reached. This will help to internationalise the market for the stakeholders involved.

130. The impact of SwitchMed could be significant, based on outputs and outcomes achieved so far; although impact data is not yet available as the internal monitoring systems of the programmes are not designed with sufficient precision for the capture of all impact data, particularly regarding the economic driver of change. In terms of the extent to which SCP technologies are being taken up by stakeholders, SwitchMed has implemented an effective programme organisation that permits transferring experiences from stakeholders participating in different subcomponents and different regions.

131. The Grantee survey (see Appendix 9) carried out by the Consultant has provided some data that assists in gaining an idea of economic impact. The sample size was reasonable (a total of 41 respondents), however the results for SWITCH-Asia and SWITCH Africa Green provide additional evidence of quite positive economic impact. The response in the SwitchMed programme was too small for data use. Results for SWITCH-Asia and SWITCH Africa green are disaggregated at Appendix 9. The extrapolation of results needs to be treated with caution and it has not been possible to verify the data independently.

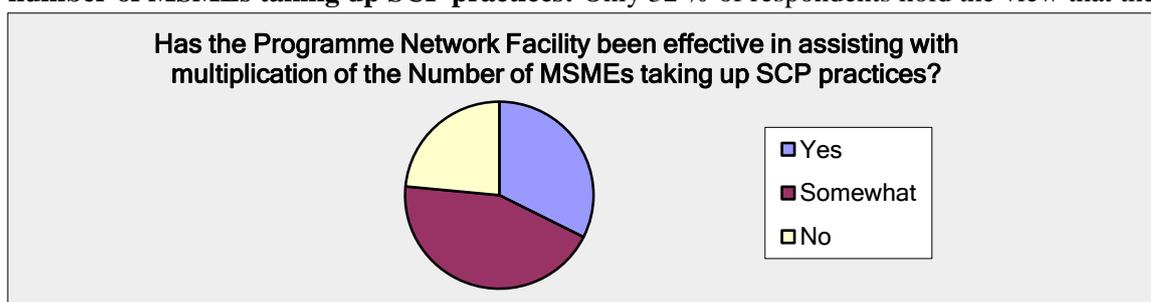
- **Adoption of SCP practices, particularly by MSMEs:** A high proportion of Grantees reported that their project has resulted in SCP adoption by MSMEs (over 83 %).
- **Number of MSMEs taking up SCP Practices as a Result of Your Project:** Extrapolating data provided by the survey shows that the total number of MSMEs impacted would be some 93,720 by the programmes.
- **Estimation of how many green jobs your Project has created by all MSMEs engaged in your Project:** Extrapolating data shows that for all Grantee projects to date for SWITCH-Asia and SWITCH Africa Green, the number of green jobs created would have been some 352,000. This is a large number. The average number of jobs created per project per category is shown below.



- **Can you estimate the value of investments made by the MSMEs in SCP as a result of your Project:** Only 33.3 % of Grantees were able to estimate the value of investments made in SCP as a result of the projects.
- **Estimated value of Capital Investments made by MSMEs in SCP as a result of your Project:** The estimated value of capital investments made by MSMEs in SCP as a result of the projects indicates quite high numbers; and together with information provided by some of the Project fact Sheets and during Feld interviews indicates a quite high level of success. Eleven respondents estimated capital values of € 9.06 million on average, per project, or € 81.5 million in total. If these figures are at all representative (this is very difficult to discern) then it can be extrapolated that some € 1.35 billion has been invested/ will be invested by MSMEs.

#### 4.4.3 The Network Facilities

132. The dissemination of information, and information sharing, by the SWITCH-Asia programme NF has been quite strong, however no country specific or sector specific analysis of impact has been prepared, and the involvement of the private sector in NF activities has been very limited. This is not a fault of the NF. The design of the monitoring system should have included the NF prior to start up, with discussions about project effectiveness and impact indicators; however overall responsibility for defining indicators and designing the programme system is the responsibility of programme management; and direct involvement of the private sector is limited by the provisions of the DCI.
133. With SWITCH Africa Green, similarly there has been an adequate level of networking, however there is a considerable weakness in the collection of output, outcome and impact data, a situation that should be rectified. With SwitchMed, the Networking Facility is key to achieving the transfer of technology knowledge between subcomponents and between beneficiary countries. A Steering Committee formed by all subcomponent and component managers meets regularly (minimum 2 times a year) and keeps permanent communication on amongst other topics, the achievements and difficulties of stakeholders in the implementation of best practices and taken up of technologies. The lessons learned from each TEST project's implementation is reflected in the respective company's business strategy, which can lead to adoption of new business models. These learnings are replicated and used in other TEST interventions in other industries and countries. Learnings are disseminated by the Networking Facility to participants in other subcomponents and the Steering Committee makes recommendations to component managers to share these learnings with national focal points (contributing to a bottom-up approach).
134. The Grantee survey showed that information dissemination has been effective, however only 32% of respondents believe that the NF has contributed to achieving multiplier effects regarding SCP take-up by MSMEs. This is possibly a result of too much emphasis on communications and not enough support to grantees and the MSME community.
- **How effective has the Programme Network Facility been in information dissemination and exchanges of experience:** The majority of Grantees think that the Network Facility has been effective in information dissemination (68 %) and 20 % think that the NF has been very effective.
  - **Has the Programme Network Facility been effective in assisting with multiplication of the number of MSMEs taking up SCP practices:** Only 32 % of respondents hold the view that the



NF have been effective in assisting with multiplication of the number of MSMEs taking up SCP practices.

- **If the Network Facility is not achieving intended results, please list reasons, and give brief comment.** Examples of reasons are shown below.

**Examples of Reasons given by Grantees for NF not achieving contributions to Multiplier Effects**

There is no interest in connecting projects or grantees and no added value to implementation. While there are frequent meetings there is no facilitation of networking and synergies, which is “a massive hindrance to project implementation overall”; the networking facility is not anchored and has not approached the government agencies at the federal or local levels, thus the policy level impacts remain at the project level and have not been scaled up; the information provided by the NF has not yet reached a wider audience; beneficiaries do not access the Programme Network Facility, they are too busy, do not have internet access, struggle with technology, and do not have a global interest; the Programme Network Facility has been very useful in terms of learning exchanges of information etc., however there has not been the 'space' to really engage with the other organizations apart from the quarterly meetings; the Network Facility is “only doing networking among grantees, which by nature work on different topics, so not so useful”; the “networking events should bring the granted projects to meet with the industry, beneficiaries, doing outreach. Also, the Network Facility is only collecting information from grantees to publish newsletters and project profile, and we do not know the value of this. The Network Facility is not pro-active at all. One could expect such highly qualified experts in SCP to come to projects and suggest networking opportunities, by doing some work on learning about the projects”; One challenge is that there are different industries (sectors) and specific recommendations e.g. for sugar industry is not easy to find and the Network Facility is also Project based; there should be an institution which is looking beyond the project cycle.

*4.4.4 Extent of Contributions to the Drivers for Change and the Green Economy*

135. The programmes have contributed to the drivers of change, supported by their structures that are in line with the environmental, policy and green economy drivers. Contributions to the Green Economy are regarded as quite significant; although this varies by intervention.

**4.5 Coherence / Complementarity**

**EQ 5:** To what extent are the interventions coherent internally? **EQ 6:** To what extent are the interventions complementary to other SCP and Green Economy interventions?

136. The answer to this question is articulated through: the extent of coherence, complementarity and synergies between EU supported SCP and Green Economy interventions and external SCP and Green Economy Interventions and barriers to coherence and complementarity. The interventions are coherent and there is a good deal of complementarity and synergies, although these have not been fully explored.

*4.5.1 Extent of Coherence, Complementarity and Synergies between EU supported SCP and Green Economy Interventions and External SCP and Green Economy Interventions*

**4.5.1.1 EU Funded Regional SCP Programmes**

137. Internally the regional SCP programmes are structurally coherent, with interrelated components that have the potential to enhance the prospects for achieving programme outcomes and impact. However, internal coherence could be improved in operational terms with closer working relationships between the components. Relationships between the RPSC, the NF and green business projects have not been entirely satisfactory. The programmes are complementary to one another in the sense that they cover

different geographic regions with similar objectives, and there are opportunities for cross-learning. Synergies between the SCP programmes are desirable, and possible, however there has been insufficient collaboration and sharing of information and experience between the programmes until recently, which was facilitated by the SWITCH to Green Coordination meeting held in Brussels in September 2016. It is clear from the external dialogues that are organized by the regional policy support components of the SCP programmes that there is a degree of information exchange and collaboration with other EU policy initiatives, however, the full extent of the pursuit of comprehensive, well structured dialogue and synergies is not entirely clear.

#### 4.5.1.2 Complementary and Synergies with the 10YFP Secretariat

138. The Secretariat is internally coherent. It is recognized that the implementation of the 10YFP Programmes in silos would represent a risk for the 10YFP overall and it is noted that each of the 10YFP programme has its own objectives and priority areas of work. However, coordinated delivery and collaboration across the 10YFP programmes is essential. In response “the 10YFP Secretariat has facilitated exchange of information and experience among the 10YFP programmes actors, for example at the 1st global Meeting of the 10YFP, but also encouraging and providing guidance for the development of flagship projects involving more than one programme, and internal coherence is aided by its sound Governance structure. Strategic research and insights to be provided across programmes, especially in the context of the 2030 Agenda for Sustainable Development and to build linkages with other global challenges, is among the key functions of the 10YFP Secretariat.
139. There is a good deal of complementarity between the regional EU funded SCP programmes and the 10YFP, concerning Green Business projects funded through the 10YFP Trust Fund, which have a focus on sustainable consumption and sustainable public procurement. There is also the possibility of overlap as can be seen from the project below in India and Bangladesh entitled “Sustainable Consumption and Recycling Interventions for Paper and Textiles (SCRIPT) for Reducing Urban Climate Footprints: South Asian Forum for Environment [SAFE]”. In the future to ensure that synergies are maximized an increased level of information exchange between the 10YFP and the European Commission is desirable.

#### Examples 10 YFP Projects

##### **Sustainable Consumption:**

- **Chile:** *Smartphone App for Sustainable Consumption: National Consumer Service/Servicio Nacional del Consumidor (SERNAC):* The objective of the project is to provide science-based, clear, comparable and complete information on the sustainability of fast-moving consumer goods (FMCG) in order to empower consumers and enable them to make well-informed, sustainable decisions...

##### **Sustainable Lifestyles and Education Programme**

- **India and Bangladesh:** *Sustainable Consumption and Recycling Interventions for Paper and Textiles (SCRIPT) for Reducing Urban Climate Footprints: South Asian Forum for Environment [SAFE]:* The project aims to reduce paper and textile waste through informed use and awareness, as well to enhance the product life-cycles. The project targets two essential consumer products, paper and textiles, whose compositional value in municipal waste is increasing significantly owing to unsustainable usage and wastage.

##### **Sustainable Public Procurement**

- **Uruguay:** *Towards a Sustainable Public Procurement System in Uruguay: Agencia de Compras y Contrataciones del Estad (ACCE) – National Procurement Agency:* The objective of this project is to transform the Uruguayan Public Procurement System as an enabler for sustainable development, promoting the production of sustainable goods and services as well as more efficient and sustainable consumption from the public sector.

140. Regarding synergies and complementarity between the 10YFP and EU SCP and Green Economy initiatives on policy and mainstreaming there is both the possibility of overlap and opportunities for synergies. Planning and implementation of the 10YFP actions needs to be coordinated the UNDP-

UNEP poverty Environment Initiative<sup>134</sup> (PEI), PAGE and the SCP programmes to maximise the combined impact of interventions.

#### 4.5.1.3 Complementarity and Synergies of EU supported “Dedicated” Green Economy Interventions and External Interventions

141. There is a degree of collaboration between the EU regional SCP programmes and dedicated EU supported Green Economy programmes, as illustrated by the examples below, which also indicate that there has been some collaboration with non-EU external actions. However, there is also the possibility of overlaps as exemplified by Burkina Faso for example, which has green economy interventions implemented by the SWITCH Africa Green programme, PAGE and the PEI programme.

#### 4.5.1.4 Complementary and Synergies with “Complementary” EU SCP/ Green Economy Initiatives

142. Internally the EU funded complementary interventions are coherent. The “**environmental**” **interventions** (climate change, biodiversity and forestry) are dedicated, large scale actions. The SCP programme projects include complementary actions that involve climate change, biodiversity and forestry and which contribute to achieving climate change and resources conservation. The **energy** initiatives are fully complementary to the regional SCP programmes that address **resource efficiency** and target MSMEs, as they are comprised of activities that generally consist of country specific large scale clean **energy production**. They give access to affordable, clean energy, which is often off-grid and reaches remote areas and provide sector specific platforms for the dissemination of information and collaboration and give the entire EU energy sector intervention a highly practical approach to matching investments with policy. This is particularly true of Africa. In the energy sector the Investment Banks and Investment Funds tend to focus on larger scale projects, involving both government agencies and the private sector, that sometimes cross country borders, so that there is regional coordination on transmission, supplies and demand. The linkage between policy, practical investment and the Green Economy is abundantly clear. There are several EU dialogue energy forums for policy issues and platform for information dissemination. There may be room for rationalisation in this regard. EU funded **water** initiatives are also complementary in the sense that they address policy on a broader basis, have complementary networking platforms and forums and fund practical **water supply** projects. Cross border and regional issues are also included in the water portfolio.

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<sup>134</sup> <http://www.unpei.org/>

### **Examples of Collaboration EU funded Regional SCP programmes and “dedicated EU supported Green Economy initiatives**

- MED TEST II has identified the EBRD’s Sustainable Energy Financing Facility (SEFF) opportunity to facilitate access to finance to the demonstration companies.
- PAGE partnerships add value for partner countries. In Mongolia, for example, PAGE coordinates with the Global Green Growth Institute on the Green Buildings work stream, with SWITCH-Asia and the 10YFP on sustainable public procurement and with the UNEP Finance Initiative on mobilizing domestic finance. In Burkina Faso, PAGE, PEI and SWITCH Africa Green are delivering support under a joint country programme. PAGE works with different financing initiatives to support beneficiary countries: Green Climate Fund (GCF); Global Environment Facility (GEF); New Development Bank (NDB) Founded by Brazil, Russia, India, China and South Africa; EU Blending Mechanisms
- The Green Economy Coalition (GEC) is very complementary to other Green Economy initiatives with seven new dialogue hubs (South Africa, India, Caribbean, Peru, Senegal, Uganda and Mongolia) GEC has built strong working collaborative relationships that support governments with their green economy policy processes (UNPAGE, GGGI, GIZ etc.). Synergies with the EU SWITCH regional programs should also be encouraged in relevant countries
- The Advancing Caribbean States “Sustainable Development through Green Economy” programme has strong communication with other Small Island Developing States - built synergies and complementarities with The Economics of Ecosystems and Biodiversity (TEEB) initiative, the 10YFP, the International Labour Organization’s Green Jobs Programme, UNIDO /UNEP’s Cleaner Production Centres, and UNEP-UNDP Poverty-Environment Initiative

#### *4.5.2 The need for increased Policy Support Coordination*

143. Regarding policy, the wider EU portfolio of interventions and external actions, complementarity, synergies and the avoidance of overlap regarding policy support interventions requires further analysis. Examples (only) of EU and international Green Economy policy interventions include:
- The SCP programme regional policy support, country specific actions and policy components of Green Business projects.
  - The 10YFP that addresses SCP policy at the global, regional and country level. The recently completed internal UNEP evaluation of the 10YFP has recommended that it concentrates on country level support in the future.
  - The PAGE project addresses policy on green economy and SCP at country level.
144. There is also scope for improved coordination with other EU initiatives contributing to the green economy and that deliver policy support. This includes in particular support on environment mainstreaming through the Poverty Environment Initiative (PEI), as well as interventions in key sectors such as climate change, private sector development or energy. The new EU External Investment Plan and its pillars 2 and 3 that entail support to improve the regulatory and business environment in partner countries as well as structured dialogue may be an opportunity to improve coordination among the multiple EU initiatives supporting policy development in complementary sectors.

#### *4.5.3 Barriers to Coherence and Complementarity*

145. Barriers to achieving further synergies and increased complementarity with other initiatives consist mainly of resource constraints and further knowledge about all programmes on SCP and the Green Economy, particularly those funded or implemented by the EU and UN agencies. Barriers to achieving synergies and increased complementarity with other initiatives consists mainly of management and “mind set”. Collaboration requires a positive approach. This is particularly true of the SWITCH Africa

Green programme, where, in practice, implementation appears to have been somewhat disjointed, with insufficient levels of coordination and differing implementation timelines for the three components.

#### 4.5.4 *Lessons Learned*

146. In considering lessons learned on coherence and complementarity, it is appropriate to mention the **challenge, opportunity and risk** to the portfolio of EU SCP and Green Economy initiatives as **described by the Secretariat to the 10YFP** (December 2016 Progress Report), which is “the limited connection between global, regional and national actors”. In this regard, in order to respond to regional and national needs **increasing interaction is required with the regional cooperation platforms on SCP and other Green Economy initiatives on a global scale**. There is a degree of complementarity and synergies have been explored between the different categories of EU and externally supported interventions, however these are not undertaken on a systematic or structured basis.

## 4.6 Sustainability

**EQ 7:** How likely is policy, technical, financial, institutional sustainability? **EQ 8:** How likely is it that there will be a continuation of long – term benefits after assistance has been completed?

147. The answer to these questions is articulated through the effectiveness of sustainability mechanisms taking into account the evolving policy and institutional framework and general socio-economic conditions and risks to net benefit flows over time. Sustainability is possible; however the ultimate determinant of sustainability is dependent on wide scale investment in SCP practices and also significant levels of multiplication and take-up of SCP practices. These features of sustainability are quite widely apparent in SWITCH-Asia, and to some extent in SWITCH Africa Green, whilst in SwitchMed, although they are considered likely, no quantified estimates are yet to hand.

### 4.6.1 *Effectiveness of Sustainability Mechanisms taking into account the Evolving Policy and Institutional Framework and general Socio-economic Conditions*

148. The long-term impact of programme policy interventions depends on the quality, impact and results of programme policy initiatives, the ability and capacity of governments to follow-up on programme outputs and outcomes (including inspection and enforcement), political stability, the health of economies and the response of the private sector to positive or negative changes to the “enabling environment” as a whole. Sustainability mechanisms include capacity building, institutional development, embedded processes and tools supported by adaptation to changing political, and improved socio-economic situations.

#### 4.6.1.1 SWITCH Regional Programmes

149. The factors contributing to long term sustainability are interlinked and differences in opportunities and constraints in participating countries vary considerably. Consequently, the answer to sustainability prospects is varied. It is country specific. External variables such as governance, sovereign risk and socio-economic changes have had an impact on the ability of the programme to deliver desired impact. For example, in Nepal there is a high degree of reluctance for the private sector to invest, due to a difficult political and economic climate. In Myanmar, although the political situation remains only semi-stable, economic opportunities have increased, and in Indonesia economic growth is quick and there is a real opportunity to invest in green technologies against a backdrop of socio-economic progress. In China, there is a truly massive internal effort to “switch to green” as a result of environmental problems. In the Mediterranean, obviously, the enabling environment is difficult overall. In Africa, there are political and economic developments that in some cases are positive, such as in Uganda, and in others the enabling environment is deteriorating, such as in South Africa, where governance is an issue. Although overall economic progress, in Africa as a whole, has improved considerably over the last decade severe constraints in many countries remain.

150. **Policy** interventions require a continuum over time for real sustainable impact. In this regard, **the eight-year SWITCH-Asia** programme has an advantage in comparison to the other regional SCP programmes in **Africa** and the **Mediterranean**, which have a shorter history of implementation. In the Mediterranean, the sustainability of the programme is likely, however at this stage of implementation, and in the absence of an informative monitoring system, long term sustainability cannot be fully evaluated. Although progress has been made by the Policy and Network Components, and SCP Business Developments has progressed, long term impact is not yet known. In Asia and the Mediterranean, the level of technical support afforded by the different policy components is substantial, in terms of policy formulation, capacity building and the incorporation of policies in National SCP/ Green Economy Action Plans, particularly in Asia and the Mediterranean, with the potential for far reaching effects. Policy initiatives of Green Business projects, particularly in Asia, are likely to be sustainable insofar as contributions made to drafting of legislation are permanent and address sector needs. There is some evidence that private enterprise beneficiaries in some projects are complying with legislation voluntarily or due to enforcement by government agencies in some countries. Moreover, with some projects government agencies have provided financial incentives to MSMEs that have switched to green production and are complying with specific standards. A sense of local ownership of project outputs, effectiveness and impact is quite high, which has been achieved through well placed and active partners, inclusive and participatory capacity building and training, and effective networking.
151. Regarding the sustainability of Green Business **projects** the critical issue is the scale of multiplier effects, capital investment in SCP practices, the scale of take-up of technologies by private enterprise, commitments of project partners to continuing with support to targeted MSMEs and changes in consumption patterns. In SWITCH-Asia, as described in preceding sections of the text, quantified data on multiplication (actual numbers taking up SCP practices) is limited and the Consultant has used judgement to evaluate this criterion, based on qualitative assessments and some quantitative evidence, which indicates a probability that multiplier effects, investments and SCP take-up have been quite extensive with some projects. There is also some evidence of the financial sustainability of MSMEs using SCP practices due to cost decreases and/ or increases in incomes, leading to greater levels of MSME viability. Exit strategies require strengthening and there is no information on how sustainability will be monitored. If websites are maintained then a degree of sustainability is likely and post project activities can also be tracked to an extent. It is possible in SwitchMed that the foundation for sustainability has been laid.
152. The **capacity of the NF** in Asia and the Mediterranean to contribute to sustainability is reasonable, as demonstrated by past performance. The importance of the NF in achieving programme results is paramount. The role and activities of the NF in **Asia** are to be changed by the programme and emphasis has been given to assisting in achieving multiplier effects and scaling up of project results and also to strengthening coordination between programme components. Since Asia is the fastest growing region in the world it is imperative that the NF becomes more effective. Further effort is also required to engage in dialogue with other initiatives and Regional Development Associations in a broader manner to maximise opportunities for SCP multiplication by both government agencies and the private sector and to influence the longer-term impact of the programme. **In Africa**, a similar change to the functions of the NF is required. In the Mediterranean, the established institutional support to SCP and the Green Economy is quite strong and there may not be a need for changes, although this could be explored in comparison to the new NF structure and responsibilities for future programmes.
153. **In countries covered by SWITCH Africa Green**, the sustainability of the program is questionable, without improved management and coordination by the implementing agencies responsible for the three components. Although some limited progress has been made by the Policy and Network Components there is overall insufficient evidence to indicate self-sustainability of these two components. Whilst much planning has occurred the degree of capacity and institutional building that has taken place would appear to be far less than that required for sustainability.

154. The concept and necessity to adopt SCP practices seems to have been understood among MSMEs and other target stakeholders in Africa. It is possible that some impact will be achieved and will continue at micro-level even once the projects are concluded and low-cost solutions will likely continue to be adopted by the MSMEs. As the uptake of projects at local level is uncertain beyond the current project implementation timeframe, it seems that a continuous stakeholder engagement programme is required and follow-up financing would be necessary to ensure the business scale-up and dissemination of SCP best practices. The NF could assist with continuous stakeholder engagement. This will also depend on the success of networking and communication/dissemination activities in the later stages of the projects implementation, as well as the achieved level of coordination with local and national authorities, and an influencer at policy-making level.
155. The effectiveness of **mainstreaming** and **support to EU Delegations** is a critical element of **sustainability**. The EU Delegations in SWITCH countries are usually involved at all stages of the PCM, including the selection process for Green Business projects, managing country level policy support projects (in Asia), and receiving progress reports. They are in a prime position to re-orientate projects that results in increased prospects for sustainability. They are also in a position to coordinate dialogue with non-EU actors in the SCP and Green Economy field to increase synergies and to encourage networking. Moreover, they are in a position to also organize exchanges of information and experience between projects and to encourage the adoption of best practice. **However, discussions with Delegations during country visits** indicated that they are under resourced and unable to give sufficient attention to all of their environmental activities, given the wide scope and scale of their tasks. To assist Delegations to mainstream environmental principles and the methodology for the design and management of interventions, DEVCO should train Delegations on monitoring and evaluating Green Economy interventions; green economy training activities have already intensified over the past years. However, there is a need for EUDs to view the Green Economy as an area of cooperation that is not just a side environmental issue, but is very much a priority cooperation area to deal with DEVCO higher priorities such as job creation, addressing the root causes of migration through the creation of economic opportunities, tackling climate change etc. Furthermore there is a real need for synergies between the SWITCH programmes and the bilateral programmes that EUDs are responsible for.
156. **In the future, a strengthened role for the NF**, as itemized above, will reduce the workload of Delegations and produce more relevant reports to assist Delegation management in decision making. The more refined monitoring system incorporated in the 2016 Guidelines for Applicants for SWITCH-Asia and SWITCH Africa Green, needs to be carried through the redesign of the Progress reporting system for all components, so that Delegations are fully informed about effectiveness and impact, in addition to the information usually presented in the reports, with more emphasis on, for example, implementation schedules and activities.

#### 4.6.1.2 10 YFP

157. The role of the 10 YFP is essential to the advancement of the SCP agenda and the global relevance of the programme has increased substantially with the adoption of the 2030 Global Agenda and the revised development goals. Although limited by funding constraints, the capacity of the 10YFP is supported by all of the UN agencies and its global reach is considerable. Sustainability mechanisms include ownership of the project through the wide involvement of stakeholders in the programme and enhanced capacities of beneficiaries. Financially, fund raising efforts will influence the scope and scale of 10YFP operations. In this regard, the Secretariat is entirely dependent on EU funding and **it is in the best interests of the EU and the United Nations that this funding is sustained and even increased.**

#### 4.6.2 *Main Risks to Net Benefit Flows*

158. The main risk to net benefit flows over time is **changing attitudes of countries** (governments) on the need for SCP and Green Economy initiatives, and sovereign political and commercial risk. Discussions with government agencies (and all other key stakeholder groups) in countries visited indicated a willingness to commit to, and improve, the “enabling environment” to support an increased

contribution of the Green Economy to overall GDP, increased green procurement and increased investment and take-up of SCP practices by the private sector. The signing up of China, India and other countries in Asia to the Paris Accord on climate change bodes well for the future in Asia. Countries in Africa and the Southern Neighbourhood have also committed to the principles and the need for action on climate change. The other main risk is geo-political. Asia and the Mediterranean are high risk regions. In this regard, SCP and green economy interventions have a role to play in improving the quality of life of the populations at large by improving air quality, mitigating the impact of climate change and improving clean water supplies, which can contribute to stability and preventing further tensions.

#### 4.7 EU Added Value

EQ 9: What is the added value resulting from the EU support/ intervention(s), compared to what would have been achieved by national and other external agencies?

159. The answer to this question is articulated through judgement criteria: Identified added value in relation to policy, impact without the EU intervention, extent to which the issues addressed by the intervention continue to require action at EU level, likely consequences of stopping or withdrawing the existing EU interventions. At the **broader international level** the **added value of the EU portfolio of interventions**, as a whole, comprehensively supports EU and global SCP and Green Economy policies. Moreover, the categories of actions that comprise the portfolio are complementary to one another, with considerable opportunities for synergies. The **regional SCP programmes** address policy objectives on resource use efficiencies and sustainable consumption. Added value is achieved through the impact of one or more of the three intervention components. The added value of the **10YFP** to the EU is high. The 10YFP is the only global initiative on SCP with a reach that extends to most countries in the world. Interaction, cooperation and coordination of EU funded SCP and Green Economy programmes is enhanced by the central role of the Secretariat to 10YFP operations. The **“Dedicated” Green Economy programmes** are complementary to the regional SCP programmes and the 10YFP and have considerable EU added value.
160. Regarding **complementary initiatives contributing to the Green Economy** in other sectors, there is obviously clear **internal EU added value** from the point of view that the EU programmes are major initiatives at global, regional and country levels, which contribute to the aims and objectives of the EU regarding the environment in all its aspects in a comprehensive manner. There is cohesion between policy aims and actions. The EU regional SCP programmes Grant components support the broader EU Complementary environmental programmes through the inclusion of some projects that include actions on environmental areas related to the Green Economy (such as forestry projects and environmental protection) and thus add to overall EU added value. Regarding the **energy sector** in particular, there is obviously **clear internal EU added value** from the point of view that the EU programmes collectively contribute to the aims and objectives of the EU regarding clean energy production in a comprehensive manner and there is cohesion of the energy sector with broader EU energy policy aims and actions. Regarding the **water sector** there is obviously clear **internal EU added value** from the point of view that the EU programmes are major initiatives, which contribute to the aims and objectives of the EU regarding water and there is cohesion between policy aims and actions.

##### 4.7.1 *Impact without the EU Interventions*

161. Without EU interventions, there would have been significantly less progress in achieving SCP and Green Economy objectives and a continuation of the effort is desirable. Without EU funding it is possible that policy initiatives in partner countries would be taken anyway, but the scope and scale of such activities is open to surmise without EU funding and the very strong EU role indeed in policy formulation and funding of multi-faceted and practical “on the ground” actions. Furthermore SCP actions are not given as much prominence by external agencies, apart from the UN.

162. The EU and United Nations agencies work together in a close partnership, albeit that improvements to coordination, started by DEVCO Unit C2, need to be taken further in terms of information exchange, planning, implementation, monitoring and evaluation. The EU and UN interventions are complementary, and synergies have evolved over time. From this perspective, there is clear EU added value. With regard to added value in relation to the activities of external Donors, there appears to be less exchanges of information and coordinated planning and there has been no assessment of EU added value in this regard. Moreover, the **in-country interviews with stakeholders** showed that, at country level, a greater degree of information exchange and coordination is required, with closer working relationships and exchanges of information between SCP and Green Economy actors, including the EU Delegations, UN agencies, all programmes and projects, other donors, government agencies, National Contact Focal Points, NGOs and the private sector to improve coordination of planning, to increase the prospects for synergies, to increase impact and to avoid overlap. In some countries, government agency knowledge of SCP interventions needs to be improved, for example in China.

#### 4.7.2 *Extent to which the Issues addressed by the Intervention continue to require Action at EU level*

##### **Broad Assessment of the added value of EU funded Regional SCP programmes**

- The RPSC are major initiatives, which have well established relationships with government agencies and other external actors. The RPSC in Asia and the Mediterranean have contributed to raising the visibility of the EU on the SCP and Green Economy global stage, although further diligence in providing EU visibility needs to be stressed. Although there are queries on impact it can safely be said that without the EU intervention and the RPSC improvements to the enabling environment in the region as a whole, and in the 5 selected countries for country specific interventions, there would have been less progress. Nonetheless, further evidence is required to provide a sound basis for concluding that the RPSC has added EU value in relation to National, EU Member States and other donor policy initiatives. Added value in Africa is more difficult to discern.
- The added value of Green Business Projects is high. There is no equivalent intervention by other agencies in most countries in Asia, although it is pointed out again that information on external actions is required in progress reports, to back up information supplied in proposals.
- Although impact is difficult to measure it can safely be said that without the NF the impact of the programmes would have been considerably less in the policy, technical and networking areas.
- The EU added value of SWITCH Africa Green at this stage is not entirely clear. Some EU added value stems from the increased credibility and support to the Green Business projects, including the promotion of SCP best practices and standards (such as eco-labelling and green certificate standards). The EU Added Value could prove stronger in the future stages of implementation of the projects, and thus it would be fruitful to reflect on the following points:
  - ✓ How the local EU Delegation can provide additional contribution at local-country level, especially in relation to the policy support component
  - ✓ How synergies between the programme and other EU initiatives could be promoted more proactively; and how to use the results in bi-lateral discussions with policy makers
  - ✓ How to more effectively take advantage of knowledge and best practices resulting from implementation of similar EU funded projects, both in the same or other developing countries
  - ✓ How to effectively approach the dissemination and communication phase, which is part of the networking

163. The issues addressed by the interventions are essential and still require substantial EU support. The status of the impact of all interventions has to be viewed against a backdrop of an increased need to act, as has been clearly articulated in global and EU policies. There is not enough progress in any area of SCP or the Green Economy in relation to increasing global needs in the developing world. Within this framework, increased emphasis should be given to multiplier effects and impact and monitoring of progress.

#### 4.7.3 *Likely Consequences of stopping or withdrawing the existing EU Interventions*

164. Withdrawing the existing funding of EU interventions is not possible to contemplate. What can be argued is that changes to the balance of EU funding and support could be considered, however the EU portfolio, as a whole, addresses the main SCP and Green Economy needs within budget limitations and country willingness to consolidate and build on the results achieved. Regarding the regional SCP

programmes withdrawing funds and ceasing activities would curtail the effort to increase the impact of the programmes, which are ripe for scaling up. Withdrawing support to the Secretariat of the 10 YFP would deal a serious blow to the global SCP and Green Economy agenda.

## 5 CONCLUSIONS AND RECOMMENDATIONS

165. In this Section of the report **conclusions** reached in **prior sections of the text are synthesised and broader issues are defined**. It incorporates lessons learned, which are based on discussions held with EU Delegations, Grantees, Government agencies, academia, Chambers of Commerce and Trade Associations and with EC and UN agency officials in Europe and an in-depth evaluation of the three regional SCP programmes and the 10YFP; the lower level evaluation of the “Dedicated” Green Economy and “Complementary” Green Economy interventions, and the analysis of EC policy initiatives and support mechanisms. Both **overarching** and **specific recommendations** are made with respect to the **entire EU portfolio of Green Economy interventions**, all of which contribute to meeting global, EU, and country level Green Economy objectives.

### 5.1 Relevance

*5.1.1 Conclusions – Interventions are in line with EU and global development policies, are relevant to target groups’ needs and to partner countries’ priorities, however improvements are required to more fully meet all EU policy aspirations*

166. EU Funding instruments provide the legal basis for the implementation of geographic and thematic programmes. Thematic programmes aim to be coherent with, and complementary to, geographic instruments. The programmes are implemented on the basis of thematic multiannual indicative programmes, which specify the priorities and overall funding, and annual action programmes, which further establish the specific projects to be financed
167. EU Green Economy cooperation is fully relevant to, and in line with international and EU development policy and provides a firm foundation for providing enhanced support to assisting developing countries in greening their economies. However, despite the progress made to date in meeting policy objectives through implementation of the wide range of EU interventions, **more can be done to fully address policy needs** and the global and EU vision to meet the 2030 SDG targets. Moreover, there is a need to improve the relevance of EU Green Economy interventions to the needs of recipient countries and their stakeholders.
168. Recent conceptualisation of the composition of the Green Economy recognises that all **Green Economy interventions** have an **economic value**, with **contributions to the Green Economy Net Benefits**, due to increases in the current or future economic value of natural capital (assets), cost reductions in production and increases in current and future revenue streams of government agencies, and the private sector, which increases the share of the Green Economy to overall GDP, **has Green Economy employment benefits**, and ultimately increases the financial wellbeing of the population at large. This conceptualisation of the Green Economy can be used to better identify **EU interventions** according to their **contributions to the Green Economy** taking into account their sectoral or multi-sectoral basis.
169. In this regard a World Bank study carried out in 2003 concluded that given the substantial methodological progress that has been made in environmental evaluation in the last decades, “un-quantifiable” can no longer be considered an acceptable excuse in most interventions and has produced toolkits for the economic evaluation of projects along the PCM<sup>135</sup> including environmental projects.
170. However, whilst the specific initiatives of the GPGC are grouped more or less according to the definition of the Green Economy, a process of more clearly defining the contributions made to the Green Economy and establishing linkages between categories of interventions in the **entire portfolio**

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<sup>135</sup> Environmental Economics Series A Review of the Valuation of Environmental Costs and Benefits in World Bank Projects Patricia Silva Stefano Pagiola PAPER NO. 94 December 2003

of EU Green Economy related interventions is a precondition to more integrated planning and programme and project design.

171. EU international cooperation on the Green Economy, incorporating SCP, should ultimately be viewed through a **comprehensive EU and international cooperation prism**, incorporating all relevant interventions by the EU and **external actors** in designing interventions. This is required to ensure complementarities, avoid overlap and enhance the prospects for synergies and impact across the **full spectrum of interventions** and their **components** (SCP, climate change etc.) of the Green Economy, in all regions.
172. Whilst there is close coordination between the EU and UN agencies on international cooperation on the Green Economy, the full spectrum of external interventions and their lessons learned, including those of other donors, national governments, Regional Integration Associations (ASEAN etc.), the private sector, NGOs etc. is **not fully integrated** in the design of EU interventions.
173. Green economy project data needs to be improved taking into account the **categorisation of interventions** at country, regional and central levels, including past and ongoing thematic and geographic interventions to provide comprehensive information to policy makers for **informed investment decision making**, ensuring complementarities, enhancing the prospects for **synergies** across the full spectrum of the components of the Green Economy, avoiding overlap and **duplication of resource allocation** and utilisation; and increasing the prospects for **impact** of the **combined EU Green Economy portfolio**.
174. In this regard it is acknowledged that the Green Growth Knowledge Platform<sup>136</sup> (GGKP), established by the Global Green Growth Institute (GGGI), the Organisation for Economic Co-operation and Development (OECD), the United Nations Environment Programme (UNEP), and the World Bank, to identify and address knowledge gaps in green growth theory and practice is very useful for accessing information on the sectors, themes and projects implemented around the world by different stakeholders. The platform also has descriptions of numerous Green Economy related projects and examples of research and methodology that can be used to evaluate the economics of interventions. Similarly, the Global SCP Clearinghouse of the 10YFP (managed by UNEP)<sup>137</sup> has a wide range of useful information from initiatives around the world.
175. However, from an EU perspective, whilst these two sources (and others) provide information that can assist in planning interventions and present examples of progress they are not a substitute for a dedicated internal EU data base that is tailored to assist in the further development of integrated planning, complemented by an effective and detailed monitoring and evaluation system for EU Green Economy interventions. The monitoring system provides a feedback loop for improved internal EU planning and programming and can also provide information back to the GGKP and the Global SCP Clearinghouse.
176. In the past, programming and operational documents have often described the SDGs addressed in broad terms only, or not at all. In more recent documents a clearer indication of the **specific SDGs** addressed has been made, however monitoring and evaluation systems are not yet in place to measure the impact of EU interventions on SDG targets. Similarly, although the **drivers of change** that are addressed by the EU portfolio of Green Economy interventions (and their constituent components) is **implicit** in documentation and sometimes mentioned in broad terms, a clearer and **explicit**

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<sup>136</sup> <http://www.greengrowthknowledge.org/page/explore-green-growth>

<sup>137</sup> <http://www.unep.org/10yfp/take-action/global-scp-clearinghouse> The Global SCP Clearinghouse offers a unique one-stop hub dedicated to knowledge sharing, cooperation and innovation for SCP implementation around the world. It brings together the actors of the SCP community at all levels – governments, civil society, business sector and other stakeholders.

**articulation** of which of the drivers for change are included in the broader programming and specific operational documents is not yet mainstreamed.

177. The design of EU actions does not fully take into account **country specifics**<sup>138</sup>, in terms of their needs, constraints and initiatives, and with the regional SCP programmes, in some countries, there is an apparent lack of coordination and consultation. In this regard, without exception, **all stakeholders** interviewed during country visits stressed the need for **concentration** of projects in specific sectors. Differentiated country needs in terms of the **economic importance of sectors** and their contributions to pollution, and environmental degradation should be taken into account in deciding on sectors to be targeted. This would result in a greater concentration of projects in specific sectors leading to an increased ability to prepare proposals based on **existing proven technologies** and to **boosting multiplier effects** and opportunities for **synergies**. There needs to be a sufficient number of projects at enough scale (sometimes referred to as gaining a “critical mass”) to enhance the prospects for **significant, combined impact** within **selected sectors**, particularly in the larger countries with large land masses, large populations, major environmental problems and an enormous number of MSMEs, such as India, China, Indonesia, Morocco and South Africa. More recent efforts to more closely define sectors in several EU interventions should be promoted.
178. Further, since **industrial production** in many of the eligible countries contributes a larger share of national GDP than other sectors, and is usually the largest polluter, this should be taken into account in establishing priority sectors. **Services** now account for the largest proportion of GDP in all of the countries in Asia, and in many countries in other regions, and therefore the service sector should also be given prominence in programme design.
179. Moreover, there is limited evidence on how **large-scale government country initiatives** have been taken into account in programme design and implementation. In this regard China recently announced a US\$ 300 to \$ 500 billion programme to tackle environmental problems in Beijing and other badly effected cities, where cleaner and sustainable energy production, cleaner transport and cleaner construction are required to achieve SCP and enhance the prospects for achieving liveable cities. The design of future EU funded interventions need to take this type of initiative into account.
180. In addition to improving the overall framework for programming and design action is required regarding addressing **emerging policy themes** such as the need for an increase in green trade, mainstreaming environmental needs into the broader **EU Private Sector Development initiatives**, and full utilization of **regional Blending mechanisms** to increase the availability of finance to the private sector, particularly with regard to the EU funded regional SCP initiatives.
181. Regarding **gaps in service provision**, bearing in mind resource constraints and EU development policy and geographic priorities, there is a query on why there are no SCP programmes in Central Asia, Latin America, the Caribbean and the Pacific, which is an issue that has been raised by EC and UN agency staff interviewed.

### *5.1.2 Recommendations*

**All recommendations in this Section are of high importance, especially in the short and medium terms, and are to be implemented mainly by DG DEVCO and the EUDs.**

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<sup>138</sup> Despite no requirements in the ToR, one of the tasks undertaken by this evaluation is the preparation of country evaluations with data and information for country level analysis. These reports appear as Appendixes to the Programme evaluation reports. They have been taken as far as possible given the resource constraints available to the evaluation. They inform the Regional Programme level evaluations.

### 5.1.2.1 Definition of the Green Economy and Categorisation of EU Interventions

182. Since categorisation of interventions, a tailored data base and an effective monitoring system **are inextricably linked and integral to moving the EU Green Economy agenda forward** it is necessary to consider how more integrated programming and design can be achieved.
183. EU programming and the design of interventions would benefit from **defining in specific terms, which of the components of the Green Economy** are addressed, so that the **entire EU portfolio is categorised** or grouped according to contributions made. In turn, this will assist policy makers in making decisions about priorities and the allocation of resources. Furthermore, categorisation will assist the SWITCH to Green Flagship in its intent to contribute to achieve better integration of EU interventions, complementarities and synergies. To help the process of categorisation a more structured definition of the Green Economy and its contributing components is suggested by the Consultant, based on the AfC definition of the Green Economy, and taking into account the new European Consensus for Development and the 2014 Private Sector Communication:

#### **Component One: Valuing and Investing in Natural Capital**

- Land resources: Including geology, soils, biodiversity, forests, sources of energy, sources of water, minerals, land and landscapes.
- Marine resources: Including fisheries, geology and coral reefs, biodiversity, sources of energy (oil and gas), sources of water (desalination), sources of minerals, sources of materials, marine transport.

#### **Component 2: Sustainable Production (SP)**

- Resource Efficiency use (SP) of energy, water and materials. Doing more and better with less, reducing pollution and the impact of climate change.
- Sustainable Energy Production (SP) of energy, reducing pollution and the impact of climate change.
- Clean Water Production (SP) reducing pollution.

#### **Component 3: Sustainable Consumption (SC)**

- Increasing awareness of the public and private sectors and civil society of the benefits of SCP and the Green Economy.
- Increasing market demand for green products.
- Green Procurement by Government agencies and private enterprise.

### 5.1.2.2 Development of a Comprehensive EU and International Green Economy Data Base

- It may be unrealistic to expect that a fully-fledged, dedicated internal EU data base can be designed and populated at present, given the limited EU resources dedicated to monitoring and evaluation, and the institutional constraints that exist. However, it is recommended that consideration be given to taking the following steps to supply more **comprehensive information** to be used by policy makers and planners for the design of Green Economy interventions. The system would comprise linked data bases at country, regional and central levels. All relevant evaluations, studies and ROM reports should comprise one component of the data base.
- **At country level** a stock take of categorised past and current initiatives needs to be completed by EU Delegations, for both **EU interventions**, including those funded by the EC, Member States and EU development banks, and those funded by **external organisations**, including UN agencies,

other multi and bilateral donors, government agencies, academia, NGOs, the private sector, regional integration associations (for example ASEAN) etc.

- **At regional level**, the **Network Facilities** need to establish a **regional data base**, with information supplied by the data base at country level.
- **DEVCO Unit C2**, supported by the SWITCH to Green Facility, then needs to utilize the information supplied by the Network Facilities to compile an EU-wide data base. This work is under development, with the first step being the IGE interactive map; as a second step, collaboration is being developed with relevant initiatives outside the EU, such as the Green Growth Knowledge Platform.

184. The **specific SDGs** addressed need to be clearly articulated in EU programming and operational documents at all levels, in order to provide further information on how the EU intends to contribute to the aims of the 2030 Agenda and its targets through each of various EU interventions. To increase the prospects for greater complementarities and synergies between groups of EU interventions, whilst avoiding overlap, Multi Annual Indicative Programmes, other programming documents and operational documents such as Guidelines for Applicants also need to describe which of the **drivers for change** are addressed.

### 5.1.2.3 Better prioritising Green Economy investments

185. The design, implementation and monitoring and evaluation of EU Green Economy initiatives should be improved through a more rigorous design of programmes, more cohesive selection of interventions and better monitoring and evaluation, resulting in the supply of information to enable EU managers to take more informed decisions on implementation; and planners to formulate future investment decisions in the future, taking into account the environmental and socio-economic impact of initiatives.

186. Currently the EIB, the regional Blending Facilities and Development Banks estimate investment returns for individual projects through the preparation of Feasibility Studies, as a basis for making lending decisions. The European Commission should consider the added value from using the same approach. In addition to categorising interventions and compiling data bases at the different levels, consideration needs to be given to a more formal and coordinated “return on investment” approach, in the form of cost- benefit analysis, with quantification of costs and environmental and socio-economic benefits, as far as possible, which is an important and desirable element of Feasibility Studies.

187. In making this recommendation the constraints to estimating monetary returns on investments for interventions implemented by the European Commission for the entire suite of EC interventions are recognised, including current resource levels, lack of expertise, and institutional constraints. Moreover, methodologies for computing the monetary benefits accruing to some components of the Green Economy, such as climate change, or biodiversity, are less developed and have not really been widely applied. Ideally, the methodology would incorporate the following:

- Preparing Green Economy investment criteria including the context; drivers of change addressed; SDGs addressed; Global and EU policies addressed; environmental SCP and Green Economy needs and constraints; the enabling environment; risks; **capital costs, and environmental, economic and social benefits**; the **business case for the intervention**; **green jobs created**, capacity for implementation, complementarities and synergies with EU and external interventions, and monitoring and evaluation methods.
- **Preparing Feasibility Studies for proposed Green Economy interventions** based on **their economic value**, as well as the other criteria, should be undertaken, including for example, number of jobs created, levels of investment in green technology, number of enterprises taking up Green Economy practices and returns to the investment.
- Once new Green Economy interventions have been agreed **regular monitoring reports** should be submitted for each intervention, showing progress against targets for specific indicators. This

will also allow comparison of the socio-economic and environmental benefits both **between initiatives** and the EU **portfolio as a whole**, which assists in the future selection of interventions. This means adjusting current monitoring systems to incorporate quantification of impact and continuous collection and analysis of data.

188. Taking into account the constraints to fully implementing a system that would entail full Feasibility Studies of prospective EU Green Economy investments, it is suggested that the first steps should be:
- Conducting an in-depth study of methodologies that could be used for carrying out full Feasibility Studies for the entire portfolio of EU interventions.
  - Designing interventions that include the business case with estimates of costs and benefits that may have to be based on more qualitative criteria where monetising them is difficult.
  - Improving monitoring and evaluation systems to collect and analyse quantified impact. In this regard the regional EU funded SCP programmes could realistically lead the way within a fairly short timeframe (see ensuing sections).
189. The longer-term goal should be to implement all aspects of the recommendations to improve the impact of individual Green Economy related initiatives along the PCM, to compare benefits between initiatives, to provide an EU-wide picture on the combined impact of the entire EU portfolio; and to improve the capacity to allocate resources in an optimal manner.

## 5.2 Efficiency

### 5.2.1 *Conclusions - Overall good cost-effectiveness, although RPSC were considered expensive*

190. Efficiency was evaluated for the EU funded regional SCP programmes and the Secretariat of the 10YFP. Overall these actions are regarded as relatively efficient and all have been cost effective to a greater or lesser extent. 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 RPSC components 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.

191. The evaluation did not assess the efficiency of EU “Dedicated” Green Economy programmes or the “Complementary” Green Economy interventions. In the case of the former it is noted that costs are low in relation to the scope of the work. The latter group of interventions incorporates very wide ranging programmes on either a regional or global basis and high cost commitments need to be matched by significant benefits to ensure cost effectiveness.
192. Management issues that need to be addressed to maximise efficiency, effectiveness and impact include insufficient coordination of EU interventions; including headquarters, regional and country levels; insufficient mainstreaming of Green Economy principles in EU interventions; not enough focus on achieving impact and results; less successful contractual arrangements with external programme service providers that have not met required levels of performance; and insufficient recognition and promotion of the need for technical solutions that are financially viable for private enterprise and that also improve the contribution of green macro-economic development to overall GDP.
193. The design and progress of SCP and Green Economy programmes in achieving Green Economy policy objectives is a **long-term process**. It is clear that the SWITCH-Asia programme, in some respects, is in advance of the other regional programmes, albeit with a need for adjustments; whilst SwitchMed

has been cost-effective and has an enabling stakeholder engagement process with the private sector, including coordination and participation all along the PCM. The SWITCH-Asia programme<sup>139</sup> has taken a major step forward under the SWITCH-Asia II Facility. Building on lessons learned from the previous phase. The functions of the previous Network Facility are to be combined in a new Facility entitled “**Sustainable consumption and production facility**”, which includes work packages that address previous programme weaknesses in achieving Green Economy goals.

194. It is equally clear that all programmes require a considerable amount of time to move from demonstration to replication and adjustments to methodology need to be flexible to maximise the potential for impact. This is particularly true in **less stable countries**.
195. The EC Mainstreaming Guideline for environmental interventions lacks specific detail on operationalisation of Green Economy interventions. Taking steps to fill this gap regarding conceptualisation and operational needs and methodology would enhance the level of support given to key EU Green Economy actors and improve efficiency.

### 5.2.2 Recommendations

196. The performance of external service providers needs to be improved through more effective management. Implementing close operational linkages and effective levels of communication, between different intervention components, and subcomponents; and management proficiency are required. This means structured dialogues between the implementing agencies and EU Delegations.
197. 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 SCP and Green Economy interventions. It should explain concepts; describe categories of interventions and their potential contributions to the Green Economy; explain the methodology for establishing the baseline situation, detailed indicators, data collection and data analysis sources and methods and effective reporting systems at all stages of the PCM; and present options for the modus operandi and management of interventions.

## 5.3 Effectiveness and Impact

### 5.3.1 Conclusions - Satisfactory degree of effectiveness of the regional Switch programmes, with impact achievement varying across programmes components

198. Only the regional SCP programmes and the 10YFP were evaluated under these two criteria. All of the regional SCP programmes have a high degree of effectiveness. However, there are **variations in impact** of the different components of the programmes and the levels of impact **between** programmes are different.

#### 5.3.1.1 Implementation Modalities

199. When programmes have too many organisations implementing different programme components, coordination issues sometimes arise, as has been the case with SWITCH-Asia and SWITCH Africa Green and although coordination issues seem to be less prevalent with SwitchMed some stakeholders have pointed out that improvements could be made. Less favourable implementation processes and less effective management in SWITCH Africa Green (all components) and SWITCH-Asia (RPSC component) have had some negative effect on impact.
200. On the other hand, SwitchMed has a favourable structure for achieving impact and results, that allows a fluid interaction between bottom-up and top-down approaches, which has worked well for the

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<sup>139</sup> Belgium-Brussels: Sustainable consumption and production facility — SWITCH-Asia II: 2017/S 021-034680: Publication reference: EuropeAid/138457/DH/SER/MULTI

programme. In the bottom-up approach, demonstration activities implemented in industry, in green MSMEs start-ups, and by civil society organisations, feed information to national and regional policy making that has a positive impact on willingness to invest in green technologies. In the top-down approach, policy and action plans influence the implementation of better SCP practices in industry, business and civil society.

201. In terms of the future design of SCP programme models the ElecTriFi programme (sustainable energy production) is of interest in terms of cost effectiveness, in relation to the programme funding mechanism applied, which requires repayment of funds, and therefore lower costs to the programme; and because the private sector is addressed directly, not through projects or intermediaries. This assessment comes with a caveat though, as it is too early in the programme life for benefits to be assessed.

#### 5.3.1.2 Different “Enabling Environments”

202. Discussion with stakeholders, particularly in countries visited, stressed that **different “enabling environments”** have an effect on the impact of initiatives. Factors contributing to less favourable enabling environments include the negative effects of poor governance (politics and legislative frameworks), less government stability, more sovereign risk, corruption, security issues, culture, and the status of economic development.
203. Varying challenges result in different rates of enactment, monitoring and enforcement of **policies** that can, and have, stalled in some countries. This can hinder the shift towards more sustainable patterns of consumption and production. In SwitchMed, for example, an issue is that the participating countries have a difficult political and security context, meaning that implementation can progress only at different speeds and with different results. In Asia, in Nepal, for example, the political landscape is unstable, which in turn has an impact on banks and other financial institutions attitudes towards what they see as **risky lending**, high interest rates, and also on **MSMEs willingness** and capacity to borrow for “green” investment. In turn, this has an impact on the ability of some projects to progress. The same situation applies to some other countries in Asia, such as Mongolia and countries in other regions.

#### 5.3.1.3 Policy

204. **Green Business projects** and **country level support** has proven to be more effective than the **RPSC**. With the RPSC exactly how funding resources have been applied in relation to benefits has been difficult to determine and there has been insufficient visibility given to the EU and its funding during implementation and dissemination of information. Moreover, a positive “mind-set” (discussion with EC programme managers, discussions with the UNEP managed RPSC in Thailand and country offices e.g. China; and previous evaluations,) is required to ensure that collaboration between different policy components and **Green Business** projects, usually managed by different agencies, results in mutually reinforcing impact of the different components. **Challenges** include resistance to change and changes in government and personnel. In this regard, the SCP cycle of (say) 30 years is sometimes constrained by political cycles of 3 to 5 years and business cycles of up to 10 years.

#### 5.3.1.4 Green Business Development

205. A variable degree of impact has been achieved by the **Grant Project/ Green Business** component of the programmes. Greater progress has been made by the SWITCH-Asia programme, due to its longer period of implementation and higher levels of green investment and take-up of SCP practices, with considerable multiplier effects. With SWITCH Africa Green, full impact is not assessable yet, due to its shorter period of implementation and lack of informative monitoring reports, however field visits and the Grantee survey carried out by the consultant indicates that significant investments in green technologies and green jobs may have resulted from the projects. With SwitchMed impact is not yet known, due to limitations in the monitoring system, although it is considered that a high level of impact is possible by some stakeholders. Differences in the impact of projects result from a number of factors. Some of the critical success factors are described below.

## Partnerships and Stakeholders

206. **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 (policy and technical) that leads to a common understanding, harmony and a common interest in achieving SCP progress. More involvement of **local business intermediary organisations** is desirable, particularly **trade associations**, which often results in achieving SCP aims. These organisations know the sectors and the key players intimately, they have networks for dissemination, they understand the business environment, and they have close working relationships with government agencies at national and sub-national levels.
207. Moreover, there are advantages from the formation of **stakeholder communities of projects in specific sectors**, both during and post project implementation, for information exchange, demonstration of practices and achieving multiplier effects through replication. Although some projects have been effective in forming communities, for example with a cotton and textile project working along the supply chain in Pakistan under SWITCH-Asia<sup>140</sup>; with some projects, community formation has not been contemplated, thus missing a valuable opportunity to maximising benefits on a wider scale.

## The Economic Driver for Change, Private Sector Engagement and Scaling Up

208. **Successful projects** recognize the **linkages** between the drivers of change needed to encourage and achieve Green Economy investment, uptake of SCP practices and multiplier effects. **All stakeholders, without exception**, stressed that **economic and financial benefits to the private sector** is the key to SCP investments and the take-up of SCP practices. Financial benefits are the prime driver of change. To achieve Green Economy impact at scale requires sufficient numbers of MSMEs to adopt SCP practices to make a real difference in sectors and value chains, within countries. This means that applicants need a very clear idea that economic viability of technical solutions and multiplier effects are available and vital for successful implementation, and its associated impact; and that early on in the life of projects plans for multiplication need to be updated in comparison to those developed in proposals. In short, Green Business projects need to give more attention to commercialisation of their products and services.
209. Field level interviews with the full range of stakeholders indicates that Green Business projects are more effective when they are based on a thorough knowledge of the local landscape and the baseline situation, and operationalising linkages. This includes the enabling environment; sovereign risks (politics and economic); who the key players are and their responsibilities; and knowledge of methodologies that take into account possible constraints and risks, including a lack of interest of stakeholders (notably government agencies and sometimes MSMEs). Sound and effective project proposals include well researched and realistic business models (or business models are developed soon after the start of implementation). Business needs to be convinced that financial benefits will accrue from adopting SCP practices. However, MSMEs and Green Business projects sometimes lack the resources and experience to identify and prepare bankable SCP projects.
210. At **programme level** 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 by MSMEs, which remains a challenge in countries with a less favourable enabling environment. This challenge is characterised by a general lack of both bankable projects and tailored financing products for MSMEs implementing SCP. Local Financial Institutions (LFIs), despite being well placed to conduct client credit analysis, are not always equipped to appraise technical projects and tend to perceive green businesses as excessively risky. Consequently, many MSMEs in developing countries fail to access finance in a way that suits their needs and capacities, while many LFIs in the same

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<sup>140</sup> <http://www.switch-asia.eu/projects/cotton-production/>

countries fail to see relevant business opportunities, and, given the difficulties in appraising individual projects, do not show interest in developing tailored financing products for this target group.

211. A study Commissioned by SWITCH-Asia on SME access to finance for SCP in Asia<sup>141</sup> concludes that funding for SCP represents only a small fraction of total commercial lending and financial products available, and entails a premium compared to non-green finance. It confirms that there is a wide variety of structural, supply-side and demand-side barriers to SMEs access to green finance, such as higher perception of risk of SME clients implementing green projects, and deficiencies in countries enabling environments.

### Green Trade

212. “Green trade” offers a wide range of opportunities for EU development cooperation<sup>142</sup> to develop initiatives in areas of mutual interest for EU and partner countries. Encouraging partnerships between business organisations from developing countries and counterparts from the EU when implementing **green trade initiatives** can have **multiple benefits** for all those involved, notably in terms of know-how exchange and access to new markets, with, for example, EU businesses supported in promoting green technologies and services, and partner countries supported in conforming with environmental standards and regulations required to enter the EU market.
213. The evaluators discussed increasing the scope and scale of green trade with all stakeholder groups during field visits. As with the issue of sectoral focus, without exception, stakeholders agreed with the concept of increasing green trade opportunities and acknowledged the benefits that are likely to accrue. The scope of taking action on trade opportunities, in a sense, is very large, as **all MSMEs** involved in the environmental field in eligible countries could benefit from trade facilitation undertaken at programme level, through the new SCP Facility, not only programme Grantees benefitting from project funding. **Thus, the scale of the impact on the Green Economy could be vastly increased.**
214. **Limited mechanisms** have been established to facilitate mutually beneficial trade opportunities to date, for example through specific Green Business projects and the activities of the Network Facilities of the SWITCH regional programmes that have promoted networking and matchmaking among EU and developing partners’ businesses. However, not enough emphasis has been given to securing the potential benefits of “green” trade. For example, although the SWITCH-Asia II programme has a result “to increase the relative share of environmentally-friendly products and technologies in the EU-Asia and intra-Asia trade”, actions taken to achieve this result have not really been taken at programme level.

### Targeting Industrial Parks and Special Economic Zones (SEZ) to Maximise Impact

215. Targeting of Industrial Parks/ Zones and Special Economic Zones (SEZ), sometimes designated as Economic and Technological Development Zones (ETDZs), should be considered for SCP and Green Economy interventions. In China and many other countries, such as India and Vietnam industrial estates and **SEZ play a major role in the economies of these countries**, mainly as a result of favourable legislative provisions and financial incentives, such as lower rates of corporate tax and tax rebates for research and development.
216. An **advantage** in exploring the possibility of introducing and scaling up of SCP policies in industries in SEZ with intense industrial production is that they have **greater regulatory and economic autonomy and scale of production**. From an environmental management perspective, and under certain conditions, such concentration of industrial activity in a single location can offer important

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<sup>141</sup> Enabling SME access to finance for sustainable consumption and production in Asia; An overview of finance trends and barriers in Indonesia, Malaysia, and Thailand. SWITCH-Asia Networking Facility, January 2015. See <http://www.switch-asia.eu/publications/green-finance-for-smes-asian-country-studies/>

<sup>142</sup> EU Strategic Approach to International Cooperation on Green Economy: Seizing new opportunities to generate growth, create jobs, and help reduce poverty

benefits for both the industrial facilities located within the estate and environmental regulators. Proper development of industrial estates should include strategic environmental assessments, environmental impact statements, life cycle cost analysis, land use planning, and risk management tools. Opportunities for **showcasing best practice** and Case Studies, industrial symbiosis, multiplier effects, attracting skilled labour and collaboration between enterprises are some of the advantages of locational and sectoral focus. Furthermore, the prospects for multiplier effects are enormous. From this perspective, industrial estates may facilitate the development of a **more competitive and cleaner industrial sector**, especially in circumstances where there is effective integration of environmental and industrial development policies<sup>143</sup> “overall land-use development plans should be accompanied by appropriate land-zoning regulations and a cumulative impact assessment of the development area incorporating environmental standards”.

217. Moreover, there can be (and sometimes are) clear and strict regulations **limiting entry to the estate** so as to encourage Green Economy (mainly SCP) investments. It is good practice for industrial estates to develop credible and practical environmental management systems (EMS) for the whole of the estate. The EMS should clearly define explicit environmental policies and rules for the estate, environmental performance objectives and targets, mechanisms by which these objectives and targets will be implemented, and a monitoring and enforcement regime which aims to achieve compliance with the objectives and targets.
218. **China** can be used to illustrate progressive economic reforms and the success of SEZ policy. Between 1980 and 1984 China established SEZs in Shantou, Shenzhen, Zhuhai, Guangdong Province, Xiamen and Fujian Provinces and the entire island province of Hainan. Since 1992 a number of border cities and all the capital cities of inland provinces and autonomous regions have been opened up to foreign investment. In addition, 15 free-trade zones, 32 state-level economic and technological development zones, and 53 new and high-tech industrial development zones have been established in large and medium-sized cities. As a result, a multilevel diversified pattern of opening and integrating coastal areas with river, border, and inland areas has been formed in China, offering enormous SCP and Green Economy opportunities.

#### 5.3.1.5 Network Facilities

219. The impact of the **Network Facilities** in contributing to greater levels of investment in SCP practices, take-up of SCP, or scaling up, is not fully known for any of the programmes, particularly SWITCH Africa Green. Information from the Grantee survey indicates a quite high level of satisfaction with NF networking and information dissemination activities, but the respondents also indicated that the contribution of the NF to greater levels of green investment, SCP take-up and scaling up is **not regarded as significant**.
220. Network activities and the potential for maximizing opportunities for scaling up and multiplication, would be enhanced with direct private sector participation, as has been demonstrated by SwitchMed.

#### 5.3.1.6 The 10YFP Secretariat

221. The impact of the 10YFP Secretariat has been satisfactory from the point of view of carrying out all its mandated tasks in relation to coordinating and promoting the global SCP agenda. Amongst its responsibilities the Secretariat organises Calls for SCP Proposals funded through its Trust Fund. The impact of the projects that have been funded is not yet known.

#### 5.3.1.7 Monitoring and Evaluation

222. The Impact Fact Sheets designed by the NF in Asia have provided a wealth of information and data on project processes, outputs and outcomes and some information on impact. Similar Fact Sheets are

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<sup>143</sup> World Bank: Guidance Note on Tools for Pollution Management

not part of the monitoring systems of the other programmes, which are more deficient regarding data on impact.

223. The current evaluation has been unable to determine impact with much confidence, particularly economic and financial impact and multiplier effects; although field work and the Grantee survey carried out by the Consultant assisted in providing information to enable judgements to be formed. **This lack of information is due to systemic weaknesses in the internal monitoring and evaluation system of the EU**, including:
- The internal monitoring and evaluation system for individual interventions lack clarity on the components of the system, or responsibilities for implementation; there are no standard indicators; report formats are not designed well enough to provide impact data and analysis and therefore there is limited usefulness of the reports for operational management at all levels (country, regional and headquarters); there are no agreed monitoring systems and indicators for the RPSC and Network components of programmes; and there is insufficient data and information to assist in planning and programming, the future design of interventions and allocation of resources.
  - There appears to have been insufficient consideration given to tailoring reports to the needs of different levels of management, including project and programme managers, EU Delegations, country level stakeholders, or EC headquarters.
  - There has been little attempt to align the EU system and its reports to the comprehensive monitoring system designed by the 10YFP Secretariat for SCP interventions<sup>144</sup>. The overall objective of the 10YFP Demonstrating progress and impact Framework is to guide and measure, in a participatory way, the collective impact in the shift to SCP patterns worldwide. The 10YFP Task force on monitoring and evaluation, has identified 13 output and outcome indicators and 7 impact indicator, which the 10YFP will pilot in 2017.
  - There is no overview and analysis of the costs and benefits of EU funded Green Economy related interventions. This means that there is an almost total lack of information on the **comparative progress and benefits** of the different categories of interventions.
224. Recently, steps have been taken by the EU to improve monitoring and evaluation systems, led by DEVCO Unit C2, such as the results chain, an improved framework and structure for monitoring impact and more appropriate indicators. This needs to be taken further. However, resources are a constraint.

### 5.3.2 Recommendations

**The following recommendations regarding effectiveness and impact are considered to be of high importance on the short and medium terms. While the majority would require the intervention of DG DEVCO and the EUDs, some of them would have to be implemented also by UNEP and Partner Countries.**

#### 5.3.2.1 Policy Support

225. Green Business **projects**, incorporating policy support activities should preferably include government agencies in the partnership, particularly at local level, as project policy actions are often at local government and sectoral levels, and knowledge of the “country landscape” and its opportunities and constraints is necessary.
226. **Country level** interventions (discussions with EC officials, documentation, past evaluations, stakeholder discussions) are valuable and can achieve high levels of impact. Past interventions have targeted selected countries. In this regard, ideally, all countries in the various programmes need to be targeted. Since in many countries overarching policies are already in place, support to country

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<sup>144</sup> <http://www.unep.org/10yfp/about/monitoring-and-evaluation>

interventions should be aligned to demands from country stakeholders, notably government agencies, incorporating specific areas of policy formulation, inspection and enforcement.

227. **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**. Policy support improvements should include a clear definition of the **roles of different agencies** and related methodologies and inculcating the need for a positive “mind-set” to ensure that collaboration between RPSC, country based actions and Grant project activities results in **mutually reinforcing impact** of the different policy components.
228. Across the **full portfolio of EU policy actions** complementarities, synergies and the avoidance of overlap should be promulgated through existing **policy support forums**, building on the EU-UNEP dialogue, the annual DEVCO coordination meeting and SWITCH regional forums, for example. Areas of improved understanding and coordination of Green Economy actions should be strengthened through suitable methods, for example a **series of workshops**, with the objectives of:
- Reaffirming a common understanding of the aims of policy support.
  - Establishing possibilities for complementarities, synergies and the avoidance of overlap.
  - Illustrating the methodology to be used for a results orientated approach to achieve impact, supported by a “management by objectives” reporting system that highlights outcomes and impact.
  - How to establish stronger involvement of National Focal Points, in Africa and Asia for example.
  - How to improve communications on the “storyline and bigger picture” of policy initiative activities and impact to enhance stakeholder awareness, including the public at large
229. Account should be taken of the recommendations of the 2016 UNEP evaluation of the SWITCH-Asia Programme on policy initiatives, which advised expanding processes to identify, develop and maintain **change agents** to drive SCP in public agencies/ relevant Ministries and the private sector. This includes:
- Enhanced procedures to select change agents (e.g. early/mid-career policy makers) for regional and national events, targeted capacity building, connecting change agents, and ongoing long-term support.
  - Strengthening and expanding collaboration with influential Ministries beyond Ministries of Environment and including Country Focal Points. At regional and country level, one option that could be further explored is that of a working group consisting of key Ministries and departments working on SCP in a country; and other stakeholders, such as planning Ministries, sector Ministries, private sector organisations and civil society.
  - More skills development on communication, negotiation, and multi-stakeholder engagement into training and capacity building events.

### 5.3.2.2 Green Business Development

#### Composition of Consortia

230. To increase the prospects for successfully addressing the financial driver of change for MSMEs, and commercialisation of green methods and outputs, the composition of consortia is important and needs to be taken into account in evaluating proposals for funding. In this regard, partnerships need to include organisations with local knowledge of financial markets, business opportunities, knowing the key players and that have the requisite technical skills in economics and finance. Further, the benefits of including well qualified business intermediaries in partnerships, such as Chambers of Commerce and Industry and Trade Associations needs to be stressed, and is recognition that some NGOs also have the right skills and a sound knowledge of country capital and financial markets (during field visits it

was clear that some NGOs have a high level of expertise and knowledge of financial markets). If sufficient skills are not available in-house, or within partnerships, then sub contracts with organisations with the right skills required are necessary and this service should be provided for in project budgets.

### Country Specifics and Selection of Sectors

231. The aims and objectives of the portfolio of EU regional interventions should necessarily be focused on achieving impact and results at **national level in the first instance**, and design of actions should take into account **country specifics**<sup>145</sup>. The steps required to **maximise impact at country level** follow the phases of the PCM:
- An analysis of the baseline situation is carried out in each country, for each of the intervention components (for example with the regional SCP programmes the policy component, Green Business projects/ Green Business development and Network Facilities) including Green Economy needs and constraints.
  - Sectors for intervention are established in consultation with all stakeholders, including government agencies, EU Delegations, business intermediary organizations, the private sector, academia and NGOs.
  - A well-designed monitoring system of projects and programmes is implemented by management, and Progress reports are produced annually or bi-annually, by EU Delegations, and by the Network Facilities, or their equivalent, who have a key role in the monitoring process.
  - The impact and results of interventions are assessed through mid-term and end of programme evaluations, which assists in adjusting existing initiatives and selecting new interventions appropriate to each country.
232. Differentiated country needs in terms of the **economic importance of sectors** and their contributions to pollution and environmental impact should be taken into account in deciding sectors to be targeted. Consideration should also be given to prioritising **industrial production** and the **service sector** as services now account for the largest proportion of GDP in many participating countries, for example, in Asia and Latin America.
233. Additional attention should be given to sustainable consumption as it is a powerful driver of change. Sustainable Consumption is relevant to all countries and all regions in the world in terms of needs and opportunities, as is **Green Public Procurement (GPP)**. In this regard, the first three **Programmes** of the 10YFP either focus entirely on, or have an emphasis on **Sustainable Consumption (SC)** and some of the projects of the three regional SWITCH programmes have a sustainable consumption component. Nonetheless, there should be an **increased emphasis** on stand-alone regional SC projects and programmes to give sufficient weight in project activities to maximising market opportunities that contribute to the viability of private sector enterprises, which more often than not work along the supply chain. Regarding the 10 YFP additional consideration to SC is given (see Section 5.4 below). The objective of sustainable consumption is to change the behaviour of city, country, regional, or area specific populations at large as well as the private and public sectors through education / awareness raising and “green advertising”.

### Green Business Development and Scaling Up

234. For successful green business development, the design of interventions and their operational documents need to **stress the linkages between the drivers for change and emphasise the need for viability of technical solutions** to increase the acceptance of SCP for private sector operators through increased financial benefits, which leads to increased take-up of SCP practices at a scale that is

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<sup>145</sup> Despite no requirements in the ToR, one of the tasks undertaken by this evaluation is the preparation of country evaluations with data and information for country level analysis. These reports appear as Appendixes to the Programme evaluation reports. They have been taken as far as possible given the resource constraints available to the evaluation. They inform the Regional Programme level evaluations.

sufficient to have a significant sectoral impact. At the same time government agencies need to be convinced about the potential for green business to contribute to GDP through Green Economy actions, and the ability to increase procurement of less costly and environmentally friendly green products and services. Green Business projects need to be fully informed about the need for commercial viability and the preparation of business models that are attractive enough to persuade banks and other lending institutions to fund MSMEs contemplating a “switch to green”. This means preparing bankable business models and assisting as large a number of MSMEs as possible to access and secure finance:

- Formulating bankable projects starts with market analysis, since there is no point in producing products without a reasonable chance of successful sales. Markets include wholesalers, retailers, consumers and government agencies, and SP technologies and the resultant green product need to meet market demand.
- Preparing initial estimates to be included in proposals of capital and operating costs, income, cash flow, profits, risk analysis sensitivity analysis and Intellectual Property Rights (IPR). For more sophisticated and larger operations the preparation of estimates of returns on investment (return on capital employed, internal rates of return (IRR) and net present values (NPV)) should be undertaken
- During implementation, after testing, the financial models should be revised based on demonstrated outputs, so as to provide revised estimates of viability to organisations that may wish to “switch to green”.
- Detailing the expertise required for successful implementation and methods for taking advantage of any government incentives and informing MSMEs about the applicable policy framework.

235. At **programme** level consideration needs to be given to providing expertise to projects to prepare marketable business models, where required. The SCP Facilities are best placed to take on this role.

#### Facilitating Access to Finance

236. A coordinated effort is required to build capacity and increase awareness of funding options of projects and MSMEs. Increased dialogue would be beneficial, between SMEs, policy makers and financiers, as well as government leadership, to identify funding opportunities and to make policy adjustments. These could include, for example, establishing incentives for banks to overcome inertia and higher transaction costs, adjusting national regulations, such as quotas for commercial lending to SMEs for green projects, and providing credit guarantees where SMEs’ lack collateral.

237. Accessing **more affordable finance** through better information sharing with MSMEs on relevant sources of finance, including funding from the regional **DEVCO Blending Facilities**, which can be used for increasing the potential for widespread investment in SCP practices, particularly in more risky countries. There are two constraints to the Blending Facility opportunity, which are:

- **Lack of knowledge** of MSMEs about sources of finance, including the EU Blending Facilities. Mechanisms to overcome this lack of knowledge include awareness raising by EU Delegations and the NF, or their equivalent, to provide information about, and links to, the Blending facilities.
- The levels of **individual MSME capital investment**, which can be quite small and therefore not sufficient to attract this type of lending. A possible mechanism for addressing the small scale of individual borrowing needs is to aggregate the capital expenditure of all enterprises benefitting from a project. To take advantage of this possibility Grantees need to be familiar with the criteria for lending and the processes and procedures for applications and the use of funds. All applications for Blending facilities funding have to be reviewed by EU Delegations, and a further consideration is the possible need for an intermediary to negotiate and access funds that, in turn, can then be made available to the individual MSMEs.

238. At **programme level** future modelling of interventions could take into account the design of the DEVCO ElectriFi programme, which benefits from the **direct participation of private enterprise** in sustainable energy production and is implemented through the EU blending framework. Applying this design may enhance the prospects for scaling up and multiplier effects. At programme level further

consideration should also be given to **collaboration with other Multi-lateral** and Bi-lateral donors for **partnering** in SCP initiatives, mainly as potential co-financiers of Green Business projects, which is made more possible if the award of the grant is justified by real public project benefits, in terms of impact on development and poverty reduction.

### Trade Facilitation

239. Options 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 around the world include:
- An overall programme mechanism for promoting green trade should be considered
  - Encouraging the submission of green trade proposals, including B2B events, which have been implemented under other EU funded programmes (EU-Asia Invest, EU-Central Asia Invest etc.).
  - Facilitating opportunities for projects to benefit from participation in other green trade initiatives (for example the EU Business Avenues programme, trade fairs etc.).
  - Organizing events with a green trade component, which could be organized by the new SCP Facility in Asia, for example. The events would include credible and qualified guest speakers, to provide information and to promote the events, Business to Business (B2B) matchmaking meetings between MSMEs from the EU and regions and export-import agencies with two objectives, which are: i) information exchange and exploring opportunities for technical cooperation; and ii) arranging export-import deals to foster green trade. These would best be aligned to sectors of common interest.
  - The mechanisms and processes of the former Asia Invest Programme should be consulted to assist in defining concepts. The Business Avenues projects<sup>146</sup> between the EU, ASEAN and major economies in Asia funded by DEVCO for opening up market opportunities for MSMEs in the two regions could also be reviewed for applicability to projects and programmes in the field of SCP and the Green Economy.

### Targeting Industrial Parks and Special Economic Zones (SEZ) to Maximise Impact

240. The SCP programmes should further take into account the benefits of targeting Industrial Parks and Special Economic Zones to take advantage of the immense opportunities for demonstrating technologies and best practices to large numbers and clusters of organisations operating in these precincts, with a resultant increase in Green Economy impact. Consideration could also be given to discrete Green Economy programmes, incorporating SCP principles, targeting these parks/zones. The relative benefits of a greater focus on parks and SEZ within existing programmes or dedicated programmes is warranted to ensure that one way or the other multiplier opportunities are maximised.

#### 5.3.2.3 Network Facilities

241. The impact of the regional SCP programmes needs to be enhanced through strengthening of the Network Facilities, which have a primary role in assisting with information dissemination, linking grantees to funding opportunities, and fostering multiplier effects and increased investments in Green Economy production. Under the SWITCH-Asia Programme a new **Sustainable Consumption and Production (SCP) Facility** is to be established, with a maximum budget of € 9 million. This facility is the follow up to the previous Network Facility. It is specifically aligned to the needs of the SWITCH-Asia SCP programme and represents a further improvement to its design.
242. Consideration should be given to extending the SWITCH-Asia SCP Facility objectives and activities to **cover the entire portfolio of EU Green Economy/ SCP initiatives**. Although this may be contradictory to the internal organisation of the European Commission the potential benefits are very high and consideration should also be given to establishing similar facilities in Africa, and possibly

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<sup>146</sup> <https://www.eubusinessavenues.com/>

other regions. Activities of the regional facilities, should be carried out in **close consultation with EU Delegations**.

243. The overall objective would be to **contribute to achieving the combined impact** and results of the EU Portfolio of **SCP and all Green Economy Interventions** in line with global and EU international development policies on the Green Economy. Each Green Economy intervention contributes to the overall impact through SCP, climate change, biodiversity etc. Thus the mandate would go beyond the regional SCP programmes, will increase coherence and provide a more complete and integrated picture of the impact of all EU interventions. The **specific objectives** are to contribute to:

- Improving internal coherence and achieving complementarity, synergies, coordination, better management and avoidance of overlap of EU interventions on SCP and the Green Economy.
- Better coordination and collaboration of EU interventions with non-EU international SCP and Green Economy actions.
- Facilitating green business development and scaling-up of outputs (green products and services) of projects and adoption of good practices on SCP and the Green Economy:
  - ✓ Analysis of major sectors by country to establish the sectors likely to provide the potential for a significant level of impact to address the drivers for change.
  - ✓ Analysis of prospective financial benefits to organisations from adopting SCP practices.
  - ✓ Assist projects to achieve Green Economy impact at scale with all of its benefits (environmental, economic and social) through commercialisation of project outputs and products with sufficient numbers of MSMEs adopting SCP practices to make a real difference in priority sectors, within the target countries.
  - ✓ Provide expertise to projects to prepare marketable business models, where required, including identifying funding sources in the participating countries in the different regions and the EU, including the EC Blending Facilities. This means assistance in preparing bankable business models
- Prepare a **monitoring and evaluation system** (see following section) that requires Grantees to **complete on-line formats once or twice a year, that capture qualitative and quantitative data on effectiveness and impact of socio-economic and environmental progress against targets** (see also the following paragraphs); and which automates much of the analysis
- Receive and store monitoring reports and prepare informative Project Impact Sheets that show details of the partnership, processes, timelines, budgets and the impact on the drivers of change:
  - ✓ Environment
  - ✓ Climate
  - ✓ Economic / financial
  - ✓ Social
- Analyse monitoring reports by country and sector and draw conclusions for the benefit of programme design, implementation, effectiveness and impact.
- Identify and compile examples of good practice.
- Improve Communications and awareness of SCP and Green Economy Good Practices through:
  - ✓ Establishing target markets for each aspect of SCP and the Green Economy communications by stakeholder group (internal and external), and identify the most effective media for dissemination of information (web site, brochures, flyers, radio, meetings with key players, events etc.)
  - ✓ Identifying and compiling communication material as listed above.

- ✓ Designing and managing the programme web site including sections for each main activity related to the drivers of change for each category of intervention.
- ✓ Disseminating information and holding briefings, press releases, meetings and events to inform, to increase collaboration, and to increase the impact of interventions

#### 5.3.2.4 The 10YFP

244. DG Environment has made the point that it would be beneficial for an EU representative to be a Board member of the Fund to enhance coordination of EU SCP programmes with the 10YFP SCP projects, to assist with avoiding overlap and ensuring synergies and complementarities.

#### 5.3.2.5 Improving Monitoring and Evaluation Systems to Increase the Prospects for Impact

245. An improved monitoring and evaluation system is required that not only **monitors individual interventions**, but also provides an **overview and analysis of the costs and benefits of all EU funded Green Economy related interventions**. Progress reporting should include information and data on the progress made for **each driver of change** under agreed indicators under each phase of the intervention logic. The redesigned EU system needs to be **aligned to** the comprehensive monitoring system designed by the 10YFP Secretariat for SCP interventions<sup>147</sup>. The **Green Economy results chain currently being developed within DG DEVCO** needs to be incorporated in the design of EU Green Economy interventions and monitoring systems.
246. To improve the monitoring and evaluation system it is necessary to **prepare the monitoring framework** for all phases of the PCM, including evaluating the needs of managers of stakeholders at all levels, defining the objectives of the system, the target audiences, indicators, data sources, data collection, data analysis, report formats and content and the responsibilities and tasks to be carried out by the different implementation agencies. The system needs to provide data and information to inform planning and programming, the future design of interventions and the allocation of resources.
247. **Defining qualitative and quantitative indicators** that will measure progress **against the baseline situation**, needs particular attention. The indicators chosen should **reflect the logical chain** of EU funded interventions (Output – Outcome – Impact) and OECD DAC definitions need to be taken into account<sup>148</sup>. They should take into account those currently in place in the Impact Fact Sheets of the SWITCH-Asia programme (policy, environment, climate change, economic indicators, engagement with stakeholders, social benefits and cooperation between the EU and Asia). **Green Economy indicators** require particular emphasis They should include the value of investments made, costs, prices, product volumes, incomes, profits, returns on investments, number of enterprises taking up Green Economy practices (multiplier effects) and jobs created for each initiative; and the number of MOUs and Agreements signed etc. Indicators need to be defined for all categories of programmes and projects.
248. At present individual project reports are received by EUD. Under the SWITCH-Asia Programme the NF produces project Fact Sheets, taking into account the monitoring reports received by EUD and working with projects to **access additional data** not currently available in the progress reports. It is suggested that similar Fact Sheets be prepared for the SWITCH Africa Green and SwitchMed programmes and **all other categories of Green Economy interventions**. Thereafter **country reports should be prepared** based on the monitoring information of all categories of interventions, with the **combined impact of interventions highlighted** in relation to country policies and strategies, constraints and issues (including changes to the enabling environment) and synergies, complementarities and avoidance of overlap with interventions funded by national governments, other

<sup>147</sup> <http://www.unep.org/10yfp/about/monitoring-and-evaluation>

<sup>148</sup> “Results” means the output, outcome or impact of an Action. “Impact” means primary and secondary, long term effects produced by the Action; “Outcome” means the likely or achieved short-term and medium-term effects of an Action’s outputs; “Output” means the products, capital goods and services which result from an Action’s activities.

donors, NGOs and the private sector. In carrying out these tasks the **monitoring and evaluation roles** of NF (or their equivalent) and EU Delegations needs further consideration.

249. **At central level (DEVCO)**, assessment of progress and achievements should be based on the regular reports prepared by the NF. The assessment should focus on impact, sustainability, and recommendations for adjustments to improve results and the future design of actions.

#### 5.4 Coherence/ Complementarity

##### 5.4.1 *Conclusions - Overall positive internal cohesion, although coordination could improve. Good degree of complementarity, with possible overlaps in policy actions*

250. Internally there is a lack of analysis of the cohesion, complementarity, synergies and avoidance of overlap between European Commission funded initiatives and actions carried out by other actors including EU Member States and development banks and in this regard improved coordination of EU SCP and Green Economy initiatives is still required at central, regional and country levels, whilst the resources of DEVCO Unit C2 are limited in relation to its tasks addressing coherence and complementarity.
251. 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. The initiatives under the **Complementary Green Economy** interventions consist of thematic actions that are often on a **larger scale**, than the other two categories of the EU Green Economy portfolio. **The Investment Facilities** funding supports larger scale initiatives.
252. There are many examples of **synergies** that the evaluation team has found between the regional SCP programmes, the 10YFP and the dedicated Green Economy programmes. However, it appears that complementarities and synergises with the Complementary Green Economy initiatives has not been explored in depth.
253. There is particularly **close cooperation** between the **EU and UN agencies** on the Green Economy and a good deal of complementarity between the respective actions. However, although there is some evidence of collaboration and coordination between the EU and other external actors (World Bank Group etc.) on specific initiatives, the extent to which structured dialogue takes place is unclear. **The Green Economy Initiative (GEI) of UNEP is complementary to EU initiatives** and was launched in 2008<sup>149</sup>, consisting of global research and country-level assistance aiming at motivating policymakers to support environmental investments as a way of achieving sustainable development. The components of the Initiative, some of which are financially supported by the EU, include Advisory Services; an Environment and Trade Hub; The Green Growth Knowledge Platform (GGKP); The Partnership for Action on Green Economy (PAGE); The Economics of Ecosystems and Biodiversity (TEEB); The United Nations Environment Programme Finance Initiative (UNEP FI) is continuously building its membership, and works closely with over 200 members, who have signed the UNEP FI Statement of Commitment. The UNEP Inquiry is intended to support Green Economy actions by identifying best practice, and exploring financial market policy and regulatory innovations that would support the development of a green financial system.
254. There are a number of existing coordination forums for improving linkages between actions taken on the Green Economy by EU and international stakeholders. For example, DEVCO Unit C2 organised the first Green Economy Coordination meeting held in September 2016, supported by the SWITCH to Green Facility. This event was successful in bringing together a wide range of EU and external

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<sup>149</sup> <http://web.unep.org/greeneconomy/what-inclusive-green-economy>

actors, covering most of the main areas of SCP and the Green Economy. Follow-up coordination meetings building on the initial success of the event are planned.

255. However, notwithstanding the excellent progress achieved to date by DEVCO Unit C2 and the SWITCH to Green Facility, and other stakeholders, complementarity, synergies, avoidance of overlap, and gaps in service provision require additional attention with respect to the future design of interventions.
256. There is **insufficient structured coordination between EU and non-EU interventions at country level**. This was made clear in documentation and discussions with stakeholder during country visits, by the views of Grantees expressed in the survey and EU Delegation opinions from a limited Delegation survey.
257. In terms of **overlap there are particular concerns regarding** the regional SWITCH programmes **policy actions** (RSCP) and their green business projects, as well as country programmes managed by EU Delegations and other policy initiatives such as those of the 10YFP (regional and country levels). Moreover, the recently completed internal UNEP evaluation of the 10YFP has recommended that it should concentrate on country level policy support in the future.
258. In addition, there are policy initiatives funded by regional integration organisations, such as ASEAN, related to the environment, and various UN Green Economy initiatives with a policy component. The Green Economy programmes of UNEP in general include a strong policy component, for example the UNEP Finance Initiative. UNEP is also involved in policy support at country level, such as in China, through its resident office, and in other countries through National Contact Focal Points.
259. **Other Donors** also have environmental policy actions that need to be considered. For example, over the period 2004-13, the World Bank committed loans for US\$31.8 billion<sup>150</sup> to support investment in environment and natural resource management, incorporating policy related actions, such as Vietnam maritime environmental strategies; and the Asian Development Bank has developed strategic priorities to promote an Asia and Pacific region that includes strengthening related policies, governance, and capacities on climate change. Moreover, **many EU based NGOs** have significant actions in developing countries that have Green Economy related activities, for example Carbon Watch on the pricing of carbon and the World Wide Fund for Nature (WWF) with over five million supporters worldwide, working in more than 100 countries, supporting, for example sustainable production of commodities, green infrastructure and climate change.
260. An issue raised by stakeholders is a **lack of EU regional SCP programmes in regions other than Asia, Africa and the MEDA region**. The evaluation has been unable to establish the rationale for not designing programmes for Central Asia, Latin America, the Caribbean and the Pacific regions, which the EU should address considering policy commitments made, in the Agenda for Change and more recently in the new EU Consensus on Development.

#### *5.4.2 Recommendations – Enhance the Coherence and Complementarity of EU Interventions through clearer definitions of roles at central, regional and national levels*

**The recommendations in this Section are of high importance in the short term. Their implementation requires the involvement of a number of stakeholders, including in addition to DG DEVCO also EUDs, UNEP and Partner Countries.**

261. **Sufficient resources** need to be allocated within **DEVCO** to carry out crucial coordination and mainstreaming tasks. **At Central level both research and dialogue events** held by DEVCO could delve deeper into specific SCP and Green Economy topics on a thematic and sectoral basis. EU representatives responsible for designing and implementing Green Economy related initiatives, both within DEVCO and other DGs need to participate fully in Green Economy forums, events and ad hoc

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<sup>150</sup> <http://www.worldbank.org/en/topic/environment>

discussions; and other key EU players in the Green Economy, such as the EIB, the EBRD, EU Member States, development banks, the private sector and NGOs should also be included, apart from UN agencies that are already involved in close cooperation with the EU. This would contribute to improving global-wide coherence and coordination.

262. **At regional level**, improved coordination can be accomplished through Regional Network Facilities, in consultation with EU Delegations:

- Improved coordination between participating countries in the regions and between the EU funded Regional SCP programmes, the 10YFP and other Green Economy actions, for exchanges of experience, methodologies etc.; and between all of the main groups of interventions defined in preceding sections of the text.
- Improved coordination between the EU Portfolio of Green Economy interventions and regional integration organisations, for example, in Asia the Association of South East Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC): in the Mediterranean region the Arab Maghreb Union (UMA) etc.; in Africa the Common Market for Eastern and Southern Africa (COMESA), SADAC, East African Community (EAC), Economic Community of Central African States (ECCAS) etc. The objectives would include promotion of the principles of the Green Economy, gaining access to their networks, sharing information, information dissemination, and increasing the prospects for scaling up and multiplier effects of Green Business projects and increasing cooperation on policy initiatives.

263. **At national level** the efforts of National Coordination Committees established under the SWITCH Africa Green Programme need to be strengthened. In other regions similar Committees should be formed. Topics should include:

- Sector priorities.
- Policy coherence and complementarity.
- Synergies and gaps in service provision.
- Private sector engagement.
- Sources and access to Finance.

264. With regard to **complementarity** there is an argument that the focus of projects funded by the 10YFP should be more on **sustainable consumption**. The UN agencies, including UNEP in particular, have resources, knowledge, networks and contacts, globally, on sustainable consumption.

265. Projects on sustainable consumption could be broad based, with a wide geographic reach, and as they are implemented, the knowledge base of the 10YFP on sustainable consumption would grow. Sustainable production is covered at greater scale and with far greater resources by the EU funded regional programmes, UNIDO and by some of the Green Economy programmes. While a stronger focus on sustainable consumption is necessary, the EU and its partners need to better assess whether it can be addressed through specific interventions, or through better attention to consumption aspects in programmes that aim to integrate all aspects of SCP.

266. Consideration needs to be given to better supporting SCP in regions not yet covered through SWITCH programmes, for example Latin America.

## **5.5 Sustainability**

### *5.5.1 Conclusions - Positive elements of policy sustainability*

267. **The main determinant for sustainability is the widespread take up of SCP by the private sector with significant levels of investment. All of the previous recommendations have a contribution to make in this regard.** Positive elements of sustainability in the regional SCP programmes include:

- **Policy:** Generally speaking, relevant stakeholders have been involved in policy formulation and there is a degree of local ownership of programme outputs, outcomes and impact. A good deal of effective capacity building has also taken place. There are many examples of effective assistance in policy formulation by projects and there is some evidence of policy take-up in the SWITCH-Asia and SwitchMed programmes. In addition, policy initiatives such as that of PAGE appear to be successful.
- **Green Business Development:** Processes and procedures have been well documented. Many usable manuals and guidelines have been produced and many projects have continued to manage project web sites and to continue dialogue after project completion. Some projects have committed funds to continuation of actions through self-funding. In terms of investment in SCP and the take-up of SCP practices by government agencies (green procurement etc.), and the private sector, there is evidence to suggest that a degree of success has been achieved.

### 5.5.2 *Recommendations - Achieving long term Green Economy sustainability*

**The following recommendations were deemed to be highly important, especially in the long term. Their implementation is to be carried out by DG DEVCO and EUDs.**

268. Apart from considering the recommendations made in previous sections of the text, the role of EU Delegations in assisting with sustainability at national level needs to be considered, including financial, institutional and organisational arrangements, particularly for sustainability after project completion. Sustainability would be considerably strengthened through:
- All stakeholders being made aware of the need for achieving both immediate and long term impact and results.
  - Adoption of policy initiatives by government agencies.
269. The role of very small businesses in SCP and Green Economy actions needs to be strengthened. Consideration needs to be given to mechanisms such as a discrete funding category within programmes for grants targeting these very small organisations, or further facilitating their integration into the supply chain. Without the incorporation of millions of smaller entities into supply chains the sustainability of micro businesses is less likely and the objectives of EU Green Economy initiatives will not be fully achieved.

## 5.6 **EU Added Value**

### 5.6.1 *Conclusions - Clear EU added value at the international level*

270. EU added value means that the same objectives and results would not have been achieved, without the EU intervention. In the first place this means that there should be coherence, complementarity and avoidance of overlap between all EU Green Economy funding organisations, including the European Commission at central and country levels, EU Member States and EU development Banks. The evaluation was not requested to evaluate the initiatives of organisations outside of the European Commission, or interventions implemented by EU Delegations and therefore internal EU added value cannot be fully assessed across the board.
271. At the international level, in terms of policy and strategy, the EU is represented, through the European Commission and External Advisory services in various international discussions on the environment and the Green Economy, for example the G7 meetings, and has played a very prominent role in global and regional policy formulation in many other forums on environmental issues, with significant technical and policy inputs. From this point of view EU added value is clear.
272. 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, and, although DEVCO Unit C2 has taken concrete measures to address the information gap on external actions, much remains to be done. Although the Consultant found evidence of coordination and discussions at country level and

many examples of synergies between EU and external initiatives there is little by way of formal analysis of value added. The Consultant has provided examples of interventions by other agencies (see preceding sections of the text) that illustrate the need for greater coordination at international level to ensure EU added value.

#### *5.6.2 Recommendations - Systematically assess EU added value in design and implementation of interventions*

**The following recommendations – aiming at enhancing the EU added value of interventions – are of moderate importance on the short term and would have to be implemented by DG DEVCO and the EUDs.**

273. All EU programming and operational documents need to describe EU added value with respect to the full suite of EU Green Economy interventions in relation to both internal and externally funded actions. Similarly, monitoring reports need to include added value information, at all levels.
274. Programmes and project design and implementation need to better take into account external Green Economy and sustainable consumption and production interventions from the main other players involved in international cooperation on green economy (e.g. UNEP, GGGI, key donors...), including their aims, funding, geographic coverage, activities, outputs, outcomes and impact to ensure EU added value and avoid duplication of funding.