Guidance to improve coverage of environmental aspects in evaluations of economic development interventions.

# Some practical considerations from UNIDO

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# Guidance areas suggested in ongoing study

– **Foster definition/analysis of impact:** direct and indirect effects, long time scales of environmental consequences, DAC criteria and environmental effects

| | impact | risk to sustainability | coherence | cross cutting |
|---|---|---|---|---|
| **definitions** | The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or **unintended**, higher-level effects. | Includes an examination of the financial, economic, social, **environmental**, and institutional capacities of the systems needed to sustain net benefits over time | Policy coherence for sustainable development (PCSD; SDG 17) requires a close look at the interactions between economic, social and **environmental** dimensions. | Cross-cutting issues like the **environment** and gender equality are relevant to all aspects of development. Environment and development should be seen as one and the same thing. (OECD DAC) |
| **issues found** | Evaluations would need to determine possible environmental effects and include it in an adjusted TOC; a map of industry specific environmental effects (e.g. pollution) would help | Requires a sound understanding of the environmental issues related to the project. Rebound effects important: use of good science important. | Need to analyze more the trade-offs and co-benefits between SDGs (e.g. SD report 2019) | Disadvantage: considering the environment a "cross cutting factor" places it outside the causal logic of the theory of change |

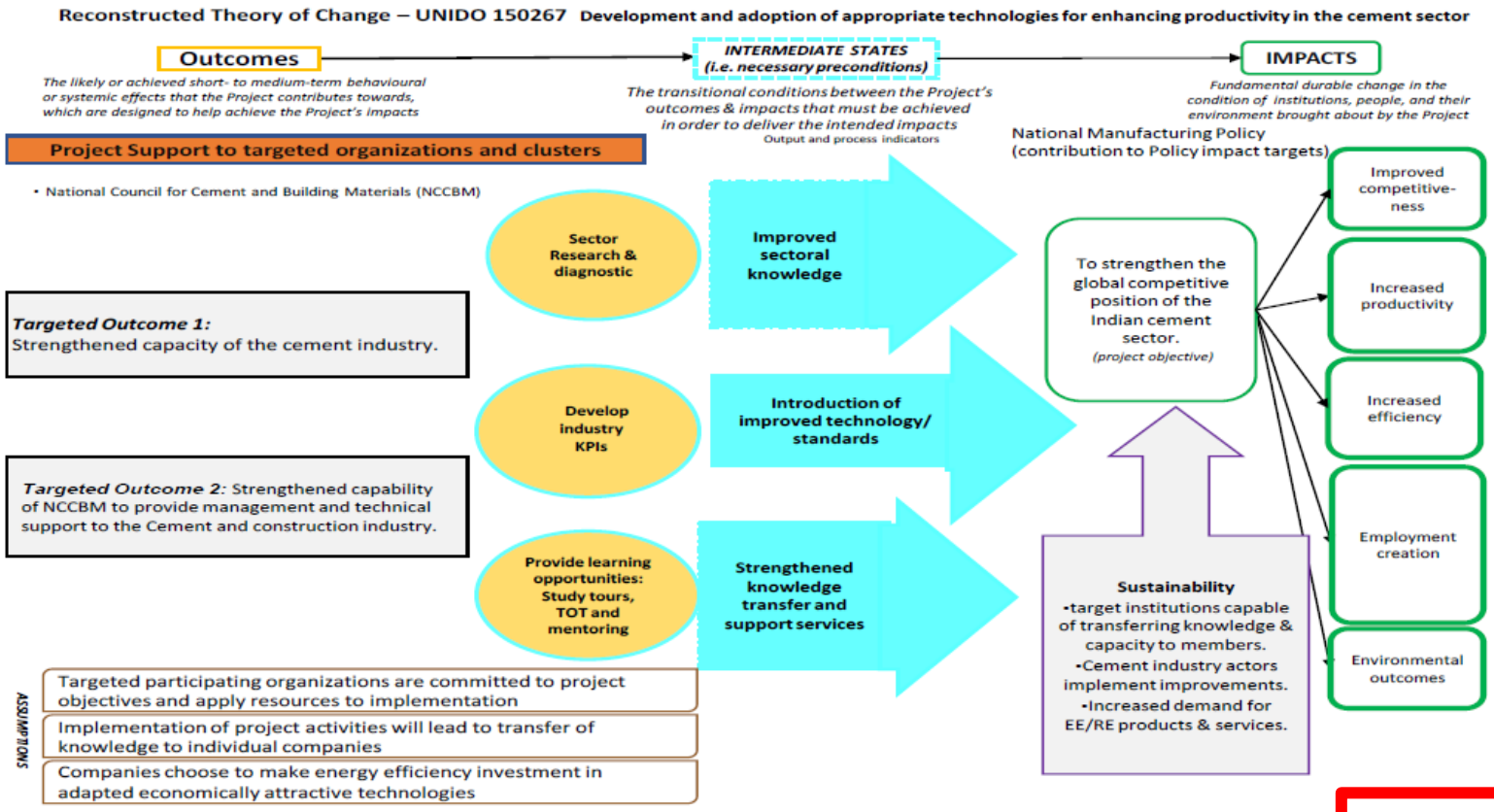
# Guidance areas suggested in ongoing study

**Use more specific environmental information/science:** map of agency specific environmental impacts, environmental data sets

- Challenge to define the scope: reduce environmental impact of cement factories in region X vs. overall impact of cement industry/use of cement – where to draw the line?
- Global vs. Local environmental effects: for industry both need to be considered (Climate change bias?) impact on humans;
- E.g. Lancet report on pollution effects; in general local environmental effects more challenging to link with good science
- Introduce environmental impact categories (High, medium, low)?

# Case: Cement sectoral Project in India – impact dimension

**Figure 2 Reconstructed Theory of Change**




**Environmental dimension**

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# Guidance areas suggested in ongoing study

**Foster environmental learning**: environmental mainstreaming to programme design through management action records, lessons learned to move from unintended to intended environmental effects

- More explicit requirements for coverage of environmental issues in evaluation TOR, including specific recommendations and lessons; relatively easy to implement
- Will take time, but represents an opportunity for the evaluation community to influence the whole programme cycle.
- At UNIDO inclusion of environment category in databases of lessons and recommendations feasible. Also inclusion in the quality rating system for evaluations.

# Some conclusions

- Overall the challenge of covering environment without increase in evaluation cost remains
- Some of the proposed guidance areas can help to do "more with less"
- Maybe linkage with environmental & social safeguards can Help ("environment marker") to decide where the evaluation need to go deeper.

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