

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

# Some practical considerations from UNIDO



#### 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
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	close look at the interactions between economic, social and	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)
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)	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

definitions

issues found



would help

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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

**United Nations Evaluation Group** 

Reconstructed Theory of Change - UNIDO 150267 Development and adoption of appropriate technologies for enhancing productivity in the cement sector INTERMEDIATE STATES Outcomes IMPACTS (i.e. necessary preconditions) The likely or achieved short- to medium-term behavioural Fundamental durable change in the The transitional conditions between the Project's or systemic effects that the Project contributes towards. condition of institutions, people, and their outcomes & impacts that must be achieved which are designed to help achieve the Project's impacts environment brought about by the Project in order to deliver the intended impacts National Manufacturing Policy Output and process indicators Project Support to targeted organizations and clusters (contribution to Policy impact targets), Improved competitive-· National Council for Cement and Building Materials (NCCBM) ness Improved sectoral Research & To strengthen the diagnostic knowledge global competitive Increased position of the productivity Indian cement Taraeted Outcome 1: sector. Strengthened capacity of the cement industry. (project objective) Introduction of Increased Develop efficiency improved technology/ industry standards **KPIs** Targeted Outcome 2: Strengthened capability of NCCBM to provide management and technical support to the Cement and construction industry. Employment creation **Provide learning** Strengthened opportunities: knowledge Sustainability Study tours. transfer and target institutions capable **TOT and** support services of transferring knowledge & mentoring capacity to members. Environmental Cement industry actors outcomes Targeted participating organizations are committed to project implement improvements. objectives and apply resources to implementation Increased demand for Implementation of project activities will lead to transfer of EE/RE products & services. knowledge to individual companies Companies choose to make energy efficiency investment in adapted economically attractive technologies **Environmental** dimension

### 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.





- 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.

