The Evaluation of the EC Support to Partner Countries in the area of Energy: Results and Methodological Thoughts

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Object and purpose of this presentation

Object: **Evaluation of the European Commission (EC) support to partner countries in the area of energy**

Purpose: **- Extracting the main messages in the area of climate change**

- Drawing lessons aimed at improving the methodological approach of similar evaluations

The EC Evaluation

Scope of the evaluation:

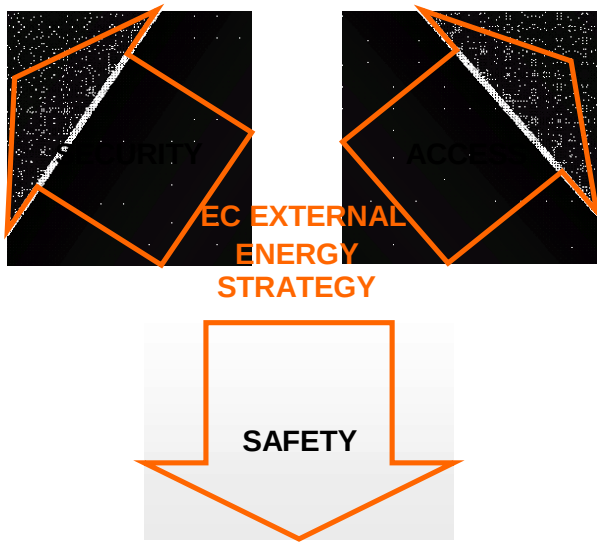
EC support to partner countries (ACP, MEDA, TACIS, ALA) in the area of energy from 1996 to 2006

- Security of EU Energy supply
- Safety of Energy related activities (Nuclear)
- Access to energy for poverty reduction

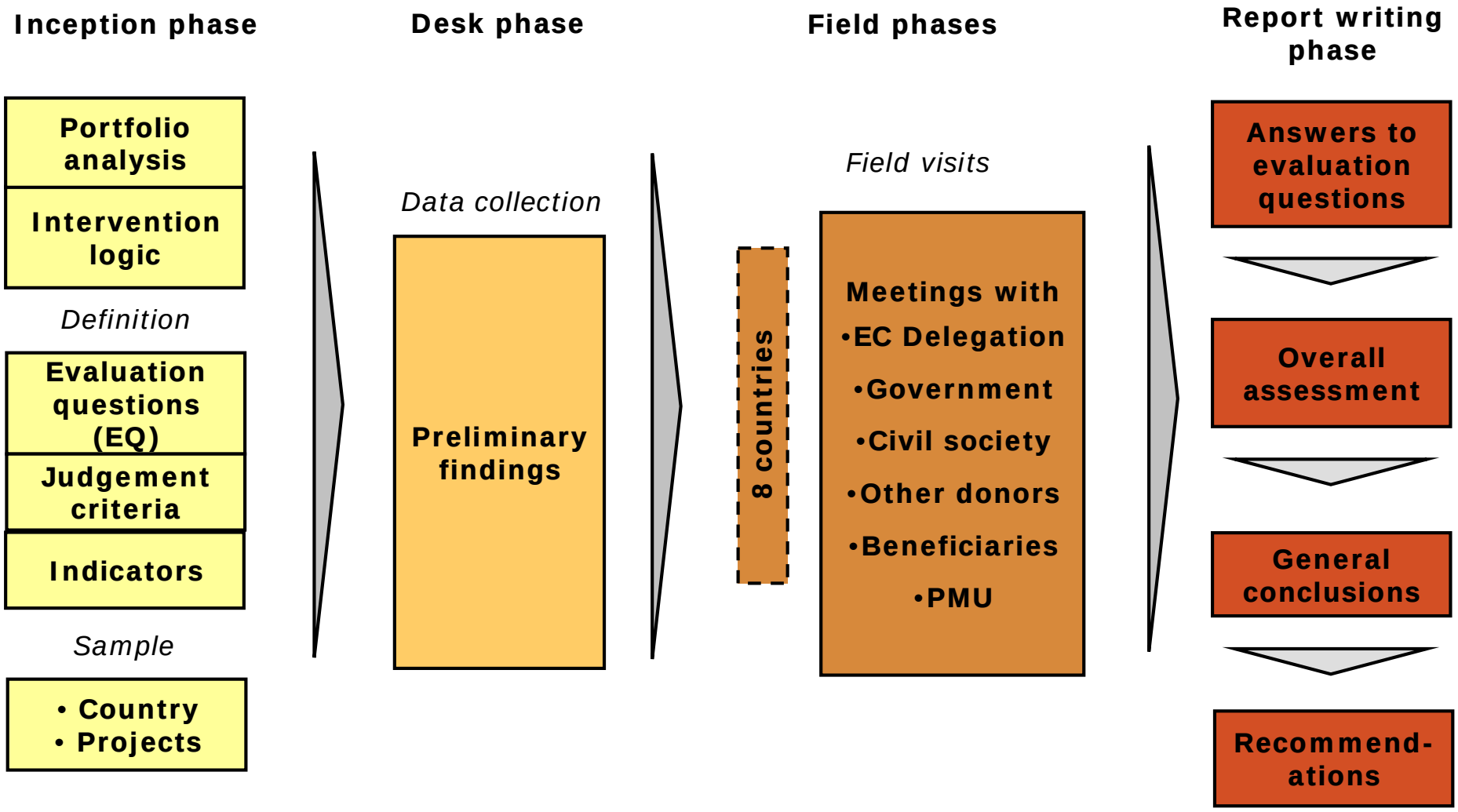
Objectives of the evaluation

Summative purpose: Analyse results and compare with objectives defined for the actions or programmes

Formative purpose: Draw key lessons to improve relevance, impact, sustainability, effectiveness and efficiency of current and future interventions



Evaluation process



EU energy policy and climate change

Production

Consumption/ Transport

Regulatory

Pricing

Producing clean energy has rarely been an explicit objective of EC interventions

- **RES: Pilot projects to demonstrate the technical feasibility of technologies on partner markets**
  - **Increased the visibility of European technologies**
  - **Restricted impact on the evolution of share of RES**
    - **(i) Relative limited size compared to targeted markets**
    - **(ii) Absence of appropriate follow-up/exit strategy**
    - **(iii) Lack of necessary incentive from regulatory frameworks of partner countries**
- **Clean coal technology: no interventions**
- **Nuclear: Effective contribution to nuclear safety in FSU**

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Improving energy efficiency is considered the largest potential source of carbon emissions reduction

- **ASEAN**

Effective interventions, but not critical mass to significant environmental mitigation impacts

- **TACIS**

Limited effectiveness due to current tariff structure and lack of national and foreign investment in that field. Gas losses due to poor quality transport infrastructure.

- **MEDA**

Support to new efficiency technology (e.g. combined power generation cycle), but with limited scope and impact

- **ACP:**

Limited support for energy efficiency; Support to solar energy: reducing the use of firewood; not tackling crucial issues of pricing and tariffs

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- **Appropriate and well-enforced regulatory frameworks**
  - **Incentive for low-carbon energy technologies**
  - **Replication large scale efficient consumption**

    (e.g. environmental legal requirements, waste management regulations, institutional capacity building, etc.)

- **Limited EC support to policy reforms and limited influence on regulatory frameworks**
  - **Competition between national grids and autonomous RES**
  - **No support for CDM and JI**
    - **(i) Little awareness and knowledge of mechanisms**
    - **(ii) DNA non-existent or ill- equipped**
    - **(iii) Increasing interest (cf. Global Climate Change Alliance)**

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- **Many governments regulate energy prices**
- **Energy subsidies affect:**
  - **Sustainability of the sector: no incentive to rationalise use of scarce resources => Waste**
  - **Affordability of access to energy: source of unsustainable public finance => Inflation**
- **Negative consequences for the poor:**
  - **Short term: benefits are proportional to your share; the richer you are the more you benefit**
  - **Long term: unsustainable economical burden => shortage/failure in services provision => budgetary contraction in social services**

⇒ **Necessity to apply the polluter-pays principle in energy pricing policies**

- **Policy dialogue between the EC and partner countries has only marginally included this dimension**

Methodology : Intervention Logic

Purpose

- Assessment of the gap between the discourse and the reality (IL based on internal and prescriptive policy documents)
  - ⇒ ***Country programmes : 1 strategy with hierarchy of objectives***
  - ⇒ ***Sector/thematic programmes: multiple strategy + national or regional programme***

Current approach

- Absence of a sector policy or only operational guidelines (e.g. statistic)
  - ⇒ ***IL subordinated to country programmes' IL***
- Existence of a sector policy or sector/ theme relates to global issues where EC have commitments (e.g. energy)
  - ⇒ ***IL will be chosen to cover the portfolio of interventions evaluated***

Risks

- Bias of the inventory / reliance on quality of recording systems
- Sole influence of existing interventions
  - ⇒ ***risk of neglecting important issues falling outside the scope of interventions***

Methodology : Evaluation Questions

Purpose

- Structuring the evaluation in a detailed and concrete manner
- Identifying specific perspectives that need to be addressed (JC + I)

Current approach

- 10 EQ maximum
- Evaluators chose
- Need to cover DAC criteria + 3 Cs + Cross-cutting issues

Risks

- EQ do not target most critical issues for decision-makers and field practitioners
- Limited ownership of prime end-users
- Limited usefulness of evaluation messages

Methodology : Sampling / case studies

Baseline

- Portfolio with hundreds of interventions worldwide, worth several billion euros
  - ⇒ ***Need to investigate a sample of interventions***

Option 1

- Statistically representative sample: costly assessment
  - ❖ ***Diversity of criteria (e.g. instruments, country/region, sub-categories) => high number of projects;***
  - ❖ ***Limited number of interventions visited per country => high number of field missions;***

Option 2

- Selecting a limited number of case studies
  - ⇒ ***Based on explicit and relevant quantitative and qualitative criteria***
  - ⇒ ***Risk of general lessons drawn from anecdotal evidence***

Suggestions

Reducing the scope of the evaluation

- Restricted topics

(e.g. energy & poverty alleviation or energy & climate change)

- Comparing lessons learned from individual case studies

Opening the evaluation benchmarks to contemporary prevailing paradigm

- Conducting evaluations against prevailing theory / international consensus
- Reconstructing IL based on existing prescriptive documents AND dominant paradigm

Focusing the evaluation perspective on crucial issues for end-users

- EQ formulated by decision makers and imposed in TOR
- Evaluators elaborate judgment criteria and indicators

⇒ Draw more operational lessons

⇒ Strengthen the basis of information

⇒ Enhance ownership of the lessons learned

⇒Shorten distance between evaluation and decision

⇒ Increase usefulness of these exercises for prime-users