United Nations Development Programme

Terms of Reference

for
Outcome Evaluation on Energy

UNDP China

27 April 2008

A. INTRODUCTION

Background

The growing demand for development effectiveness is largely based on the realization that producing good "deliverables" is simply not enough. Efficient or well-managed development projects and outputs will lose their relevance if they yield no discernible improvements in development conditions and ultimately in people's lives. Being a key international development agency, the United Nations Development Programme (UNDP) has been increasing its focus on achievement of clearly stated results. Nowadays, results-based management (RBM) has become UNDP's management philosophy.

As part of its efforts in enhancing RBM, UNDP has shifted from traditional project monitoring and evaluation (M&E) to results-oriented M&E, especially outcome monitoring and evaluation that cover a set of related projects, programmes and strategies intended to bring about a certain outcome. An outcome evaluation assesses how and why an outcome is or is not being achieved in a given country context, and the role that UNDP has played. Outcome evaluations also help to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative), recommend actions to improve performance in future programming, and generate lessons learned.

Outcome to be evaluated

In the current UNDP Country Programme for China (2006-2010), there are ten outcomes. According to the UNDP China evaluation plan, an evaluation will be conducted on the sixth Country Programme outcome, i.e. "*End-use energy efficiency and application of new and renewable energy technologies are improved*". This Country Programme outcome has been selected for an outcome evaluation because China is now at a critical moment with regard to sustainable development. Balancing economic growth and energy security and climate change is a pressing challenge for China.

Over the past decades, China has experienced one of the world's fastest ever reductions of poverty. Today only 30% of the population lives on less than $2/day, but future efforts to further improve living standards will face growing barriers from environmental degradation.

Environmental degradation can become a serious barrier to sustaining China's hard won development gains, unless urgent actions are taken.

To achieve a sustainable future, the China government has been attaching great importance on energy security and climate change. In June 2007, China established a Leading Group on Climate Change and Energy Saving and Emission Reductions with Premier Wen Jiabao as the team leader. In December 2007, China published a white paper China's Energy Conditions and Policies, which also emphasized the importance of making the right choices such as developing renewables and promoting energy efficiency to achieve sustainable development. .

Brief national context related to the outcome

China's economic reform and opening to the outside world have been under way for nearly thirty years, and China's economy continues to be one of the most dynamic in the world. Meanwhile, China's energy demand is growing very fast in recent years and the energy matrix is characterized by the dominance of coal, followed by oil.

China's growth over the past years has created great pressures on China's environment. Issues such as energy and climate change have gained increased attention. China's emergence as the second largest energy consumer in the world has placed it in a position to affect global energy supplies. China is faced with distinct and pressing energy challenges that threaten its economic growth and overall development objectives. These include reliance on coal and its negative environmental impact, insufficient energy supply, and low overall level of energy efficiency.

These challenges also provide China the opportunity to do practice on the energy efficiency and renewable energy and make some contributions. In the 11th Five-Year-Plan, China has set its objective of reducing energy consumption per unit GDP by 20% by 2010 compared to the level of 2005, while increasing the share of renewable energy in China's energy use portfolio to 16% by 2020. On January 1, 2006, the Chinese government launched Renewable Energy Law. To meet the challenge from energy security and climate change, in October 2007, China publicized the revised Energy Conservation Law. Also key is a new National Climate Change Programme, China's 1st such policy passed in mid-2007, and China's Scientific Action plan on Climate Change, passed right after the programme, setting the overarching policy platform for actions in China to combat climate change while also improving energy security.

UNDP's support to China in terms of sustainable environment and energy development has been focusing in two broad strategic areas: (a) environmental governance that emphasizes building national capacity in mainstreaming sustainable development and implementing relevant policy, legal and regulatory measures; and (b) capacity development to negotiate and implement global environmental conventions. In this regard, UNDP has been cooperating with the following partners in achieving development results in those two main areas:

- National Development and Reform Committee (NDRC - macro-economic and social policy making)
- Ministry of Science and Technology (MOST)
- Ministry of Finance (MOF)
- Ministry of Commerce (MOFCOM)

- Ministry of Environmental (MOE - drafting environmental laws and regulations, their enforcement)
- Ministry of Agriculture (MOA)
- Ministry of Construction (MOC)
- China Council for International Cooperation on Environment and Development (CCICED - a high-level policy advisory body for the Government on sustainable development)
- World Bank and Asian Development Bank (WB/ADB - working in this area through their loan/TA programmes)
- Bilateral donors such as European Union (EU), Italy, Norwegian, the Netherlands, and
- Non-profit and non-government organizations (promoting public awareness raising and serving as a bridge between government and civil society)

UNDP outputs and associated projects

UNDP China has identified the following two key outputs as the major means to contribute to the achievement of the outcome: (i) proposals and recommendations for favorable policies and approaches for renewable energy development; and (ii) proposals and recommendations for favorable policies and approaches for energy efficiency development. The outputs are to be accomplished through a group of UNDP-supported projects and various non-project activities (soft assistance). The following table shows the UNDP-supported projects that are associated with the outputs and the outcome.

Table: Summary of UNDP-supported projects that are associated with the outcome

No.	Project No.	Project Short Title	Sub-sector	Source of Fund	Total Budget (in US$)	Project Duration	Executing Agency	Suggested Way of Assessment	National/Government Counterpart or Recipient
1	CPR/97/G31	Commercialization of Renewable Energy	Renewable energy	GEF	14,330,000	1999-2008	UNDESA	Desk review and field visit	NDRC
2	CPR/02/G32	End-use Energy Efficiency	Energy efficiency	GEF	80,375,000	2005-2009	NEX	Desk review and field visit	NDRC
3	CPR/98/G31	Barrier Removal for CFC-Free Energy Efficient Refrigerators	Energy efficiency	GEF	9,528,845	1999-2007	NEX	Desk review	Ministry of Environment
4	CPR/04/306	Power Grid Energy Efficiency	Energy efficiency	TRAC	20,813,700	2004-2009	NEX	Desk review	State Power Cooperation
5	CPR/99/G31	TVE Energy Efficiency	Energy efficiency	GEF	18,542,000	2000-2007	UNIDO	Desk review and site visits	MOA
6	CPR/01/002 (CPR/02/H02)	CDM Capacity Building	Sustainable Energy/climate change	TRAC	1,183,000	2003-2007	NEX	Desk review and site visits	NDRC
7	CPR/06/305	Carbon Finance for Development	Sustainable Energy/climate change	TRAC	1,700,000	2006-2009	NEX	Desk review	MOST
8	CPR/07/G36	Fuel-Cell bus Commercialization	Sustainable Energy/climate change	GEF	18,625,000	2006-2010	NEX	Desk review	MOST

B. OBJECTIVES OF THE EVALUATION

The outcome evaluation shall assess the following: (i) *outcome analysis* - what and how much progress has been made towards the achievement of the outcome (including contributing factors and constraints), (ii) *output analysis* - the relevance of and progress made in terms of the UNDP outputs (including an analysis of both project activities and soft-assistance activities[1]), and (iii) *output-outcome link* - what contribution UNDP has made/is making to the progress towards the achievement of the outcome (including an analysis of the partnership strategy). The results of the outcome evaluation will be used for re-focusing the interventions during the second half of the current CCF (if necessary) and guiding future programming of a similar nature.

C. SCOPE OF THE EVALUATION

This outcome evaluation will be looking at the relevance and contributions of UNDP project activities and soft-assistance efforts with regard to the outcome. Specifically, the outcome evaluation is expected to address the following issues:

Outcome analysis

- How is the use of renewable energy resources and technologies promoted as part of sustainable development strategy? How is the use of renewable energy resources used to improve the well-being of disadvantaged people – especially those living in remote areas and lacking modern energy services?
- How is sustainable energy development likely to contribute to human development in China? Is it likely to improve the access to basic services (education, communication, food security, etc.)?
- Has there been improvement in the national coordination mechanisms for energy efficiency? Is it likely that coordinated efforts will be made among various sectors (e.g. energy, industrial production, housing, etc.)?
- Are the energy efficiency standards and national policy guidelines for energy conservation technologies in place – or likely to be developed, approved and implemented in the next few years?
- Has there been successful piloting of market-based instruments (MBI)? Have the results been disseminated and used as a basis for further improvements in policies promoting the use of MBIs?
- Have there been positive changes in the creation of favorable conditions for efficient use of natural resources? Is it likely that environmental concerns will become an integral part of economic decision-making?
- Has there been improvement in the environmental awareness by the general public? Have the basic environmental knowledge and skills been improved among the key stakeholders?
- Is civil society given more opportunities to participate in energy security/climate change decision-making and/or conservation activities?

Output analysis

- Are the UNDP outputs still relevant to the outcome?
- Has sufficient progress been made in relation to the UNDP outputs?

[1] For UNDP, soft assistance activities include advocacy, policy advice/dialogue, and facilitation/brokerage of information and partnerships.

- What are the factors (positive and negative) that affect the accomplishment of the outputs?
- Assessment of whether and how the environment-poverty nexus has been addressed and promoted in UNDP's activities; i.e. whether environmental protection activities address livelihood issues and – on the other hand - whether poverty alleviation interventions take into account environmental concerns;
- Assessment of UNDP's ability to advocate best practices and desired goals; UNDP's role and participation in national debate and ability to influence national policies on sustainable development.

Output-outcome link

- Whether UNDP's outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects and assistance soft and hard that contributed to the outcome);
- What are the key contributions that UNDP has made/is making to the outcome (e.g. piloting new technologies, developing pricing schemes, drafting energy efficiency standards)?
- What has been the role of UNDP soft-assistance activities in helping achieve the outcome? Has UNDP been able to catalyze wider application of new technologies, promote public participation, or support implementation of environmentally-friendly policies?
- With the current planned interventions in partnership with other actors and stakeholders, will UNDP be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed?
- Whether UNDP's partnership strategy has been appropriate and effective. Has UNDP been able to bring together various partners across sectoral lines to address environmental concerns in a holistic manner? Will environmental concerns be taken into account in national development plans and strategies?
- Assessment of UNDP's ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, south-south cooperation, holistic and participatory approach). Has UNDP been able to respond to changing circumstances and requirements in capacity development?
- What is the prospect of the sustainability of UNDP interventions related to the outcome? Can it be ensured that outcome will be reached and maintained even after the UNDP intervention?

D. PRODUCTS EXPECTED FROM THE EVALUATION

The key product expected from this outcome evaluation is a comprehensive analytical report in English that should, at least, include the following contents:

- Executive summary
- Introduction
- Description of the evaluation methodology
- An analysis of the situation with regard to the outcome, the outputs and the partnership strategy;
- Key findings (including best practice and lessons learned)
- Conclusions and recommendations
- Annexes: TOR, field visits, people interviewed, documents reviewed, etc.

(See the *UNDP Guidelines for Outcome Evaluators* for a detailed guidance on the preparation of an outcome evaluation report).

E. METHODOLOGY OR EVALUATION APPROACH

An overall guidance on outcome evaluation methodology can be found in the *UNDP Handbook on Monitoring and Evaluating for Results* and the *UNDP Guidelines for Outcome Evaluators*. The evaluators should study those two documents very carefully before they come up with the concrete methodology for the outcome evaluation.

Specifically, during the outcome evaluation, the evaluators are expected to apply the following approaches for data collection and analysis: (i) desk review of existing documents and materials, (ii) interviews with partners and stakeholders (including what the partners have achieved with regard to the outcome and what strategies they have used), (iii) field visits to selected key projects, (the purpose of the field visits is mainly to verify the UNDP produced outputs and the impact of the outputs), and (iv) briefing and debriefing sessions with UNDP and the government, as well as with other donors and partners. Of course, the evaluation team has certain flexibility to adapt the evaluation methodology to better suit the purpose of the evaluation exercise.

F. EVALUATION TEAM

The evaluation team will consist of three consultants: one international consultant (as the team leader) and two national consultants (as team members). The international consultant should have an advanced university degree and at least five years of work experience in the field of sustainable energy development, sound knowledge about results-based management (especially results-oriented monitoring and evaluation). The team leader will take the overall responsibility for the quality and timely submission of the evaluation report in English.

Specifically, the international consultant (team leader) will perform the following tasks:

- Lead and manage the evaluation mission;
- Design the detailed evaluation scope and methodology (including the methods for data collection and analysis);
- Decide the division of labor within the evaluation team;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above);
- Draft related parts of the evaluation report; and
- Finalize the whole evaluation report and submit it to UNDP.

One national consultant will perform the following tasks with a focus on renewable energy development:

- Review documents;
- Participate in the design of the evaluation methodology;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above); and
- Draft related parts of the evaluation report.

The other national consultant will perform the following tasks with a focus on energy efficiency:

- Review documents;
- Participate in the design of the evaluation methodology;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above); and
- Draft related parts of the evaluation report.

G. IMPLEMENTATION ARRANGEMENTS

To facilitate the outcome evaluation, UNDP China has set up an inter-cluster Evaluation Focal Team (EFT), which will provide both substantive and logistical support to the evaluation team. In addition, UNDP China will also invite three advisors to provide the following technical support to the evaluation. The purposes of having those advisors are to help clarify some issues from UNDP's perspective and to provide technical guidance if/when necessary. However, the advisors will not intervene in the independent judgment of the evaluators.

Roles of the UNDP-GEF Senior Monitoring and Evaluation Coordinator (advisor)

- Participate in the design of the evaluation methodology;
- Participate in the preliminary analysis of the material; and
- Review and comment on the draft evaluation report.

Roles of the Governance Advisor (UNDP China)

- Participate in the preliminary analysis of the material;
- Assess the environmental governance aspect of the UNDP interventions;
- Review and comment on the draft evaluation report; and
- Assist in proper dissemination and application of the results.

Roles of the Public Participation Advisor (UNDP Capacity 21)

- Participate in the preliminary analysis of the material;
- Assess the public participation aspect of the UNDP interventions;
- Assess and provide recommendations on how the interventions could be geared so as to better meet the challenges of sustainable development (WEHAB, MDGs); and
- Review and comment on the draft evaluation report.

During the evaluation, UNDP China will help identify the key partners for interviews by the evaluation team. A total of about 19 work days are required for the evaluation, which are broken down as follows:

Activity	Timeframe and responsible party
Desk review of existing documents	3 days, by the evaluation team
Outcome evaluation design	1 days, by the evaluation team
Briefing with UNDP China	0.5 day, UNDP and the evaluation team
Field visits	4 days, by the evaluation team
Interviews with partners	3 days, by the evaluation team

Ongoing report preparation	1day, by evaluation team
Drafting of the evaluation report	5 days, by the evaluation team
Debriefing with UNDP China	0.5 day, UNDP and the evaluation team
Finalization of the evaluation report and submission	1 day, by the team leader

The international consultant (team leader) will work 19 days and the two national consultants will each work 18 days.

H. SELECTED DOCUMENTS TO BE STUDIED BY THE EVALUATORS

The following documents should be studied by the evaluators:

- UNDP Handbook on Monitoring and Evaluating for Results
- UNDP Guidelines for Outcome Evaluators.
- UNDP Results-Based Management: Technical Note
- United Nations Development Assistance Framework (UNDAF) for China (2006-2010)
- UNDP Country Programme Document for China (2006-2010)
- UNDP Results-Oriented Annual Report (ROAR) for China
- UNDP project documents and project monitoring reports
- UNDP National Human Development Reports for China
- Other documents and materials related to the outcome to be evaluated (e.g. government, donors)

Proposed Budget:

	International	**National**
Number of consultant	1	2
Daily Rate	600 USD	200USD
DSA(Beijing)	191USD	-
Working Days(2-18 June)	19 days	18 days
Tickets	2500USD	1000 USD
Terminals	-	-
Sub-total	17,529USD	9,200USD
Total		**26,729USD**

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