



**ACQUISITION OF SPECIALISED SERVICES TO CARRY OUT THE FINAL EVALUATION OF THE ENVIRONMENT, CLIMATE CHANGE AND LOW CARBON ECONOMY PROGRAMME, FINANCED BY THE EUROPEAN ECONOMIC AREA FINANCIAL MECHANISM FOR THE 2014-2021 PERIOD.**

**CALL FOR TENDERS NO. 133/SCP-DCP/MFEEE/2024**

**EXECUTIVE SUMMARY**

**ATTHIS CONSULTING | Environment and Natural Resource Economics**  
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## Framework and object of the Evaluation

The Environment, Climate Change and Low Carbon Economy Programme (hereinafter referred to as the Environment Programme) was created following the signing on 22 May 2017 of the Memorandum of Understanding (MoU) between Portugal, Norway, Iceland and Liechtenstein, with a view to the application in Portugal of the European Economic Area Financial Mechanism (EEAFM), known as EEA Grants, for the period 2014-2021 in the programme areas Environment and Ecosystems (PA11) and Mitigation and Adaptation to Climate Change (PA13).

The Environment Programme, in addition to contributing to the macro-objectives of the European Economic Area (EEA) (reducing economic and social disparities in Europe and strengthening bilateral cooperation relations with donor countries), has the strategic objectives of promoting the good environmental status of ecosystems and reducing the adverse effects of pollution and other human activities that are harmful to the environment. The Programme's chain of objectives also includes general objectives (*outcome*) and operational objectives (*output*), as shown in the table below.

*Table 1 Chain of objectives of the EEA Environment Programme 2014-2021*

Strategic objectives		Promoting the good environmental status of ecosystems Reducing the adverse effects of pollution and other human activities harmful to the environment
PA11. Environment and Ecosystems	General Objective 1	Increasing the application of Circular Economy principles in specific sectors
	Operational objectives	
	Output 1.1	Pilot deposit refund system for drinks bottles and cans
	Output 1.2	Regulation of the deposit system for plastic, glass, ferrous metal and aluminium beverage containers
	Output 1.3	Reduction of plastics in the oceans from land-based activities
	Output 1.4	Increasing efficiency in the use of resources in the construction sector
	Output 1.5	Development of environmental standards, guides and declarations in the construction sector that promote the circularity of materials and processes
	General Objective 2	Promoting sustainable development models in Biosphere Reserves
	Operational objectives	
	Output 2.1	Increased management capacity of Biosphere Reserves.
PA13. Mitigation and Adaptation to Climate Change	General Objective 3	Improving resilience and capacity to respond to climate change in selected areas
	Operational objectives	
	Output 3.1	Adaptation to climate change at local level strengthened.
	Output 3.2	Assessment of territorial vulnerabilities to climate change
	Output 3.3	Low Carbon Technology Solutions and Climate Change Mitigation in Cities
	Output 3.4	Managing the Ceira River Basin in the Face of Climate Change
	Output 3.5	Pilot projects to combat desertification completed
Bilateral relations	General objective 4 (Bilateral)	Reinforced collaboration between entities from Donor Countries and Portugal involved in the Programme
	Operational objectives	
	Output 1	Co-operation between donor countries and Portugal made easier

## Objectives of the Evaluation

This was an *ex-post* evaluation of the Environment Programme on two of the EEAFM programme areas (PA) for 2014-2021: PA11 - Environment and Ecosystems and PA13 - Mitigation and Adaptation to Climate Change and on Bilateral Relations. The assessment covered the time horizon from 27 May 2019 to 30 April 2024<sup>1</sup>, with a national territorial scope, and focused on five objectives:

- **Objective 1:** To assess whether the 'Environment Programme' has contributed to the implementation of relevant public policies on the environment and ecosystems, climate change mitigation and adaptation, and sustainable development.

<sup>1</sup> Considering the data provided by the Programme Operator, the financial report runs until the fourth quarter of 2024.

- **Objective 2:** To assess whether the 'Environment Programme' has contributed to the recognition of the Programme and the good reputation of the implementation of the European Economic Area Financial Mechanism in Portugal.
- **Objective 3:** To assess whether the 'Environment Programme' has developed good management practices, particularly in terms of compliance with the provisions of the Description of Management and Control Systems.
- **Objective 4:** To assess whether the 'Environment Programme' has promoted the development of synergies and good strategic and operational coordination between the different entities, namely:
  - With the Royal Norwegian Embassy in Portugal;
  - With the FMO/FMC, the National Management Unit, Agency for Development and Cohesion (AD&C), and the Inspectorate General of Finance (IGF);
  - With the Donor Country Programme Partner;
  - With other Programme Operators at national level;
  - With other Environment and Energy Programme Operators at European Union level.
  - Among the entities involved in the projects approved and financed by the 'Environment Programme'.
- **Objective 5:** To assess whether the 'Environment Programme' contributes to gender equality and equal opportunities.

For each of these objectives, a set of evaluation questions was defined for the criteria of relevance, effectiveness, efficiency, operational efficiency, impact and sustainability.

## Methodology

The evaluation methodology was based on the Theory-Based Evaluation (TBA) approach, based on Programme Theory (PT), combined with Qualitative Comparative Analysis (QCA) and Process Tracing. A multi-method approach was used encompassing documental analysis, interviews with the Environment Programme's coordination and technical team, the National Management Unit, the Donor Country Programme Partner, the Royal Norwegian Embassy and AD&C. Six case studies were also carried out on projects funded by the Programme (one Pre-defined Project and one project for each of the five calls launched by the Programme) selected according to pre-established criteria and a focus group with Programme stakeholders. In the course of the work, it was found that the selected case studies showed a pattern between them, with only small variances, so in the absence of diversity in the results, it seemed more useful to carry out a comparative analysis using the classic method rather than the QCA, given that there was great homogeneity, there was no diversity of situations that would justify looking for configurations of necessary conditions and sufficient conditions to explain variations in results. The Process Tracing, in turn, was applied to the causal mechanisms of the PT directly related to evaluation objective three, operational efficiency.

## Main conclusions

1. The program's performance was primarily assessed based on the achievement rate of the established targets for its objectives. It was found that all indicator targets were met or exceeded, except for three indicators affected by contextual factors such as the COVID-19 pandemic and the war in Ukraine. The regulatory framework governing activities contributing to these indicators also constrained their achievement, particularly legislation on public procurement and licensing. Also, regarding the regulatory framework, it was noted that the compatibility of the requirements imposed by the legislation in force with the innovation that some projects intended to test were also a constraint on the implementation of these projects.

2. Despite these difficulties, the evaluation concluded that the Environment Programme contributed to various public policies and is aligned with the major environmental challenges faced by Portugal and Europe today. Its outcomes across multiple dimensions (environmental, economic, and social) extend beyond the program's ecosystem, directly or indirectly contributing to sustainable development. The program's design and management significantly enhanced its relevance

and helped mitigate contextual constraints. The management team demonstrated appropriate skills and adaptability, incorporating lessons learned and conducting their activities transparently, which minimized the impacts of COVID-19 and the war in Ukraine. A major constraint identified in the program's management was the lack of an information system/platform to monitor projects throughout their lifecycle and the burden of bureaucratic procedures associated with reporting (especially for funded projects). While the absence of this system represents a significant administrative burden, there was no evidence that it compromised the transparency of management.

**3.** The evaluation of the efficiency of investment was not entirely conclusive for two reasons: the rationale behind the definition of indicator targets was not sufficiently clear, and there was no application for a guiding cost table for achieving these targets.

**4.** The Environment Programme funded projects across various thematic areas, and the results, in general, are expected to endure. Notable outcomes include behavioural changes, the development of plans, guides, and tools, as well as the implementation of infrastructure. The continuation (full or partial) of partnerships is already evident, with entities mobilizing applications to other funding mechanisms.

**5.** In general, the communication strategy defined for the program was effective in disseminating the program and its results, especially among specialized audiences who showed great interest in the funding mechanism. The co-financing rate and eligibility types are highly valued and attractive factors for beneficiaries.

**6.** In the funded projects, the partnerships established between national entities and entities from the Donor States were relevant and brought added value to all parties involved. However, financial and linguistic constraints must be addressed, and it is crucial to increase the participation of donor country partners throughout the entire project lifecycle.

**7.** Although the Environment Programme considers gender equality issues and develops good practices in this regard, it is important to deepen these efforts, both in terms of monitoring and the development of specific activities.

## Main recommendations

**1.** The Programme Operator should encourage the competent authorities to adopt regulatory experimentation in the areas financed by the Programme that involves innovation, particularly in living labs focused on mobility and energy. The OECD highlights a range of solutions, including:

- Through decentralisation, i.e. the central, national or local levels of government are allowed to establish new regulations in their own jurisdictions on a particular policy area or objective;
- Allowing temporary regulatory exemptions/derogations to existing legislation.

**2.** The definition and testing of these regulatory experimentation approaches should be financed in future funding frameworks.

**3.** Development of an information system, like those used for European funds, that is user-friendly and allows for the submission of reports and payment requests, enabling quick and effective control of the physical and financial execution of projects. On the other hand, it should facilitate the easy extraction of information for audits and for the reporting that the Environment Programme needs to submit to the NFP, AD&C, and FMO.

**4.** Aim to reduce the administrative burden associated with reporting and payment requests for funded projects by using, for example, more simplified cost methodologies, as is the case with European Union funds.

**5.** Create measurable, verifiable and credible indicators in line with national and EU public policy documents. The rationale and source of verification adopted for each of the indicators, in their physical and financial dimensions, must be clear.

**6.** The distinguishing features of the Programme, particularly the co-financing rate and eligibility criteria, should be maintained to ensure the Programme's attractiveness.

- 7.** The repository of results and materials produced should be maintained for a minimum period of 5 years. The chosen model for making the information available (with the data aggregated on a single website) seems appropriate, and the Programme Operator should ensure that its maintenance is resilient to any changes in context.
- 8.** Where possible (depending on the Regulation), the Programme Operator should introduce mechanisms to safeguard the results, particularly in cases where their continuity may be threatened by a lack of financial resources. One mechanism to ensure the sustainability of the results could involve the Programme Operator setting specific criteria for granting funding (for example, in the case of funding for the purchase or renovation of buildings, demonstrating the ability to maintain and continue using these buildings for the benefit of the project's overall objectives for a minimum period of 5 years). The specific terms for implementing this obligation should be specified in the project contract.
- 9.** Improve the Communication Plan by defining more specific indicators and quantitative targets to monitor the Plan throughout its implementation and better gauge its results.
- 10.** At events held as part of the Programme, create a short form to be handed out to all participants at the end of the event where, along with short questions about their satisfaction with the activity, they are also asked how they found out about the event, so that an analysis can be made of the effectiveness of the various communication activities.
- 11.** Introduce in the calls for applications that projects involving donor countries must include the mandatory translation (to English) of all or parts of the project documents/products, as well as the use of simultaneous translation services (Portuguese-English-Portuguese) at events organized by the project where the participation of partners from Donor Countries is expected. The costs related to these requirements should be eligible expenses and included in the project budgets at the application stage.
- 12.** To strengthen the partnership relations between national partners and partners from the Donor Countries within the framework of the funded projects, and to increase collaboration between them throughout the project implementation, it is recommended to define directives for this participation in the calls for applications. For example, Donor Countries could be made responsible for implementing one of the project activities.
- 13.** Make sure, by anticipating stakeholders' needs, that for the coming financing period Bilateral Relations initiatives are tailored to participants' needs and can lead to the exchange of experience and the creation of lasting and effective partnerships.
- 14.** In the evaluation criteria for applications, maintain the gender equality weighting for project teams, but clearly specify in all calls how this weighting is applied and quantify the proportion of men and women that must be considered in the teams.
- 15.** Create a Programme indicator to monitor the number of men and women in project teams throughout the implementation, to follow up on the eligibility criteria.
- 16.** For the Programme indicators where gender disaggregation is considered relevant, clearly define in the calls for applications, the requirement for this specification, so that all applicants report the progress of the indicators in the same way.
- 17.** Create synergies with the Work-Life Balance and Gender Equality Programme, particularly for the joint creation of awareness-raising and capacity-building actions on gender equality issues for project promoters and partners.