Mid-term Evaluation of IKI project „NDC Transport Initiative for Asia”

Final Report – Executive Summary

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8. September 2022

Executive summary

The project “Nationally Determined Contributions – Transport Initiative Asia (NDC-TIA)” was funded as part of the Call for Thematic Proposals of the International Climate Initiative (IKI) in 2018. The project consortium is led by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and includes six other organizations: Agora Verkehrswende, the International Council on Clean Transportation (ICCT), International Transport Forum (ITF) of the Organization for Economic Cooperation and Development (OECD), the Partnership on Sustainable, Low Carbon Transport (SLOCAT) Foundation, the Renewable Energy Policy Network for the 21st Century (REN21) e.V., and the World Resources Institute (WRI) in alphabetical order. The project has three country components – China, India, and Vietnam – and a regional component (GIZ, 2022). The project has a duration of approximately four years – from 11/2019 until 02/2024 and a budget of EUR 19,750,000. It is financed and jointly coordinated by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV). This mid-term evaluation is part of a set of pilot studies, contracted by ZUG to test the modality.

The intended impact of the project was described in the project document as follows: “GHG emissions from transport in Asia peak earlier and at lower level compared to a BAU scenario (in line with a well below 2-degree scenario pathway). (…) The project aims to slow this growth and demonstrate that peaking GHG emissions is feasible within the Asian context (…).” The project expects to support countries in decarbonizing their transport sector by providing studies and analyses, and by facilitating stakeholder processes around the development of approaches to decarbonizing transport. These activities shall enable partners, “to make a sectoral contribution towards achieving their Nationally Determined Contributions (NDC) and increase ambition in transport sections of long-term strategies and 2025 NDCs.” The country components provide support to national and subnational governments on options for decarbonizing transport. These are implemented by GIZ, WRI and ICCT, and in India additionally by ITF. They support ministries and select subnational entities in the countries with studies on various topics regarding the decarbonization of transport. The fourth component is targeting agenda setting and outreach for replication for transport policy changes on other Asian countries. The main products of the project here are a Council for Decarbonizing Transport in Asia, a flagship report that is not just taking stock but sets a decarbonization agenda, and communication at events, with data and on measures. Options that were considered and then discarded for that component were capacity building and training, a “helpdesk” and a competition between countries.

The evaluation was conducted between February and June 2022. It was guided by the IKI standard evaluation questions and the evaluation criteria relevance, planning, steering and coherence, effectiveness, and transformational impact and sustainability. The evaluation also checked for the correct use of safeguards and IKI standard indicators. In addition, five learning

questions had been formulated specifically for this project. The evaluation team reviewed documents and conducted a total of 48 interviews, included local interviews in the project countries, by local consultants. Field missions of the international evaluators were conducted to Vietnam and India. A survey provided an opportunity to the consortium members to give input on the Consortium Partner Agreement.

The project is highly relevant and addresses well the needs and priorities of the political partners as well as the other project counterparts, although the topic is extremely broad so that it will not be able to fully address the core problem. An implicit tenet of the project is that the utility of transport for the ultimate beneficiaries of the project should be kept the same or improved over a business-as-usual scenario. The project conceived of a multistakeholder platform as a modality to include the intermediate stakeholder, for example the other policymakers, the vehicle industry, transportation providers, non-governmental organisations, and others into the decision-making process.

The project was implemented in parallel to the COVID pandemic, which hit each of the project countries very hard, each in a different way. All project components suffered from that. In India and China, the consortium members were nevertheless able to start their work through online collaboration, while Vietnam was most challenged by the lockdown. The project benefitted in China from very thorough upfront planning that facilitated implementation and in Vietnam from clear mandates provided by the NDC and national climate policy. In India, the proposal left more flexibility which implies that more coordination and thematic guidance is necessary during implementation. Coordination through project counterparts is and needs to be complemented by internal coordination of the consortium. The consortium is working well together in all working groups and the steering committee. Synergies are sought to an appropriate degree within and outside of the consortium partners.

With respect to effectiveness, it is expected that the project can reach its outputs and outcomes which have been carefully phrased to be attainable. Yet, some of the more lofty and qualitative goals might not be fully achievable. For example, the envisioned raising of the ambition level in national long-term policies and strategies, and in the Nationally Determined Contributions (NDCs), might be dependent more on other factors than on the activities of the project. Specifically in India, NDCs are a different policy arena from transport decarbonization. The multi-level character of the project – with implementation on the regional level, on the national level and on the subnational level of provinces (China), cities (Vietnam) or states (India) – is based on the experiences of previous projects in China. On the other hand, the pressure that this puts on the financial and staff resources might have been underestimated and should be weighed against the benefits. Naturally, this trade-off might turn out different in the three countries, and specifically in India the positive reinforcement of subnational action and national policy ambition has not been confirmed by the evaluation.

The project proposal suggested a very high GHG impact to result from policies “triggered” by the project. Yet, at this point it is hard to see how the policies triggered so far will lead to that

high impact. The most relevant such policies relate to vehicle efficiency standards which are arguable insufficient for reaching this impact. Policies like EV mandates, investment subsidies and green fuel quota are not the focus of the project. Instead, the project is targeting preconditions, mainly with respect to databases, scenarios, and international best practice studies. Their impact is very indirect and hard to attribute.

The transformational content of the project was assessed through several lenses. One is its embeddedness into a broader theory of transformation including large scale, systemic and sustainable change. The strong focus on vehicle efficiency standards in Vietnam and China, is less systemic and transformational, but potentially more incremental. In contrast to that, in India the project focuses exclusively on electric vehicles, working towards systemic change. On the plus side, the project caters to a series of abilities that are necessary to provide transformation, according to IKI frameworks. With respect to scale, the IKI evaluation questions distinguish between functional scaling (“mainstreaming”), horizontal scaling (transfer of the approach to another geography within the countries) and vertical scaling. The approach of the project is to scale vertically, which is considered appropriate. While at this point, many project impacts would still be easily reversible, in all countries, the project partners have the capacities and resources to sustain the project’s positive achievement beyond the project cycle. Project products that are likely to be institutionalized are the MRV system in Vietnam, and some of the structures created in India (Digital Library on Green Mobility, Multistakeholder Forum).

The check for safeguards has not indicated a need for action. The use of IKI Standard Indicators is in line with IKI guidance. In line with that policy, the project has discontinued its reporting on IKI Standard Indicators. While not formally required, it would be advisable to redefine indicators along the new definitions and continue reporting.

The scaling potential of this project to other regions or countries is very high. The regional component already implements such scaling and attempts to transfer the experiences to other countries. Beyond the project could be replicated in other regions of the world.

Younger IKI projects are asked to spend 50% of their funds on local consortium partners. This requirement was not in place when this project was approved. Even without this requirement, it will spend 35 - 40% on local knowledge providers like research organisations or consultants. The question to what degree this indicator is reflective of the actual impact on local capacities requires more research, but partners are satisfied with the localization of the project.

The political partners have expressed high degrees of satisfaction with the project. The topic is highly relevant and momentum around decarbonization of transport is picking up in all countries. The consortium structure is appreciated by the political partners who recognize the complementary capabilities of the consortium partners as well as the value of the consortium. Linking into a global community of practitioners is an important opportunity for the political partners, offered by the project. But the choice of the political partners is decisive for the ultimate political anchoring. In China and Vietnam the political project partners are

responsible for transport emissions. The partner in India is a cabinet level agency that works across all sectors, advocating for electric vehicles. Here the anchoring will depend on a successful linking of the project by the political partner into the new initiatives of other parts of the Indian Government on the decarbonization of transport.

The pandemic affected the options for direct regional collaboration and more generally, the work of the regional component. In the next project phase, the lifting of travel restrictions will expand the contribution that the project makes to the exchange on lessons and learnings between the three countries, as well as with the other countries in the region. The contribution to knowledge transfer will then be more visible than it is now. The consortium partners benefit generally from the cooperation with each other within each component, but their country teams so far are not fully interlinked with each other or with the regional component yet. This, too, will become better in the second half. Finally, the country counterparts are eager to go on visits to other countries to gather first hand experiences.

The Cooperation Partner Agreement (CPA), which is the legal basis for the consortium, provided no issue for the partners and is generally suited to govern the collaboration. Its modalities were utilized to the degree necessary. Working groups were widely seen as an effective tool for coordinating the implementation of project components, as well as for more ad-hoc issues, such as the collaboration of consortium partners for events. The survey confirmed that the clauses of the CPAs were taken seriously by all and implemented. The CPA was found to be a positive project management tool, and beneficial when there is fluctuation in staff. In such cases, it served as a clear guidance tool.

Overall thus, this complex and large project is running very well, considering the multitude of complicating factors and challenges that it was faced with – one of the first of its kind, with an extremely large consortium of strong-headed and high profile partners from Europe and North America, working in three large economies in Asia in one of the most dynamic sectors of climate mitigation policies – and as if that was not enough, it was hit squarely by Corona and high staff fluctuation.

The consortium consists of the right organizations with competent and engaged staff and the necessary clout. The mix of large global implementation-oriented organizations (GIZ, WRI, ICCT) with small specialized global advocates (SLOCAT, Agora Verkehrswende, REN21) works very well, and has significant potential that is not fully exploited yet. Overall, the project is – of course – much too small to address the core problem, but it is also too small for its own ambitious theory of change as formulated for the project document. This document is artful in its ability to provide a general link and overall vision on what such a project could accomplish and how, but it did not really guide implementation.

The main challenge to the project consists in the centrifugal forces that arise from a very broad scope and its interpretation by the project and its stakeholders. The project is trying to leverage too many opportunities. The three that are conceptually most distant from each other are: helping implementation on the most detailed subnational level (all the way to

training courses for drivers in India), to the highest policy levels like triggering policies for effective GHG emission reductions (as promised in the GHG assessment of the project proposal) and influencing the long-term GHG targets through NDCs. While the project was able to maintain a joint brand and coherence to the outside world, the different level objectives stretch its resources thin and puts internal coherence at risk. To maximize its impact, the project is strongly encouraged to reign in the centrifugal forces in each country and identify common threads across the countries.

The original idea of the IKI Joint Projects was that parallel implementation in several countries is supported by a transnational umbrella which can facilitate cross-learning, scaling and replication. The question that the global community would like to know from this project is: What are the policy mechanics that help us strengthen decarbonization ambition in national transport sectors? What are the information needs and political objectives that lead the polity to promote higher ambition? It is recommended that all products of the project should be tested for their contribution to these questions and their external validity.

The stretch of resources is exacerbated by the number of themes and levels that each component is tackling. The Indian component focuses on electric vehicles only and it is worthwhile to consider this also for the other components, to zoom in on a more closely defined thematic scope. Electric vehicles are actually a useful scope from a scaling perspective, because it is a comparatively new field – where the other countries are also eager to learn - and it has significant transformation potential. On the other hand, the subnational components – especially in India - should be scrutinized for the added value that they have for national policy making and reduced in size or dropped (in India).

Recommendations have also been formulated for BMWK/BMUV and ZUG. The evaluation has noticed that while the mandate of this project was extremely broad and encompassing, the IKI mobility portfolio is unduly small. Other mobility projects’ scopes seem more manageable than this one, but the coherence of the portfolio is not evident at first glance. Potentially a transport strategy for IKI might be helpful – among other things to make clear that overambition is not a precondition for receiving funding.

ZUG should work with the project on an exit strategy. From the perspective of the evaluator this might include an extension of the project, or a follow-on set of spin-off activities. Scaling might be slower without resources to keep up the momentum.

Regarding administrative aspects, it must be noted that the streamlined annual report format provides no value for evaluations. As this is a first mid-term evaluation, it is also recommended to evaluate the mid-term evaluation modality.