Assessing policy effectiveness: a key tool for ensuring impact

Case study of an environmental policy

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The sixth Global Environment Outlook

What does it have to say about policy?

- UNEP's flagship environmental assessment, conducted every 4-5 years.
- Has evolved over time to look more closely at why environmental policies might not be working
- 10 chapters in GEO-6 which looked at the effectiveness of 25 environmental policies.
- Goal of the analysis is to try to draw some broad lessons learned from over 30 years of how countries or regions have tried to address increasingly complex environmental issues.

Policy Theory and Practice: what is assessment of policy effectiveness?

Key elements of ensuring intended impact

Figure 11.1: Conceptual outline of policy effectiveness analysis
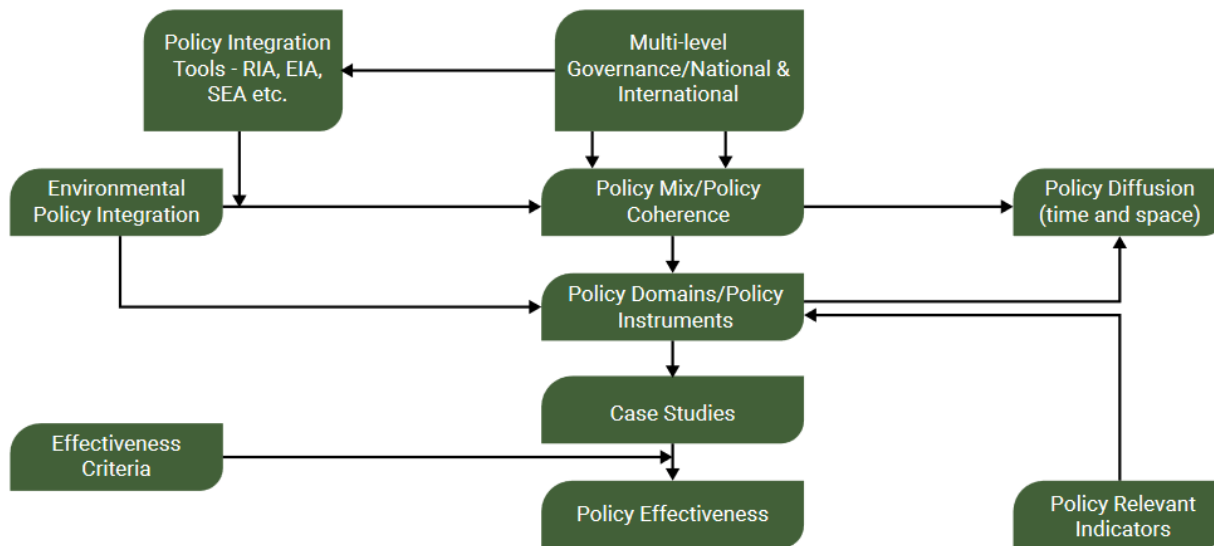
- In the environmental sphere, goals-based diplomacy has emerged as one of the ways for countries to make progress on environmental objectives
- Translating those environmental goals into reality requires effective national policies
- Effectiveness is determined by a number of factors, including overall cost, benefits, competitiveness, unintended consequences and environmental outcomes.
- Good up-front policy design often determines eventual effectiveness of policies

A typical policy cycle

How can policy be more effectively be developed and implemented?

Figure 11.2: The policy cycle
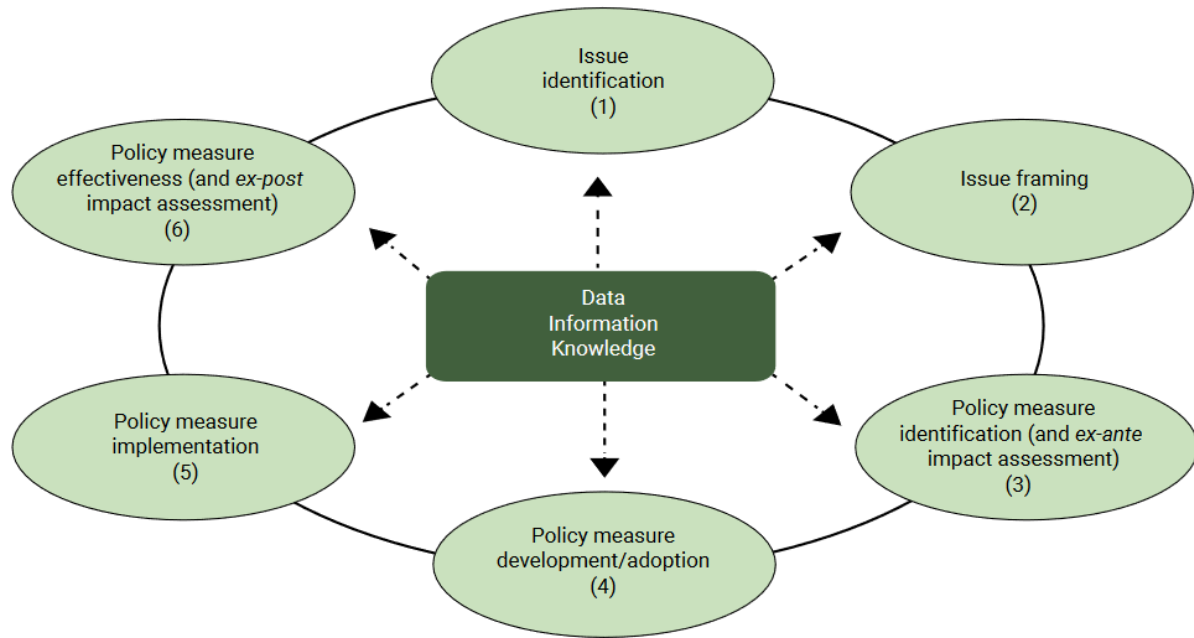
Source: European Environment Agency [EEA] (2006)

- **Issue identification:** What are we trying to solve? What would be the ideal outcome?
- **Issue framing:** How complex is the issue? What are the other impacts that might result from the policy?
- **Policy/measure:** which instrument should be the most effective? Pricing, regulation, persuasion?
- **Performance indicators:** how should we track the policy?
- **Effectiveness assessment:** After some time, have we achieved the intended outcomes?
- **Adaptive management:** what should we change to redirect the policy?

Policy typology

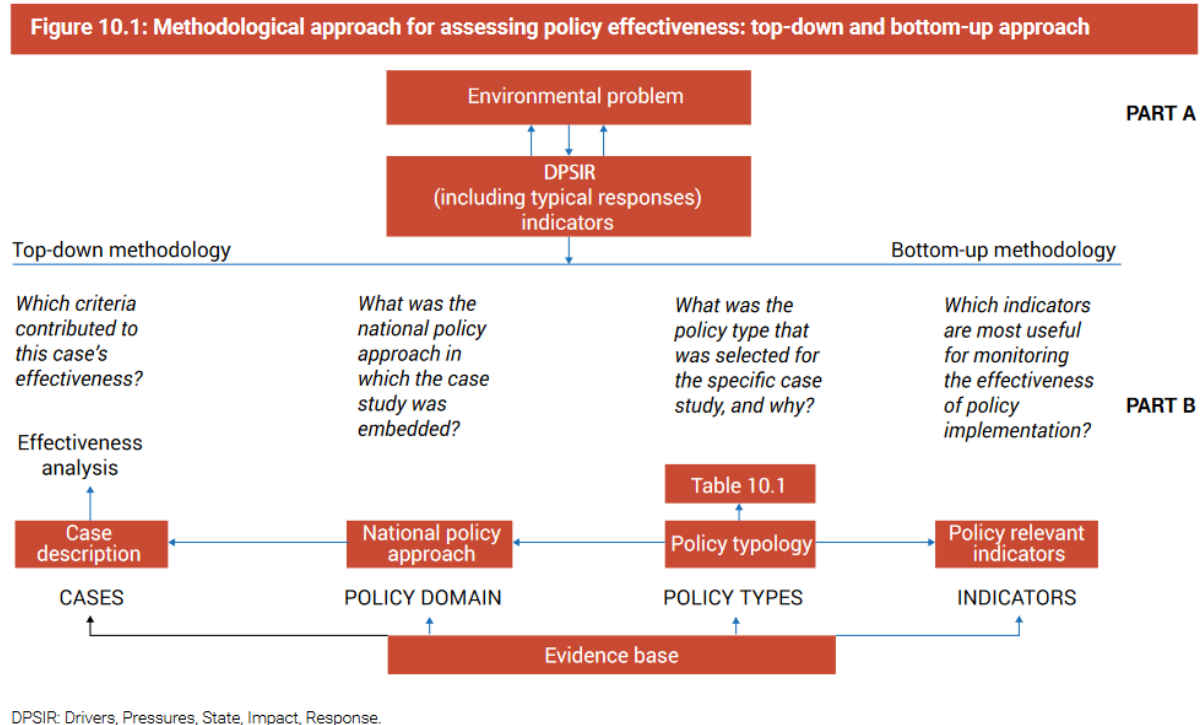Which broad categories of policies could be implemented

Table 10.1: Policy typology

Policy instrument / governance approach	Point of intervention[a]	Assumed causal mechanism
Command and Control	Industrial processes and products Technologies End of pipe or smokestack pollution control	Prohibition of environmentally harmful technologies (products and processes) or demanding environmentally friendly technologies as part of permitting => reduced emissions/resource use => if emissions/resource use cannot be reduced enough by upstream controls, then improved waste management is needed. Can also address enabling issues such as property rights and access issues.
Promotion of innovation	Green innovation	Incentivizing R&D in green technologies => introducing green technologies to markets (=> cost savings + exports)
Market-based/ economic incentives	Pricing of products or processes	Change of relative prices between environmentally harmful and green technologies => increased markets for green services; => incentives to innovate and disincentives to cause environmental harm.
Convincing consumers, employees and stockholders	Public information, education, knowledge, awareness, advocacy	Knowledgeable consumers and producers will voluntarily choose environmentally sound products and processes.
Enabling actors	Environmental actors	Strengthening participation of governmental and non-governmental actors in decision-making on policies or projects leading to improved project design and implementation.
Supporting investments	Infrastructure and technologies	'Green' infrastructure (waste management, electricity grids for renewables, railways, etc.) => enabling market access for green technologies => demand for increased access.

- **Command and control:** Regulation, standards
- **Promotion of innovation:** Supporting research and development, support for commercialization
- **Market-based incentives:** carbon price, subsidies
- **Changing behaviours:** public education, knowledge, awareness, advocacy
- **Supportive investments:** infrastructure, enabling market access

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Qualitative method for assessing policy effectiveness

Which criteria are important to consider?

Figure 10.1: Methodological approach for assessing policy effectiveness: top-down and bottom-up approach

DPSIR: Drivers, Pressures, State, Impact, Response.

- 12 criteria for assessing case studies"
  - i. Baseline
  - ii. Coherence/convergence/synergy
  - iii. Co-benefits
  - iv. Equity/winners and losers
  - v. Enabling/constraining factors
  - vi. Cost/cost-effectiveness
  - vii. Time frame
  - viii. Feasibility/implementability
  - ix. Acceptability
  - x. Stakeholder involvement
  - xi. Unintended effects
  - xii. Effectiveness/goal achievement
- Tracking of outcomes indicators – environmental results

The case of South Africa's free basic water policy

How did this case perform against the methodology?

Table 16.5: Three options for free basic water supply

	Option 1 Rising block tariffs	Option 2 Targeted credits	Option 3 Service-level targeting
Description	Rising block tariff is applied to all residential consumers, with the first block typically set from 0 to 6 kilolitres with a zero tariff. No fixed monthly charge applicable to those using below poverty relief consumption limit.	Each consumer who is selected for poverty relief gets a credit on their water account which would typically be sufficient to cover the charge for the poverty relief amount (often 6 kilolitres per month) free.	Those service levels which provide a restricted flow, (below the poverty relief consumption level) are provided at no charge. Those with higher service levels pay the normal tariffs, except for poor consumers who historically have high service levels.
Targeting method	No targeting (first 6 kilolitres free to all households). However, targeted fixed monthly charge may be necessary for holiday areas.	Requires a system for identifying those who require poverty relief. Typically, this is based on a benchmark poverty indicator (household income or household expenditure).	Targeting takes place through selection of service level by the consumer (or authority in some cases).
Applicability	Mainly larger urban municipalities. Not suited to situations where there is a high proportion of holiday homes unless it is supplemented with a targeted fixed monthly charge.	Can be used in large municipalities but more typical for middle to small sized, largely urban municipalities. Requires a billing system to be in place for all consumers.	Best suited to municipalities which are largely rural in character.

Source: DWAF (2002, p. 27-29).

- In 2007, DWAF further reported that over 75 per cent of the population was provided with free basic water
- **Baseline:** out of 44.8 million people, "5 million (11%) had no access to safe water supply and a further 6.5 million (15%) did not have a defined basic service level"
- enacts Section 27 of the Constitution, which states the right to water and is governed by the 1997 Water Services Act and the 1998 National Water Act.
- **Cost-effectiveness:** Cost is high: urban water supply US$385 per capita; rural water supply US$278 per capita
- **Co-benefits** expected in public health, welfare and gender equity. Mehta and Ntshona (2004, p. 19) reported some evidence in this regard.

Effectiveness depends on national context

Assessment can be somewhat subjective

- If the initial situation was desperate, then any improvement can be viewed as being effective;
- High costs of some policies may take resources away from other areas;
- Is the policy benefiting wealthy individuals (free riders) at the expense of poorer communities?
- How easy is it to adapt the policy once it is in place?
- Are there transboundary issues? Are other communities or countries affected by the policy?
- Can the policy be considered more effective if co-benefits are more carefully tracked?
- How can bias be avoided in the assessment process?

MURAL exercise

- Which policy would you like to evaluate / assess?

- Did the policy have a baseline before it was implemented?

- Was cost effectiveness assessed?

- Were co-benefits assessed?

- How effective was the policy?

Thank you

Resources

- https://www.unep.org/resources/assessment/part-b-policies-goals-objectives-and-environmental-governance-assessment-their?_ga=2.212622996.1238710380.1637924947-1514210053.1613424110

- https://wedocs.unep.org/bitstream/handle/20.500.11822/27663/GEO6_CH10.pdf?sequence=1&isAllowed=y

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