### 1. PROJECT DATA

<table>
<thead>
<tr>
<th>GEID</th>
<th>Project Name</th>
<th>GEF Financing</th>
<th>Country</th>
<th>Co-financing</th>
<th>Operational Program</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMIS 267</td>
<td>Energy Efficiency Improvement and Greenhouse Gas Reduction</td>
<td>$2.457 (Prodoc)</td>
<td>The Palestinian Authority</td>
<td>$.200 (Prodoc)</td>
<td>OP5</td>
<td>$2.675</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$.250 (in kind)</td>
<td></td>
<td>$2.925</td>
</tr>
</tbody>
</table>

**PREPARED BY:** Anna Viggh  
**REVISED BY:** Siv Tokle  
**DURATION BETWEEN EFFECTIVENESS DATE AND ORIGINAL CLOSING:** 3 years  
**DIFFERENCE BETWEEN ORIGINAL AND ACTUAL CLOSING:** 1 year and 9 months (database) 2 years and 6 months (PIR)  
**DIFFERENCE BETWEEN TE COMPLETION AND SUBMISSION DATE:** 2 months

### 2. SUMMARY OF PROJECT RATINGS

GEFME Ratings for project impacts (if applicable), outcomes, project monitoring and evaluation, and quality of terminal evaluation:  
- Highly Satisfactory (HS)  
- Satisfactory (S)  
- Moderately Satisfactory (MS)  
- Moderately Unsatisfactory (MU)  
- Unsatisfactory (U)  
- Highly Unsatisfactory (HU)  
- Not applicable (N/A)  
- Unable to assess (U/A)

Please refer to document “Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems” for further definitions of the ratings.

<table>
<thead>
<tr>
<th></th>
<th>Last PIR</th>
<th>IA Terminal Evaluation</th>
<th>Other IA Evaluations if Applicable (e.g. OED)</th>
<th>GEFME</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Project Impacts</td>
<td>N/A</td>
<td>MS</td>
<td>N/A</td>
<td>U/A</td>
</tr>
<tr>
<td>2.2 Project Outcomes</td>
<td>S</td>
<td>S</td>
<td>N/A</td>
<td>S</td>
</tr>
<tr>
<td>2.3 Project Sustainability</td>
<td>N/A</td>
<td>ML</td>
<td>N/A</td>
<td>ML</td>
</tr>
<tr>
<td>2.4 Monitoring and Evaluation</td>
<td>N/A</td>
<td>S</td>
<td>N/A</td>
<td>U/A</td>
</tr>
<tr>
<td>2.5 Quality of the Evaluation Report</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>MS</td>
</tr>
</tbody>
</table>
Should this terminal evaluation report be considered a good practice? Why? No. The TE makes numerous statements that are not properly supported with evidence. For example, “the project has made a solid impact and most probably will contribute decisively to attain the long term target.” The calculations of GHG avoidance are missing. Furthermore, the TE does not include the actual project costs and co-financing used.

### 3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

#### 3.1 Project Objectives

- **What are the Global Environmental Objectives?** Any changes during implementation? No. The project’s development objective was to address energy efficiency within the energy sector in the Palestinian Authority (PA), thereby assisting in the long term reduction of Greenhouse Gas emissions from electricity generation and consumption of non-renewable fossil resources, by removing a set of identified barriers to implementing such energy efficiency practices in the PA. The project document sets the target to reduce energy consumption by a total of 14 percent compared to current levels and to reduce CO₂ emissions by 265,000 tons per year by the year 2010.

- **What are the Development Objectives?** Any changes during implementation? No. The project has four immediate objectives:
  1. Improve energy efficiency in the Industrial/Commercial/Government Sector
  2. Improve energy efficiency in the Residential Sector, by improving efficiency in refrigeration and lightning
  3. Reduction in distribution losses, by identifying a portfolio of projects in Electricity Distribution Efficiency
  4. Creation of an Energy Efficiency Center, to promote energy efficiency within the public and private sectors

The project document sets out targets to be reached by the year 2010 for each objective:
  1. To improve industrial, commercial, and residential sector energy efficiency by 17 percent by reducing awareness, information, financial, business, technology, and other barriers to energy efficiency, eliminating nearly 80,000 tons of CO₂ per year.
  2. To improve residential sector energy efficiency by 11 percent by reducing information, financial, equipment, and other barriers to energy efficiency, thereby reducing CO₂ emissions by more than 140,000 tons of CO₂ per year.
  3. To facilitate a 2 percent reduction in electricity distribution line losses by identifying and evaluating potential priority projects for multilateral development bank or other funding, therefore reducing nearly 45,000 tons of CO₂ per year.
  4. To facilitate the above activities by promoting increased customer awareness and strategic actions by public and private sector energy market participants through an energy efficiency center.

#### 3.2 Outcomes and Impacts

- **What were the major project outcomes and impacts as described in the TE?** Impact

The project has three long term targets for reduction of CO₂ emissions. According to a preliminary evaluation it has reduced more than 45,000 tons of CO₂ emissions per year through decreased distribution line losses. This exceeds the 2 percent target. For the industrial sector target of reducing CO₂ emissions by 80,000 tons of CO₂ per year the TE states that “the project has made a solid impact and most probably will contribute decisively to attain the long term target.” It is estimated that upon implementation of the recommendations put forward by the energy audits, a 10 to 20 percent energy reduction will be achieved by 2010. The majority of the recommendations put forward in the 200 audits have already been implemented.
Regarding the residential target of reducing CO₂ emissions by more than 140,000 tons per year, the TE states that “the project has made a solid contribution on the road to achieving the long term target.” This is qualified with that “there is a substantial risks involved in the deteriorating political and economic situation of the Palestinian Authority. This risk is true for all long term targets.”

Outcome

According to the TE the project has reduced energy consumption in the industrial, commercial, and governmental sectors; 200 energy audits were performed and five demonstration projects have been implemented.

In the residential sector the project successfully introduced energy efficiency at the household level and in the market initiating a process that has its own dynamics. The evaluation’s ex-post assessment of the awareness campaign indicated that 80% of the households were reached by the message and found it useful, and had implemented some kind of energy efficient change in their homes, mainly through the use of CFLs. The impact in the internal market of electrical appliances has also been significant and successful. CFLs are now available in the market, and prices have dropped dramatically: the cost of the 23 W German made CFL unit before the implementation of the CFL leasing program was around US$12, today the cost of the same unit is about US$4.4. The project prepared a labeling system for energy efficient refrigerators and determined the corresponding testing procedures. This proposal was submitted to the Palestinian Legislative Council for approval and enforcement.

Project activities have resulted in a 2% reduction in electricity distribution line losses. The project prepared a set of Codes of Good Practice and the major utilities have adopted the codes, but they have yet to be approved and adopted by the government.

The project has increase awareness of energy efficiency within the public and private sector particularly through the establishment of an Energy Efficiency Information Center housed in the Palestinian Energy Authority.

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes and impacts  
Rating: S

A Relevance

• In retrospect, were the project’s outcomes consistent with the focal areas/operational program strategies? Explain

The project’s outcomes were consistent with OP5 strategies. It was a fundamental instrument in the development and success of the energy strategy outlined by the Palestinian Authority. The project was highly relevant given the need for technical assistance to put in place effective energy efficiency measures. Outcomes contributed to the reduction of GHG emissions, codes and standards, private sector development, and awareness of energy efficiency in the public and private sector.

B Effectiveness

• Are the project outcomes as described in the TE commensurable with the expected outcomes (as described in the project document) and the problems the project was intended to address (i.e. original or modified project objectives)?

Yes. The project’s objectives were achieved despite the deteriorating security situation in the Palestinian Authorities. The deteriorating situation meant that the Palestinian Authority Government had to give priority to ensure security, allocating as much resources and efforts to this end. Communications and internal displacement became more difficult and complicated. The general economic situation began to deteriorate and the social situation became unstable.

C Efficiency (cost-effectiveness)

• Include an assessment of outcomes and impacts in relation to inputs, costs, and implementation times based on the following questions: Was the project cost –
4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of project sustainability based on the information presented in the TE.

**Note:** The deteriorating security situation in the Palestinian Authority is a negative factor in the likelihood of the sustainability of project outcomes.

<table>
<thead>
<tr>
<th>A</th>
<th>Financial resources</th>
<th>Rating: ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project identified as many as 100 projects in need of finance, advised sponsors of them on how to obtain finance, and assessed the types of financial incentives needed to stimulate greater energy efficient equipment purchases. Future potential projects can consult a survey on financial institutions prepared by the project.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
<th>Socio political</th>
<th>Rating: ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>The project increased awareness of energy efficiency in the public and private sector. It also established an Energy Efficiency Information Center in the Palestinian Energy Authority. The future of the center depends on the availability of resources necessary to operate it.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
<th>Institutional framework and governance</th>
<th>Rating: ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>The enforcement of the codes, standards, and tariff systems prepared by the project depends on the approval and adoption by the Palestinian Energy Regulation Commission, which project support helped establish.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D</th>
<th>Ecological (for example, for coffee production projects, reforestation for carbon sequestration under OP12, etc.)</th>
<th>Rating: ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>The energy efficiency improvements made in the private and public sector as a result of the project will continue to contribute to the reduction of GHG emissions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E</th>
<th>Examples of replication and catalytic outcomes suggesting increased likelihood of sustainability</th>
<th>Rating: ML</th>
</tr>
</thead>
<tbody>
<tr>
<td>The opening of new business opportunities and demonstrating the economical benefits of energy efficiency to the private sector through the successful implementation of project activities, contributes significantly to enhance sustainability. Market changes ensure sustainability. According to the TE, the project was successful in achieving such changes, thus ensuring permanence.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Assessment of the project's monitoring and evaluation system based on the information in the TE

| A  | Effective M&E systems in place: What were the accomplishments and shortcomings of the project’s M&E system in terms of the tools used such as: indicators, baselines, benchmarks, data collection and analysis systems, special |
|----|-------------------------------------------------------------------------------------------------------------|------------|
The TE does not provide enough information about the M&E system to rate it. The project underwent a Mid-Term Evaluation in August 2001. According to the TE a thorough, analytical, and well structured report was prepared that included several relevant recommendations and suggestions for improving project implementation. The Mid-Term evaluators prepared a logical framework with indicator and their source of verification. The project gave due attention to the recommendations and implemented changes accordingly.

The project prepared Annual Progress Reports (APR) which were discussed between UNDP and the Palestinian Energy Authority, monitoring progress and a necessary input for annual planning.

The Steering Committee was a useful instrument in monitoring progress, implementing whatever coordination was necessary to secure that activities were implemented, and validating management decisions among the main stakeholders.

**B. Information used for adaptive management: What is the experience of the project with adaptive management?**

The deteriorating security situation that affected the Palestinian Authority during the time of project execution, made its implementation and operation complex and difficult. Staffing became an issue. When international consultants were unwilling to undertake services due to security concerns, project management successfully chose alternative local resources by enhancing the role of the national/regional consultants within the project to pursue the same objectives at lower costs. This also opened new opportunities to develop capacities within the PA and saved resources for new activities.

The Steering Committee also experienced difficulties in meeting regularly due to the security situation and periodic curfews. The project, in a good example of adaptive capability, begun using telephones and internet services to consult and coordinate with Steering Committee members, mitigating the effects of this adverse situation.

Can the project M&E system be considered a good practice? Perhaps, but it is difficult to judge without further details of the system. The Mid-Term Evaluation should have those details.

**4.4 Quality of lessons**

Weaknesses and strengths of the project lessons as described in the TE (i.e. lessons follow from the evidence presented, or lessons are general in nature and of limited applicability, lessons are comprehensive, etc.)

What lessons mentioned in the TE that can be considered a good practice or approaches to avoid and could have application for other GEF projects?

The lessons learned are very general:

- **Stakeholder involvement in project preparation promotes relevance, ownership and commitment, and will ensure that the project responds to actual needs and is complimentary and consistent with Government strategy. This is something that is applicable to any UNDP funded project.**

- **Monitoring and evaluation is essential. The Mid-Term Evaluation was critical in putting forward a set of recommendations that once implemented, had a positive effect on project performance.**

- **Training is fundamental for project success and sustainability. Most significant were the enhancement of the strategic planning capability, energy auditing and data base management in the Energy Authority and the training provided to the professional staff of the electricity companies in loss reduction and code of practice.**

- **Dissemination of data and information is key to project success. The creation of the Palestinian Energy Information Center opened an important and permanent communication channel to be**
used by different interested parties.

- Demonstration activities and pilot projects play a significant role in achieving replication effects that go beyond the projects lifespan. Energy audits, energy service business advice and demonstration projects successfully revealed the benefits of energy efficiency to private companies.

- Well prepared and directed awareness and promotion activities play an important role in achieving changes in public and private sector behaviors.

4.5 Quality of the evaluation report

Provide a number rating 1-6 to each criteria based on:
Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to the “Criteria for the assessment of the quality of terminal evaluation reports” in the document “Ratings for the achievement of objectives, sustainability of outcomes and impacts, quality of terminal evaluation reports and project M&E systems” for further definitions of the ratings.

4.5.1 Comments on the summary of project ratings and terminal evaluation findings

In some cases the GEF Office of M&E may have independent information collected for example, through a field visit or independent evaluators working for the Office of M&E. If substantial independent information has been collected, then complete this section with any comments about the project.

N/A

4.5.2 Quality of terminal evaluation report

| A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? It is weak in presenting impacts and outcomes in relation to targets set in the project document. It reports more on outputs. | 4 |
| B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated? There are numerous claims and statements that are not supported with evidence. | 4 |
| C. Does the report properly assess project sustainability and/or a project exit strategy? Yes. | 5 |
| D. Are the lessons learned supported by the evidence presented and are they comprehensive? The lessons are very general. | 4 |
| E. Does the report include the actual project costs (total and per activity) and actual co-financing used? No. | 2 |
| F. Does the report present an assessment of project M&E systems? The M&E system is discussed and assessed in several sections of the TE, but lacks details such as indicators, baseline, benchmarks, etc. | 3 |

4.6 Is a technical assessment of the project impacts described in the TE recommended? Please place an “X” in the appropriate box and explain below.

Yes:  | No: X

Explain: It may be difficult to conduct a technical assessment of the project impacts given the deteriorating security situation in the Palestinian Authority.

Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.? No.

4.7 Sources of information for the preparation of the TE review in addition to the TE (if any)

TE, PIR03, Project Document, GEF database