GEF IEO Terminal Evaluation Review form (retrofitting of APR2004 cohort)

This form is for retrofitting of the TERs prepared for APR2004. While several topics covered in this form had already been covered in the earlier form, this revised form adds several other performance and impact related concerns.

1. Project Data

Summary project data			
GEF project ID		302	
GEF Agency project ID		149	
GEF Replenishment Phase		GEF-1	
Lead GEF Agency (include all for joint projects)		UNDP	
Project name		Energy Efficiency Strategy to Mitigate Greenhouse Gas Emissions	
Country/Countries		Bulgaria	
Region		ECA	
Focal area		Climate Change	
Operational Program or Strategic Priorities/Objectives		OP-5 Removal of Barriers to Energy Efficiency and Energy Conservation	
Executing agencies involved		EnEffect (NGO), Ministry of Environment	
NGOs/CBOs involvement		Lead executing agency	
Private sector involvement		one of the beneficiaries; through consultations	
CEO Endorsement (FSP) /Approval date (MSP)		1/16/1997	
Effectiveness date / project start		5/12/1998	
Expected date of project completion (at start)		12/1/2002	
Actual date of project completion		4/1/2004	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.02	.02
	Co-financing		
GEF Project Grant		2.58	2.57
Co-financing	IA/EA own		
	Government		2.56
	Other*	0.9	1.76
Total GEF funding		2.6	2.6
Total Co-financing		.9	4.32
Total project funding (GEF grant(s) + co-financing)		3.5	6.92
Terminal evaluation/review information			
TE completion date		4/1/2004	
TE submission date			
Author of TE		Jiří Zeman, Nikola Karadimov	
Original GEF IEO TER (2004) preparer		Robert C.	
Original GEF IEO TER (2004) reviewer		G. Varley	
Revised TER (2014) completion date		04/07/2014	
Revised TER (2014) prepared by		Nelly Bourlion	
TER GEF IEO peer review (2014)		Joshua Schneck	

*Includes contributions mobilized for the project from other multilateral agencies, bilateral development, cooperation agencies, NGOs, the private sector, and beneficiaries.

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	HS	HS	N/A	S
Sustainability of Outcomes	L	HL	N/A	ML
M&E Design	N/A	N/A	N/A	S
M&E Implementation	N/A	HS	N/A	UA
Quality of Implementation	N/A	N/A	N/A	UA
Quality of Execution	N/A	N/A	N/A	UA
Quality of the Terminal Evaluation Report			N/A	MU

3. Project Objectives

3.1 Global Environmental Objectives of the project:

As stated in the previous TER, the global environmental objective is "to overcome barriers to increased energy efficiency (EE), by reducing emissions of GHG and other global pollutants".

3.2 Development Objectives of the project:

The development objectives of this project, according to the previous TER, are:

(1) National Capacity building: Establish sustainable energy policies and programmes, and enhance public awareness in municipalities.
(2) Supporting demonstrations: Accelerate the undertaking of sustainable energy projects within municipalities by demonstrating their potential for energy and economic savings and for reductions in GHG emissions.

The target outcomes are:

(1) Energy efficiency considerations are incorporated into public/municipal programmes and strategies;
(2) the capacity to identify, design, implement, and manage energy efficiency programmes and projects on the local level is strengthened;
(3) the existing critical financial barriers to the implementation of energy efficiency projects are eliminated;
(4) energy-efficient street lighting will be demonstrated in Gabrovo; the results will be evaluated and reported in a case study to other municipalities;
(5) progressive methods of planning, renovating and managing of existing district heating systems and heating end-uses will be demonstrated.

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

There was no change in objectives and activities during project implementation.

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

The relevance of the project is rated as Satisfactory. No information on relevance is available in the previous TER, therefore the information comes from the TE.

The project is in full compliance with the national energy efficiency policy, formulated in the 1999 Energy and Energy Efficiency Act, the Energy Strategy of Bulgaria, and the National Action Plan on Energy Conservation, both approved in 2002, and the National Energy Conservation Programme.

These different governmental documents have identified energy efficiency as a priority activity to address both energy and environment related country specific problems. Additionally, the project initiates actions for and proves the necessity of its further development, which have attained direct realization in the newly approved Energy Act (2003) and Energy Efficiency Act (2004). As a result of the conclusions and recommendations formulated by the project, the new Energy Efficiency Act (2004) provides for setting up of an Energy Efficiency Fund, specifically designated for financing of activities for energy efficiency improvement.

At a local level, the project outcomes (district heating and space heating in public and residential multiapartment buildings, and street lighting) represent priorities of municipal policies, because it accounts for significant part of municipal budgets' expenditures, and has direct social impacts. In accordance with the national policies, energy efficiency is recognised as one of main options to address these issues also on municipal level.

4.2 **Effectiveness**	Rating: **Satisfactory**

The effectiveness is rated satisfactory. As explained in the previous TER, the project contributed to decreasing barriers to energy efficiency by developing and disseminating capacity to prepare energy efficiency projects, based on practical experience from the demonstration zones.

The TE states all objectives were fully achieved, except for removing financing constraints. In 39 municipalities, EE offices were established and equipped and the managers trained in energy planning, EE project development and finance.

- EE district heating systems and heating end-uses were demonstrated.

- 40 EE projects have been implemented in participating municipalities and the capacity building, knowledge management and policy advocacy achievements are widely acknowledged.

On the other hand, the following was not achieved:

(1) The indicators needed to demonstrate all outcomes were not available.
(2) The ambitious objective of establishing sustainable energy policies has not been fully achieved according to other sections of the TE, although substantial progress through changes in attitudes attributable to the project are contributing to policy change and replication.
(3) Critical financial barriers to implementation of EE projects were not eliminated.

4.3 **Efficiency**	Rating: **Satisfactory**

No information is available on efficiency in the previous TER, therefore the information comes directly from the TE.

The efficiency is rated as Satisfactory.

The project performed in a cost effective way. Strict financial control was implemented with a competitive selection of contractors in the demonstration projects. Financial penalties were implemented to motivate suppliers to perform high-quality work.

The project was implemented in time according to the planned schedule. The delays in some of the results (such as industrial building demonstration project) were caused because more time had to be spent in identification and development of the specific project activity. According to the TE, "the project management took the decision rather to slightly delay the originally planned interim deadlines in some cases but to deliver best possible results".

The two auditors PriceWaterhouse Coopers and KPMG were selected by UNDP, and audited annual financial results of the project. The audits report that project disbursements were made in accordance with project document and UNDP rules, were valid and supported with adequate documentation.

4.4 **Sustainability**	Rating: **Moderately Likely**

According to the previous TER, the sustainability of the project is rated as Moderately Likely.

On one hand, the followings achievements showed that the project will likely be sustainable:

(1) Capacity building has increased the quality of EE project investment proposals and contributed to a pipeline that may in the future be financed by some combination of donor loans/guarantees combined with commercial bank loans.
(2) The conclusions and recommendations formulated by the project contributed to setting up a pilot Energy Efficiency Fund under the Energy Efficiency Act. The Energy Act (2003) and Energy Efficiency Act (2004), recognize housing associations as legal entities, entitled to preferential energy prices and financing of energy efficiency projects from an Energy Efficiency Fund.
(3) The demonstration projects have helped to change people's attitude towards public space and property, while the development of the EE network EcoEnergy has focused advocacy and influenced policy and donor strategies.
(4) The project's media-dissemination strategy directly influenced decision making at municipal and utility level, and also national climate change policy through a bottom-up channel of communication and advocacy. The network covers 69% of the population.
(5) The basis for an expansion of capacity in key areas of energy planning, investment and loan appraisal and packaging, and participatory mechanisms has been established.
(6) For larger municipalities, EE administrations have been established.
(7) Knowledge of new technologies has been embedded in practical experience of pilot projects and disseminated through EcoEnergy network, and through a database of comparative municipal energy costs.

On the other hand, according to the previous TER, there are still some shortcomings that could impact the sustainability of the project:

(1) The shortfall of funding for capacity building and lagging legal, public-sector financial and energy sector reforms, prevented achievement of some outcomes - "the legal framework concerning the activities of local authorities, including the actions in the field of energy efficiency, not only does not provide yet for substantial support to implementation of projects aimed at energy conservation in municipal sites, but in certain although rare cases, it even obstructs their implementation."
(2) Failure to secure financing for EE investments, stalling of energy sector reforms and slow introduction of metering, especially in smaller municipalities, which cannot support the development of necessary planning, regulatory and operating capacities
(3) Municipal contributions to equity in EE projects continues to be minimal and the commercial banks rate municipal EE projects as "high credit risks." Without cost-recovery pricing and metering of all electricity supplies, investment subsidies are likely to be insufficient to ensure long-term sustainability
(4) Present savings from EE investments cannot be used to fund debt, and neither municipalities nor utilities are financially autonomous. Law, does not permit utilization of savings achieved through energy conservation measures during the current year to be spent during the next calendar year for capital investments or for paying off of bank credits obtained by the municipality.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

No information is available in the previous TER.

The project has been implemented and co-financed by local national, municipal and private project partners, as well as by international donors. According to the TE, several changes have been implemented, especial in the form of local co-financing of demonstration projects. For example, due to financial restrictions related to the established currency board, original local grant financing has been changed to preferential loan funding. The project management attracted motivated partners who used the experience gained during the demonstration projects in their follow-up activities and even utilized their own and locally available financial sources. This is the case of the district heating utility, partnership with power utility in a street-lighting project.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

No information on delays is available in the previous TER.

According to the TE, there was no major delay in the project implementation. The delays in some of the results (such as industrial building demonstration project) were caused because more time had to spend in identification and development of the specific project activity. The project management took the decision to slightly delay the originally planned deadlines but to deliver best possible results.

Therefore, at the request of the Project Steering Committee of 18 March 2002, a 12 months no-cost extension was approved.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

No information on country ownership is available in the previous TER.

According to the TE, the project has attained "remarkable results with respect to involvement of municipalities in the formulation and application of the energy efficiency policy". One of the demonstration project acted as a proof of the key role of local authorities for improvement of the energy efficiency on their respective areas through development of municipal strategies and programmes and implementation of concrete projects. After this demonstration project, a total of 37

other municipalities have worked out their own energy efficiency programmes, 18 of which are already being implemented.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Satisfactory**

According to the previous TER, the M&E design at entry is satisfactory.

The framework for the evaluation of the demonstration projects included a comprehensive set of baseline indicators for $3.3 million of project costs (as stated in the PD). The project had 10 year targets for: incremental cost-savings in KWh/MWh per year for lighting and district heating in Gabrovo ; and CO2 reductions per year.

A logframe was constructed and some of the derived indicators are used for the TE.

6.2 **M&E Implementation**	Rating: **Unable to Assess**

According to the TE, the project was regularly monitored and evaluated by the standard GEF/UNDP procedures, including regular quarterly and annual reporting of the executing and implementing agency to the UNDP on the progress of the project, and mid-term independent evaluation. The interim project results were published to policy makers and professionals as well as to the general public.

However, the M&E system cannot be rated on the basis of what is written in the TE because certain aspects of the M&E system are not described in the TE. Estimated CO_2 emissions developed at baseline were not be used to measure project impact because pre-project energy consumption levels were artificially constrained by very low operating budgets and frequent power outages.

According to the previous TER, no special studies or reports on the M&E were reported in the TE although $50,000 was budgeted.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Unable to Assess**

The project was implemented by UNDP. Not enough information on the quality of implementation is available in the TE, and in the previous TER to do a comprehensive assessment.

According to the TE, the project was well-managed.

7.2 **Quality of Project Execution**	Rating: **Unable to Assess**

The project was executed by a NGO called *EnEffect,* a Bulgarian non-profit professional Center for Energy Efficiency.

There is no information in the TE, and in the previous TER, about the quality of the project execution. The only information available is about the strengthening of the NGO EnEffect; “The project Executing Agency EnEffect, has been the main driving motor for the development of *EcoEnergy* and is still performing the functions of Secretariat of the Network, has gained strength and developed in terms of institutional and human capacity thanks to the accumulated rich experience and the established daily contacts with the members of the Network” (TE, pg 21).

8. Assessment of Project Impacts

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The contribution of the project to incremental CO_2 emission reductions was not demonstrated, however, according to the TE, it will probably be positive in the long-run.

The major shortcomings in terms of environmental impact was that no quantification of impact was possible since the baseline energy usage, estimated for specific public building retrofitting pilot sub-projects, was not valid since none of these "pilot" projects were completed as planned. Another shortcoming of the baseline design pointed out in the TE was that improved EE could be correlated with increased total energy usage (and hence CO_2 emissions), as pre-project energy consumption had been artificially constrained by inadequate operating budgets, fuel shortages and blackouts. Energy consumption was well below generation and distribution capacity, on account of very low municipal budgets. Schools and other municipal buildings were often closed for lack of heat. There was an excess demand for municipal heating.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The project partners and beneficiaries (students and inhabitants) were not passive recipients of the project. Their interest and care about the community was raised. The energy efficiency demonstration project served as a driving force in strengthening the civic society on a local level.

No other socio economic impacts have been reported in the TE or in the previous TER.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. “Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

During the project period, the project participants and stakeholders gained hands-on experience with this type of activities in the demonstration zone. The gained experience include municipal decision makers, and facility managers as well as practical technical expertise of local professionals developed

during analysis of energy efficiency opportunities, project design, tendering for suppliers, installation and maintenance, and project results evaluation.

In 39 municipalities municipal energy efficiency offices have been established equipped with computers with access to Internet, and local energy managers have been trained in municipal energy planning and energy efficiency project development and finance. Specific software has been developed and utilized in municipalities for monitoring of energy consumption in their individual facilities, and nation-wide benchmarking has been introduced.

Municipal energy managers of EcoEnergy have been trained in municipal energy planning, energy auditing, and energy efficiency project development and finance. Seven municipalities have approved their energy efficiency programmes and started its implementation. Another 18 municipalities have developed energy efficiency programmes and started the implementation without formal approval by the local city council. As part of the training activities with municipalities 40 energy efficiency retrofit projects have been developed. These projects include 11 energy efficiency retrofits in street lighting, 1 energy efficiency retrofit in a hospital, 16 projects for school retrofit, 5 for kindergarten, and 7 for another facilities.

According to the TE, the strong capacity building component has significantly helped to train municipal energy managers in developing energy efficiency projects, which will accelerate energy efficiency project implementation once commercial financing will become more available. The first commercially financed projects have been implemented already by the end of the project period.

b) Governance

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

Some side-effect has been generated by the implementation of the project, and especially by its demonstration component: the energy efficiency retrofit of street-lighting, school and residential building motivated the population of Gabrovo, tenants of the residential building, school staff and pupils to improve the maintenance of these facilities, reduce vandalism, and develop responsibility for their community and public space. Strengthening of these responsibilities and motivation is, according to the TE author, a key prerequisite for replication of project results and reaching GHG emission reductions, but it is a necessary condition for sustainable development and revitalization with a broader positive social impact.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been

established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

During its implementation the project has focused on dissemination of experience and lessons learned and strengthening local capacity in developing energy efficiency projects. A major but not the only channel developed and used for capacity building and information was creation of Municipal Energy Efficiency Network EcoEnergy.

As explained in the TE, the project results have been disseminated among other potential beneficiaries through this national Municipal Energy Efficiency Network EcoEnergy. It is a specially developed network of municipalities interested in energy efficiency. This network has gradually attracted a majority of municipalities in the country and become an important player on a national level as well. The number of members of the Municipal Energy Efficiency Network EcoEnergy has reached 54 municipalities and 6 regional associations of municipalities, thus EcoEnergy associates in total 159 municipalities with 69% of Bulgarian population.

The network members participated in numerous activities and trainings, including development of energy consumption database in their facilities and energy monitoring, training in energy planning and finance including Energy Performance Contracting, etc. Municipal energy experts as well as city mayors are actively involved in the network activities. Although the project did not provide grants or subsidies for project implementation to the *EcoEnergy* network member municipalities (except for demonstration projects), it has attracted more than expected interest and participation of Bulgarian municipalities. Municipalities were interested to gain experience and to implement their energy efficiency projects on their own if their financial situation would allow. In several member-municipalities (typically larger and richer ones) additional energy efficiency projects – typically street-lighting retrofits – have been developed and implemented by the end of the project period using for the first time in Bulgaria innovative forms of financing (for example in municipal bonds in Varna used for street lighting retrofit).

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The following lessons were reported in the previous TER:

(1) Alternative mechanisms are needed to support EE interventions in medium-sized and small municipalities which cannot support the range and level of skills required.
(2) Years are needed to build administrative capacity and EE interventions must be an integral part of the municipal development plan.
(3) The legal framework must regulate and support the EE measures, but should also ensure their maintenance and control.

(4) A Bulgarian NGO was able to implement a large-scale project and initiate the creation of another NGO, EcoEnergy, and work in partnership with it in an effective manner.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The following recommendations were reported in the previous TER and in the TE:

(1) Further expansion of contacts and interactions with the network and other stakeholders are still needed to maximize impact.
(2) The results from the project should be collected and systemised in a special edition (in a printed, electronic and multi-media format) and thus made available to the broadest possible public circles in order to overcome the poor awareness on the energy efficiency issues.
(3) *EcoEnergy* and its Secretariat *EnEffect* should activate and expand their contacts and direct interaction with the major partners in municipalities in the implementation of their respective energy efficiency programmes.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The report contains a partial assessment of outcomes and impacts. The assessment is almost entirely qualitative and incomplete, it counts inputs and outputs but does not convincingly evaluate outcomes. Important outcomes, although not attributable to deficiencies in the performance of the executing agency, are given insufficient stress: (1) the scale of application of municipal EE innovations needed to impact global CO2 emissions significantly, has not been achieved and (2) LG (local government) financial commitments were not honored and decreased the scale and effectiveness planned and baselined demonstration projects. Moreover, there were inconsistencies especially in usage of M&E terminology; ratings, objectives, outcomes and sustainability. The basic report structure does not support a logical progression to conclusions and recommendations.	**MS**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The HS and HL/L ratings for outcomes and sustainability are contradicted by incomplete achievement of objectives and substantial risks of unsustainability. The GEO emissions objectives were not achieved. It was misleading for the TE to state that "all the project outcomes have been fully met and fulfilled" but then admit later that project outcome (d) was not achieved at all. The full achievement of all the	**MU**

	remaining outcomes is questionable as the evidence is incomplete. The financial and economic viability of retrofitting, with all of the associated development costs, is simply asserted, while management should have accounted for the costs and anticipated returns to the new sub-projects. The demonstrations of technical and financial innovations (Sub-Projects 1-3) that were planned in outline were not implemented, but there should have been a quantitative description and analysis of the 40 EE projects implemented and funded by training grants.	
To what extent does the report properly assess project sustainability and/or project exit strategy?	There is no explicit exit strategy. An exit strategy is premature and a follow-up public-private partnership GEF project is being prepared. Some major sustainability factors are adequately discussed, including further grant funding of the present program, but.: (1) the NGO (EnEffect) showed it was capable of implementing a large scale project of this kind, but sustainability of the project achievements depends heavily on continued donor assistance, more so than is acknowledged. The TE does not clarify the dependence of the sustainability of the EE innovations and even promotion and networking, on donor support. (2) There was no follow up of core financial sustainability topics in the PD, such as a politicized tariff structure, and absence of metering, and regulation of public utilities.	**MU**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons are not complete and description of achievements inadequate. There is no discussion of tariff structure, metering and of what subsidies are still needed to present bankable projects to fund the remaining investment; these were core topics in the PD but the omission is not even acknowledged. Some major lessons learned are somewhat contradictory to the ratings. The creation since 1998 of an information system on energy consumption by EcoEnergy member municipalities, administered by EnEffect, is a major achievement but the TE does not explicitly identify this as a project output . It is unclear to the reviewer if this project was the sole support for all EcoEnergy activities and/or EnEffect, or whether there are other unaccounted or parallel interventions that are also responsible for some of the reported outcomes. The report recommends more subsidized loans which are against government and bank policy. Loans are less transparent than outright grants and this lesson has been absorbed and learned in the financial and banking sector.	**MU**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report does not include the correct project costs. A major table on page 37 does not add up correctly, underestimating total project costs by nearly $2 million and using different definitions of co-financing than the PD. The TE states the project was regularly monitored and evaluated by the standard GEF/UNDP procedures and audited by PriceWaterhouse Coopers and KPMG. Such a basic deficiency in the core table for accounting for costs,	**U**

	indicates the that either the TE did not understand or the accounting system did not allow for the required mapping of project costs to cofinancing sources.	
Assess the quality of the report's evaluation of project M&E systems:	The M&E system is not assessed at all in the TE. Very little information is available. The TE mentions mid-term and regular monitoring reports but there is no accompanying historical narrative of what they contained and actions that were recommended. Difficulties in understanding the project's M&E system are compounded by the absence of a clear report structure, description of the M&E methodology, the TE's confusing use of M&E terminology and absence of a Summary of Logical Framework Indicators.	**HU**
Overall TE Rating		**MU**

Overall TE Rating = (.3*(7)) + (.1*(3+3+2+1)) = 2.1 + .9 = 3 = MU

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).