

GEF EO Terminal Evaluation Review

1. PROJECT DATA				
		Review date:		
GEF Project ID:	570		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
IA/EA Project ID:	630	GEF financing:	0.73	0.73
Project Name:	Energy Efficiency Market Development	IA/EA own:	0.09	0.20
Country:	Cote d'Ivoire	Government:	0.00	0.00
		Other*:	0.18	2.45
		Total Cofinancing	0.27	2.65
Operational Program:	STRM (5)	Total Project Cost:	1.00	3.38
IA	WB	<u>Dates</u>		
Partners involved:	Intergovernmental Agency of the Francophonie (Institute of Energy and Environment of Francophonie)	Work Program date		N/A
		CEO Endorsement		N/A
		Effectiveness/ Prodoc Signature (i.e. date project began)		6/16/1999
		Closing Date	Proposed: 12/31/2003	Actual: 6/30/2004
Prepared by: Tarek Soueid	Reviewed by: Neeraj Kumar Negi	Duration between effectiveness date and original closing: 55 months	Duration between effectiveness date and actual closing: 61 months	Difference between original and actual closing: 6 months
Author of TE: Bureau D'Etudes Zariffa Inc.		TE completion date: 1/31/2005	TE submission date to GEF OME: 4/21/2006	Difference between TE completion and submission date: 15 months

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

2. SUMMARY OF PROJECT RATINGS

GEF EO Ratings for project impacts (if applicable), outcomes, project monitoring and evaluation, and quality of the terminal evaluation: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU), not applicable (N/A) and unable to assess (U/A). GEF EO Ratings for the project sustainability: Highly likely (HL), likely (L), moderately likely (ML), moderately unlikely (MU), unlikely (U), highly unlikely (HU), not applicable (N/A), and 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.

	Last PIR	IA Terminal Evaluation	Other IA evaluations if applicable (e.g. IEG)	GEF EO
2.1 Project outcomes	S	N/A	N/A	S
2.2 Project sustainability	N/A	N/A	N/A	U
2.3 Monitoring and evaluation	S	N/A	N/A	MU

2.4 Quality of the evaluation report	N/A	N/A	N/A	S
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Should this terminal evaluation report be considered a good practice? Why?

Yes, this terminal evaluation should be considered a good practice because it is comprehensive and includes an interesting section on exit strategy.

Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.?

No follow-up issue is mentioned in the TE.

3. PROJECT OBJECTIVES, EXPECTED AND ACTUAL OUTCOMES

3.1 Project Objectives

• What are the Global Environmental Objectives? Any changes during implementation?

The Global Environmental objective, as mentioned by the TE, is to mitigate energy sector impact on local and global environment by (i) the reduction of CO2 emissions by 8,000 tons per year and (ii) savings of 40,000 MWh per year.

The TE makes no mention of any change regarding the project's Global Environmental Objectives.

• What are the Development Objectives? Any changes during implementation?

According to the PIR 2002 and Trust Fund Status Report 2003 (TFSR2003), the development objectives of the ESCOS project were to (i) initiate and support credible Energy Services Enterprises (ESE) (select the potential ESEs; help ESEs start up; finance initial ESE needs; reinforce ESE capacities; help ESEs design business plan; support ESEs development); (ii) stir up and maintain demand for energy efficiency services (sensitize industrial and tertiary energy end-users on ESE activities; enroll partners in the project; disseminate results); (iii) mobilize sustainable financial resources (set up a revolving fund; look for private funding; implement the concept of third-party investment (TPI); disseminate best practices on the financial side); (iv) project management (set up a Steering Committee; set up the Executing Agency; hire the international consultant, supervise the project); and (v) evaluate and disseminate lessons learned from the project (evaluate the results of the project; issue reports of the project; disseminate the lessons learned from the project).

There were no changes during implementation: Annex 1 in the TE shows that the objectives were the same after the Mid-Term Review.

3.2 Outcomes and Impacts

• What were the major project outcomes and impacts as described in the TE?

The first Annex in the TE describes in detail each outcome/impact realized compared to a long list of objectives drafted in a Project brief. The major outcomes and impacts as described by the TE are the following:

- 28 projects completed
- Energy savings of 15,957 MWh per year
- Reduction of CO2 emissions by 8,000 tons per year
- 2 ESEs are now operational

4. GEF OFFICE OF M&E ASSESSMENT

4.1 Outcomes

A Relevance

Rating: S

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

Yes, we can say the project's outcome, namely reduction of CO2 emissions and energy saving, are consistent with OP5 objective of removing barriers to market-oriented transactions. This program is intended to lay the foundation for increased public and private sector investments that also result in mitigating potential climate change.

It is evident from the project's outcomes, achievements and impact that the project adopts much of the environmental strategies that this focal area/program strategy promotes.

B Effectiveness

Rating: MS

- **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 outcomes as described in the TE were commensurable with the expected outcomes.

According to the TE the project achieved following outcomes vis-à-vis expectations:

- 28 projects completed (the objective was 40; 70% realization rate)
- Energy savings of 15,957 MWh per year (Objective: 40,000 MWh/yr; 40% realization rate)
- Reduction of CO2 emissions by 8,000 tons per year (Objective: 8,000 tons per year; 54% realization rate)
- 2 ESEs are now operational (Objective 2 operational ESEs by the end of the project; 100% realization rate)
- 87% of funding came from external sources (Objective: an external financing of 50%; 174% realization rate)

It can, therefore, be concluded that some of the objectives were partly achieved, while in other objectives, the project outperformed.

C Efficiency (cost-effectiveness)

Rating: HS

- **Include an assessment of outcomes and impacts in relation to inputs, costs, and implementation times based on the following questions: Was the project cost – effective? How does the cost-time vs. outcomes compare to other similar projects? Was the project implementation delayed due to any bureaucratic, administrative or political problems and did that affect cost-effectiveness?**

The TE mentions that an assessment of outcomes and impacts in relation to input and cost shows that the project was cost effective. The project, during implementation, was able to attract private funds amounting to \$2,445,936 for an initial investment of \$932,873 (GEF=\$730,000) + (IEEF=\$202873), i.e. 2.6 times the initial capital.

According to the TE, the project implementation was not delayed due to any bureaucratic, administrative, or political problems. Quite the opposite, the project was able to achieve positive outcome despite the turbulent political climate. All this had no effect on the cost-effectiveness of the project.

Impacts

- **Has the project achieved impacts or is it likely that outcomes will lead to the expected impacts?**

Based on the information provided in the TE, it could be said that the project outcomes are having a positive impact and are expected to continue generating positive impacts. According to the TE, the project aimed at facilitating development of a durable market for energy services in the industrial and tertiary sectors of Cote d’Ivoire. Following the development of four ESEs, the awareness of the users and private financial sector, the market mechanisms and the way it develops will be useful, in the event of success, as a model for other African countries.

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of **risks** to sustainability of project outcomes and impacts based on the information presented in the TE.

A Financial resources

Rating: MU

No major risks were reported in the TE, as the project revealed a strong ability to continually attract private funds (\$2,445,936).

On the other hand, a lack of private sector institutions in Cote d’Ivoire is usually explained by the political instability (see section below). In addition to being traditionally conservative within a difficult economic climate, these institutions prefer to keep a high liquidity and lend very little. When they extend loans, the high interest rates of 18% and 22% affecting the ability to borrow, to repay, and to meet payment deadlines. This also explains the very high rate of auto-financing and fundraising of ESEs.

B Socio political

Rating: U

The TE, under the section “special circumstances”, portrays the grave political condition the country is

<p>surviving. Since 1999, Cote d'Ivoire has gone through 4 coups, and particularly since September 2002, the internal conflict has paralyzed the economy, divided political authorities and produced an extreme polarization of the society with ethnic, political, and religious divides.</p> <p>These exceptional conditions generated a climate of incertitude, slowing any engagement in an activity judged innovative or risky.</p> <p>As far as stakeholders' commitment is concerned, this is also major socio political risk factor at stake. According to the TE, terminating the project without identifying an exit strategy causes important damage to its sustainability. The momentum of the project, which just had its take-off, was broken by this action and the stakeholders, which are the ESEs or the potential customers, are in an uncomfortable situation which is likely to undermine the potential achievements of the project. This is a fundamental principle which applies to any program of energy efficiency that embodies an important dimension of awareness, demonstration and influence.</p> <p>To reach sustainability, the number of achievements, technical support, knowledge, procedures and availability of funds must be much more significant than what is available.</p>	
C Institutional framework and governance	Rating: MU
<p>The TE describes that while a Committee, composed by several representatives of relevant Ministries and other stakeholders, was formed to ensure the continuing support to the newly formed ESEs, it never actually met.</p>	
D Environmental	Rating: L
<p>The environmental sustainability of the projected is elevated given the nature of the project and the environmental benefits associated with the reduction of CO2 emissions and energy saving. While the previously mentioned risks pose a major threat on interrupting generation of these benefits, there is no major environmental risk that the TE reports regarding the sustainability of the project.</p>	

Provide only ratings for the sustainability of outcomes based on the information in the TE:

A Financial resources	Rating: ML
B Socio political	Rating: HU
C Institutional framework and governance	Rating: MU
D Environmental	Rating: HL

4.3 Catalytic role

<p>1. Production of a public good</p> <p>The TE mentions the creation of ESEs to improve access to energy and promote energy efficiency as the main public good produced by the project.</p>
<p>2. Demonstration</p> <p>According to the TE, some elements of this project, such as training, technical support, management, financial analysis, contracts, and all the measures that contributed to its success are all good to be transferred abroad. For instance, some ESEs learned useful lessons at the level of professional formation in other countries, and were successful in training other providers.</p>
<p>3. Replication</p> <p>Experiences learned in this project were not replicated due to the lack of financial support.</p>
<p>4. Scaling up</p> <p>No scaling up effect noted.</p>

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

<p>A. In retrospect, was the M&E plan at entry practicable and sufficient? (Sufficient and practical indicators were identified, timely baseline, targets were created, effective use of data collection, analysis systems including studies and reports, and practical organization and logistics in terms of what, who, when for the M&E activities)</p>	Rating: MS
<p>The M&E Plan is briefly analyzed by the TE. The project identifies a number of performance indicators (Annex 1) for follow-up and evaluation purposes, categorized by the listed objectives, indicating also the degree to which the indicator reflects the level of realization of the objective. The targets are created for quantifiable objectives.</p> <p>On the other hand, no timely baseline is identified, and there is no mention of practical</p>	

organization and logistics in terms of the M&E planned activities.
B. Did the project M&E system operate throughout the project? How was M&E information used during the project? Did it allow for tracking of progress towards projects objectives? Did the project provide proper training for parties responsible for M&E activities to ensure data will continue to be collected and used after project closure? Rating: MU
It is not clear whether the project makes a good use of its M&E system. While the TE does not specify if the M&E system was operational during the project implementation, it does mention that the project completed the three term evaluation reports planned in the Project Brief. But most importantly, it concludes that there was a “certain lack of rigor” regarding the verification and measurement of final results in terms of investments, and environmental and energy impacts.
C. Was M&E sufficiently budgeted and was it properly funded during implementation? Rating: UA
Out of a total of \$3,378,809 used to finance the project at hand, \$47,693 were used for the evaluation of the project, which constitutes 1.4% of the total spending, according to the TE, in a table that provides the utilization of funds as of September 30, 2005. There is no indication in the TE whether this allocation of funds to M&E is sufficient for a full implementation of the M&E system.
Can the project M&E system be considered a good practice? No. From the brief description included in the TE, the M&E system lacked timelines and specific targets (or set unrealistically high ones) needed to do a follow-up of the achievement of objectives and outcomes.

4.5 Lessons

Project lessons as described in the TE

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 important and substantiated lessons included in the TE are two: The first is that project targets should be based on reliable market information. In this project, targets were set way over and above what could have been realistically achieved. The second lesson is that transferring a project without ensuring that adequate capacities are in place in the organization which is expected to implement it, may lead to certain damage to the deployment of the project and its progression towards its sustainability.

4.6 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.

4.6.1 Comments on the summary of project ratings and terminal evaluation findings
In some cases the GEF Evaluation Office may have independent information collected for example, through a field visit or independent evaluators working for the Office. If additional relevant independent information has been collected that affect the ratings of this project, included in this section. This can include information that may affect the assessment and ratings of sustainability, outcomes, project M&E systems, etc.
No additional information was available.

4.6.2 Quality of terminal evaluation report	Ratings
A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? Project outcomes and impacts are analyzed in a concise way.	S
B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated? The report is in general consistent, but lacks any ratings.	MS
C. Does the report properly assess project sustainability and /or a project exit	HS

strategy? The TE does include a fairly complete section on sustainability and in addition proposes 3 future scenarios (exit strategies)	
D. Are the lessons learned supported by the evidence presented and are they comprehensive? Many of the lessons included in the TE are actually conclusions.	MU
E. Does the report include the actual project costs (total and per activity) and actual co-financing used? Yes, it includes all required financial information and gives a thorough analysis of the issue.	HS
F. Does the report present an assessment of project M&E systems? The assessment of the M&E system is not detailed.	MS

4.7 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: X

No:

Explain: Yes, a technical assessment of the project impacts described in the TE is recommended since, the assessment will highlight the benefits of this project and the necessity for support of similar projects which would produce similar benefits.

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

TFSR2003, PIR 2002