

GEF EO Terminal Evaluation Review Form

1. PROJECT DATA				
GEF Project ID: 835		Review date:		
IA/EA Project ID: 1749	GEF financing:	at endorsement (Million US\$)	4.20	at completion (Million US\$) 4.20
Project Name: Public Sector Energy Efficiency	IA/EA own:	0.40	0.40	
Country: Hungary	Government:	3.05	3.39	
	Other*:	9 - 13 (estimated)	19.30	
	Total Cofinancing	12.450 -16.45	23.09	
Operational Program: OP-5, Focus-Climate Change	Total Project Cost:	16.65 – 20.65	27.29	
IA: UNDP	Dates			
Partners involved: Govt. of Hungary/Ministry of Economic Affairs-Energy Centre	Effectiveness/ Prodoc Signature (i.e. date project began)			Apr 2001
	Closing Date	Proposed: Mar 2006	Actual: June 2008	
Prepared by: Pallavi Nuka	Reviewed by: Neeraj Negi	Duration between effectiveness date and original closing (in months): 60	Duration between effectiveness date and actual closing (in months): 87	Difference between original and actual closing (in months): 27
Author of TE: Adil Lari, Zsuzanna Pato		TE completion date: March 5, 2009	TE submission date to GEF EO: March 2009	Difference between TE completion and submission date (in months): 0

* 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 AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	S	S	N/A	S
2.1b Sustainability of Outcomes	N/A	HS	N/A	L
2.1c Monitoring and evaluation	N/A	S	N/A	MS
2.1d Quality of implementation and Execution	MS	S	N/A	S
2.1e Quality of the evaluation report	N/A	N/A	N/A	MS

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?

No, while the TE report is thorough and detailed, the organization of report could be improved, and the section on lessons drawn from this project misses some key points.

2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?

No such findings were noted.

3. PROJECT OBJECTIVES

3.1 Project Objectives

a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?

As noted in the project appraisal document, the global environmental objective of the project was to “mitigate Hungary’s greenhouse gas emissions by improving the efficiency of energy use in public sector buildings and installations” This was to be achieved by “addressing the relevant institutional, financial, technical and capacity barriers for energy efficiency, thus contributing to the creation of a sustainable market for energy efficiency services in Hungary (p. 20).” The elimination of barriers to energy efficiency in the public sector was expected to result in “significant and sustainable annual reductions of carbon emissions” estimated at 300,000 tC over the 20-year lifetime of the investment projects.

There were no changes in global environmental objectives during implementation.

b. What were the Development Objectives of the project? Were there any changes during implementation? (describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?)

As noted in the project appraisal document, this project’s development objective was to “help Hungary improve its energy efficiency and thus contribute to various national objectives” including “reduced air pollution, more efficient use of financial and natural resources and facilitation of Hungary’s integration into the European Union (p.20).” This objective was to be achieved through eliminating the relevant institutional, financial, technical and capacity barriers to energy efficiency in public sector infrastructure.

The project’s expected outcomes as listed in the ProDoc were:

1. Improved development of energy efficiency policy, increased awareness, and improved co-ordination of energy efficiency programs.
2. Identification, development, and financing of energy efficiency projects in Hungarian municipalities/ municipal district heating systems.
3. Improved knowledge base for municipal decision makers and municipal energy users concerning energy management and energy efficiency technologies.

There were no changes in the development objectives during project implementation.

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)

c. If yes, tick applicable reasons for the change (in global environmental objectives and/or development objectives)

Original objectives not sufficiently articulated	Exogenous conditions changed, due to which a change in objectives was needed	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

4.1.1 Outcomes (Relevance can receive either a satisfactory rating or an unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)

a. Relevance	Rating: S
Project outcomes are consistent with GEF OP-5 and the GEF Climate Change focal area. Hungary has been an active Party since the formation of the UNFCCC and an Annex B Party to the Kyoto Protocol. As such Hungary has taken up GHG emissions reduction commitment of 6% compared to the baseline emissions level in 1985-1987. Project outcomes are also relevant to national efforts to increase energy efficiency. Hungary liberalized fuel and district heating markets in 1995 and since then national policy has promoted energy efficient measures. In the late 1990s several measures were passed to harmonize national energy policy with EU standards. The “Energy Conservation and Energy Efficiency Improvement Action Program” approved in 2000 (to run until 2010) created the framework for energy efficiency and targeted a 3.5% annual reduction in energy use. As an EU member since May 2004, Hungary has joined the European Emissions Trading Scheme and other efforts of the Community to provide global leadership in tackling climate change.	
b. Effectiveness	Rating: S
The findings of the TE report supports the evidence from the PIRs, in concluding that the project met or exceeded targeted outputs in many aspects. The project effectively addressed the national priority for energy efficiency through a clearly structured mechanism for energy efficiency implementation (the audit and feasibility study fund), with capacity support for municipalities to ensure the long-term sustainability of results.	

This project has established the National Energy Efficiency Agency (Energy Center/EC) as the regulatory and technical authority on energy efficiency infrastructure in Hungary. As part of this project, the EC conducted a comprehensive study of existing national policy on energy efficiency and prepared a set of recommendations for the government. The EC developed efficiency guidelines for buildings and for calculating GHG emission reductions from efficiency programs. In cooperation with the national Chamber of Engineers, the EC project team implemented new standards for energy audits and building energy labels. The Chamber of Engineers is now responsible for training, licensing and quality assurance of auditors. The EC is now responsible for the management and monitoring of national and European Union funding programs concerning energy efficient infrastructure.

Based on information in the TE report and the PIRs, this project has actively engaged municipalities in efforts to improve energy efficiency in public buildings and district heating systems. Through the EC, the project launched an information and outreach program, comprising 33 training events and involving decision makers from 1008 municipalities. Municipalities have created the post of Energy Manager, as the point person for energy efficiency issues. The Regional Advice Centers, established through this project, and the Regional Energy Centers support and contribute to the ongoing dialogue with municipalities. The project has also brought municipal representatives, Ministries, and environmental NGOs together in consultative meetings with the national Energy Center

The project successfully established an Audit and Feasibility Study Fund to overcome the barriers to conducting energy audits through a cost-sharing program where the EC covers part of the cost of conducting audits and feasibility studies. Through this program the EC has co-financed 209 audits of public sector infrastructure, including municipal and school facilities, and district heating systems. 130 energy efficiency investment projects were selected for funding in 90 municipalities. 53 of these investments have been completed (77 planned or initiated) with costs shared between the EC using GEF and EU grants, and the municipalities themselves. The 130 investment projects are estimated to have a total lifecycle benefit of 305 095 tCO₂ of avoided emissions. Substantial additional (indirect) CO₂ emission reduction benefits are expected to result from the project dynamic and the increased capacity evident at the municipal level.

c. Efficiency (cost-effectiveness)

Rating: MS

This project successfully met all the expected outcomes, greatly exceeding targets for co-financing and the number of energy efficiency investments. The training programs as well as support for audits provided additional motivation to identify and undertake energy efficiency projects in municipal buildings, which otherwise would not be given a priority. However, the project closed more than 2 years later than planned due to delays in implementation, and as of its last year, CO₂ emissions reductions were only one-third of expected levels. Therefore cost-effectiveness is rated Moderately Satisfactory.

In the ProDoc, it was expected that 40 energy efficiency investment projects would be implemented at a cost of \$9-13 Million and result in savings of 1.1million tCO₂ (300,000 TC) over 20 years (at a per-ton cost 8 to \$12/tCO₂). Based on information in the TE report (p. 26) and the PIRs, the total GHG emission reductions from realized from the efficiency investments supported by the project amount to only 305,095 tCO₂ (83,359TC) over 20 years. (This figure assumes completion of the 64 ongoing projects and the 13 planned projects.) This may be due to the selection of mostly small-scale investments with longer pay back periods (p. 17 of 2008 APR). However, there is also some evidence that “energy savings and CO₂ mitigation were marginal considerations” in selecting some investments (p. 26 of TE report). The TE report notes that 40% of the projects are below \$100/tCO₂, 80% are below \$400/tCO₂, and 90% are below \$1000/tCO₂. The biggest project cost \$7.3 Million, but resulted in only 870tCO₂ emissions avoided at a per-ton basis of \$8358/tCO₂. Even though the original CO₂ reduction targets were ambitious, the project’s cost-effectiveness would have been greatly improved through better selection of the largest investments.

4.1.2 Impacts: summarize the achieved intended or unintended impacts of the project.

This project has impacted national policies and strengthened institutional capacities at the national and local levels. The Energy Center (EC) has strengthened its capacity to manage and monitor energy funds, to provide policy support and provide information on best practice. The EC is now developing a new Environment and Energy Operative Program funded by the European Union. Due to the project’s cost sharing program for audits, national energy efficiency priorities have achieved buy-in at the municipal level. The EC continues to manage and monitor national energy saving funding schemes including the Environment and Energy Operational Program (KEOP) funding which is available for municipalities and open until 2013.

Municipal energy awareness and management capacity have been greatly enhanced through this project. This project has also set a precedent for the success of cost-sharing programs for energy efficient programs. This project has demonstrated that funding for energy audits and investments combined with capacity enhancement at the municipal level is an effective method for implementing energy efficiency improvements in public sector infrastructure. Building

on the success of investments realized through this project, several municipalities have initiated new efficiency projects and/or developed Energy Master Plans. The TE report estimates that in at least two-thirds of the municipalities realizing energy efficiency upgrades through this project, another 3 to 4 investments of similar or larger size will be replicated in the next ten years. This would lead to significant indirect project impacts in terms of CO2 emissions avoided.

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. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

a. Financial resources	Rating: L
The EC has sustained funding through the Ministry for Economy and Transport. The new national Development Plan (2007-2013), in coordination with the KEOP, has allocated funding to municipalities for further energy efficiency upgrades through a similar cost sharing program.	
b. Socio political	Rating: L
At the national level, there is very strong political support for energy efficiency investments as a means to reducing fuel and heating costs to consumers, as well as a tool for reducing GHG emissions. At the local level, the project supported initiatives for developing networks of municipalities and organized Energy Forums as an arena for information exchange between municipalities engaging in energy efficiency projects. This will help sustain project outcomes.	
c. Institutional framework and governance	Rating: L
The framework and policies for new building standards have been approved and are being implemented. The EC is now preparing a program to follow-up and monitor the effectiveness of the new standards. Regional Energy Centers will provide technical support to municipalities. Municipalities have also designated Energy Managers as part of their staff who are charged with leading energy efficiency initiatives. It is possible that municipalities may not complete the energy efficient investments, but regular contact with municipalities and capacity support should mitigate this risk.	
d. Environmental	Rating: L
No such risk is foreseen.	

4.3 Catalytic role

a. Production of a public good
The project has greatly expanded awareness and technical expertise regarding energy efficiency. The cost-sharing program for energy audits and investments has defined a new approach to promoting energy efficient infrastructure investments. Additionally the project has created a market for energy audit services and energy efficient construction services.
b. Demonstration
The EC has propagated the project through out Hungary through conferences and workshops, and by working closely with the existing Regional Energy Centers to coordinate outreach to municipalities.
c. Replication
The project is being replicated through the new national Development Plan, which will fund further municipal energy audits and retrofits. Municipalities have sought to replicate project-funded investments in other areas using private and commercial co-financing.
d. Scaling up
The EC has a mandate to scale-up the project and is planning to accept applications for energy audits from all public institutions including Ministries, universities, and colleges.

4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to achievement of GEF objectives? Were components supported by cofinancing well integrated into the project? 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 it did, then in what ways and through what causal linkages?
Co-financing from UNDP, the Govt. of Hungary, and other partners was critical to the achievement of GEF objectives. The committed cofinancing amount from UNDP of \$0.4 M was realized. UNDP own contributions supported project development and the project team. Government co-financing of \$3.14 M was somewhat higher than originally planned, and included cash and in-kind support such as staff and institutional resources, funding training workshops, and developing the cost sharing program for energy efficient investments. Private sector and EU co-financing of \$19.3 M in the realized energy efficiency projects was double that estimated in the ProDoc (including EU structural grants, direct subsidies, loans and municipal investments). This co-financing enables the project to realize far more energy efficiency upgrades than expected and the diverse mix of public and private financing has reduced the financial risks to project

sustainability.
<p>b. 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 it did, then in what ways and through what causal linkages?</p> <p>Management problems and institutional constraints meant that the project made almost no progress during the first two years. The delay in implementation has not significantly affected project outcomes or sustainability, as the project was granted extensions to complete activities. With the extensions, the project was able to meet all its targeted outcomes. However the delays have reduced its cost-effectiveness.</p> <p>The TE report estimates that it took almost two years for the project to get on track with a fully competent project team. Institutional capacity issues had not been given sufficient consideration in the project design phase, it was only when the project started that they became apparent. Based on the TE report, the project team was not prepared for immediate project start-up, trained and experienced personnel were scarce, and the staff training schedule was tight. National experts had to be brought in to cover areas where EC capacity was lacking. An additional factor contributing to delayed implementation was a conflict between the original project manager and her supervisor concerning internal allocation of GEF funding. The project was also delayed because start-up of the cost sharing program was timed to coincide with grants from the European Union and national government. The project design assumed these grants would be available at the start of the project, but delays in the EU approval process slowed work on the program.</p> <p>Following the initial delay, implementation seems to have been carried out efficiently. The initial project manager was replaced during the project's second year. To compensate for the delays, the project was granted a 21 month extension in 2005. In 2007, the project management requested a further extension of 6 months based due to delays in the disbursement of the audit fund and new opportunities made available through EU structural funds (KEOP/EEOP).</p>
<p>c. 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.</p> <p>Country ownership has had largely positive impacts on project outcomes and sustainability. The Govt. developed the project with UNDP based on stakeholder discussions. Both municipal officials (including mayors and regional energy centers) and investment sources (banks and ESCOs) were involved in the project preparation and implementation. The high level of stakeholder involvement and interest has helped the project to exceed its targeted number of energy efficient investing. Locating the project within the EC has also enhanced national capacity and expertise in energy efficient infrastructure improvements, and greatly improved the potential not only for sustaining outcomes but also for replicating the project.</p>

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

a. M&E design at Entry	Rating (six point scale): MS
<p>The ProDoc M&E design included a detailed project timeline and a logical framework (project planning matrix). The relationship between the expansive set objectives, outcomes, outputs and activities described in the body of the project document and the narrower outputs listed in the logical frame was not clearly articulated. The log-frame also lacked clearly defined, measurable, indicators and verifiable targets. Baselines for the outputs were identified in the ProDoc but these baselines were not incorporated into the log-frame. The ProDoc's M&E system also did not establish the methods for monitoring or evaluating the main indicators --quantity of GHG emission reductions and involvement of private investors in the investment project financing. GHG emission reductions were expressed in tons of carbon (tC) rather than tons of carbon dioxide (tCO₂) in the project document, which resulted in some confusion during project implementation and reporting.</p>	
b. M&E plan Implementation	Rating (six point scale): MS
<p>During project implementation, an M&E department was set up in the Energy Centre Hungary to assist this and other projects. This M&E department was shared and funded equally from the UNDP/GEF project funds and the EC. Besides tracking the energy audits and feasibility studies, they focused on the management and monitoring of EU structural funding and the effective implementation of these funds. The drawbacks of the project's M&E system were identified during the mid-term review and recommendations were made to retrofit indicators and improve M&E. These recommendations were adopted by the project team to some extent. The log-frame used in the PIRs was altered between 2003 and 2004 to include verifiable indicators. Based on information in the TE report, the M&E team was able to improve the tracking of investments and realization of projects resulting from the audits and feasibility studies (through yearly reports from the municipalities). However, there was little response to the need for M&E activities aimed at the other outputs and outcomes, such as training, capacity building, or establishing markets for energy efficiency services. For example, there is no evidence that questionnaires from training activities were analyzed, or that staff competencies were improved. Monitoring and tracking these types of indicators would have allowed the project to better measure impacts and adapt accordingly.</p>	

b.1 Was sufficient funding provided for M&E in the budget included in the project document?
Yes, the project budget included funding for an M&E manager as well as two M&E analysts.
b.2a Was sufficient and timely funding provided for M&E during project implementation?
Yes, the M&E staff was funded by combined GEF/UNDP and EC funds.
b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system?
The M&E system was not effectively used to provide real time feedback. The TE report notes “deficiencies with regards project indicators and recommendations to improve them and their usefulness for adaptive management were identified in the Mid-term Evaluation.” While some indicators were updated and used to track progress, the lack of useful indicators in other areas meant that the M&E system was not used to improve project performance.
b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why.
The poor choice of indicators or lack of indicators for some project outcomes and the fact that the M&E system was not well implemented mean that this project’s M&E system cannot be considered a good practice.

4.6 Assessment of Quality of Implementation and Execution

a. Overall Quality of Implementation and Execution (on a six point scale): S
b. Overall Quality of Implementation – for IA (on a six point scale): S
<i>Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution.</i>
<p>The implementing agency for this project was UNDP. The TE report notes that the UNDP Regional Office was “active and supportive” throughout the project and classifies co-operation between UNDP and the EC as “excellent.” Overall, the project was well designed, taking into account the needs of the various stakeholders and clearly addressing national priorities regarding energy efficiency through an innovative cost-sharing program. The choice of the Energy Center (EC) as executing agency was appropriate, although insufficient attention was given to the agency’s lack of technical expertise in energy efficiency improvements.</p> <p>UNDP management maintained a strong focus on results and provided effective backstopping to the project team throughout implementation. When it became apparent that the EC staff was underequipped to immediately begin project, UNDP provided additional training and brought in technical experts to supplement the project team. UNDP did attempt to resolve the difficulties with the first project manager through missions, correspondence, and through a special evaluation, but ultimately, the project was only able to progress after both parties involved in the dispute left service. The limitations of the project’s initial M&E system were identified by the mid-term review. UNDP supported adopting the mid-term review’s recommendations, but additional training might have been helpful for the project team to effectively implement and sue the M&E system.</p> <p>Overall, UNDP supervision of the project was adequate. The project followed UNDP procedures of annual financial audits and APR/PIRs. UNDP’s reviews of the project’s progress and implementation were realistic. Funding flows to the project were timely and requests for project extensions were processed smoothly, allowing the project to meet its objectives. Project Steering Committee and the Tripartite Reviews were implemented regularly with representatives from UNDP, the Hungarian Government and the Energy Centre. The mid-term review and the terminal evaluation were conducted in a timely manner.</p>
c. Quality of Execution – for Executing Agencies¹ (rating on a 6 point scale) MS
<i>Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.</i>
The Executing Agency was the Ministry of Economy and Transport (formerly the Ministry of Economic Affairs and currently within the Ministry of Transport, Telecommunication and Energy). The project team was housed in the Energy Center (Energy Efficiency Agency or EC), a quasi-governmental entity tied to the Ministry.

¹ Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

After the two-year initial delay in implementation, project execution has proceeded smoothly. The delay was caused by administrative and management problems within the EC. The technical expertise required was not available at the start of the project. The chain of reporting was not clear to the project staff and the EC directorship found it difficult to incorporate a UNDP/GEF project into the agency's operations without absorbing UNDP funds into the EC's general funds. After discussion with UNDP, this was resolved by creating an autonomous UNDP/GEF unit within the Centre and by hiring a new project manager. Early identification and more efficient resolution of these operation issues by the EC would have improved the project's quality of execution.

However, following these changes, the TE report notes that project implementation moved rapidly across all the components, including training courses, awareness raising actions, information dissemination, developing monitoring methods, and developing financial mechanisms for supporting audits and preparing feasibility studies. The project team requested extensions when necessary achieve project objectives. The last request for a 6-month extension was based on the slow disbursement of the energy audit fund, as participating municipalities were slow in providing counterparty funding. The final extension allowed the project to fully realize 53 grants.

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

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

1. A major precondition for the great success of the project was a wide understanding of the need for improving energy efficiency in Hungary. This has proved important for project replication and sustainability and the high level of capacity, knowledge and enthusiasm observed in the municipalities some 8 months after project closure. The success of energy efficiency investments realized in the project has spurred municipalities to develop their own Energy Efficiency Master Plans or complete rehabilitation projects. Municipalities are also exploring other financing models on their own including commercial co-financing or ESCOs.
2. The co-operation of UNDP, the implementing agency, and the Energy Centre Hungary, the executing agency, was excellent. This relationship constituted a major factor in the success of the project. In addition, the mandate and capacity of the Energy Centre Hungary has been strengthened by the project.
3. The effectiveness and the sustainability of the project benefited from the shifted implementation period (2003-2008). Partnership programs (KIOP and KEOP) available for municipalities in this period provided key opportunities for actual EE implementation based on the Audits and Feasibility Studies funded by the project.
4. A high level of stakeholder involvement contributed to project outcomes. All stakeholders clearly understood their role in the project and how they stood to benefit. The Ministry of Economic Affairs and the Energy Center strongly profited from the implementation of a new financial controlling structure and management structure. The Chamber of Architects was entrusted with the certification of auditors. Municipalities have been supported in their further energy planning and strategies and have further benefited from the establishing of Regional Energy Centers, another clear indicator that the project gained its own momentum and has already transcended its original scope.

b. Briefly describe the recommendations given in the terminal evaluation

1. The Energy Centre Hungary would benefit from a broader focus to maintain and strengthen its role with respect to the municipalities and to the central government. In particular, it is recommended that the Energy Centre Hungary assume the following mandates:
 - Strengthening of international co-operation within the framework of EU projects
 - Development and implementation of new local Energy Efficiency master plans in cooperation with municipalities. The core function of the Energy Centre Hungary in this activity should be the dissemination of base knowledge for EE investment implementation and the promotion of Energy Efficiency programs and best practice.
 - Collecting and processing of data and establishing a comprehensive EE database as a basis for development of governmental energy strategies.
2. The Energy Centre Hungary should be further integrated within the Ministry of Transport, Telecommunication and Energy with a clear definition of its role and mandate.
3. For similar projects in planning or implementation, it is recommended that a broader range of financing models be explored and promoted to realize actual EE investments at the municipal level. By providing information for a broader range of financing models, the Energy Centre Hungary and the Regional Advice Centers can further promote municipal EE project implementation. From interviews it is clear that such networking and support would provide much desired guidance for municipalities in strategic planning of EE projects.
4. The good relationship that was established between the Chamber of Engineers and the Energy Centre

Hungary during the development of the Energy Audits and Building Energy Passports should be utilized. These organizations should continue to work together to promote the understanding of energy efficient building techniques among engineers, architects and auditors.

5. It is recommended to update the one-stop-shop website established within the project. The webpage remains a useful source of base knowledge for municipalities and should be integrated in the Energy Centre Hungary and updated on a regular basis.

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

No other sources were consulted.

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 document GEF Office of Evaluation Guidelines for terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
<p>a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? The TE report provides a fair assessment of relevant outcomes and impacts relative to the objectives described in the original ProDoc. The TE report should also have considered the outcomes/outputs relative to the ProDoc’s logical framework, as this was the system used in the PIRs.</p>	MS
<p>b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps? No major evidence gaps were noted, but the report’s organization could have been improved. The report is internally consistent for the most part, except when discussing project results with respect to CO2 emissions avoided (p.26). Here the report suggests that CO2 emissions mitigation was a ‘marginal consideration’ in selecting energy efficiency investment projects. This is a rather inconsistent conclusion given the overall positive assessment of results.</p>	MS
<p>c. To what extent does the report properly assess project sustainability and /or a project exit strategy? The report contains a discussion of the sustainability of project outcomes with respect to financing and institutional support.</p>	S
<p>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? The lessons are supported by the evidence presented, but not comprehensive. Two key lessons not mentioned are (i) the success of the Audit Fund cost-sharing program, and (ii) the need for clear guidelines on measuring CO2 emissions savings from energy efficiency investments.</p>	MS
<p>e. Does the report include the actual project costs (total and per activity) and actual co-financing used? The report includes actual co-financing used, but does not include actual project costs.</p>	S
<p>f. Assess the quality of the reports evaluation of project M&E systems? The TE report contains a comprehensive evaluation of the project’s M&E system.</p>	S

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUATION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.