****

**The Standards and Labelling Programme in Kenya**

**-**

**Mid-Term Evaluation**

**(Final)**

4 September 2012



undp_logo.gif

*Empowered Lives*

*Resilient Nations*

***GOVERNMENT OF KENYA***

Table of Contents

[List of Acronyms 4](#_Toc334561224)

[List of Tables 5](#_Toc334561225)

[List of Figures 5](#_Toc334561226)

[Acknowledgements 6](#_Toc334561227)

[Executive Summary 7](#_Toc334561228)

[1. Scope of Evaluation and Methodology 14](#_Toc334561229)

[1.1 Scope of Evaluation 14](#_Toc334561230)

[1.2 Methodology 15](#_Toc334561231)

[1.2.1 Desk review 15](#_Toc334561232)

[1.2.2 Survey 15](#_Toc334561233)

[1.2.3 Consultations 16](#_Toc334561234)

[1.2.4 Time Schedule for MTE 16](#_Toc334561235)

[2. Programme Overview and Development Context 16](#_Toc334561236)

[2.1 Programme Start and Duration 17](#_Toc334561237)

[2.2 Development Context 17](#_Toc334561238)

[2.2.1 Problems Addressed 17](#_Toc334561239)

[2.2.2 Immediate and Development Objectives of the Programme 18](#_Toc334561240)

[2.2.3 Main Stakeholders 18](#_Toc334561241)

[2.2.4 Components, Outcomes and Results Expected 20](#_Toc334561242)

[2.2.5 Key Elements of Project Planning 21](#_Toc334561243)

[3. Project Design and Implementation 21](#_Toc334561244)

[3.1 Project Outcomes 21](#_Toc334561245)

[3.2 Project Implementation Approach 22](#_Toc334561246)

[3.3 Project Relevance 23](#_Toc334561247)

[3.3.1 Relevance at National and Regional Levels 23](#_Toc334561248)

[3.3.2 Relevance to Multilateral Environmental Agreements 24](#_Toc334561249)

[3.3.3 Relevance to GEF Strategies, Priorities and Principles 24](#_Toc334561250)

[3.3.4 Country-drivenness and ownership 26](#_Toc334561251)

[3.3.5 Stakeholder Participation in Implementation 26](#_Toc334561252)

[3.4 Project Management and Cost Effectiveness (Efficiency) 26](#_Toc334561253)

[3.5 Financial Planning by Component and Co-financing 27](#_Toc334561254)

[3.5.3 Financial Planning by Component 28](#_Toc334561255)

[3.5.2 Co-financing 29](#_Toc334561256)

[3.6 Flexibility and Adaptive Management 29](#_Toc334561257)

[3.7 UNDP Project Oversight 30](#_Toc334561258)

[4. Project Performance and Results (Effectiveness) 31](#_Toc334561259)

[4.1 Progress Towards Achievement of Expected Objective and Outcomes 31](#_Toc334561260)

[4.1.1 Development Objective 31](#_Toc334561261)

[4.1.2Outcome 1: Selection and adoption of International Test Procedures (ITP), MEPS, and Label classification 31](#_Toc334561262)

[4.1.3Outcome 2: Development and implementation of a Verification and Enforcement System (VES) 32](#_Toc334561263)

[4.1.4Outcome 3: Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users 33](#_Toc334561264)

[4.1.5Outcome 4: Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners 33](#_Toc334561265)

[4.1.6Outcome 5: Policy support and policy framework 34](#_Toc334561266)

[4.1.7Outcome 6: Learning and replication 34](#_Toc334561267)

[4.2 Priority issues for the Remainder of Implementation 35](#_Toc334561268)

[5. Key GEF Performance Parameters 37](#_Toc334561269)

[5.1 Sustainability 37](#_Toc334561270)

[5.1 Financial Risks to Sustainability 37](#_Toc334561271)

[5.2 Sociopolitical Risks to Sustainability 37](#_Toc334561272)

[5.3 Institutional Framework and Governance Risks to Sustainability 37](#_Toc334561273)

[5.4 Environmental Risks to Sustainability 38](#_Toc334561274)

[5.2 Catalytic Role: Replication and Scaling-up 38](#_Toc334561275)

[5.3 Monitoring and Evaluation 39](#_Toc334561276)

[5.4 Project Impacts and Global Environmental Benefits 39](#_Toc334561277)

[6. Main Lessons Learned and Recommendations 40](#_Toc334561278)

[6.1 Lessons from the Experience of the Programme 40](#_Toc334561279)

[6.2 Recommendations for the Remaining Implementation Period 40](#_Toc334561280)

[6.3 Mainstreaming Mid-Term Evaluation Ratings 41](#_Toc334561281)

[Annex 1 – TOR for Mid-Term Evaluation 46](#_Toc334561282)

[Annex 2 – Questionnaire for Survey Among Stakeholders 47](#_Toc334561283)

[Annex 3 – Responses of Stakeholders to Questionnaire Survey 48](#_Toc334561284)

[Annex 4 – Stakeholders Consulted for MTE 49](#_Toc334561285)

[Annex 5 – List of Participants at Debriefing Presentation 50](#_Toc334561286)

[Annex 6 – Logical Framework of the Programme 51](#_Toc334561287)

[Annex 7 –Publicity Received by Programme 52](#_Toc334561288)

# List of Acronyms

ACA Anti-Counterfeit Agency

CFL Compact Fluorescent Lamp

CIN Consumer Information Network

CO2 Carbon Dioxide

EAC East African Community

EE Energy Efficiency

EESL Energy Efficiency Standards & Labelling

ERC Energy Regulatory Commission

GEF Global Environmental Fund

GHG Greenhouse Gas

GOK Government of Kenya

IR Inception Report

ITP International Test Procedures

IW Inception Workshop

KAM Kenya Association of Manufacturers

KEBS Kenya Bureau of Standards

KIRDI Kenya Industrial Research Development Institute

KRA Kenya Revenue Authority

MEAC Ministry of East African Community

MEPS Minimum Energy Performance Standards

MOF Ministry of Finance

MOI Ministry of Industrialization

MSP Multi-Stakeholder Process

MTE Mid-Term Evaluation

MW Mega-Watt

NEMA National Environment Management Authority

PMU Project Management Unit

PPG Project Preparation Grant

PSC Project Steering Committee

ROK Republic of Kenya

SLS Standards and Labelling System

TOR Terms of Reference

UNDP United Nations Development Programme

VES Verification and Enforcement System

# List of Tables

[Table 1. List of priority issues and recommendations. 9](#_Toc334559596)

[Table 2. Mid-term Evaluation Rating Summary. 12](#_Toc334559597)

[Table 3. Timeline for completing MTE. 16](#_Toc334559598)

[Table 4. Timing of key Programme milestones. 17](#_Toc334559599)

[**Table 5.** Sectoral objectives for energy efficient technologies. 18](#_Toc334559600)

[Table 6. Stakeholders of the programme and their roles and functions. 18](#_Toc334559601)

[Table 7. Breakdown of expenditures to 31 July 2012. 28](#_Toc334559602)

# List of Figures

[Figure 1. Marginal abatement cost curve (MACC) for Africa over the 2030 time horizon. 25](#_Toc332452471)

# Acknowledgements

The author of the mid-term evaluation would like to express his gratitude to all project stakeholders whom he has met and interviewed during the project mid-term evaluation mission in Nairobi between 6 and 10 August 2012. Their hospitality and generosity in providing candid views and opinions on program results and impacts has been remarkable. The persons and institutions that have taken the time to respond to the questionnaire survey are duly acknowledged.

Special thanks go to all the staff of the Program Management Unit, specifically to Mr. Joseph Njuguna who planned, organized and coordinated the in-country meetings. The author is grateful to Dr. Eng. Karanja Kibicho, Permanent Secretary, Ministry of Industrialization, who made time to discuss some of the key findings of the mid-term evaluation. The cooperation with the program team, all program partners and UNDP CO was effective, and the evaluator received all information requested.

# Executive Summary

The EELS programme is a Global Environment Facility (GEF) funded Full-Sized Project (FSP), with GEF support of US$ 2 million (not including PPG funding), and originally proposed co-financing is US$ 10.21 million for a total budget of US$ 12.21 million. The program is executed under the United Nations Development Program’s (UNDP) National Execution (NEX) modality, with the Ministry of Industrialization (MOI) as the national executing partner. The planned program implementation period is for five years.

The goal of the programme is to reduce electricity related CO2 emissions in Kenya and the Eastern African Community (EAC) countries by improving energy efficient (EE) of selected appliances and equipment in residential, commercial and industrial sectors. This will be achieved by market transformation towards high-energy efficient appliances through the introduction of Minimum Energy Performance Standards (MEPS), and through the removal of barriers to rapid and widespread uptake of EE equipment and appliances at various levels.

The project objective is planned to be achieved through the following six outcomes:

**Outcome 1** - Selection and adoption of International Test Procedures (ITP), MEPS, and Label classification;

**Outcome 2** - Development and implementation of a Verification and Enforcement System (VES);

**Outcome 3** - Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users;

**Outcome 4** - Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners;

**Outcome 5** - Policy support and policy framework;

**Outcome 6** - Learning and replication.

This mid-term evaluation (MTE), which was a planned activity in the programme, reviews the actual performance and progress toward results of the programme against the planned activities and outputs, based on the standard evaluation criteria: relevance, efficiency, effectiveness, results and sustainability. The evaluation methodology was based on a participatory mixed-methods methodology, including: (i) a desk review of project documentation and related documents; (ii) questionnaire survey, and (iii) interviews with key project participants and stakeholders. An evidence-based approach has been used in this evaluation. The review period covers the start of project implementation (Inception in July 2010) to July 2012, and it includes an assessment of issues prior to approval, such the project development process, overall design, risk assessment and monitoring and evaluation planning. The desk review was carried out in July 2012, with the submission of a draft report on 2 August 2012. The in-country mission took place between6 and 10 August 2012, culminating in a presentation of findings made to all stakeholders on 10 August 2012. The draft final report was submitted on 11 August 2012 after stakeholder deliberations. The final report was submitted on 5 September 2012 after receiving comments from stakeholders.

At the mid-point, the project is behind schedule compared to the timeline planned originally. However, there are clear indications that the EELS programme is on track for achieving the expected outcomes, albeit not by end of 2013. A realistic assessment shows that a realistic completion would be in 2015. There are political risks that might present challenges for the remaining implementation period, especially in 2013, but mitigation measures have been identified to minimize their effects, if any. Based on the evaluative evidence collected during this MTE, the project “**Progress Toward Overall Project Achievement and Impact”** is rated ***moderately satisfactory***. The project faced significant startup delays due to the then prevailing political context, but there are concrete signs that the efficiency in the pace of implementation has increased year on year. This gives the confidence that the programme is relatively well-positioned for the remaining implementation period.

The **relevance** of the programme is considered ***highly satisfactory***, both at the national and regional (EAC) levels.EE is surely a least-cost option for addressing the mismatch between power supply and demand in Kenya, and in all neighbouring countries. The programme is supportive of the Energy Act 2006, and it supports several actions in the draft Energy Policy 2012. The programme is also supporting the relevant GEF strategic objectives, and is part of Kenya’s contributions to the United Nations Framework Convention on Climate Change (UNFCCC) to stabilize greenhouse gas emissions below dangerous anthropogenic levels. The programme, which builds on the previous GEF-funded Energy Efficiency Project in Kenya, has the potential to play a catalytic role in transforming the market for EE appliances and equipment in Kenya, and promote harmonization of MEPS in EAC.

Based on all aspects of project implementation and financial management, project **efficiency** is rated ***moderately unsatisfactory***. Overall programme disbursement is at a relatively low 29.1%, of which management cost expenditure represents 88.6%. The management cost is currently well beyond the GEF threshold of 10% because the expected cash co-financing from UNDP and GOK to cover project management costs has not been forthcoming. This is certainly a serious issue that will have to be addressed decisively in the remaining half of the programme.

The programme involves all of the main national stakeholders and it provides a platform for coordinating the efforts of the key partners involved, including various ministries, Kenya Bureau of Standards, Kenya revenue Authority, Anti-Counterfeit Agency, Energy Regulatory Commission, Kenya Association of Manufacturers, UNDP, and research institutions, among others. Coordination with the EAC Secretariat takes place through the involvement of the Ministry for Eastern African Community (MEAC). UNDP’s oversight and monitoring has also been well-conducted, and the programme’s finances are managed according to UNDP’s institutional fiduciary norms and quality standards. The programme is also being implemented in a flexible manner to respond to changing assumptions and circumstances.

Progress made to date has focused mainly on the first three outcomes of the programme, and a significant work volume remains to be accomplished during the second half programme implementation. At the mid-point, project **effectiveness** is rated ***moderately satisfactory***, with most outputs achieved under Outcomes 1, 2 and 3.Under *Outcome 1*, the project has made a significant contribution by drafting the MEPS, which will be submitted to the Kenya Bureau of Standards (KEBS) for formal approval and adaption as standards. A technical Working Group will be constituted in August 2012 to develop Labels. The outputs under *Outcome 2* are being addressed through the procurement for a consultant to propose a PSI system that is being finalized. Also, a Training Needs Assessment has been completed in January 2012, and the procurement for a consultant to develop training modules has been initiated. Now that the preliminary draft MEPS has been submitted to the Kenya Bureau of Standards, the Energy Regulatory Commission will be able to draft the relevant regulations once KEBS has assigned a Kenya Standards number to the draft MEPS. Given the multi-stakeholder approach adopted by the programme, several leading retailers and distributors of electrical appliances and equipment are already involved in the technical Working Groups on MEPS. The programme is also well-placed to quickly produce results under the remaining outcomes.

Considering that the programme is only halfway through implementation, the MTE is not well-placed to provide ratings on sustainability. However, this evaluation report includes a sustainability rating, based on an analysis of the four components of sustainability, the overall **sustainability** of project results is considered ***moderately likely***. The most significant risk to sustainability is socio-political attributed to the forthcoming general elections in March 2013 and the decrease in the number of ministries by up to 50%. The other risks are less likely and for which viable mitigations measures are either in place or are about to be put in place (section 5.1).

The programme has produced the following lessons learned that should be captured as best practices (section 6.1).

* Multi-stakeholder process (MSP): The EESL programme has used a broad participatory and consultative process through an enlarged PSC that provides high-level political support for the programme on the one hand, and dynamic TWGs that provide the technical backstopping to implement MEPS and Labels. Further, the programme is engaging with the EAC countries through the EAC Secretariat. The Ministry of EAC does the coordination with the Secretariat;
* Adaptive management: There is evidence that the programme has been run in a flexible and adaptive manner. This is a vital dimension for successful implementation of a 5-year long programme was the environment in which it is implemented is very dynamic;
* Catalyst: The EESL programme is already playing a catalytic role to promote EE in Kenya. With the adoption of MEPS by KEBS, and the putting in place of Labels, as well as increasing end-user awareness through educational and training campaigns, the catalytic role of the programme can only rise.

**Table 1** below provides a summary of the priority issues for the remaining implementation period, as well as recommendations of actions to address them. The stakeholders responsible to act on the recommendations are also provided in brackets in the right-hand column.

Table 1. List of priority issues and recommendations.

| **Priority Issue** | **Summary** | **Recommendations / Priority Actions** |
| --- | --- | --- |
| Emission reduction calculations | In order to ascertain that the global goal of the programme has been achieved, and to calculate the cost of CO2 abatement, it is necessary to use the appropriate methodology to calculate emission reductions. The estimates provided in the project document have assumed that diesel is combusted to produce electricity in the baseline scenario. However, since all appliances and equipment targeted would reduce the utilization of grid electricity, it would be more appropriate to calculate direct emission reductions using the Grid Emission Factor of the national grid. Another advantage is that this approach would also help the stakeholders to better gauge the possibility of using carbon revenues to financially support EE initiatives in Kenya. | Use the Grid Emission Factor in the end of programme study to calculate direct emission reductions. This should be part of the terms of reference of the consultant who will carry out the end of programme study.  [PMU and Consultant] |
| Co-financing (cash) | To date, neither UNDP nor GOK have provided any cash co-financing to the programme. This has meant that all project management costs (estimated at 88.6% of total expenditures so far) have been covered by GEF funds. So going forward, it is clear that both UNDP and GOK must contribute cash funding to the programme. Additionally, the programme is entering a phase where cash expenditures will rise through awareness campaigns, trainings and test equipment. | UNDP and GOK have to contribute their share of cash co-financing to the programme. Given the current economic and political context, GOK should contribute at least partially its pledged cash co-financing.  [UNDP and GOK] |
| Financial planning and monitoring | Currently, program management expenditures are accounted as expenditures under Outcomes 1 to 6. As discussed in section 3.5, this make progress monitoring hard to do, meaning that it is difficult to get the correct feedback necessary to make timely adjustments to programme implementation. | This issue will have to be addressed decisively by accounting for the programme management costs separately from expenditures related to the outcomes of the programme. For instance, an additional activity line (say Activity 7) should be included in ATLAS to track programme management costs.  [UNDP and PMU] |
| Annual work planning | To date the PSC and UNDP have approved 3 AWPs, but since they cover different timeframes they are hard to reconcile. For example, the first AWP covered the period July 2010 to June 2011; the second one covered the period January 2011 to December 2011; and the third one (present one) covers the period July 2011 to December 2012. Due to the overlapping time periods, one AWP appears to be redundant. | The EELS programme to harmonize its AWPs to the time horizon of reporting by UNDP (January to December).  [PMU and UNDP] |
| Use of logical framework | There is evidence that the logical framework is not used to its fully capacity as the main tool to implement the programme. In fact, most stakeholders of the programme were not aware of the logical framework. | It is important that all stakeholders of the EESL programme be trained to make better use of the logical framework so that the quality of implementation can be enhanced going forward.  [UNDP, PMU] |
| Procurement delays | One of the reasons that have caused programme delays is the bulky government procurement process. At the moment, there is an agreement between MOI and NDP that 70% of procurements will be carried out by the MOI using the public procurement system. Although the Public Procurement is under review, changes to streamline it may still take time. | It would be desirable to shift a larger fraction of programme procurement to UNDP. This would be a short-term solution to expedite implementation in the second half of the programme.  [MOI, UNDP, PMU] |
| Awareness campaigns and training | All stakeholders have unanimously reported that the level of awareness of EE is poor at all levels. In the minutes of the PSC meeting of 12 April 2012, there is a proposition that awareness campaigns would be better carried out once the MEPS and Labels are adopted in Kenya. Given that this may not happen until June 2013, this strategy is not recommended. | The programme has received substantial visibility and it is timely to use this foundation to launch awareness campaigns and training. Also, the programme can piggy-back and support initiatives such as those of KAM (energy audits) and KPLC (distribution of CFLs).  [PMU, KAM, KPLC, CIN and others] |
| Programme termination date | Looking at the progress made towards completion of objectives and outcomes of the programme, it is clear that the EESL programme cannot be completed by the expected due date of end 2013. Give that MEPS will not become a regulation before end 2013/beginning 2014, and given the regional dimensions of the programme, it is clear that the programme will have to be extended so that its full benefits can be obtained. | The programme will need to be extended to 2014/2015 in order from all counter parties to derive full benefits. There need not be an increase in funding as long as promised cash co-financing is obtained.  [UNDP] |

The following table summarizes the mid-term evaluation. The ratings for the project results are based on those indicators of the logical framework that would be applicable for the mid-term review. For instance, targets that need to be completed by end of the programme are not included in the evaluation.

Table 2. Mid-term Evaluation Rating Summary.

| **Project Component or Objective** | **Rating** |
| --- | --- |
| **Project Formulation** |  |
| **Relevance** | HS |
| Conceptualization/design | S |
| Stakeholder participation | S |
| **Project Implementation** |  |
| **Implementation Approach (Efficiency)** | MU |
| The use of the logical framework | MS |
| Adaptive management | S |
| Operational relationships between the institutions involved | S |
| Financial management | MU |
| **Monitoring and Evaluation** | MS |
| Monitoring and evaluation design | MS |
| Monitoring and evaluation implementation | S |
| Monitoring and evaluation budgeting | S |
| **Stakeholder Participation** | HS |
| Production and dissemination of information | S |
| Local resource users and NGOs participation | HS |
| Establishment of partnerships | HS |
| Involvement and support of governmental institutions | S |
| **Project Results** |  |
| **Progress Toward Achievement of Objective and Outcomes (Effectiveness)** | MS |
| **Objective:**Market transformation towards high-energy efficient appliances through the introduction of Minimum Energy Performance Standards (MEPS), and through the removal of barriers to rapid and widespread uptake of EE equipment and appliances at various levels | N/A |
| **Outcome 1** - Selection and adoption of International Test Procedures (ITP), MEPS, and Label classification | S |
| **Outcome 2** - Development and implementation of a Verification and Enforcement System (VES) | MS |
| **Outcome 3** - Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users | MS |
| **Outcome 4** - Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners | MS |
| **Outcome 5** - Policy support and policy framework |  |
| **Outcome 6** - Learning and replication | MS |
| **Sustainability** | ML |
| Financial sustainability | L |
| Socio-political sustainability | ML |
| Institutional and governance sustainability | L |
| Environmental sustainability | L |
| **Progress toward Overall Project Achievement and Impact** | **S** |

*Note: The ratings for the main evaluation criteria are narratively highlighted in the report; other ratings are not.*

*Ratings explanation: HS – Highly Satisfactory; S – Satisfactory; MS – Moderately Satisfactory; MU – Moderately Unsatisfactory; U – Unsatisfactory; HU – Highly Unsatisfactory; UA – Unable to Assess; N/A – Not Applicable.*

*Sustainability ratings: L – Likely; ML – Moderately Likely; MU – Moderately Unlikely; U – Unlikely.*

# 1. Scope of Evaluation and Methodology

## 1.1 Scope of Evaluation

According to GEF and UNDP evaluation policies, MTEs are recommended practice for GEF funded projects, and a MTE was a planned activity of the monitoring and evaluation plan of the EESL project. The UNDP Kenya office initiated the MTE near the mid-point of the project’s planned five-year implementation period, and the TOR for the MTE is found at **Annex 1**. The objective of this assignment is to undertake an independent review of the Programme based on guidelines provided by:

(a) GEF Monitoring and Evaluation Policy,[[1]](#footnote-1) and

(b) UNDP-GEF Monitoring and Evaluation Policy.[[2]](#footnote-2)

This MTE reviews the actual performance and progress toward results of the project against the planned project activities and outputs, based on the standard evaluation criteria: relevance, efficiency, effectiveness, results and sustainability. The evaluation assesses project results based on expected outcomes and objectives, as well as any unanticipated results.

More specifically, the objectives of the MTE are to:

* determine progress being made towards the achievement of outcomes;
* focus on the effectiveness, efficiency and timeliness of project implementation;
* highlight issues requiring decisions and actions;
* present lessons learnt and best practices about project design, implementation and management, and state how they can be applied to future and other on-going projects;
* examine the performance of the project since the beginning of its implementation as measured against planned outputs set forth in the Project Document in accordance with rational budget allocation and the assessment of features related to the process involved in achieving those outputs, as well as the initial and potential impacts of the project;
* address underlying causes and issues contributing to targets not adequately achieved;
* identify weaknesses and strengths of the project design;
* recommend any necessary changes in the overall design and orientation of the project by evaluating the adequacy, efficiency, and effectiveness of its implementation, as well as assessing the project outputs and outcomes to date;
* assess if there is evidence that sustainability of benefits is being built into the project (institutional and financial capacity);
* provide detailed recommendations on the work plan for the remaining project period and to assess early signs of the project success or failure, and prompt any necessary adjustments;

The MTE forms part of the adaptive learning process wherein the findings of the MTE are incorporated as recommendations for enhanced implementation during the remainder of the programme’s term. The lessons learned can also be used by similar programmes elsewhere, including East African countries.

## 1.2 Methodology

In order to complete the assignment, a combination of (i) desk review, (ii) survey using a tailor-designed questionnaire, and (iii) in-person consultations has been used as discussed below. The combination of mixed approaches favoured a more effective evaluation. The survey was carried out prior to in-country consultations, and this allowed queries of interviewees to be answered.

### 1.2.1 Desk review

A desk review of the following documents that were provided by the staff of the EESL programme was undertaken:

* Approved Project Document
* Inception Report
* Annual Work Plans (2010, 2011, 2012)
* Project Implementation Reviews (PIRs @ 30 June 2012)
* Combined Delivery Reports (CDRs for 2010, 2011 and Jan-Jul 2012)
* Monthly Progress Reports
* Minutes of Steering Committee Meetings

### 1.2.2 Survey

The survey was carried out by applying a questionnaire that is found at **Annex 2**. The questionnaire has been designed based on prior experience with the evaluation of UNDP/GEF-funded projects, and it covers the objectives of the MTE (see section 1.1). The questionnaire was administered to the following stakeholders. A positive response from the institutions is denoted as [yes]. The responses of the stakeholders are found at **Annex 3**.

List of Stakeholders

Ministry of Industrialization [yes]

Kenya Bureau of Standards [yes]

Kenya Association of Manufacturers

Kenya Power and Lighting Company [yes]

Kenya Industrial Research Development Institute [yes]

Universities and NGOs participating in the Programme [yes]

Ministry of Finance

Kenya Revenue Authority [yes]

Anti-counterfeit Agency [yes]

Kenya Revenue Authority [yes]

Energy Regulatory Commission [yes]

Ministry of Energy [yes]

Consumer Information Network [yes]

### 1.2.3 Consultations

Face-to-face meetings were carried out on a bilateral basis for selected stakeholders from the list given in section 1.2.2. The agenda of the in-country mission was organized by the staff of the EESL programme, and the selection of stakeholders was based on experience of the staff with the requirements of the MTE, and the time limitations of the MTE. With additional time, more stakeholder viewpoints and relevant data could have been gathered for this mid-term evaluation. The agenda for in-country stakeholder consultations is given at **Annex 4**.

### 1.2.4 Time Schedule for MTE

The time schedule for completing the assignment was agreed between staff of the EESL programme and the consultant, and is shown in **Table 3**. The time schedule did not change from that proposed in the MTE Inception Report. The main findings of the MTE were presented to programme stakeholders. The attendance list for the debriefing presentation is found at **Annex 5**.

Table 3. Timeline for completing MTE.

|  |  |
| --- | --- |
| **Activity** | **Timeline** |
| 1. Inception report & Questionnaire submitted | 16 July 2012 |
| 1. Desk Review | 11 July to 25 July 2012 |
| 1. First draft report of MTE submitted | 1 August 2012 |
| 1. In-country stakeholder meetings | 6 to 10 August 2012 (with ½ day kept free on the afternoon of Thursday 9 August 2012 for finalizing presentation – activity 5) |
| 1. Presentation of main findings to stakeholders | 10 August 2012 (morning so that report can be finalized to take into consideration the inputs of stakeholders) |
| 1. Draft final report submitted | 11August 2012 |
| 1. Final report (incorporates feedback from stakeholders) | 15 August 2012 |

# 2. Programme Overview and Development Context

The programme overview summarizes the start and duration of the programme, while the development context sets the background against which it was developed, as well as explaining the problems that the EESL programme seeks to address.This section forms the reference against which the evaluation has taken place. The programme can be identified as follows:

GEF Project ID: 2775

GEF Agency Project ID: 00054346

Country: Republic of Kenya

Project Title: Development and Implementation of a Standards and Labeling Programme

In Kenya with Replication in East Africa

GEF Agency: UNDP

## 2.1 Programme Start and Duration

The duration of the EESL program is 5 years. The dates for key milestones are shown in **Table 4**.

Table 4. Timing of key Programme milestones.

|  |  |  |
| --- | --- | --- |
| **Milestone** | **Expected Date** | **Actual date** |
| CEO endorsement/approval |  | 9 December 2008 |
| GEF Agency approval date |  | 14 May 2009 |
| Implementation start |  | 29 July 2010[[3]](#footnote-3) |
| Midterm evaluation |  | 15 August 2012 |
| Project completion |  |  |
| Terminal evaluation completion |  |  |
| Project closing | 31 May 2013 |  |

## 2.2 Development Context

### 2.2.1 Problems Addressed

Over the past few years, electricity demand in Kenya has grown at an average annual rate of 4%, to reach 1194 MW in 2011. According to Vision 2030, which is the country’s development road map, the demand of electricity in Kenya is expected to rise by 10% annually to support the projected economic growth. It is estimated that electricity demand by 2030 will be in excess of 23,000 MW, representing close to 20-fold increase over 19 years. The main source of electricity generation for ROK remains hydro, which is prone to extreme weather events (and climate variability) like droughts. In order to guarantee energy security, GOK has taken various measures, including energy efficiency. In order to pursue EE, one of the measures aim to sets up energy standards and labeling schemes under the programme entitled “*Development and Implementation of a Standards & Labelling Programme in Kenya with Replication in East Africa*”.

EESL are highly cost effective means to assist countries reduce energy demand and GHG emissions while stimulating economic growth. This project seeks to transform the Kenyan and East Africa electrical equipment and appliances market by providing information that assists consumers to make informed and rational decisions based on life cycle costs rather than initial investment cost of goods. The introduction of MEPS is expected to bring about significant improvement in EE across all sectors by phasing-out inefficient electrical appliances and equipment from the market.

The cross-border dimension of the Programme needs to be highlighted. The EAC is a regional economic bloc comprising 5 countries (Burundi, Kenya, Tanzania, Rwanda and Uganda), and its headquarters is located in Arusha, Tanzania. While a Standards and Labelling System (SLS) is being introduced in Kenya, a similar program is in the implementation phase in Uganda. Further, many of the customs laws are being harmonized. Due to the increasing cross border trade between the EAC countries it is imperative to introduce a harmonized SLS in the region.

### 2.2.2 Immediate and Development Objectives of the Programme

#### 2.3.1 Overall goal of Programme

The goal of the Programme is to reduce electricity related CO2 emissions in Kenya and the EAC countries by improving EE of selected appliances and equipment in residential, commercial and industrial sectors. This will be achieved by market transformation towards high-energy efficient appliances through the introduction of MEPS.

#### 2.3.2 Specific objective of Programme

The main objective of the project is to remove the barriers to rapid and widespread uptake of EE equipment and appliances (or technologies) at various levels. **Table 5** summarizes the sectoral uptake and diffusion of EE technologies.

**Table 5.** Sectoral objectives for energy efficient technologies.

|  |  |
| --- | --- |
| **Sector** | **EE technology** |
| Residential | Refrigerators; lighting (CFL); air-conditioners |
| Commercial | Display refrigerators; air-conditioners; lighting (CFL) |
| Industrial | AC motors; lighting (CFL) |

### 2.2.3 Main Stakeholders

The EELS programme is being implemented using a multi-stakeholder approach.There are both national and regional stakeholders that are participating in the project. The cohort of national stakeholders that were identified during the development of the programme, and their roles and functions are summarized in **Table6**.

Table 6. Stakeholders of the programme and their roles and functions.

|  |  |
| --- | --- |
| **Stakeholder** | **Roles and functions** |
| Ministry of Industrialization (MOI) | Efficiency standards, labeling, education and awareness, certification compliance |
| Kenya Bureau of Standards (KEBS) | Certification and accreditation, labeling efficiency standards, policy, regulation |
| Kenya Association of Manufacturers (KAM) | Education and awareness, energy audits, coordination |
| Kenya Power and Lighting Company (KPLC) | Education and awareness, R&D, finance, standards and labeling, energy audits |
| Kenya Industrial Research Development Institute (KIRDI) | Education and awareness, R&D, standards development, baseline studies |
| Universities and NGOs participating in the Programme | Education and awareness, energy audits, labeling, R&D |
| Suppliers and retailers of electrical appliances | Labeling, efficiency standards, education & awareness, energy audits, finance |
| Ministry of Finance (MOF) | Financial incentives, regulation |
| Energy Regulatory Commission (ERC) | Education and awareness, regulation, energy management, policy, finance, certification |
| Ministry of Energy (MOE) | Energy policy, regulations, support for a centre on energy efficiency and conservation |
| Consumer Information Network (CIN) | Education, awareness |
| National Environment Management Authority (NEMA) | Enforcement of standards as part of statutory environmental audit. Standards development |
| Financial Sector | Finance |

During the Inception Phase two additional national stakeholders were included in the programme:[[4]](#footnote-4)

* Kenya Revenue Authority: The KRA is central to the project, especially for successful completion of Outcome 2, since it has the authority and mandate on intervention of shipment of appliances and equipment from overseas;
* Anti-Counterfeit Agency: The ACA hosts a Research Department and an Awareness Department. The former involves research on product authenticity and labeling, while the latter is geared towards enhancing public awareness on product quality and authenticity. The activities of ACA are, therefore, complimentary to the successful implementation of the EELS programme.

The key implementing partners of the EELS programme are KEBS and KAM. The concept for the EELS programme arose from KAM.[[5]](#footnote-5)

The programme can be commended for sparing no efforts to include regional stakeholders – i.e. counterparties in Rwanda, Uganda, Burundi and Tanzania. This approach started at the onset of the conceptualization and design stage with consultations taking place in the 4 EAC countries between February and September 2006. The regional interactions and exchanges are important for two reasons: (1) sharing lessons learned and best practices since a country like Uganda is already implementing a similar programme; and (2) engage in dialogues to redress the asymmetric tariffs on imported goods between the EAC countries that disadvantages Kenya. At the IW in July 2010, Mr E.N. Diduri, Director of Industries, Ministry of Industrialization highlighted that Kenyan products imported by EAC countries suffered higher taxes than products imported into Kenya from other EAC countries.[[6]](#footnote-6)

### 2.2.4 Components, Outcomes and Results Expected

The expected outcomes and results for the EELS programme as shown in the logical framework given at **Annex 6**. The logical framework shows the objectively verifiable targets and indicators against which performance can be measured and progress reported as done in section 4.1. The components, outcomes and results are summarized below.

#### 2.2.4.1 Components of Programme

The project is being executed through four principal components:

1. EE awareness creation, knowledge build-up, and capacity building;
2. Development and adoption of MEPS and labels;
3. Development of conducive policy and policy instruments on EE and EESL; and
4. Monitoring and evaluation (M&E).

#### 2.2.4.2 Outcomes and Results of Programme

Through execution of activities under the above four components, six key outcomes and related results are expected:

**Outcome 1** - Selection and adoption of International Test Procedures (ITP), MEPS, and Label classification

Output 1.1: Selection and adoption of appropriate international test procedures for energy efficiency appliance in Kenya.

Output 1.2: Selection and adoption of appropriate international label classification.

Output 1.3: Selection and adoption of three minimum energy performance standards and one quality standard.

**Outcome 2** - Development and implementation of a Verification and Enforcement System (VES);

Output 2.1: Integration of product energy performance compliance checking with country pre-export inspections

Output 2.2: capacity building at the Revenue Collection Authority (KRA) for inspection of non-conforming and second-hand product imports

Output 2.3 : Establishment of trade inspections, for distributor and retailer compliance checking on counterfeits and fraudulent products

Output 2.4: Establishment of a legal enforcement system, for follow-up on non-compliance with regulations

**Outcome 3** - Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users;

Output 3.1: Informing importers, distributors and retailers about appliance energy efficiency in Kenya

Output 3.2: Development and delivery of a training programme for distributor and retailer staff in Kenya

**Outcome 4** - Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners;

Output 4.1: Analysis of appropriate target levels for the energy performance of commercial display refrigerators and hotel air conditioners

Output 4.2: Discussion of a voluntary agreement with stakeholders, including the key importers of display refrigerators and the hotel sector; main suppliers of these products; the national utility and the government of Kenya (MTI and KEBS)

Output 4.3: Proposing – and if agreed – implementing a voluntary agreement.

**Outcome 5** - Policy support and policy framework;

Output 5.1: Advise and assist on improving the policy and implementation framework to increase the uptake of energy efficiency equipment and appliances by major market players in the residential, commercial and industrial sectors

Output 5.2: Strengthening of the capacity of individuals and institutions that are involved in implementation of the project

**Outcome 6** - Learning and replication.

Output 6.1: Preparing a programme for replication of activities implemented under outcomes 1 to 5

Output 6.2: Introduction of the test procedures, standards and labeling schemes in the other East African countries via the EAC cooperation on standards

Output 6.3: The impact of the market transformation activities will be monitored, evaluated and used for steering the initiative’s implementation

Output 6.4: provide support to disseminate the learning and replication experiences in the EAC countries

### 2.2.5 Key Elements of Project Planning

The project document is comprehensive, and includes all of the required components, such as stakeholder analysis and participation plan, baseline analysis, assessment of risks and assumptions, monitoring and evaluation plan, sustainability and replicability analysis, replication plan, and project management arrangements. The answers given by interviewees support these observations (see **Annex 3**).

# 3. Project Design and Implementation

## 3.1 Project Outcomes

Section 3.3 will discuss the relevance of the programme at the national and regional levels, and establishing the rationale for the EESL programme in line with government policy and driven by demand from KAM. The outcomes of the EESL programme were designed following a sound situation analysis, that identified that “(T)he average efficiency of electrical appliances and equipment currently sold in Kenya and the Region is way below that of the best products on the international market due to the following:[[7]](#footnote-7)

* Reliance on “initial purchase cost” as the basis for a purchase decisions at the expense of life-cycle cost considerations,
* Lack of awareness and information regarding equipment performance and operating costs,
* Inability to check the entrance of low-quality products,
* Lack of appropriate energy efficiency incentives and regulations,
* No programme to introduce more energy efficient equipment and appliances.”

The outcomes of the EESL programme mentioned in section 2.2.4 seek to address these specific country-specific and regional barriers.

## 3.2 Project Implementation Approach

The EESL programme is executed by the Government, through the Ministry of Industrialization (i.e. the national executing partner), under the UNDP National Executed (NEX) modality. Experience has shown that NEX provides the best opportunity for project support to Government Priorities and to ensure national ownership. KEBS and KAM serve as implementing partners, and in matters of standards development, enforcement and trade policies, the Ministry of Industrialization takes the lead. But as will be discussed in section 3.4, a full NEX approach may not be the best strategy for this programme because of the significant delays that have accrued this far due partly to bulky procurement government procedures.

The PMU carries out the day-to-day running of the programme, and it is hosted within the Ministry of Industrialization. It has dedicated full-time Project Manager (Mr Andrew Karuga), Engineer (Mr Joseph Njuguna), Accountant (Mr Morris Miroga) and Administrative Assistant (Ms Juddie Kitilit).The remainder of the “project team” consists of the technical specialists and partner organizations contracted to deliver specific project outputs.

A Project Steering Committee (PSC) has been established with representatives from all the relevant national stakeholders including: MOI, UNDP, KEBS, KAM, MOE, ACA, KRA, CIN, ERC, NEMA, MEAC, KIRDI, MOF, and KNC IEC.

In order to coordinate implementation of the programme within the EAC, part-time national project coordinators were supposed to be been appointed in Burundi, Rwanda, Tanzania and Uganda to ensure regional involvement and focus. However, this strategy has changed during programme implementation. Instead of recruiting these part-time national project coordinators to coordinate the regional aspect of the programme, the MEAC has included to the PSC. The role of MEAC is to act as the hub through which regional coordination with EAC countries and the EAC Secretariat can take place. This option is also a lower cost option and hence increases the overall cost effectiveness of the programme. Consequently, there are no ex-officio regional coordinators sitting on the PSC. Likewise, no PSC were set up in the EAC countries mentioned in section 2.2.1.

## 3.3 Project Relevance

### 3.3.1 Relevance at National and Regional Levels

National Level Relevance

There are several policy and strategy directives, supported by stakeholder views, which demonstrate the direct relevance of the EELS programme at the national level.

1. Against the backdrop of the context drawn in section 2.2, EE is a key priority for GOK. The *National Energy Policy,* also known as Sessional Paper No 4 on Energy 2004states that:

*“..The Government recognizes the need to remove barriers and constraints to adoption of energy efficiency and conservation technologies and will therefore put appropriate measures in place including:*

* *Encouraging private sector participation in providing technical and financial support for energy conservation and efficiency;*
* *Enhancing the provision of energy audits and advisory services by the Ministry of Energy to institutions and companies including sensitization of industries and financial institutions on benefits of energy efficiency;*
* *Establishment of energy and equipment testing laboratories for efficiency and accelerated equipment ageing testing;*
* *Promotion of cost-effective industrial energy efficiency and conservation measures within economic sectors through exposure to competition;*
* *Dissemination of energy efficiency and conservation information to consumers;*
* *Encouraging demand side management by industrial and commercial sectors, and where necessary provision of the necessary technical support by the Ministry of Energy and electric power utilities; and*
* *Development of standards and labeling and codes of practice on cost effective energy use.”*

Relevance at regional level

The economy of Kenya is closed coupled with those of EAC countries like Uganda, Rwanda, Tanzania and Burundi. The EAC Treaty provides a framework for the member states to collaborate on issues of mutual interest, including trade, infrastructure, energy and others. On energy, it has set up the Ministerial Committee that reports to the Heads of State Summit. There are efforts to harmonize standards in the region. The relevance of EE in appliances and equipment in these countries has been established by the EESL programme:[[8]](#footnote-8)

*Burundi* – Arguably the weakest country in terms of both capacity and institutions to implement EESL, Burundi would seek to enhance its technical capacity through this programme.

*Rwanda* - The Ministry of Infrastructure and Communication (MINFRA) is in charge of energy, and it hosts a department dealing with energy efficiency. The Energy Policy is supportive of energy efficiency as it is centered on: achieving better use of energy resources; and harnessing energy resources to improve living conditions and human welfare.

*Tanzania* - EE is in line with the national energy policy whose main objective is to provide an input in the development process “by establishing efficient energy production, procurement, transportation, distribution, and end-user systems in an environmentally sound manner and with due regard to gender issues.”

*Uganda* - The Ministry of Energy and Mineral Development (MEMD) is responsible for the sector, dealing specifically with energy policy formulation, implementation and monitoring. MEMD has a Division for energy efficiency whose mandate is to ensure efficient utilization of energy in all sectors of the economy, including industry, commercial buildings, institutions, households, transport and agriculture. It is also charged with responsibility of setting efficiency standards for the utilization of various types of energy.

It is also pointed out that the EAC region generally has a deficit in supply of electricity to meet economic growth to support a growing population, especially rural, and for poverty alleviation. In this context, EE is one of the low-cost options to address the supply-demand imbalances.

### 3.3.2 Relevance to Multilateral Environmental Agreements

Kenya signed the UNFCCC on 12 June 1992, and ratified the Convention on 30 August 1994. The Convention entered into force on 28 November 1994.[[9]](#footnote-9) As discussed in section 3.3.3, the EELS programme squarely supports the GEF objective to support implementation of UNFCCC for “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”[[10]](#footnote-10)

### 3.3.3 Relevance to GEF Strategies, Priorities and Principles

The overall goal of the GEF in climate change mitigation is to support developing countries and economies in transition toward a low-carbon development path. As shown in **Figure 1**, efficiency improvement is one of the least-cost means to achieve GHG emission reductions, and hence promote low-carbon development. The project was approved under the strategic priorities for GEF-4 (July 2006 – June 2010),[[11]](#footnote-11) but is also being implemented under the strategic priorities for GEF-5 (July 2010 – June 2014).[[12]](#footnote-12)The EESL programme is consistent with the GEF Operational Programme 5 Strategic Objective 2: Promote Market Transformation for Energy Efficiency in Industry and the Building Sector. Such transformation is sought through the introduction of appliance standards and labeling.

The EELS programme supports the GEF principles are follows:

1. responsiveness to Convention guidance – Incremental funding from GEF towards the programme exemplifies this responsiveness;
2. consideration of different national circumstances of recipient countries – The programme has established the problems in Kenya and EAC, and was developed to tackle the national and regional barriers as discussed in sections 2.2, 3.3.1 and 3.3.2; and

(iii) cost-effectiveness in achieving global environmental benefits – The programme aims to deliver global environmental benefits of GHG emission reductions of 0.14 US$/tCO2e.

The methodology used to calculate emission reductions appears to have used the fuel emission factor for thermal power plants burning diesel. A recommendation has been made regarding the methodology used to calculate direct emission reduction potential of the EESL programme based on the grid emission factor. This is justified in section 4.2.

EE in appliances is known to be a least-cost means to achieving GHG emission reduction as shown in the abatement cost curve shown in **Figure 1**.

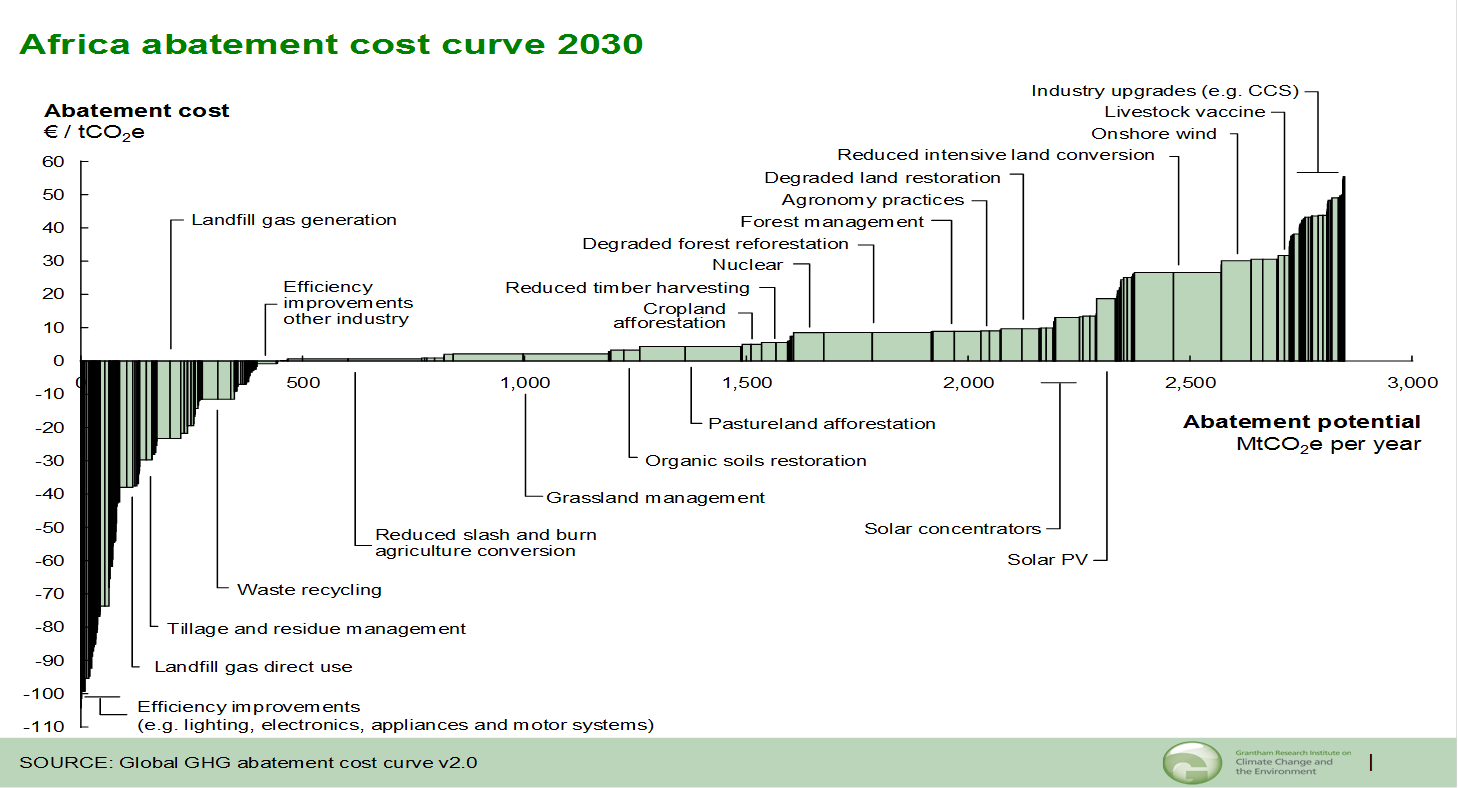


Figure 1. Marginal abatement cost curve (MACC) for Africa over the 2030 time horizon.

### 3.3.4 Country-drivenness and ownership

Country ownership is an important feature of the project assessment since it provides an indication of the future sustainability of the programme. There are several key indicators that show unambiguously that the *EESL programme is fully owned and driven by GOK*. For instance,

1. The concept of the programme originated indigenously at KAM, which has been actively pursuing energy conservation since the early 1990s with an effort to reduce the cost of doing business in Kenya. Prior to the GEF-funded project, KAM and MOE had piloted incentive schemes to reduce energy use by companies;[[13]](#footnote-13)
2. The project is relevant to the on-going national efforts as a low-cost means to address mismatches between supply and demand of electricity;
3. The EELS programme squarely supports Energy Policy of GOK as discussed in section3.3.1;
4. The project staff is housed at MOI, which is the implementing institution of the EELS programme; and
5. The PSC is chaired by the PS of MOI, implying highest level of direct oversight given to project by the implementing institution.

### 3.3.5 Stakeholder Participation in Implementation

One of the strengths of the EELS programme has been the participation of a wide range of stakeholders, as noted by key stakeholders of the programme. This is further evidenced by the enlargement of the membership of the PSC to include a wide participation that has led to high buy-in by stakeholders. One of the key strengths of the programme as indicated by stakeholders has been the multi-stakeholder participation in the implementation of the programme.

## 3.4 Project Management and Cost Effectiveness (Efficiency)

Overall the **efficiency** of the project is rated ***moderately unsatisfactory***. The program management arrangements, as discussed in section 3.2 describing the implementation approach, do not appear to be well designed to produce cost-effective execution of the work plan. Overall programme disbursement is at a relatively low 29.1%, of which management cost expenditure represents 88.6%. The management cost is currently well beyond the GEF threshold of 10% because the expected cash co-financing from UNDP and GOK to cover project management costs has not been forthcoming. There are also issues regarding the AWPs that are discussed below.

There have been significant initial delays in program implementation, mainly due to the prevailing political situation in Kenya around the expected starting time of the EELS program. Although the program was approved in December 2008, the first disbursements were made just prior to the Inception Workshop held in July 2010. According to multiple sources, this was due to the prevailing political challenges of the time, notably with the new constitution of Kenya being put in place in 2008/09, and when the former Ministry of Trade and Industry was split into two line ministries, namely Ministry of Industrialization and Ministry of Trade. This scenario was accompanied by new Permanent Secretary being nominated at the head of these ministries, and with the PS of the Ministry of Industrialization being changed soon after the setting up of the new ministry. The slow national government approval process following GEF approval is also seen when the program was approved at the national level in May 2009 – i.e. 5 months after GEF approval.

Once the project was initiated, there were delays due to bulky governmental procurement processes for contracting consultants, as well as time required to staff the PMU that happened in May-June 2010. Despite the slow start in 2010, the delivery rate in 2011 increased to 46.6%, and it appears that the delivery rate will be higher in 2012.

Given that the MEPS will most probably be approved and adopted by KEBS by June 2013, and given that the putting into place the related regulations will happen at the end of 2013/beginning 2014, the project will realistically not be completed with the expected timeframe – i.e. end 2013. The delays accrued by the project translate into a relative low 29.1% expenditure of the total GEF funds at the half-way mark. As is discussed in section 3.4, a significant percentage of the expenditures related to project management costs.

Monthly progress reports covering both the technical and financial aspects of the programme are generated each month. The project follows standard UNDP financial management procedures, with the project budget managed between the PMU and UNDP staff using the ATLAS system. One of the difficulties experienced during this evaluation concerns the AWPs. To date the PSC and UNDP have approved 3 AWPs, but since they cover different timeframes they are hard to reconcile. For example, the first AWP covered the period July 2010 to June 2011; the second one covered the period January 2011 to December 2011; and the third one (present one) covers the period July 2011 to December 2012. Due to the overlapping time periods, one AWP appears to be redundant. Further, the CDR used to monitor financial expenditures by UNDP covers the January to December timeframes. So there is an imperative need to harmonize the time horizons covered by AWPs and the CDR so that better monitoring of cost effectiveness and efficiency can be achieved.

Work plans and corresponding budgets are prepared annually to be approved by the Project Board. Official annual or semi-annual budget revisions are completed as necessary (approved by UNDP), to reflect updates in the programme work plan. Although the project monitoring and evaluation (M&E) plan calls for an annual audit, the project has not yet been audited. Since UNDP manages the project financial accounts, the project is incorporated in the overall UNDP auditing procedure in which only a few projects are selected to be included in the audit, and this has not yet happened for the EESL programme.

## 3.5 Financial Planning by Component and Co-financing

The total cost of the project is US$ 12.21 million with an amount of US$ 2 million of that corresponding to the incremental costs to be funded by GEF (excluding PPG), which is just over 16% of the overall budget.

### 3.5.3 Financial Planning by Component

According to the annual budget breakdown given in the approved Project Document, about 41.8% of total GEF funding needed to have been spent around the half-way mark of the program. The CDR and PIR show that only 29.1%% of total GEF funding was spent at 31 July 2012, which reflects the significant delays that have accrued in program implementation (see section 3.4).

As discussed in section 3.4, the different timelines of AWPs could not be reconciled. So the breakdown given below for financial expenditure against outcomes is derived from CDRs.

Table 7. Breakdown of expenditures to 31 July 2012.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Outcome** | **Jan-Dec 2010** | **Jan-Dec 2011** | **Jan-July 2012** | **TOTAL** |
| 1 | 87,399.47 | 160,484.34 | 68,971.13 | 316,854.94 |
| 2 | 46,540.74 | 7,502.99 | 70,421.94 | 124,465.67 |
| 3 | 37,000.00 | 66,617.41 | 5,321.67 | 108,939.08 |
| 4 | 662.64 | 0.00 | 4,695.82 | 5,358.46 |
| 5 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | 0.00 | 1,671.00 | 2,180.34 | 3,851.34 |
| Unrealized loss/gain | 0.0 | 25,953.83 | -2,860.76 | 23,093.07 |
| GEF (62000) | *171,602.85* | *262,229.57* | *148,730.14* | *582,562.56* |
| UNDP (04000) | *0* | *0* | *94.34* | *94.34* |
| TOTAL | **171,602.85** | **262,229.57** | **148,824.48** | **582,656.90** |

It is clear from **Table 7** that most of expenditures were against Outcomes 1, 2 and 3. However, a closer analysis showed that project management costs were accounted for under outcome 1 rather as a separate category in ATLAS. The project management costs such as salary of PMU staff, stationery, office furniture, office equipment etc … have been calculated as US$ 171,602.85, US$ 215,106.77, and US$ 129,202.13 for 2010, 2011 and 2013, respectively. Although there was spending in 2010, no programme activities were carried out except for the Inception workshop in July 2010. This is the reason why all expenditures for 2010 have been accounted for as project management costs.

The way that the ATLAS account has been set up is not adequate for monitoring the cost effectiveness and efficiency of programme spending. It is highly recommended that project management expenditures be monitored as a separate activity (e.g. Activity 7) in ATLAS as already proposed in the approved Project Document.

**Table 7** also reveals that outcomes 4 to 6 are lagging behind. As is discussed in sections 4.1.5 to 4.1.7, activities are in the pipeline that should rectify this shortcoming.

### 3.5.2 Co-financing

According to the approved Project Document, GOK was expected to contribute co-financing to the tune of US$ 10.2 million, of which US$ 5,999,791 would be in cash contributions. The in-kind contributions provided to the EELS program to date is deemed to be satisfactory, with such contributions taking the form of office space, support staff and office furniture and equipment. GOK has, however, not contributed any cash co-financing to the project to date.

The PMU had made a request for Ministry of Finance to transfer a sum of US$ 4 million to the program accounts, but this request remains to be fulfilled. Although it would be necessary and desirable for GOK to honour its commitment in terms of cash co-financing, there may be a good reason for the delay in making cash co-financing available to the program.

Kenya suffered a very severe drought, starting in October 2010, during the whole of 2011, and which affected around 3.5 million people, and which continue to affect 2.2 million persons.[[14]](#footnote-14) The government instituted a Ksh 10 billion (US$ ~121 million) Drought Management Relief Fund to deal with the crisis by diverting non-essential funds from elsewhere.

Also, UNDP was expected to contribute US$ 250,000 in cash co-financing over the 5-year period, with approximately USD 118,500 needing to be disbursed around the mid-term of the program. The CDR shows that only US$ 94 (sundry) has been spent to date. Here again, the GEF implementing agency needs to reaffirm its cash commitment to the EELS program.

Since there have been no cash co-financing to date, the project managements costs have been covered exclusively using GEF funding.

## 3.6 Flexibility and Adaptive Management

The project is being implemented through a flexible, results-oriented approach, while maintaining the focus on the overall project strategy. No significant changes were made to the project work plan and strategy at the time of the inception workshop. The only new activity added was under output 1.1 to “understand the testing procedures existing at KEBS and KAM”.[[15]](#footnote-15)Nevertheless, this activity is crucial since it formed the basis for enhancing the capacity of test procedures and standards in Kenya. Other minor changes included the addition of additional stakeholders in programme activities and changing the timeline of activities where needed.[[16]](#footnote-16)

As discussed in section 3.5, budget revisions were carried out and these were duly approved by the PSC as part of ongoing project flexible and results-based management.

The programme has been plagued with delays and one may source of delay is the slow procurement process at MOI. This specific issue has been raised in almost all minutes of PSC meetings held in 2011 and 2012. Two adaptive measures have been used to address the issue, namely (1) recruitments of short-term consultants carried out by UNDP; and (2) the Project Manager developing a Procurement Plan that helps to anticipate future recruitments and, hence, better inform their planning.[[17]](#footnote-17)

There is also the instance when the MEPS for lighting appliances was extended in scope to include fluorescent tubes because of environmental sustainability risks associated with mercury in these devices. Please see section 5.4 for more details.

## 3.7 UNDP Project Oversight

UNDP is the responsible GEF Agency for the project, and carries general backstopping and oversight responsibilities, as well as handling the financial accounts. UNDP is represented on the Project Steering Committee (PSC), and to ensure UNDP’s overall accountability for the project results, PSC decisions are made in accordance with standards that ensure managing for development results, cost-effectiveness, fairness, integrity, transparency and effective international competition.

The PMU typically informs the UNDP CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely fashion, and the issues raised by UNDP at the PSC. A good example is the issue related to serious delays in programme implementation that was raised by Mr D. Githaiga, UNDP at the Special Technical Committee meeting of May 2011 following a report from the Project Manager. The issue of delays due to procurement was discussed and potential solutions were found collectively.[[18]](#footnote-18)

Project monitoring is carried out by the UNDP Project Manager in the Kenya Country Office and by the UNDP Regional Technical Advisor for Climate Change Mitigation in the Pretoria UNDP-GEF Regional Coordination Unit.

Financial monitoring and evaluation of the EESL programme is carried out using the ATLAS tool of UNDP, and it generates reports such as the CDR to gauge the level of delivery on all the outcomes of the programme (see section 3.5). One observation from the CDR is that the programme funds are managed around six activities, with each one relating to one outcome of the programme. In this configuration, project management costs are accounted for under Activity 1 in ATLAS – i.e. under Outcome 1. This makes it hard to monitor the cost effectiveness of outcome 1 and project management. Hence, it is recommended that, as proposed in the approved Project Document, an additional activity – i.e. Activity 7 – should be included in ATLAS to monitor project management costs.

All evidence gathered during the evaluation mission indicates that UNDP is fulfilling its oversight and supervision responsibilities fully, with strong communication with key project partners and the project team. UNDP has worked with the project team to ensure comprehensive and timely financial and progress reporting. The project supervision has also benefited from the in-country presence of UNDP at the country level, and its dedicated Energy and Environment Unit.

# 4. Project Performance and Results (Effectiveness)

## 4.1 Progress Towards Achievement of Expected Objective and Outcomes

### **4.1.1 Development Objective**

Objective : To remove the barriers that are currently hampering the rapid and widespread uptake of energy efficient motors in the industrial sector; refrigerators in the residential; display refrigerators in the commercial sector; air-conditioners in the commercial sector; and lighting in the residential, commercial, and indusrial sectors.

Target 1: Volume of sales of energy efficient equipment and appliances in five categories has been increased by 40% by the end of the project.

Achievement: Not applicable for MTE.

Rating: Not applicable for MTE. Needs to have adoption of MEPS and labels, and with reasonable completion of outcomes 1 to 5. As discussed above, the regulation for MEPS is expected to be in place around end 2013/beginning 2014.

### **4.1.2Outcome 1**: Selection and adoption of International Test Procedures (ITP), MEPS, and Label classification

Target 2: Inventory of appropriate test procedures

Achievement: Technical Working Groups on these procedures is inplace and the target to have the procedures ready by end of July 2012 is yet to be achieved. However, this should be completed imminently.

Rating: Target almost achieved.

Target 3: Adoption and use of relevant test procedures for appliances and equipment

Achievement: Can only be carried after completion of Target 2.

Rating: Not applicable for MTE.

Target 4: Voluntary agreement (using Australian MEPS levels) for commercial display refrigerators introduced with 50% response

Achievement: Draft MEPS has been produced by TWGs and it has been handed over to KEBS for technical approval and other steps for adoption as standards on 10 August 2012.

Rating: Target can only be met after adoption of MEPS. This target is not expected to be achieved before 2014.

Target 5: MEPS will be introduced for energy efficient motors (efficiency class 2 – 90% compliance) ; domestic refrigerators (EU C-level – 100% compliance) ; air-conditioners (EU C-level – 100% compliance)

Achievement: Draft MEPS has been produced by TWGs and it has been handed over to KEBS for technical approval and other steps for adoption as standards on 10 August 2012. MEPS expected to be introduced by June 2013.

Rating: Not applicable to MTE.

Target 6 : Labels will be introduced for energy efficient motors (efficiency class 1 – 30% response) ; domestic refrigerators (EU A/B-levels – 10% response) ; air-conditioners (EU A/B-levels – 10% response)

Achievement : No work on labels has been carried out yet. This is the next step for TWGs.

Rating : Not yet achieved.

Target 7 : CFL quality standards introduced from ELI

Achievement: This is expected to be achieved by June 2013.

Rating: Not yet achieved.

### 4.1.3Outcome 2: Development and implementation of a Verification and Enforcement System (VES)

Target 8: A legal enforcement system has been designed and (pilot) tested for imports and local sales

Achievement: Procurement for a consultant on PSI System has been initiated.

Rating: Not yet achieved.

Target 9: Inspectors at Bureau of standards trained in energy efficiency compliance and regulations

Achievement: Procurement for a consultant to develop training modules has been initiated

Rating: Not yet achieved.

Target 10: Pre-shipment inspections that are currently being carried out on equipment and appliances from the5 categories will add energy efficiency as part of the pre-inspection

Achievement: Will be carried out when MEPS and labels are in place (by June 2013).

Rating: Not yet achieved.

Target 11: Throughout the project lifetime 30% of the Revenue Authority staff involved in trade inspections will be made aware and trained in energy efficiency regulations, compliance checking of energy efficient products and banning inefficient refrigerators

Achievement :Procurement for a consultant to develop training modules has been initiated.

Rating : Not applicable to MTE.

### 4.1.4Outcome 3: Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users

Target 12: Material developed and applied for informing importers and import authorities

Achievement: Procurement for a consultant to develop training modules has been initiated.

Rating: Ongoing activity.

Target 13 : At the end of the project the top-10 retailers and distributors will be fully aware of the energy efficiency benefits of the equipment and appliances from all 5 categories and will be able to transmit energy efficiency benefits to consumers and (industrial) end-users

Achievement: Although this is not applicable to MTE, it is pointed out that several leading retailers and distributors of electrical appliances and equipment form part of TWGs.

Rating: Not applicable to MTE.

Target 14: Training delivered in major towns

Achievement: Not yet carried out.

Rating: Not applicable to MTE.

Target 15: Awareness on S&L created among government, trade authorities, Bureau of standards, importers and traders in EAC countries

Achievement: Procurement for a consultant to develop training modules has been initiated.

Rating: Ongoing activity.

Target 16: At the end of the project the top-10 retailers and distributors will be fully aware of the energy efficiency benefits of the equipment and appliances from all 5 categories and will be able to transmit energy efficiency benefits to consumers and (industrial) end-users in EAC countries

Achievement: Not applicable to MTE.

Rating: Not applicable to MTE. Will need verification at the end of the programme.

### 4.1.5Outcome 4: Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners

Target 17: Appropriate levels of energy consumption standards for commercial display refrigerators in Kenya have been set based on international levels and experiences before the end of the first year of the project

Achievement: None.

Rating: Target has not been achieved. The timeline by Year 1 seems to be unrealistic. This is expected to happen in June 2013.

Target 18: Air conditioners energy consumption standards established

Achievement: Expected to be achieved by June 2013.

Rating: Not yet achieved.

Target 19: If appropriate 2-4 voluntary agreements will be designed and entered into

Achievement: Baseline survey completed. Consultant to develop Voluntary Agreements recruited.

Rating: Ongoing activity.

Target 20: A minimum of 3 meetings will be conducted in years 2, 3 and 4 of the project implementation between the PMU and the 2-4 main market actors involved in commercial display refrigerators

Achievement: Due to delays, meetings will be completed between 2012 and 2014. Market actors are involved in TWGs on MEPS.

Rating: Ongoing and partially applicable to MTE.

### 4.1.6Outcome 5: Policy support and policy framework

Target 21: The Centre for Energy Efficiency and Conservation at KAM is successfully operating and continues to receive active Government support

Achievement: Achieved.

Rating: Has been achieved.

Target 22: Energy efficiency recognized in national polices and activities started in all the countries of the EAC

Achievement: The Programme has generated a Report to guide in the process of forming a platform on EE issues in EAC Community. The programme then initiated discussions on formation of this Platform and is planning a regional workshop to be held in October 2012.

Rating: Ongoing activity. Not applicable for MTE.

Target 23: Targeted officers in ministries of Trade and Energy and those involved in S&L programme fully exposed and experienced in S&L application and benefits

Achievement: A Training Needs Assessment has been completed in January 2012, which will be used to achieve this target.

Rating: Ongoing.

### 4.1.7Outcome 6: Learning and replication

Target 24: A rollout programme for the other EAC countries designed

Achievement: The Programme has generated a Report to guide in the process of forming a platform on EE issues in EAC Community. The programme then initiated discussions on formation of this Platform and is planning a regional workshop to be held in October 2012. The Platform will be used to facilitate rollout programme for EAC countries by implicating the EAC Secretariat.

Rating: Ongoing.

Target 25: A monitoring plan developed at the outset of the project implementation to extract information needed for appropriate steering of the project’s implementation

Achievement: Not done.

Rating: Not achieved.

Target 26: All countries in the EAC actively involved in creating awareness and sharing lessons learned from Kenya on Energy Efficiency Standards and Labels

Achievement: Not yet achieved.

Rating: Not relevant to MTE.

Target 27: Up to 50% of the Kenya-based interventions will be adopted in the EAC mainly by use of the EAC standards platform

Achievement: Not relevant to MTE

Rating: Not applicable to MTE

Target 28: A minimum of 1 regional workshop and 2 site visits held to share experiences

Achievement: The Project Manager and the Engineer of the PMU visited counterparties in Uganda in September 2010, and attended a 2-day workshop on EE. A study tour of Thailand and Australia was also held in Q4 of 2011. These countries were chosen because of they are successful cases of implementing EESL.

Rating: Partially met but this is an ongoing activity.

## 4.2 Priority issues for the Remainder of Implementation

The preceding discussions have highlighted a number of issues that need to be addressed in the second half of the programme. These issues will also inform the recommendations of the MTE.

**Issue 1.** Emission reduction calculations

In order to ascertain that the global goal of the programme has been achieved, and to calculate the cost of CO2 abatement, it is necessary to use the appropriate methodology to calculate emission reductions. The estimates provided in the project document have assumed that diesel is combusted to produce electricity in the baseline scenario. However, since all appliances and equipment targeted would reduce the utilization of grid electricity, it would be more appropriate to calculate direct emission reductions using the Grid Emission Factor of the national grid. The Grid Emission Factor can be determined using the appropriate methodological tool of the CDM, and the positive here is that this factor is known for Kenya. Another advantage is that this approach would also help the stakeholders to better gauge the possibility of using carbon revenues to financially support EE initiatives in Kenya.

**Issue 2.** Co-financing issues

To date, neither UNDP nor GOK have provided any cash co-financing to the programme. This has meant that all project management costs (estimated at 88.6% of total expenditures so far) have been covered by GEF funds. So going forward, it is clear that both UNDP and GOK must contribute cash funding to the programme. Additionally, the programme is entering a phase where cash expenditures will rise through awareness campaigns, trainings and test equipment.

**Programme Management issues**

**Issue 3.** Financial management: Currently, program management expenditures are accounted as expenditures under Outcomes 1 to 6. As discussed in section 3.5, this make progress monitoring hard to do, meaning that it is difficult to get the correct feedback necessary to make timely adjustments to programme implementation. This issue will have to be addressed decisively by accounting for the programme management costs separately from expenditures related to the outcomes of the programme. The evaluator has already discussed the issue with UNDP.[[19]](#footnote-19)

**Issue 4.** Annual Work Plans: Following the discussions in section 3.4, it is important for the EELS programme to harmonize its AWPs to the time horizon of reporting by UNDP.

**Issue 5.** Use of logical framework: There is evidence that the logical framework is not used to its fully capacity as the main tool to implement the programme. In fact, most stakeholders of the programme were not aware of the logical framework. The reasons are most probably a combination of: (1) lack of awareness and experience in managing such a programme; and (2) lack of knowledge of GEF and UNDP operational rules. It is important that all stakeholders of the EESL programme be trained to make better use of the logical framework so that the quality of implementation can be enhanced going forward.

**Issue 6.** Procurement delays: One of the reasons that have caused programme delays is the bulky government procurement process. At the moment, there is an agreement between MOI and NDP that 70% of procurements will be carried out by the MOI using the public procurement system. Although the Public Procurement and Disposal Act is being reviewed with one intention to streamline the government procurement process, it would be desirable to shift a larger fraction of programme procurement to UNDP. This would be a short-term solution to expedite implementation in the second half of the programme. This proposition is agreeable to both MOI and UNDP.

**Issue 7.** Awareness campaigns and training

All stakeholders have unanimously reported that the level of awareness of EE is poor at all levels. In the minutes of the PSC meeting of 12 April 2012, there is a proposition that awareness campaigns would be better carried out once the MEPS and Labels are adopted in Kenya. Given that this may not happen until June 2013, this strategy is not recommended. Many stakeholders agree that awareness campaigns and trainings should start immediately. The programme has received substantial visibility as shown by the list given in **Annex 7**, and it is timely to use this foundation to launch awareness campaigns and training. Also, the programme can piggy-back and support initiatives such as those of KAM (energy audits) and KPLC (distribution of CFLs).

**Issue 8.** Programme completion date

Looking at the progress made towards completion of objectives and outcomes of the programme, it is clear that the EESL programme cannot be completed by the expected due date of end 2013. Give that MEPS will not become a regulation before end 2013/beginning 2014, and given the regional dimensions of the programme, it is clear that the programme will have to be extended so that its full benefits can be obtained.

# 5. Key GEF Performance Parameters

## 5.1 Sustainability

Based on the analysis of the four sustainability components discussed below, the **overall sustainability** of the programme has been rated ***moderately likely***.

### 5.1 Financial Risks to Sustainability

The activities that will most likely require financial support beyond the lifetime of the programme are those under outcome 1, namely investments in test equipment. There are several indications and ways in which the financial risks can be reduced. First, the mainstreaming of EE and MEPS in the forthcoming Energy Policy, and the setting up of a Energy Efficiency Commission (or similar), reveal the high level political support for EE in Kenya. The stakeholders who were interviewed showed confidence in the increasing flows of funding for EE activities in the near-future. Further, EE test equipment does not have to be housed in each country of the EAC. Instead, EAC countries can pool together to cater for all necessary EE test equipment in a distribute fashion.[[20]](#footnote-20) This strategy will serve to lighten the financial burden of all the EAC countries. This is a viable option given the move towards standardization of MEPS in the EAC. The financial risks can be further mitigated by deriving a revenue stream from the application of labels, which should then fed back to support EE initiatives – be it for purchase of equipment, training and awareness raising, increasing the scope of existing MEPS to cover a broader category of appliances (e.g. iron boxes, digital TVs etc …).

### 5.2 Sociopolitical Risks to Sustainability

The main sociopolitical risks would be related to the forthcoming general elections in March 2013. Although past lessons learned should not give rise to social unrests, these cannot be completely ignored. Sociopolitical risks are outside the control of the programme.

### 5.3 Institutional Framework and Governance Risks to Sustainability

There are various levels of institutional frameworks that need to be recognized. First, there are the institutional structures and governance structures that will be put in place after the March 2013 elections to implement the Second Constitution, wherein the main changes will be a significant decrease in the number of Ministries from its current 42 to a maximum of 24. The restructuring of ministries may also be accompanied by changes in Permanent Secretaries heading the ministries. Discussions with Dr Karanja Kibicho, Permanent Secretary, MOI have revealed that these risks can be adequately managed by the following actions:[[21]](#footnote-21)

* The PS has provided assurances that he has put in place a management system for all projects/programmes of the MOI that will facilitate a seamless hand-over should the situation arise. He also said that he would personally brief any new PS on the EESL programme in order to minimize delays in programme implementation; and
* The governance structure of the Second Constitution to replace elected ministries by appointed Cabinet Secretaries should be more supportive of the further implementation of the EESL programme. The Cabinet Secretary who will be a technical person will be more apt to understand the objectives of the programme, and support its implementation.

The sustainability of the programme beyond its lifetime is yet to be addressed clearly. The PSC has taken cognizance that the Centre for Energy Efficiency at KAM[[22]](#footnote-22) would be ideally placed to integrate the EELS programme post-2014. The modalities for such a transfer need to be addressed in the remaining implementation phase of the programme. However, the draft Energy Policy 2012 has made a proposal to set up a new institution that would manage all EE-related issues in Kenya.

### 5.4 Environmental Risks to Sustainability

The environmental risks associated with the uptake of MEPS and labels are very low. One issue that has been raised is the disposal of mercury in used CFLs. There are two ways in which this issue is being tackled:

* KPLC is already engaged with the dissemination of CFLs to households. To date 1.2 million units have been implemented in households, and there is a new plan to disseminate another 3.3 million units to target low-income households.[[23]](#footnote-23) Since the CFLs are targeting the substitution of incandescent lamps, KPLC is fully aware of the incremental levels of Hg associated with the CFLs. Hence, it has planned to put in place a system of recovery of used CFLs as a step towards their safe disposal; and
* The EESL programme has extended the scope of MEPS for lighting appliances to also include fluorescent tubes. The expected maximum Hg content is fluorescent tubes with MEPS will be 15mg.[[24]](#footnote-24)

## 5.2 Catalytic Role: Replication and Scaling-up

Although it is too early to see the catalytic role of the EESL programme, discussions with key stakeholders have shown that the time for EE in Kenya is ripe implying there are many avenues available for replication and scaling up. Some examples are:

* The EESL programme has a unique opportunity to influence and be part of the realignment of existing legislations and regulations with the Second Constitution. For instance, several Acts of Parliament, like the Energy Act 2006 and the Standards Act, are being reviewed, and a new Consumer Protection Bill (that should cover Sustainable Consumption) is being drafted. The new Energy Bill is being presented as an Omnibus Legislation that will cover all energy-related sector and issues not covered in the current Energy Act. Given that all the key stakeholders are either members of the PSC or TWGs, the EESL programme is well placed to leverage its resources to influence EE across sectors, mainly through outcomes 3 and 5;[[25]](#footnote-25)
* There are existing initiatives like dissemination of CFLs which covers the sectoral scope of the programme, and which it can capitalize on to build end-user awareness on MEPS and labels;
* From a policy perspective, the future for the application of MEPS is very bright since it is already included in the draft National Energy Policy 2012. The Energy Policy therefore already supports the inclusion of MEPS into a Regulation as part of Outcome 5;
* The Energy Management Regulation is expected Gazettement imminently, and this regulation will require sectors like manufacturing and industry to carry out energy audits every 3 years, and with implementation of 50% of recommendations of energy audits within 3 years.[[26]](#footnote-26) Here again, MEPS and labels will provide the impetus for this regulation to be implemented.

## 5.3 Monitoring and Evaluation

The project results are regularly reported to UNDP and GEF on a quarterly and annual basis [UNDP Quarterly Progress Reports (QPRs) and Annual Review Reports (ARRs), and GEF Quarterly Operational Reports (QOR) and Project Implementation Reviews (PIRs)].

The PSC that oversees project implementation has met eight times between 10 August 2009 and 17 April 2012 at a frequency of around 3 times per year. The PSC approves Annual Work Plans and Budgets as well as progress reports on project achievements. The Tripartite Project Reviews have been combined with regular PSC meetings.

A Special Technical Meeting was held on 30 May 2011 to address delays accruing in programme implementation and to find ways to overcome the barriers due to cumbersome procurement procedures. The Inception Report was presented and approved at the PSC meeting on 27 October 2010.

This evaluation has shown that monitoring and evaluation has been implemented according to the GEF/UNDP practice and in line with the monitoring and evaluation plan described in the Project Document.

## 5.4 Project Impacts and Global Environmental Benefits

Given that the programme has suffered from significant delays in implementation, it is too early to gauge its tangible impacts in terms of transforming the market for EE equipment and appliances. Nevertheless, it should be noted that there are existing activities outside the boundary of the programme, such as the successful dissemination of 1.2 million CFLs for household applications by KPLC that are squarely aligned with the outcomes of the EESL programme. It is expected that the realization of the outcomes of the programme will benefit existing activities.

Similarly, it is not possible in this MTE to gauge the global environmental benefits of the programme in terms of CO2 emission reductions. Assuming that the MEPS will be adopted a standard by KEBS by June 2013 and given that the MEPS will become a regulation by end 2013/beginning 2014, and given that the bulk of end-user awareness is yet to be completed, it is unlikely that emission reductions arising from the programme activities will be measurable before 2014. Hence, the project impacts and global environmental benefits will need to be evaluated in the terminal evaluation of the programme.

# 6. Main Lessons Learned and Recommendations

## 6.1 Lessons from the Experience of the Programme

There are a few key lessons that have been derived from the EESL programme and which should be captured as best practices.

**Multi-stakeholder process (MSP):** The EESL programme has used a broad participatory and consultative process through an enlarged PSC that provides high-level political support for the programme on the one hand, and dynamic TWGs that provide the technical backstopping to implement MEPS and Labels. Although, the MSP takes time to set up, it brings significant dividends in terms of institutional ownership by promoting inter-institutional collaborations. The benefits of the MSP will become even more visible in the second half of the programme.

Further, the programme is engaging with the EAC countries not necessarily on a bilateral basis, which may be time consuming given the different development stages of the member states, but with the EAC Secretariat through the MEAC.

**Adaptive management:**The discussions in section 3.6 have provided the evidence that the programme has been run in a flexible and adaptive manner. This is a vital dimension for successful implementation of a 5-year long programme was the environment in which it is implemented is very dynamic.

**Catalyst:** Section 5.2 has shown the many ways in which the EESL programme is already playing a catalytic role to promote EE in Kenya. With the adoption of MEPS by KEBS, and the putting in place of Labels, as well as increasing end-user awareness through educational and training campaigns, the catalytic role of the programme can only rise.

## 6.2 Recommendations for the Remaining Implementation Period

The recommendations are proposed to address the issues identified in section 4.2. The responsible parties to act on the recommendations are given in brackets.

**Recommendation 1:** Use the Grid Emission Factor in the end of programme study to calculate direct emission reductions. This should be part of the terms of reference of the consultant who will carry out the end of programme study. [PMU and Consultant]

**Recommendation 2:** UNDP and GOK have to contribute their share of cash co-financing to the programme. Given the current economic and political context, GOK should contribute at least partially its pledged cash co-financing. [UNDP and GOK]

**Recommendation 3:** This issue will have to be addressed decisively by accounting for the programme management costs separately from expenditures related to the outcomes of the programme. For instance, an additional activity line (say Activity 7) should be included in ATLAS to track programme management costs. [UNDP and PMU]

**Recommendation 4:** The EELS programme needs to harmonize its AWPs to the time horizon of reporting by UNDP (January to December). [PMU and UNDP]

**Recommendation 5:** It is important that all stakeholders of the EESL programme be trained to make better use of the logical framework so that the quality of implementation can be enhanced going forward. [UNDP and PMU]

**Recommendation 6:** It would be desirable to shift a larger fraction of programme procurement to UNDP. This would be a short-term solution to expedite implementation in the second half of the programme. Both MOI and UNDP are agreeable to this short-term solution. [MOI, UNDP, PMU]

**Recommendation 7:** The programme has received substantial visibility and it is timely to use this foundation to launch awareness campaigns and training. Also, the programme can piggy-back and support initiatives such as those of KAM (energy audits) and KPLC (distribution of CFLs). [PMU, KAM, KPLC, CIN and others]

**Recommendation 8:** The programme will need to be extended to 2014/2015 in order for all counter parties to derive full benefits. There need not be an increase in funding as long as promised cash co-financing is obtained. Further, the contracts of PMU staff will have to be reviewed accordingly. [UNDP]

## 6.3 Mainstreaming Mid-Term Evaluation Ratings

| **Project Component or Objective** | **Rating** | **Qualitative Summary** |
| --- | --- | --- |
| **Project Formulation** |  |  |
| **Relevance** | HS | Relevant at national and regional levels and GEF levels – the programme is squarely aligned with the energy priorities of Kenya and EAC countries, as well as the climate change mitigation priorities of GEF. |
| Conceptualization/design | S | The project document meets all the relevant minimum standards, and the project strategy is appropriate for the context in which the programme is operating. The problem statement was well articulated and based on baseline studies. However, latter were only indicative due to lack of solid statistics. |
| Stakeholder participation | HS | This has been a strength of the programme. The project concept originated indigenously from KAM, and the project development phase included input from relevant national institutions and organizations. Relevant regional institutions were also included at the project formulation phase. |
| **Project Implementation** |  |  |
| Implementation Approach (Efficiency) | MU | EELS is not financially well-managed and is it delivering significant results relative to the resources invested? |
| The use of the logical framework | MS | The programme team needs to make better use of the logical framework as an implementation and M&E tool as well. |
| Adaptive management | S | Project implementation is flexible and adaptive, to respond to changing conditions and risks, and to take advantage of opportunities for partnerships and actions that support the overall project objective. |
| Operational relationships between the institutions involved | S | The broad participatory and consultative mechanisms at the PSC and TWG levels have ensured adequate operational relationships between stakeholders. As mentioned above, all key stakeholders have a high buy-in the programme. |
| Financial management | MU | Due to initial delays the programme has disbused on 29.1% of GEF funds of which 88.6% have been used to cover programme management costs. |
| **Monitoring and Evaluation** | MS | Overall M&E is considered satisfactory, though the logframe indicator design, a critical element, could have been put to better use. |
| Monitoring and evaluation design | MS | The main M&E activities planned meet GEF and UNDP minimum standards, and conform to UNDP-GEF standard practices. The project logframe indicators and targets only moderately conform to SMART criteria. |
| Monitoring and evaluation implementation | S | No shortcomings in this regard, although the situation with respect to project auditing should be clarified and documented in PSC meeting minutes. Also, ATLAS set up has to be changed to ensure better M&E of financial expenditures. |
| Monitoring and evaluation budgeting | S | Resources necessary for project M&E activities are fully budgeted at adequate levels. |
| **Stakeholder Participation** | HS | Good stakeholder participation has been an important element of the project. Moving forward it will be crucial to have better linkages with counterparties in the EAC countries. Stakeholder involvement through enhanced awareness and capacity building can be increased. |
| Production and dissemination of information | S | The programme has received a lot of visibility. However, most stakeholders gauge the level of awareness on EESL to be low. Hence, sensitization needs to be accelerated in the second half of the programme. |
| Establishment of partnerships | S | The project implementation approach overall represents an important partnership between key government institutions. Beyond this, the project is seeking to create private sector partnerships, but this is still in the developmental stages. |
| Involvement and support of governmental institutions | HS | The Ministry of Industrialization is a critical stakeholder, and it is fully involved in the project. The MOI is Chair of the PSC. Through the minutes of PSC meetings it is clear that other governmental institutions (e.g. MOF, KEBS, ACA, KRA etc …) are well engaged in the programme. |
| **Project Results** |  |  |
| **Progress Toward Achievement of Objective and Outcomes (Effectiveness)** | MS | To date, most of the pitputs of the programme remain to be completed. However, the foundation work has been completed that puts it on track to reach the expected results by the end of the programme, albeit with an extension in end date. |
| **Objective:**To remove the barriers that are currently hampering the rapid and widespread uptake of energy efficient motors in the industrial sector; refrigerators in the residential; display refrigerators in the commercial sector; air-conditioners in the commercial sector; and lighting in the residential, commercial, and indusrial sectors | N/A | This cannot be gauged at the mid-term review. |
| **Outcome 1:** Selection and adoption of International Test Procedures, MEPS, and Label classification | S | The preliminary draft MEPS has been handed over to KEBS to be approved as a Kenya Standards. A TWG will be put in place imminently to develop Lables. TWGs on MEPS have already provided some input on Labels in their reports. |
| **Outcome 2:**Development and implementation of a Verification and Enforcement System | MS | A recruitment of a consultant to carry this out is just about to be finalised. |
| **Outcome 3:**Awareness raising campaign for Standards and Labels targeting distributors, retailers and end users | MS | A Training Needs Assessment as completed in January 2012, and the programme has recruited a consultant to develop training modules. |
| **Outcome 4:**  Development of voluntary agreements for efficient commercial display refrigerators and hotel air conditioners | MS | A consultant is about to be recruited to propose a voluntary agreement. |
| **Outcome 5:** Policy support and policy framework | MS | The programme has played its part in the new draft Energy Policy, and ERC should soon be in a position to draft regulations on MEPS. A policy and regulatory framework review was carried out for Kenya in 2011. |
| **Outcome 6:** Learning and replication | MS | There have been a few study tours and adoption of standards from Ghana, Uganda, Australia and New Zealand. A regional EAC conference will be organised by the programme in October 2012. |
| **Sustainability** | ML | The overall sustainability rating must be no higher than the lowest rating among the four criteria below. There are a number of factors that will need to be catalyzed and consolidated by the end of the project to ensure the sustainability of results. |
| Financial sustainability | L | Overall the project is focused on the enabling environment and capacity development, which does not require significant financial resources for follow-up. However there are questions around the availability of future government resources available. There ways to mitigate these risks. |
| Socio-political sustainability | ML | There is good stakeholder support for the project results, from national to local levels. |
| Institutional and governance sustainability | L | The most significant issue on this aspect relates to identification of an institution to host the activities of the programme beyond its lifetime and to establish modalities to do so. The Centre for Energy Efficiency at KAM has been identified as a potential candidate. Modalities need to be established. Also, the draft Energy Policy 2012 has proposed to set up a EE Commission or similar. |
| **Progress toward Overall Project Achievement and Impact** | **MS** |  |

# Annex 1 – TOR for Mid-Term Evaluation

(please see attached file “Annex 1 - TOR - MTE – EESL Kenya.pdf”)

# Annex 2 – Questionnaire for Survey Among Stakeholders

(please see attached file “Annex 2 – Questionnaire – MTE – EESL Kenya.doc”)

# Annex 3 – Responses of Stakeholders to Questionnaire Survey

(please see attached folder called ‘Annex 3 – questionnaire’)

# Annex 4 – Stakeholders Consulted for MTE

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Time** | **Organization** | **Status** |
| **Monday**  6th August 2012 | 1.45 PM | PMU |  |
| 2.30 PM | Ministry of Industrialization |  |
| 3.30 PM | Energy Regulatory Commission | Confirmed |
| **Tuesday**  7th August 2012 | 9.00 AM | Kenya Bureau of Standards |  |
| 11.30 AM | Ministry of Energy | Confirmed |
| 2 PM | **United Nations Development Programme** |  |
| **Wednesday**  8th August 2012 | 9AM | Anti-counterfeit Agency |  |
| 11.00 AM | Kenya Association of Manufacturers |  |
| 2.00 PM | Kenya Power Company |  |
| **Thursday**  9th August 2012 | 9.00 AM | Consumer Information Network | Confirmed |
| 11.30 AM | ABB |  |
| 2.00 PM | MTE |  |
| **Friday**  10th August 2012 | 8.00 AM | Review Workshop |  |
| 2.00 PM | MTE/Debriefing |  |

# Annex 5 – List of Participants at Debriefing Presentation

(Please see attached file – ‘Annex 5 – List of participants at debriefing presentation’).

# Annex 6 – Logical Framework of the Programme

(Please see file attached – ‘Annex 6 – Logical framework EESL programme.docx’)

# Annex 7 –Publicity Received by Programme

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **SUBJECT** | **MEDIA** | **DATE** | **PAGE** |
| 1. | World Environment Day 2012 - Role of UNDP in Green economy | Daily Nation | 5th June 2012 | 38 |
| 2. | Ministry gets Sh.180m boost in drive to arrest emissions | Business Daily | 7th March 2011 | 8 |
| 3. | UNDP champions and supports Kenya transition to green economy | Business Daily | 27th April 2012 | 15 |
| 4. | Implementation of a Standards and Labeling Programme in Kenya with replication in East Africa | The East African | 13th Feb 2012 | 32 |
| 5. | Body to champion energy conservation planned | The Financial Post | 5th-11th Feb 2012 | 15 |
| 6. | Kenya launches project to control energy loss | The Financial Post | 17th-23rd Oct 2011 | 9 |
| 7. | Fresh import rules target energy sector | Business Daily | 3rd October 2011 | 6 |
| 8. | Official launch of the Standards and Labeling Programme in Kenya | The People | 9th March 2011 | 6/7 |
| 9. | Quality electric appliances to reduce energy losses | The people | 14th March 2011 | 15/19 |

1. http://thegef.org/MonitoringandEvaluation/MEPoliciesProcedures/mepoliciesprocedures.html. [↑](#footnote-ref-1)
2. http://www.undp.org/gef/05/monitoring/policies.html. [↑](#footnote-ref-2)
3. This is taken to be the date of the Inception Workshop. [↑](#footnote-ref-3)
4. GOK-UNDP (2010) Standards and Labeling Programme – Inception Report. [↑](#footnote-ref-4)
5. Presentation made by Mr Erastus Kimuri, Director of Industries, Ministry of Industrialization, Inception Workshop, La Mada Hotel, Nairobi, Kenya (29 July 2010). [↑](#footnote-ref-5)
6. GOK-UNDP (2010), pg. 7. [↑](#footnote-ref-6)
7. GOK-UNDP-GEF (2009) Development and Implementation of a Standards and Labeling Programme In Kenya with Replication in East Africa, pp.13-14. [↑](#footnote-ref-7)
8. GOK-UNDP-GEF (2009) Development and Implementation of a Standards and Labeling Programme In Kenya with Replication in East Africa, pp.9-11. [↑](#footnote-ref-8)
9. <http://unfccc.int/essential_background/convention/status_of_ratification/items/2631.php> - accessed 30 July 2012. [↑](#footnote-ref-9)
10. GEF Secretariat (2010) GEF-5 Programming Document: Sixth Meeting for the Fifth Replenishment of the GEF Trust Fund, Paris, 12 May 2010. [↑](#footnote-ref-10)
11. For the focal area strategic approach for GEF-4, see GEF Council document GEF/C.31/1, “Focal Area Strategic and Strategic Programming for GEF-4,” July 16, 2007. [↑](#footnote-ref-11)
12. For the focal area strategic priorities for GEF-5, see GEF Council document GEF/R.5/31, “GEF-5 Programming Document,” May 3, 2010. [↑](#footnote-ref-12)
13. GOK-UNDP (2010), pg. 5. [↑](#footnote-ref-13)
14. Discussions with Mrs Maria-Threase Keating, Country Director, UNDP – 7 August 2012. [↑](#footnote-ref-14)
15. GOK-UNDP (2010) Inception Workshop Report, pg. 11. [↑](#footnote-ref-15)
16. GOK-UNDP (2010) Inception Workshop Report, pp. 11-13. [↑](#footnote-ref-16)
17. Minutes of PSC meeting held on 17 April 2012. [↑](#footnote-ref-17)
18. Minutes of the Special Technical Committee meeting held on 30 May 2011 at MOI. [↑](#footnote-ref-18)
19. Meeting with Mr David Githaiga, GEF Focal Person, UNDP – 8 August 2012. [↑](#footnote-ref-19)
20. Discussions with Mr Andrew Maina, Programme Manager, EESL Programme – 7 August 2012. [↑](#footnote-ref-20)
21. Meeting with Dr. Eng. Karanja Kibicho, PS, Ministry of Industrialization – 8 August 2012. [↑](#footnote-ref-21)
22. Minutes of the PSC meeting of 17 April 2012. [↑](#footnote-ref-22)
23. Mr John Kiambi mentioned that KPLC is seeking financial assistance through carbon finance (CDM) for implementing the second phase of CFL dissemination - 8 August 2012. [↑](#footnote-ref-23)
24. Meeting with Mr Andrew Karuga Maina and Mr Joseph Njugura (PMU) – 6 August 2012. [↑](#footnote-ref-24)
25. Meeting with Mr Samuel Ochieng, Chief Executive, Consumer Information Network – 9 August 2012. [↑](#footnote-ref-25)
26. Meeting with Mr Eustace Njeru, ERC – 6 August 2012. [↑](#footnote-ref-26)