

MIDTERM REVIEW

of the GOS-UNDP-GEF Medium-Size Project

Final v.3

Promotion and up-scaling of climate-resilient, resource efficient technologies in a Tropical Island Context, Seychelles

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This Midterm Review was prepared for the UNDP CO Seychelles by:

Jiří Zeman, International Consultant

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Profile of the evaluator

The midterm review mission to Seychelles was performed in January – February 2017, and the MTR report drafted in February - March 2017 by Mr. Jiří Zeman.

Mr. Zeman has 25+ years of international professional experience in energy efficiency, renewables, climate change and energy utilities. Since 2009, he has been working as a freelance consultant. Between 1990 and 2006, he worked with SEVEN, The Energy Efficiency Center in Prague, the Czech Republic, a leading energy efficiency consulting organization, where he served as a Deputy Director. During 2006-2008, he worked for the Utility Competence Center of Hewlett Packard for Central and Eastern Europe, Middle East and Africa as a Solution Architect. Mr. Zeman evaluated more than dozen UNDP/GEF energy efficiency and renewable energy projects, prepared feasibility studies, developed energy efficiency and renewable energy projects for financing and implementation, and drafted renewable energy legislation and bylaws.

Contact details: Mr. Jiří Zeman
 Murmanská 5
 100 00 Praha 10
 Czech Republic
 Email: jirkazeman@seznam.cz
 Tel: +420-776 81 83 63

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Abbreviations and acronyms

AC	Air-conditioning
APR	Annual Project Review
AWP	Annual Work Plan
CCI	Clinton Climate Initiative
CDR	Combined Delivery Reports
CO	UNDP Country Office
DBS	Development Bank of Seychelles
DoE	Department of Environment of the MEECC
DoECC	Department of Energy and Climate Change of the MEECC
EIB	European Investment Bank
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GOS	Government of Seychelles
LWMA	Landscape and Waste Management Agency
MCB	Mauritius Commercial Bank
MEECC	Ministry of Environment, Energy and Climate Change
MEPS	Minimum Energy Performance Standard
MFA	Ministry of Foreign Affairs
MFTEP	Ministry of Finance, Trade and Economic Planning, formerly MFTBE
MFTBE	Ministry of Finance, Trade and the Blue Economy, nowadays MFTEP
MTE	Mid-Term Evaluation
MTR	Midterm Review (equivalent to Mid-Term Evaluation)
NGO	Non-Government Organization
PCU	Project Coordination Unit
PDF	Project Development Facility
PIMS	Project Information Management System (UNDP GEF)
PIR	Project Implementation Review
PIU	Project Implementation Unit
PV	Photovoltaic – electricity generation from solar energy
PUC	Public Utilities Corporation, Seychelles
RE	Resource Efficiency (i.e. energy and water efficiency) – in the context of this project
SBS	Seychelles Bureau of Standards
SEC	Seychelles Energy Commission
SEEREP	Seychelles Energy Efficiency and Renewable Energy Programme
SEYPEC	Seychelles Energy and Petroleum Company
SIF	Seychelles Islands Foundation
SIT	Seychelles Institute of Technology
SNCCS	Seychelles National Climate Change Strategy
SRC	Seychelles Revenue Commission

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S4S	Sustainability for Seychelles
SWH	Solar Water Heaters
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value Added Tax

1. Executive summary

Table 1: Overview of the project identification

Project title	Promotion and up-scaling of climate-resilient, resource efficient technologies in a Tropical Island Context, Seychelles
GEF Project ID	5316
UNDP Project ID	4913
Country	Seychelles
Region	Africa
Focal Area	Climate Change Mitigation
Operational Program	GEF 5 Climate Change Mitigation strategic focal area objective #2 (CCM-2), and specifically focal area Outcome 2.1 Appropriate policy, legal and regulatory frameworks adopted and enforced, and focal area Outcome 2.2 Sustainable financing and delivery mechanisms established and operational
GEF agency	UNDP
Executing Entity	Seychelles Energy Commission (SEC)
Implementing Entity	UNDP
Other Partners Involved	Ministry of Environment, Energy and Climate Change (MEECC), Public Utilities Corporation PUC)

Table 2: Key project milestones

	Originally expected date	Actual date
CEO endorsement/approval	April 2014	June 2014
Agency approval date		June 2014
Implementation start		June 13, 2014
Midterm review completion	June 2016	April 2017
Terminal evaluation completion	March 2018	
Project completion	June 2018	

Table 3: Overview of budgeted and actual financial sources spent by October 2016

	Budgeted in Project Document	Actual as of end of 2016
GEF financing:	1,770,000 USD	768,411 USD
Other:	10,255,203USD	298,000 USD
- UNDP	80,000 USD	48,000 USD
- GOS	9,728,503 USD	250,000 USD
Of which: SEC	750,000 USD	250,000 USD
MEECC	80,000 USD	0 USD
PUC	1,500,000 USD	0 USD

<i>MFTI</i>	<i>6,898,503 USD</i>	<i>0 USD</i>
<i>DBS</i>	<i>500,000 USD</i>	<i>0 USD</i>
<i>AFD</i>	<i>TBD</i>	<i>0 USD</i>
- <i>Educational Institution (SIT)</i>	<i>100,000 USD</i>	<i>0 USD</i>
- <i>NGO (S4S)</i>	<i>46,700 USD</i>	<i>0 USD</i>
Total project costs (incl. GEF)	12,025,203 USD	1,066,411 USD

Actual co-financing spent is based on reported co-financing.

As of end of December 2016, in total 768,411 USD or 43.4 % have been spent out of the total GEF budget of 1,770,000 USD.

1.1 Brief description of project

The four-year 1.77 mil USD GEF financed project was designed with an objective to significantly reduce the rate of electricity consumption and water usage in Seychelles among underserved communities in the residential sector by developing and implementing:

- Improved policy, institutional, legal/regulatory and financial framework for adoption of resource (energy and water) efficient technologies, including Minimum Energy Performance Standards (MEPS) and energy labels for residential appliances (such as air-conditioning, water heaters, refrigerators/freezers, washing machines, lights, low-flow shower heads and taps), and for recycling and safe disposal of old appliances
- Awareness-raising and educational campaigns on resource efficient appliances
- Training schemes to support development of market for energy efficient appliances and water savings devices – including adoption of MEPS, energy labels, and service of resource efficient appliances
- Financing mechanisms to support adoption of resource efficient technologies

1.2 Project progress summary

By the end of 2016, the project has spent 43% of its 1.77 mil USD budget and delivered following key results:

- The SEC extended the VAT tax exemption scheme for additional energy efficiency appliances, including air-conditioners, refrigerators, freezers, and washing machines.
- The VAT exemption includes also implementation of a system for differentiation of appliances that comply with energy efficiency requirements and qualify for VAT tax exemption and SEEREP financing. SEC has implemented an interim process that is essential for the proper functioning of the existing financial incentives put in place by the GoS (VAT exemption and SEEREP). This interim process includes technical validation of qualified energy efficient products - electrical appliances, solar water heaters, and PV systems. In the future, this may be extended to water saving devices or systems.

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- Awareness raising activities have been continuously implemented, educational campaigns and trainings are ongoing and/or under development.
- Local banks market and offer SEEREP preferential loan scheme that is fully operational, as well as other preferential financial loans. However, there is a low demand with only 38 loans approved and disbursed under the SEEREP scheme by the end of 2016.
- Monitoring of electricity savings - SEC has initiated in September 2016 development of the monitoring tool, including a detailed and long-term measurement of electricity consumption profiles of home appliances in selected households as a baseline, that will be used to quantify energy savings and avoided emissions.

Remaining key project activities that need to be accelerated include:

- Development and adoption of resource efficient legislation and regulations and implementation of minimum energy/water performance standards and labels
- Integration of implementation support for end-use water savings technologies in order to compensate for the planned GHG savings and activities that will not be delivered by the NEPTUNE project.

Summary of project achievements and rating is provided in a

Table 4: MTR Rating and Achievement Summary Table for the Resource Efficiency Project, below. A detailed evaluation table of the project outcomes and outputs progress towards results is shown Annex 6.

Table 4: MTR Rating and Achievement Summary Table for the Resource Efficiency Project,

Measure		Midterm Rating	Achievement Description
Project Strategy		NA	The project strategy is clearly formulated, complex and demanding. 14% of target GHG savings, or 20,000 tCO ₂ , were expected to be delivered by water savings from the NEPTUNE project without any direct intervention from this RE project. That could lead to double counting of GHG savings. However, support to end-use water savings technologies uptake was removed from the NEPTUNE project. Project objective targets, i.e. GHG savings from electricity and water savings, are overestimated.
Progress Towards Results	<p>Objective: To significantly reduce the rate of electricity consumption and water usage in Seychelles among underserved communities in the residential sector</p> <p>Outcome 1.1 - Comprehensive and strengthened policy and legal frameworks adopted to promote residential resource efficient appliances</p> <p>Outcome 2.1 - Enhanced national awareness of the benefits of resource efficient appliances and verified behaviour change across targets groups regarding reduced energy and water use</p> <p>Outcome 2.2 – Consumers of RSE appliances aware of goals and conditions of the financing schemes for RSE technologies and of purchase and financing options available through these</p>	<p>NA – EOP target At high risk that the EOP target will not be achieved by EOP</p> <p>Moderately Unsatisfactory</p> <p>Moderately Satisfactory</p> <p>NA – EOP target</p>	<p>Monitoring system under development since mid-2016, but not operational yet, savings cannot be quantified. Realistically, only a small fraction of the target savings has been achieved by midterm.</p> <p>Legislation implementing MEPS and labels not developed. VAT exemption scheme implemented by SEC based on an interim procedure, including lights, refrigerators, AC split units and SW heaters. Endorsement of qualified products is not formalized in regulations yet.</p> <p>Awareness campaigns in progress, water baseline study indicated already 89% awareness of energy efficient appliances for water conservation.</p> <p>Awareness campaigns implemented and supplemented with marketing campaigns of banks offering SEEREP</p>

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Measure		Midterm Rating	Achievement Description
	<p>programs</p> <p>Outcome 3.1 – Platforms established for training of technicians in the installation, operation and maintenance of residential resource efficient technologies</p> <p>Outcome 3.2 - Capacity of key stakeholders improved to monitor and enforce the Minimum Energy Performance Standards (MEPS) and new energy labelling scheme</p> <p>Outcome 4.1 Regulations in place (linked to financing schemes) for safe disposal on non-EE residential appliances</p> <p>Outcome 4.2 Underserved consumers accessing specially designated financial products for purchase of RSE appliances</p>	<p>NA – EOP target</p> <p>Moderately Satisfactory</p> <p>NA - EOP target Moderately Unsatisfactory</p> <p>Number of banks – Highly Satisfactory Number of loans disbursed – NA - EOP target at high risk</p>	<p>Training platform under development</p> <p>Officers trained in an interim VAT exemption procedure and SEEREP eligibility (technical validation), no training on labelling so far due to pending development of a labelling scheme</p> <p>Working group was set up by the project but activities were put on hold to prevent duplication of effort with the pending development of the waste management master plan.</p> <p>All but one commercial bank offer SEEREP, several other financial schemes available as well, however, very low uptake. Only 38 loans disbursed vs. 8,500 target.</p>
Project Implementation and Adaptive Management		Moderately Satisfactory	Project implementation is relatively effective with major shortcomings in pending legislation development, no activities adopted to support water saving technologies uptake instead of the NEPTUNE project, and pending activities in waste recycling and safe disposal scheme development.
Sustainability	<p>Financial Sustainability</p> <p>Socio-economic sustainability</p>	<p>Likely</p> <p>Likely</p>	<p>Financial risks towards sustainability of project results are negligible, although there are several financial issues that may hamper delivery of expected results.</p> <p>Despite delays in RE regulations adoption, there is a strong political commitment and ownership and growing public awareness.</p> <p>Delayed RE regulations that would introduce RE</p>

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Measure		Midterm Rating	Achievement Description
	Institutional framework and governance sustainability	Moderately Unlikely	MEPS and labels create a significant risk that project objective targets will not be met.
	Environmental sustainability	Likely	Environmental risks are negligible. Energy and water savings have no negative environmental impact. The only environmental risk is associated with disposal of old appliances.
	Overall sustainability	Moderately Likely	Probability that delivered results will be sustained after project termination are high. But the overall project sustainability is undermined by a risk if the expected project targets (GHG savings) will not be delivered.

Ratings for progress towards results and for project implementation & adaptive management:

Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), or Highly Unsatisfactory (HU)

Sustainability Rating Scale: Likely (L), Moderately Likely (ML), Moderately Unlikely (MU), Unlikely (U)

1.3 Concise summary of conclusions and recommendations

The project is at a serious risk that it will not deliver expected project objective targets (GHG emission savings), due to exclusion of support for end-users' water savings technologies from the NEPTUNE project. An interim procedure has been put in place for identification of qualified resource efficient appliances, however, there are delays in adoption of strengthened policy and legal frameworks to promote resource efficient appliances.

However, there still is a chance, if the legal framework, labels and especially MEPS will be updated and implemented without any further delays, that the project will deliver all expected results necessary for generation of electricity, water and GHG savings before the planned end of project. In such case, expected GHG savings would not probably fully materialize by the planned project termination, but could be delivered with some delay after planned project termination.

The project design is very complex, and project targets are very ambitious, if not overestimated. The project objective target of GHG savings is ca 10 times higher than the target of recently implemented PV project. And the project design also assumes that 47% of targeted households will purchase and install within four years multiple resource efficient appliances (such as air-conditioning units, refrigerators/freezers, solar water heaters, washing machines, efficient lights, rain water harvesting systems, low-flow shower heads, faucets, and toilets).

20,000 tCO₂, or 14% of the project target, were expected to be delivered by the NEPTUNE project implemented by the PUC and co-financed by the European Investment Bank. However, the component supporting installation of end-use water efficient appliances was removed from the NEPTUNE project and thus these expected GHG emission savings will not be delivered.

After a slow start, the project has accelerated its activities. However, there still are key project elements that have not been properly developed so far. They are addressed in recommendations 1 to 3.

Recommendations summary:

1. Facilitate development and adoption of resource efficient legislation and regulations and implementation of minimum energy/water performance standards and labels.
(MEECC with input from SEC and PM)
2. Fully integrate water savings technologies into all project activities (in addition to energy savings appliances), including regulations, standards and labels, practical information dissemination and trainings for end-users and retailers, preferential financing schemes. Extend the project implementation team to include authority empowered to regulate water appliances (minimum standards for water efficiency).
(MEECC, PM and SEC)
3. Facilitate with the MEECC and LWMA development of a solid waste management policy implementation plan specifically for recycling and safe disposal of e-waste and appliances, including the collection system, and costs estimate
(MEECC, LWMA with SEC, PM)

4. Request no-cost project extension for additional 0.5 to 1 year
(PM/PCU)
5. Develop a simple savings monitoring scheme for practical utilization
(PM/SEC)
6. Address opportunities in new governmental building development (housing program and public buildings)
(PM/SEC)
7. Utilize and strengthen local capacities – internally and externally (such as training of trainers)
(PM/SEC)
8. Analyze opportunities and barriers for development of store financing/leasing and its costs for financing resource efficient appliances
(PM)
9. Explore opportunities to utilize international registries of energy efficiency appliances
(PM/SEC)
10. Revise project logframe
(PM/Steering Committee)
 - a) Do not limit the target group to some sectors, nor to specific source of financing only
 - b) Pilot sites to be available to public, not necessarily households only
 - c) Remove the second target “Policy and institutional mandate (MoU signed by LWMA) in place by end of year 1” of Outcome 4.1 “Recycling of non-EE residential appliances mandated in policy and institutional responsibilities”
 - d) Remove the last logframe indicator – “average electricity use per household (kwh/year) participating in SEEREP or other RSE financing platform”
 - e) Rephrase the 5th indicator and target of output/outcome 1.1 to include labeling (in addition to MEPS), and water appliances (in addition to electricity appliances)
11. Secure funding for new/additional activities related to the project implementation for SEC, SRC, SIT, and SBS from the state budget
(GOS, MEECC)
12. Continue the discussion with policy makers on full pricing of electricity and water to reflect actual costs, combined with introduction of addressed social support to low-income households
(MEECC, PUC, PM, SEC)

2. Introduction

2.1 Purpose of the midterm review and objectives

This midterm review was performed at the request of UNDP, the GEF implementing agency. The evaluation mission took place in Victoria, Mahé, Seychelles in the period of January 23-31, 2017. The midterm review report was submitted in February 2017.

The objective of the midterm review is to assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The goal of the MTR is also to review the project's strategy and risks to sustainability.

2.2 Scope and methodology of the midterm review

The midterm review report includes assessment of project progress structured in the following four categories:

- I. Project strategy
 - Project design
 - Results framework/Logframe
- II. Progress towards results
 - Progress towards outcomes analysis
- III. Project implementation and adaptive management
 - Management arrangements
 - Work planning
 - Finance and co-finance
 - Project-level monitoring and evaluation system
 - Stakeholder engagement
 - Reporting
 - Communications
- IV. Sustainability
 - Financial risks to sustainability
 - Socio-economic risks to sustainability
 - Institutional framework and governance risks to sustainability
 - Environmental risks to sustainability

The methodology used for the project midterm review is based on the 2014 Guidance for Conducting Midterm Reviews of UNDP-Supported GEF-Financed Projects. Its main principle is collection and utilization of evidence based information that is credible, reliable and useful, and it includes following key parts:

- I. Review of project materials and documents prior to the MTR mission
- II. MTR mission and on-site visits, interviews with project management and project team, UNDP CO, representatives of the steering committee, and project stakeholders and partners

- III. Drafting of the MTR report and additional clarification/verification of collected information
- IV. Circulation of the draft MTR report for comments
- V. Finalizing the report, incorporation of comments received

The MTR methodology includes analysis of underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review.

2.3 Evaluation criteria

In accordance with the 2014 Guidance for Conducting Midterm Reviews of UNDP-Supported GEF-Financed Projects, the main MTR evaluation criteria include:

- Project Strategy
- Progress Towards Results
- Project Implementation & Adaptive Management
- Sustainability

2.4 Structure of the MTR report

The structure of the MTR report follows recommendations of the 2014 Guidance for Conducting Midterm Reviews of UNDP-Supported GEF-Financed Projects. The MTR report is structured into the following main chapters:

- Executive Summary
- Introduction
- Project Description and Background Context
- Findings
- Conclusions and Recommendations
- Annexes

3. Project Description and Development Context

3.1 Project Development Context

The Republic of Seychelles is a small island nation with some 92,900¹ inhabitants only. It is located approximately 1,000 kilometers east of mainland Africa.

After the 2007 – 2009 economic decline, Seychelles implemented economic reforms and managed to return to a stable economic growth. In 2015, Seychelles gained a World Bank status of a high-income country. Despite the newly gained high-income country status, there still is a significant number of households with limited financial capacity. Average monthly earning in Q1/2015 was 10,141 SCR².

Seychelles is highly dependent on imported oil to meet its energy needs. The Project Document indicated that 90% of the primary energy supply in the Seychelles comes from imported fuel, mainly fuel oil for electricity generation.

Although rich in rainfall, Seychelles collects only 2-3% of the rainfall water for utility distribution. During dry seasons, rainfall water supply is not sufficient to meet growing demand, and electricity intensive desalination plant at Mahé needs to be put into operation to minimize water shortages.

Seychelles committed itself to implement energy efficiency and renewable energy in its 2010 Energy Policy 2010-2030, with a target of 15% share of renewables in 2030 energy demand, and an indicative target of 30% energy savings. Seychelles strive to strengthen the renewable energy target and have developed a roadmap for 100% share of renewables by 2035. The GOS established in 2009 the Seychelles Energy Commission and in 2010 approved the Seychelles Energy Commission Act that formalized the establishment of SEC and its responsibilities, including energy efficiency. The GOS lifted in 2010 the 15% import tax and 15% Goods and Services Tax (later changed to VAT) on eligible energy efficiency appliances and renewable energy technologies. In 2012, the GOS enacted the new Energy Act.

The country has launched uptake of renewable energy, namely wind energy and photovoltaics. New 6 MW wind farm was constructed with funding from Abu Dhabi Fund for Development in 2013. Another GOS-UNDP-GEF project was implemented between 2012 and 2016, that facilitated adoption of the “net-metering” scheme, a specific form of a feed-in tariff, and a total of 1.8 MW of roof-top photovoltaics have been installed by the end of 2016.

This resource efficiency project was designed to facilitate adoption of energy efficiency appliances and water savings appliances in Seychelles.

¹ Source: <http://data.worldbank.org/>, 2015

² Source: Seychelles Data Portal, <http://seychelles.opendataforafrica.org/SEDS2016R1/socio-economic-data-of-seychelles-1980-2015>, October 2016

3.2 Problems That the Project Sought to Address

The project was designed to address the country's priority in:

- strengthening energy security,
- supporting sustainable development

and in the same time the project responded to the country's commitment regarding the

- climate change.

Seychelles National Climate Change Strategy (SNCCS, 2009) specified as one of its objectives "to achieve sustainable energy security through reduction of greenhouse gas emissions."

Although Seychelles is a net carbon sink country, with a sequestration level estimated at 821.74 Gg of CO₂³, anthropogenic GHG emissions, of which 51% are attributed to power generation, grow rapidly. GHG emissions from power generation increase by more than 50% over a decade⁴.

The resource efficiency project was designed to reduce GHG emissions and thus to support mitigation of climate change risks and to reduce country's dependency on imported fuels for power generation through facilitation of energy and water efficiency implementation on a large scale. This resource efficiency project, the first large scale activity promoting end-use energy and water efficiency in Seychelles, supplements on-going country's activities in developing renewable energy.

Specifically, the project was designed to address the following barriers:

- Lack of enabling policy framework
- Information barriers and lack of awareness regarding resource efficient technologies
- Insufficient technical training and information resources to support the supply chain for resource efficient technologies
- Lack of access to financing for the purchase of resource efficient technologies

3.3 Project Description and Strategy

The project has been developed against a background of structural economic reforms and a growing concern about the dependence of the Seychelles on the importation of fossil fuels for energy production, and the impacts of that dependence on the national economy, energy security, and climate change risks.

The project objective is to reduce the rate of electricity consumption and water usage in Seychelles across domestic households through improved awareness and financial incentives for the uptake of selected resource (i.e. energy and water) efficient residential technologies.

Expected outcomes of this project include increased market penetration of energy-efficient appliances and practices in the residential market. Indicators of success include estimated quantity of energy saved, tonnes of CO_{2eq} emissions avoided, and the adoption of energy efficiency

³ Project Document quote of the Seychelles National Report Sustainable Development Conference, 2012

⁴ Project Document, page 11

standards and labels. Among the expected direct impacts of the project is improved efficiency of energy use in the residential sector. In addition to its direct impacts, the project will develop capacities, policies and consumer awareness that is expected to result in indirect effects attributed to structural changes in government energy policy, changes in availability of resource efficient products in the marketplace, and consumer awareness and behavior.

Summary of project objective, outcomes and outputs

Project Objective:

To significantly reduce the rate of electricity consumption and water usage in Seychelles among underserved communities in the residential sector

Component 1: Improved policy, institutional, legal/regulatory and financial framework for resource efficient technologies

Outcome 1: Comprehensive and strengthened policy and legal frameworks adopted to promote residential resource efficient appliances

Output 1.1: Baseline studies completed on residential and SME markets for Resource Efficient Appliances

Output 1.2: Energy Efficiency and Renewable Energy Unit within SEC operating with sufficient training and resources

Output 1.3: Energy Efficiency Strategy and Energy Efficiency Implementation Plan approved and implemented

Output 1.4: Approved and enforced policies and regulations on importation of residential Resource Efficient technologies

Output 1.5: Established and effectively enforced Minimum Energy Performance Standards (MEPS) for residential Resource Efficient technologies covered under the project

Output 1.6: Measuring, Reporting, and Verification (MRV) system in place for resource efficiency programs in Seychelles

Component 2: Awareness-raising and educational campaign on resource efficient appliances

Outcome 2.1: Enhanced national awareness of the benefits of resource efficient appliances and verified behavior change across target groups regarding reduced energy and water use

Outcome 2.2: Consumers of RSE appliances aware of goals and conditions of the financing schemes for RSE technologies and of purchase and financing options available through these programs

Output 2.1: Action Plan for implementing the Seychelles Energy Education and Communication Strategy (SEECs) developed and adopted, including component on reducing residential water use

Output 2.2: Demonstration Projects and Trade Fair for residential energy efficient appliances and water saving devices

Output 2.3: National energy label system for resource efficient appliances launched and operational across Seychelles

Output 2.4: Strategy for promoting absorption technologies developed and approved

Component 3: Training schemes to support development of market for energy efficient appliances and water saving devices

Outcome 3.1: Platforms established for training of technicians in the installation, operation and maintenance of residential resource efficient technologies

Outcome 3.2: Capacity of key stakeholders improved to monitor and enforce the Minimum Energy Performance Standards (MEPS) and new energy labelling scheme

Output 3.1: Importers and retailers of appliances have market and technical knowledge necessary for procurement, marketing and servicing of resource efficient appliances and participation in financing schemes

Output 3.2: Vocational training program on installation and maintenance of resource efficient appliances developed and established, with appropriate curriculum approved and operational

Output 3.3: Customs and Revenue authorities trained to confirm that imported resource efficient appliances match documentation and are in compliance with regulations developed

Component 4: Financing Mechanisms to support adoption of resource efficient technologies in the Seychelles

Outcome 4.1: Regulations in place (linked to financing schemes) for safe disposal of non-EE residential appliances

Outcome 4.2: Underserved consumers accessing specially designated financial products for purchase of RSE appliances

Output 4.1: Policy framework – including rules, mechanisms and monitoring system – in place for recycling and disposal of non-resource efficient residential appliances in compliance with international norms

Output 4.2: Capacity-building for financial institutions and commercial banks in the Seychelles on the effective implementation of financing schemes for RE technologies, including approved eligibility lists for products covered.

Output 4.3: Key partnerships and platforms developed and operational providing financial support for uptake of resource efficient technologies among underserved communities. (SEEREP - residential, DBS – SME facility, NEPTUNE project – water savings in residential)

Output 4.4: By end of project at least 8,500 households or SMEs have purchased or received one or more of the covered RSE technologies³ from at least one of the platforms mentioned

3.4 Project Implementation Arrangements

The project was designed to be nationally executed (NIM modality) by the Department of Environment in the Ministry of Environment, Energy and Climate Change (MEECC), in line with the Standard Basic Assistance Agreement (SBAA, 1977) between UNDP and the Government of Seychelles. The Seychelles Energy Commission was designed to perform direct daily oversight of the project.

UNDP is responsible for quality assurance, monitors the project's implementation and achievement of the project outputs, and ensures the proper use of UNDP/GEF funds.

A centralized Programme Coordination Unit (PCU) has been established by the UNDP and the Government of Seychelles to support, administer and coordinate the implementation of all UNDP-GEF environmental projects in the Seychelles.

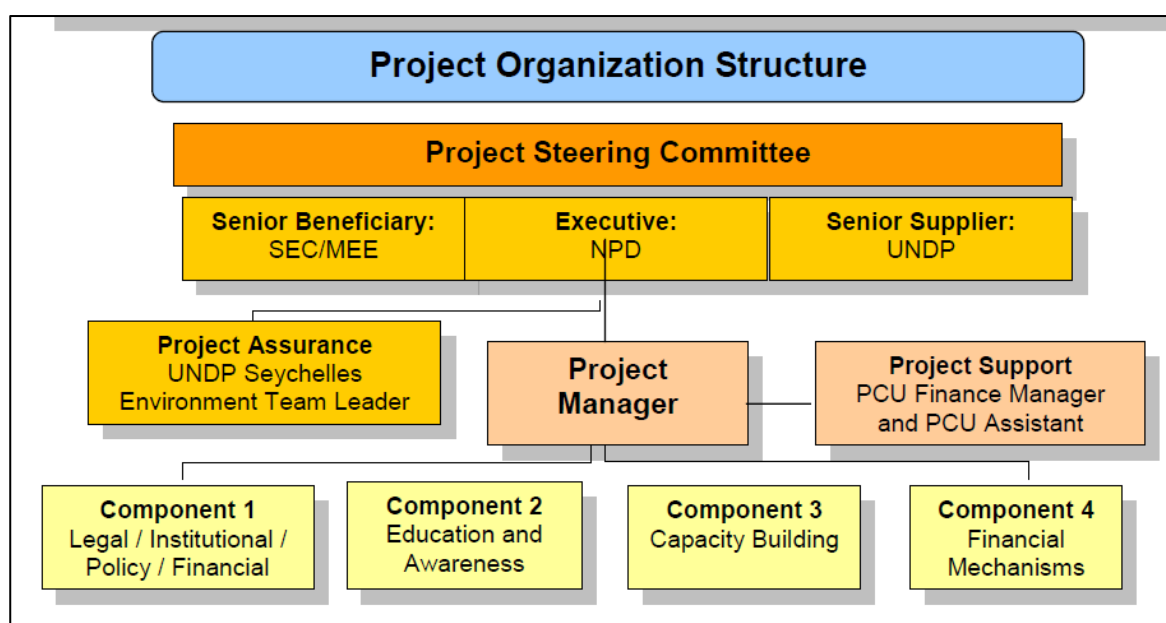
Day-to-day management of the project is carried out by a Project Manager. The Project Manager works under the overall guidance of the Project Steering Committee (PSC), and reports to UNDP, the Seychelles Energy Commission, and the PSC.

The Project Steering Committee consists of representatives of the Seychelles Energy Commission (SEC); Department of Environment (DOE), Ministry of Foreign Affairs (MFA), Ministry of Finance, Trade and Economic Planning (MFTEP); Development Bank of Seychelles (DBS); Mauritius Commercial Bank (MCB), Seychelles Energy and Petroleum Company (SEYPEC), the Seychelles Islands Foundation (SIF); and the United Nations Development Programme (UNDP).

The DOE of the MEECC has the overall responsibility for achieving the project goal and objectives, with the support of the Seychelles Energy Commission.

The following chart illustrates the project management structure.

Chart 1: Project Management Scheme



3.5 Project Timing and Milestones

The four-year project was launched with a project document signature on June 13, 2014, and it is scheduled to terminate in four years – in June 2018. Actual project implementation started in November 2014 with hiring a Project Manager and holding an Inception Workshop.

The Midterm Review was planned for a mid of project implementation period, and the terminal evaluation is scheduled to take place at least three months before project termination.

3.6 Main Stakeholders

Key project stakeholders and partners include:

- Department of Environment (DoE) and Department of Energy and Climate Change (DoECC) of the Ministry of Environment, Energy and Climate Change (MEECC)
- Seychelles Energy Commission (SEC)
- Attorney General's Office
- Public Utilities Corporation (PUC)
- Ministry of Finance, Trade and Economic Planning (MFTEP)
- Clinton Climate Initiative (CCI)
- Development Bank of Seychelles (DBS)
- local commercial banks
- Seychelles Bureau of Standards (SBS)
- Landscape and Waste Management Agency (LWMA)
- Seychelles Institute of Technology (SIT)
- Customs Division and the Seychelles Revenue Commission (SRC)
- local NGOs
- investors - residential and business electricity and water customers/end-users

Other project partners – members of the Steering Committee – include:

- Ministry of Foreign Affairs (MFA) (involved at the project development and approval phase)
- Mauritius Commercial Bank (MCB)
- Seychelles Energy and Petroleum Company (SEYPEC)
- Seychelles Islands Foundation (SIF)

4. Findings

4.1 Project Design

4.1.1 Project Strategy

The Project Document is in general well structured, very informative but focused, and not overwhelmed with excessive information.

The project strategy for adoption of energy efficient appliances is well and clearly defined – and its principles follow the best international experience to be applied and implemented in Seychelles. For electricity appliances, the project plans for new legislation and regulations to be developed and adopted that will introduce compulsory minimum energy performance standards (MEPS), and energy labels for electricity appliances. The project design utilizes also results of two studies/small pilot projects implemented in Seychelles in 2011. S4S NGO retrofitted 3 pilot low-income households with energy efficient refrigerators, solar water heaters, and energy saving lights. German consultant (Netrawat Group) retrofitted 10 households with energy efficient refrigerators, light bulbs, washing machines, water savings shower heads, solar water heaters, and rain water harvesting system. Based on these pilot projects household electricity savings were assessed.

In case of water saving technologies, the project document does not identify specific measures and/or regulations, in parallel to MEPS and energy labels for electricity appliances that would support market penetration of water efficient technologies. In fact, GHG savings from water savings have been expected to be delivered by the NEPTUNE project.

Adoption of regulation requiring mandatory recycling and safe disposal of electricity appliances (Outcome 4.1) is incorporated into Component 4 – Financing mechanism to support adoption of energy efficient technologies. Incorporation of this “regulatory” outcome 4.1 into the “financial” component 4, rather than to the “policy and regulatory” component 1, suggests that this outcome was not elaborated in much detail. Implementation of this waste policy – recycling and safe disposal of electricity appliances and e-waste – will require significant investment for construction of recycling and waste disposal facilities and waste collection infrastructure, as well as additional funding for operation of such waste collection, recycling and safe disposal system. The Project Document does not estimate these costs, neither the funding options. The waste policy cannot be implemented without significant investment, and the investment cannot materialize without committed funding.

During project document development, consultations with a wide range of local stakeholders were held and their comments and perspectives taken into account.

The project document addressed properly gender issues and specifically women led households in a traditionally matriarchal society of Seychelles.

Project targets are overestimated.

Comparison with another GOS-UNDP-GEF project implemented in Seychelles, the roof-top photovoltaic project, provides a good illustration how ambitious this project is.

The CO₂ reduction target of the RE project is about 10 times higher than the CO₂ reduction target (expressed in annual savings) of the PV project.

The RE project design assumes that 8,500 households will make an investment decision and purchase energy and water saving appliances and technologies within four years of project implementation period, and that 100% of these 8,500 households will finance the purchase of energy efficient appliances with preferential debt financing (SEEREP). These targets were assigned by the GOS to the SEEREP program and applied for the RE project. Under the PV project, on the other hand, 181 investors installed roof-top PV at their premises (the total combined installed PV capacity was 1,8 MWp at 181 sites).

8,500 households represent ca one third of all households in Seychelles, and 47% of the target group of 18,210 households with electricity consumption higher than 200 kWh/month.

The RE project, and end-use energy and water efficiency projects in general, are much more complex than renewable energy projects in terms of individual decision makers and technology involved, and in achieving GHG savings.

Target group is not clearly defined

The target group specification, as outlined in the Project Document in different places, is somewhat confusing. The target group specification includes:

- underserved communities in the residential sector

but on the other hand:

- households with electricity consumption higher than 200 kWh/month - i.e. all households except for low-consumption ones, assuming they include low-income households which are not considered to be able to pay for energy efficient appliances.
- Small and medium enterprises (SMEs) are expected to benefit from the project as well, and their savings to be counted for in the LogFrame.

Unclear specification of the target group translated into excessive GHG savings targets

Calculation of energy and GHG savings applied in the Project Document assumed penetration of energy efficiency appliances across all residential sector, including low-income households that were identified as those, which are not able to pay for energy efficient appliances, and thus were not targeted (in other part of the Project Document).

GHG savings from water savings are overestimated

Project assumes that desalination plants are in operation throughout the whole year. This is the case of smaller desalination plants serving Praslin and LaDigue. The major plants at Mahé are in operation on average for maximum of only 6 months a year during the dry season. Thus, the actual electricity and GHG savings related to water savings at Mahé desalination plant will materialize only by 50%.

Energy efficient technologies market penetration rates used in the ProDoc for GHG savings estimates are rather ambitious for a four-year project. In case of water savings technologies, the penetration rate just copied the penetration rate used for energy appliances without any further analysis.

No direct GHG savings from the NEPTUNE project for the RE project

The 54.6 mil EUR NEPTUNE project, implemented by the PUC, and co-financed by the European Investment Bank, focuses on improvement and expansion of water supply infrastructure. It includes a component focused on reduction of electricity consumption and water losses of the PUC in its water supply system, and a general water savings awareness campaign targeted at PUC customers. The NEPTUNE project originally planned to co-finance also end-use water savings technologies. However, this component with a budget of ca 150,000 EUR was later removed from the project and water saving technologies are expected to be financed by private investors/water end-users themselves. Budget for National Water Campaign is ca 120,000 EUR.

During the development of the RE Project Document, the NEPTUNE project had not specified its target group yet. However, the RE Project Document assumed that under the NEPTUNE project, 8,500 households will install water saving technologies and deliver GHG savings for the RE project. Even if the NEPTUNE project would implement these activities, it is not clear why these GHG savings should be attributed to the RE project, when there was no direct link planned for between the RE project and the NEPTUNE project. In any way, double counting of GHG emission savings should be avoided.

Summary:

The designed project scope of work is very complex and demanding. The project strategy for adoption of electricity appliances is clearly formulated and it is based on best international experience. The Project Document expected 14% of GHG savings target to be delivered by the NEPTUNE project. However, the component that was designed to support water savings technologies at water end-users was removed from the NEPTUNE project and it will not be implemented. Outcome 4.1 – Recycling and safe disposal of electricity appliances – cannot be implemented without a significant investment. However, the project document did not take into account these costs.

Project objective targets, GHG savings from electricity and water savings, are overestimated due to a mixture of factors described above.

4.1.2 Project Results Framework/LogFrame

The project LogFrame clearly describes project objective and outcomes indicators, baselines, targets, source of verification and assumptions.

In several cases project indicators and outputs do not seem to be logically assigned to their outcomes, and would be better placed under different project component.

For example, outcome 2.1 – “Enhanced Awareness” has an indicator (and output) “number of RE appliances for which energy labelling scheme is in place”. This indicator would better fit with the outcome 1 – “Legal frameworks adopted to promote RE appliances”. Outcome 4.1 – “Regulations in place for safe disposal of non-EE residential appliances” would be more appropriately placed under Component 1 – Policy and legal framework. However, more important is that implementation of waste policy requires significant investment and waste policy financing was not addressed in the design of this outcome.

Objective level targets of this GOS-UNDP-GEF RE project include ca 20,000 tons of CO_{2eq} lifetime savings from water savings technologies that were expected to be delivered by the NEPTUNE project co-financed by the EIB without direct intervention of this RE project. Without direct intervention of the project, GHG savings resulting from activities of other parties should not be reported as project direct emission savings.

The LogFrame does not include formally project outputs, but only project objective and outcomes. Project outputs (with slightly modified wording) are de facto used as indicators for project outcomes.

This is an unusual approach. Although it does not hamper its intelligibility, on the contrary, it de facto reduces the three-level LogFrame used in typical UNDP-GEF projects to a two-level one.

Total number of project indicators/targets is 23, of which 3 refer to project objective, and 20 to project outcomes. Out of these 20 indicators/targets, 17 reflect the project outputs wording, and there are 3 additional indicators/targets (in addition to slightly reformulated project outputs serving as indicators).

Lower number of indicators would improve the clarity and effectiveness of LogFrame utilization.

The issue of ambitious and overestimated project objective targets is discussed in detail in Chapter 4.1.1 above.

The design of the project document factored in broader development effects, including income generation, gender equality and women’s empowerment, and improved governance, livelihood benefits, etc.) of the project were factored into project design.

4.2 Progress Towards Results

4.2.1 Progress Towards Outcomes Analysis

The RE project has accomplished a number of activities already that support adoption of resource efficient appliances. Among the most significant achievements so far is an introduction of an interim procedure defining minimum energy performance requirements for additional energy efficiency appliances eligible for VAT tax exemption and financial support from the SEEREP program.

However, the project is significantly delayed and behind the planned schedule. Especially critical are delays in component 1 – policy, institutional, legal/regulatory framework, because actual adoption of resource efficient technologies and delivery of GHG emission reductions depend on mandatory regulations (like MEPS) that have to be implemented by the legislation. Also effective

delivery of results under remaining components 2 to 4 depend heavily on effective delivery of component 1 – adoption of mandatory resource efficiency regulations.

Awareness raising and educational campaigns under component 2, and to a lesser extend RE training schemes are under development. The lower delivery in component 3 relates to the fact that awareness raising and educational campaigns are less dependent on effective delivery of component 1 than the trainings, and also to the lack of capacity to develop/implement trainings at SIT.

In component 4, financial mechanisms are fully operational and consumers and SMEs have access to financial schemes. All but one local commercial banks participate in the SEEREP scheme. In addition to SEEREP, there are other financial support schemes - partly competing with SEEREP. However, the demand for SEEREP financing is very low, only 76 applications were submitted and 38 loans have been approved by the end of 2016 (the target is 8,500).

Table describing in detail progress towards results is shown in Annex 6.

4.2.2 Remaining Barriers

The project document specifies four barriers, which are addressed in four project components:

- I. Lack of enabling policy and legal framework for resource efficient technologies
- II. Information barrier and lack of awareness
- III. Insufficient technical training and information
- IV. Lack of access to financing

Relevance or remaining of these barriers at the midterm of project implementation goes hand in hand with project implementation progress.

Lack of enabling policy and legal framework – remains a major barrier, since the development and adoption of energy efficiency legislation and regulations that would introduce MEPS and energy labels is still pending.

Information barrier and lack of awareness and to a lesser degree insufficient technical training have been partially reduced by delivered project activities under component 2 and 3.

The barrier “lack of access to financing” has been fully removed by introduction and full operability of locally available financial schemes – bank loans with preferential terms, including SEEREP for households and extended to SMEs, SME scheme of the DBS, and Green Loans of MCB. There are additional preferential bank loan products available for customers from different industries that could be used for financing of energy efficiency upgrades as well. There is sufficient offer of available preferential bank loans, however the demand and actual uptake of these preferential loans is far behind expectations.

Review of the SEEREP scheme developed by the project in 2016 suggests that the barrier is not actually the lack of access to financing, but rather low financial capacity of (low-income) households to repay the debt, and/or insufficient capacity of households to qualify for additional bank loans. Therefore, the SEEREP itself, alone, may not be sufficient to accelerate the uptake of the energy efficiency potential in the target groups focused by the project.

Additional barrier for low-income households is a social policy implemented through increasing block tariffs for electricity and water, i.e. low, cross-subsidized tariffs for low-consumption customers. These low-consumption households with subsidized tariffs (two lowest tariffs) represent about 72%⁵ of residential electricity customers, of which for sure not all are low-income households. However, low utility tariffs mean that energy and water savings do not monetize sufficiently in utility bill savings, investment in resource efficiency for all low-consumption customers is not financially attractive due to excessively long payback, and utility bill savings may not be sufficient enough to pay for their costs of financing even in case of utilization of preferential financial schemes.

These cross-subsidized tariffs are also a barrier, or a risk to effective implementation of energy labels. Energy labels are designed to support informed decisions when purchasing energy appliances. Environmental and economic/financial concerns of customers are probably the two main concerns that energy label may influence, with the latter being probably more important for lower-income households. However, when combined with subsidized tariffs for low-consumption customers, the economic/financial benefits do not fully materialize, and thus energy label may be less effective tool than compared with customers who pay full market price. In other words: minimum energy performance standards, i.e. bans or heavy taxation on non-compliant appliances and products, may be in this case much more effective than introduction of energy labels.

The MTR identified additional barrier that is specific only for small nations/countries: high relative administrative burden (and thus costs as well) related to processing of VAT tax exemption when compared to the volume of a market and market share of individual importers.

The administrative burden put on importers or producers related to declaration of energy efficiency of energy appliances is more or less the same across all countries regardless of the size of the market and volume of sales. EU has a population of half a billion inhabitants, the EU single market is ca 5,000 times bigger than the market in Seychelles. Only few importers in Seychelles specialize on specific energy appliances that they import in relatively larger amount. Others import a mix of different products, which means that their individual consignments shipped to Seychelles may contain only very few energy appliances of different producers, brands and types. For such small-scale importers the VAT exemption is not necessarily sufficient incentive to undergo the administrative burden related with it. Similar administrative burden, which might be excessive for some importers, will be linked with introduction of minimum energy performance standards and energy labels.

4.3 Project Implementation and Adaptive Management

4.3.1 Project implementation and adaptive management

After rather slow start, the project implementation accelerated especially in 2016. At the end of 2016, 43% of total project budget was spent already.

The project is being implemented according to the ProDoc. However, the project suffers from delayed adoption of resource efficiency legislation and regulations that would implement minimum performance standards and efficiency labels.

⁵ Project Document, Table 3, page 9

The reason for the delay is the intention of the GOS to review, update and consolidate all energy related legislation and regulation jointly, with a support of another international project, rather than to have developed and implemented individual pieces of energy related regulations. The MEECC confirmed its political commitment to develop the necessary legislation in 2017, and it assured that it is a priority of the whole government and of the president as well.

The project implemented adaptive management in several areas. For example, in response to the slow uptake of SEEREP loans, a review of the SEEREP scheme has been commissioned in 2016, to better understand underlying factors and potentially to adjust the scheme to better match with actual demand, and the SEEREP schemes was extended to SMEs as well. The project commissioned also a capacity and gap analysis of SIT analyzing its ability to deliver trainings under component 3, so that the capacity of SIT could be strengthened accordingly.

However, in addition to the pending resource efficient legislation/regulation development, two major project elements and factors that are not delivering results remained unaddressed so far:

- Recycling and safe disposal of energy appliances, and
- Removal of implementation of end-use water efficiency technology from the NEPTUNE project

4.3.2 Management arrangements

The project has been implemented according to the planned implementation and management arrangements specified in the Project Document, see Chapter 3.4 and Chart 1.

The project faced a replacement of the project manager. The original project manager served for one year between November 2014 and October 2015. After his resignation a new project manager, Ms. Elaine Ernesta was hired within few weeks and serves as a project manager since then.

The specifics of this project is a significant role of the international energy efficiency expert, who has worked in Seychelles full-time for two years till the end of January 2017. Although the international energy efficiency expert has no formal say in project management, he is directly involved in discussions on specific project activities and their scope of work. Disputes between the international energy efficiency expert and the former project manager lead to the resignation of the former project manager. As of February 2017, the international energy expert is scheduled to work for the project only part-time for several weeks a year both remotely from his home office, and also on-site in Seychelles.

The project is being implemented under the national implementation modality (NIM). Although roles and responsibilities of all individual entities involved in project implementation are clearly defined, in practice an effective coordination of different parties is more challenging than in a case of a simple structure of project management with one project “owner”, and thus it requires more intensive and effective communication.

The joint GOS-UNDP-GEF Project Coordination Unit has been established in Seychelles for all UNDP-GEF financed project. The PCU unit provides an administration and project implementation support. UNDP and PCU unit provide effective support to the project management and implementation.

MEECC and SEC demonstrated effective ownership of the project, with SEC being the implementing partner as delivery was mostly done by project with SEC support and adoption. SEC has implemented in 2016 the scheme for recognition of energy efficiency parameters of energy appliances and implementation of the VAT tax exemption.

Delays in adoption of necessary legislation to support implementation of minimum energy and water performance standards and labels have been caused by the need to coordinate review and update the whole energy legislation simultaneously, not by the lack of interest or ownership. However, this delay may hamper the ability of the project to deliver expected results in terms of GHG savings.

UNDP annual reporting was candor and realistic. UNDP implemented quality risk management, and responded properly to implementation issues (with the exception of results from water efficiency expected to be delivered by the NEPTUNE project – this issue has not been properly addressed yet).

The SEC, an executing agency, implemented adequate management inputs and processes, including budgeting and procurement, quality of risk management, appropriate focus on results. All SEC reporting and deliverables were found to be candor and realistic.

4.3.3 Work Planning

The project implementation started de facto after hiring of the project manager in mid-November 2014, five months after project start, and by organizing the inception workshop on November 24, 2014. Delayed hiring of the project manager resulted in delayed start of effective project implementation at the beginning of 2015.

Since 2015, work planning has been performed up to the UNDP-GEF standards, Annual Work Plans have been prepared annually, with regularly updated scope of work including budget and result-based indicators.

LogFrame has been used as a management tool and for regular quarterly and annual reporting in a required format to UNDP-GEF and to the Steering Committee.

4.3.4 Finance and co-finance

The original planned budget as of the project document is shown in Table 5.

Table 5: Project Budget as of Project Document [USD]

Year	1	2	3	4	Total	
Outcome 1	214,500	152,500	34,500	14,500	416,000	24%
Outcome 2	213,000	218,000	75,000	55,000	561,000	32%
Outcome 3	185,500	110,500	12,500	12,500	321,000	18%
Outcome 4	135,500	173,000	42,500	22,500	373,500	21%
Management	21,170	30,110	9,110	38,110	98,500	6%

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Total	769,670	684,110	173,610	142,610	1,770,000	100%
	43%	39%	10%	8%	100%	

Table 6 shows annual project expenditures by project outcomes for each year of project implementation period as reported in Combined Delivery Reports.

Table 6: Annual expenditures by project outcomes and years (CDR) [USD] as of end of 2016

	2014	2015	2016	Total	% of total	Budget as per ProDoc	% of ProDoc outcome budget
Outcome 1	0	134,370	96,452	230,822	30%	416,000	55%
Outcome 2	7,774	122,049	163,636	293,459	38%	561,000	52%
Outcome 3	0	1,885	86,448	88,333	11%	321,00	28%
Outcome 4	0	16,545	67,550	84,095	11%	373,500	23%
Management	7,216	44,877	19,607	71,700	9%	98,500	73%
Total	14,990	319,726	433,694	768,410	100%	1,770,000	
% of GEF budget	1%	18%	25%	43%			

Note: The project started in June 2014.

Table 6 indicates, that project expenditures are gradually increasing year by year. During the first six months of project implementation period in 2014 project expenditures were negligible (1% of the total budget), in 2015 they reached 18%, and in 2016 already 25% of the total budget.

By the end of 2016, a total of 768,410 USD, or 43% of the total budget of 1,770,000 USD have been spent. For activities in outcome 1 and 2, the expenditures exceeded slightly 50% of what has been budgeted for them in the Project Document. Expenditures for outcomes 3 and 4, reach about ¼ of what has been budgeted for them in the Project Document. In total 98,500 USD have been spent for project management so far, i.e. 73% of its budget. This is due, as reported, to misposting of international advisor costs to project management rather than technical components in the early part of the project. This has been already corrected.

Accounting services and financial reporting is provided to the project by the PCU on a regular basis. Project manager has access to ad hoc updates on actual financial status.

The project has not been a subject to the financial audit yet.

The project document budget planned 82% of the total budget to be spent during the first two years of project implementation, and 43% during the first year. This was too optimistic assumption, probably not realistic in a real world. This said, it means that some delays in spending compared to the ProDoc budget could have been expected. However, the actual expenditures per year illustrate that the project implementation was delayed for some 7 months at its beginning.

4.3.5 **Co-financing and in-kind contributions**

Co-financing is summarized in Table 11 on the following page.

Table 7: Financial Planning Co-financing to be updated

Co-financing (Type/Source)	UNDP own Financing (mill US\$)		Government (mill US\$)		Other Sources (mill US\$)		Total Financing (mill US\$)		Total Disbursement (mill US\$)	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Grants	0.080	0.048	9.729	0.250	0.147	0	10.255	0.298	10.255	0.298
Credits	0	0	0	0	0	0	0	0	0	0
In-kind support (Government)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	0.080	0.048	9.729	0.250	0.147	0	10.255	0.298	10.255	0.298

Based on reported co-financing.

4.3.6 **Project Monitoring and Evaluation Systems**

The project utilized standard UNDP-GEF monitoring and evaluation systems, including inception workshop and report, regular meetings of the Steering Committees twice a year, standard project results reporting forms, such as quarterly project progress reports, and annual project implementation reviews with ratings from the project manager, UNDP country office programme officer, project implementing partner – SEC, GEF operational focal point, and UNDP regional technical advisor, as well as midterm review. In addition to these implemented M&E activities, the project document plans also terminal evaluation and financial audits each two years. The project document provided in sufficient detail description of required project monitoring and evaluation activities, and budgeted sufficient funding for it.

Specific system for measurement/monitoring of energy/water savings was planned to be developed during project implementation. This measurement/monitoring scheme is currently under development. This scheme and the baseline study are based on metering of energy consumption profile of individual appliances in selected 50 households. Although this information will be very useful, and it will provide some reference for actual load patterns in selected households, 50 households are probably not sufficiently statistically representative, and thus the requirements on technical accuracy of the metering need not to be overestimated. In any case, this monitoring system will need to be supplemented with information on resource efficiency appliances market penetration in Seychelles. This information data will be probably best collected combining data from the customs office and information on sales structure from major importers/retailers.

The project deals directly with financial capacity of low-income households to finance purchase of resource efficiency appliances. Seychelles is a traditional matriarchy society. Women are thus expected to play a dominant role in investment decisions of households on resource efficient appliances.

4.3.7 **Stakeholder Engagements**

The project has been particularly successful in effective stakeholder engagements. Effective partnership has been established and maintained with the government, involved governmental agencies, business stakeholders – importers/retailers, banks, local NGOs, schools, SIT, SCAA, households participating in pilot metering, and others. Key role in delivery of project results play the SEC, importers/retailers, local banks, and individual investors/households, etc. The PCU and project management supports and facilitates these activities, however, without active involvement and actions of project stakeholders, ultimate global environmental benefits could not be delivered.

The RE project has a strong country-ownership. The credit should go primarily to the Seychelles Energy Commission, which develops key project elements with the support from the project. The delays in developing resource efficient legislation and regulations are critical, but not caused because of the lack of ownership or commitment from the GOS/MEECC. The reasons – intention to review and update energy policy and legislation as a whole package with a support from another project - were discussed above.

4.3.8 Reporting and Communications

The project has regularly developed quarterly progress reports and annual PIRs with very detailed, informative and objective description of project progress and problems. Project results and issues are regularly presented to the Steering Committee at their meetings held twice a year. The PIRs are shared with key local stakeholders, namely with the SEC (implementing partner) and MEECC (GEF focal point) that provide their input and rating as well. Diverse project stakeholders have been updated on project implementation progress and issues at occasional project presentations.

The project uses diverse types of media for external communication, including web site and facebook; awareness raising leaflets, posters and stickers available in several locations, including retail shops and banks; articles in printed media/newspapers; and local radio and TV broadcasts.

Public awareness and education and trainings are integral and important part of the project in component 2 and 3. A number of awareness raising activities have been delivered already, however, these activities are ongoing, and they are planned to be aligned also with the introduction of minimum performance standards and labels.

The project has set up communication with all relevant stakeholders. The frequency of communication varies and depends also on specific activities and stakeholders involved. The communication with most stakeholders is appropriate in both ways, the project set up also very effective communication and cooperation with several additional stakeholders (demo sites for example), in some cases there are still opportunities for improvement of the communication effectiveness. Although the effectiveness does not depend solely on project implementation team, but on responsiveness of its partners as well, the project needs to initiate and strengthen effective communication especially regarding integrating water savings regulations and recycling and disposal of old electricity appliances (refrigerators, freezers).

4.4 Sustainability

Risks/barriers that can hamper delivery of expected project results are discussed in Chapter 4.2.2. This chapter extends this discussion to risks that could potentially undermine sustainability of results to be delivered.

4.4.1 Financial risks

The risk of lack of financial resources for resource efficient appliances not being available after project termination is negligible. There are several bank loans schemes, in addition to SEEREP, that offer preferential financing and that can be used for resource efficient appliances in different sectors. None of these schemes is financed from the UNDP-GEF project budget, and thus termination of this RE project will not influence availability of these schemes.

Another issue is if type of financing and terms and conditions of these preferential bank loans are optimal for the purpose of this project. Costs of most resource efficiency appliances are relatively low (up to 5 or 10 thousand SRC max). Compared to the small amount of a typical loan for residential RE appliance, administrative burden and costs of bank loan processing are relatively very high. There is a risk that utilisation of bank loans for purchase of RE appliances will remain small due to high transaction costs. Currently there is no store financing/leasing being offered for energy/water appliances in Seychelles.

The low financial capacity of households to qualify for additional loans is a serious issue. However, it is not specific to resource efficient appliances only, since the incremental costs for resource efficient technologies are typically not substantial.

The practice of cross-subsidized electricity and water tariffs for low-consumption customers (in electricity this refers to 72% of residential customers) has a negative side-effect: it eliminates economic motivation of these households to invest in resource efficient appliances.

The SEC has staffed its Renewable Energy and Energy Management Unit with one internal full-time expert, and additional two experts are supported for a limited period by external sources (incl. the RE project). There is a risk that the capacity developed at SEC within the project will not be sustained, if SEC will not be able to secure sufficient funding for full staffing of its REEM Unit. This applies also to other institutions involved in project implementation (SRC, SBS, SIT).

There is one significant financial risk that will, however, not hamper directly achievement of the project objective to reduce GHG emissions. Implementation of a policy to recycle and safely dispose old appliances will require funding for an investment into the waste recycling and safe disposal facilities. However, the funding has not been secured/confirmed yet, and the Project Document did not plan any activities in this area.

In addition to SEC, several organizations funded from the state budget, such as SBS and SIT, have extended/will extend their agenda and thus increase their operational expenditures. The GOS needs to allocate sufficient funding for these new activities.

4.4.2 Socio-Economic Risks

Socio-economic risks are negligible: despite critical delays in adoption of resource efficiency legislation and regulations, there is a strong political commitment, country ownership and support of the Government to implement the project and deliver results, and to support energy efficiency in a long-run. Public awareness of resource efficient opportunities is growing thanks to implemented project activities. There are also local leaders implementing and promoting energy efficiency on their own, without the mandatory legislation in place, yet.

Lessons learned are continuously followed by the project team and reported in quarterly and annual reports, and recommendations/adaptive management are being implemented accordingly. The formal summary report on lessons learned and project results is expected to be developed by the end of the project.

4.4.3 Institutional Framework and Governance Risks

Delayed resource efficiency legislation and regulations that would introduce mandatory minimum energy/water performance standards and labels create a significant risk that project objective targets will not be met.

The risk (probability) that the required regulations will not be in place by the end of project is lower. However, the negative impact would be extremely high – that would undermine the whole project.

Seychelles is very special in one area: governmental policies are in some cases implemented on a voluntary basis, before mandatory legislation is put into place. However, due to a large number of stakeholders (importers, retailers, and their customers - households, SMEs, and others), this cannot be expected to be the case of the resource efficiency legislation. Thus, it is necessary to have binding legislation and secondary regulation in place for implementation of the mandatory energy/water performance standards and labelling schemes. Developed, approved and adopted legislation and regulation are critical for both – delivery of results by the end of the project, as well as for their sustainability.

4.4.4 Environmental Risks

Environmental risks associated with delivery of project objective are negligible. Energy and water savings have no negative environmental impact.

The only environmental risk is associated with old appliances disposal. There has been no progress yet with developing waste recycling and safe disposal scheme, except for mercury-containing devices, such as CFLs.

5. Conclusions and Recommendations

5.1 Conclusions

The project is at a serious risk that it will not deliver expected project objective targets (GHG emission savings), due to delays in adoption of strengthened policy and legal frameworks to promote resource efficient appliances.

However, there still is a chance, if the legal framework and MEPS/labels will be updated and implemented without any further delays, that the project will deliver all expected results necessary for generation of electricity, water and GHG savings before the planned end of project. In such case, expected GHG savings would not probably fully materialize by the planned project termination, but could be delivered with some delay after planned project termination.

The project design is very complex, and project targets are very ambitious, if not overestimated. The project objective target of GHG savings is ca 10 times higher than the target of recently implemented PV project. And the project design also assumes that 47% of targeted households will purchase and install within four years multiple resource efficient appliances (such as air-conditioning units, refrigerators/freezers, solar water heaters, washing machines, efficient lights, rain water harvesting systems, low-flow shower heads, faucets, and toilets).

20,000 tCO₂, or 14% of the project target, were expected to be delivered by the E project implemented by the PUC and co-financed by the European Investment Bank. However, the component supporting installation of end-use water efficient appliances was removed from the NEPTUNE project and thus these expected GHG emission savings will not be delivered.

After a slow start, the project has accelerated its activities. By the end of 2016, the project has spent 43% of its 1.77 mil USD budget and delivered following key results:

- The SEC has implemented the VAT tax exemption scheme for additional energy efficiency appliances. The VAT exemption includes also implementation of a system for differentiation of appliances that comply with energy efficiency requirements and qualify for VAT tax exemption and SEEREP financing.
- Awareness raising activities have been continuously implemented, educational campaigns and trainings are ongoing or under development.
- Local banks market and offer SEEREP preferential loan scheme, as well as other preferential financial loans. However, there is a low demand with only 38 loans approved under the SEEREP so far.

Introduction of minimum energy/water performance standards (i.e. restrictions on imports of appliances that do not comply with MEPS) and labels is pending due to delayed development and adoption of resource efficiency legislation and regulations. SEC has implemented interim procedures for MEPS definition for selected electricity appliances eligible to VAT exemption and SEEREP financing. Regulations are supposed to utilize experience gained during the implementation of the interim processes for VAT exemption and SEEREP eligibility. For rain water harvesting systems, RE Project Team needs to utilize experience gained from a national working group and the technical information delivered by the Neptune Project and the new project “Integrated Water Management Resources”.

The delay in development of resource efficiency legislation and regulation is not caused by the lack of political support or country ownership, but rather by the intention of the Government to review and update all energy related policy and legislation simultaneously in 2017 with a support from another project.

The practice of cross-subsidized electricity and water tariffs for low-consumption customers (in electricity this refers to 72% of residential customers) has a negative side-effect: it eliminates economic motivation of these households to invest in resource efficient appliances. In such case minimum energy/water performance standards combined with restrictions on import or heavy taxation of inefficient appliances might be more effective tool than energy labels.

Due to a very small size of the market in Seychelles, and with an administrative burden related to introduction of energy/water minimum performance standards and/or labels being

practically independent on the market size, the relative costs and volume of administrative burden imposed on small importers might easily become excessive, especially when compared with larger markets. Thus, the specific challenge of this project in Seychelles is to minimize the administrative burden imposed on private sector and on importers, and to maximize utilization of information on resource efficient appliances from other larger markets, if available.

Remaining key project activities that need to be accelerated include:

- Development and adoption of resource efficient legislation and regulations and implementation of minimum energy/water performance standards and labels
- Integration of implementation support for end-use water savings technologies in order to compensate for the planned GHG savings and activities that will not be delivered by the NEPTUNE project.

5.2 Recommendations

1. Facilitate development and adoption of resource efficient legislation and regulations and implementation of minimum energy/water performance standards and labels

MEECC with input from SEC and PM

Any further delays in adoption of RE legislation and regulations will have direct negative impact on the project ability to deliver expected GHG emission savings.

Liaise with the MEECC to develop/update a time schedule of RE legislation and regulation review and update/development, including its approval and adoption. Implement a regular progress review.

Draft the principles of the required regulations and liaise with the MEECC and its consultant to accelerate development of the necessary regulations.

In parallel to legislation development, prepare draft operational instructions and rules for MEPS/labels implementation by the SEC in order to minimize the implementation period, i.e., consolidate the work done so far at the level of interim processes for VAT exemption, extend to other types of resource uses and elaborate the part relative to monitoring, verification and enforcement.

Organize early stakeholder consultations, namely with relevant policy makers and involved importers and retailers, in order to collect and clear any relevant objections and thus to accelerate the process of legislation and regulation development and approval.

2. Fully integrate water savings technologies into all project activities (in addition to energy savings appliances), including regulations, standards and labels, practical information dissemination and trainings for end-users and retailers,

preferential financing schemes, etc. Extend the project implementation team to include authority empowered to regulate water appliances (minimum standards for water efficiency), i.e. MEECC and PUC.

MEECC, PUC, PM and SEC

Develop and implement a strategy on water savings technologies uptake that will deliver GHG savings instead of the canceled NEPTUNE project component.

Consider extending minimum performance standards and labelling scheme for water appliances, extension of SEEREP scheme to efficient water appliances, involve responsible authority for water appliances regulation into the project implementation (MEECC, PUC), and coordinate with the “Integrated Water Management Resources” project regarding how to reach end-use water savings.

3. Facilitate with the MEECC and LWMA development of a solid waste management policy implementation plan specifically for recycling and safe disposal of e-waste and appliances, including the collection system, and costs estimate

MEECC, LWMA with SEC, PM

Initiate development of the draft scheme for collection, recycling and safe disposal of e-waste and energy appliances, including investment and operational cost estimates, identification of potential funding sources, and an action plan, with deadlines, responsible parties, and indicative costs/budget to be included in the revised solid waste policy. Facilitate involvement of key local stakeholders and external funding, if available.

4. Request no-cost project extension for additional 0.5 to 1 year

PM/PCU

Due to the delayed development of resource efficiency regulations, and the timeframe of the legislative process, the new RE regulations could be fully implemented by mid-2018 at the earliest. This would leave no time for actual large-scale uptake of resource efficient appliances and generation of significant amount of GHG savings. Delays in RE regulation development were caused by the intention of the GOS/MEECC to review and update the whole package of energy related legislation in one time, not by lack of political support or country ownership. Any extension of the period when the project might be ready to deliver large-scale GHG savings will help to monitor the real impact of the project and actual GHG savings generated. Request no-cost extension for half a year as a minimum, up to one year including the monitoring period as a realistic maximum.

5. Develop a simple savings monitoring scheme for practical utilization

PM/SEC

Assessment of country level energy and water savings from appliances will always depend on a number of assumptions, and thus the accuracy of the result is always a compromise between what data would be technically possible to collect, and what data and information is possible to collect relatively easily, with affordable costs and within a reasonable time. The project needs to monitor and report regularly energy, water and GHG savings. Thus, the project should develop the delayed energy and water savings monitoring scheme at least with the data or estimates that are readily available. The accuracy of data collection can be continuously improved, if necessary. In addition to the baseline data, the savings monitoring system will need to collect or estimate data on specific efficiency appliances and their market penetration. This information can be estimated from customs statistics, and from estimates of share of resource efficient appliances on total sales.

6. Address opportunities in new governmental building development (housing program and public buildings)

PM, SEC

Installation of some resource efficient appliances/technologies, such as solar water heaters, water efficient toilets, or rain-water harvesting systems, is best and least expensive during the construction of new buildings. New governmental public buildings and housing development projects create a unique opportunity for cost-effective integration of energy and water efficient technologies into the building design. The project should address governmental and private buildings project investors, developers, and designers to increase their awareness of RE appliances, and share experience from design of a new MEECC “green” building, and potentially also on opportunities in energy efficient building design. However, energy efficient building design is a complex topic that might be addressed by another project.

7. Utilize and strengthen local capacities – internally and externally

PM/SEC

Project implementation relies to a large extent on inputs from international experts. This gives a unique opportunity for knowledge and experience sharing and on-the-job training for local experts. The project should utilize this opportunity, team up international experts with local experts, and thus strengthen their capacities. External opportunities include for example trainings of local trainers. Utilization of internal opportunities would mean for example, that funding for local project staff/full-time internal experts at REEM Unit of SEC need to be secured.

Seychelles has already their own, local energy/water efficiency champions. The project is encouraged to partner with these local champions, utilize and disseminate their experience, and support their activities. Consider perhaps support of networking by establishing of an energy/resource efficient association, or an informal network of interested parties, annual champion award ceremony that would attract attention and followers, etc. The project has already set up cooperation of one of the local leaders, the SCAA. There might be other leaders among tourist facilities for example.

Energy efficiency is not a one-time project. It is rather a never-ending process, which needs to be actively promoted and facilitated. International experts are typically rather costly. More sustainable option is to utilize international experts also for on-the-job training of local experts, and to strengthen their capacities. The GOS has set up and empowered SEC with responsibilities in energy efficiency and renewable energy. However, the REEM unit of SEC is not yet fully staffed with their own regular experts. The GOS should provide additional funding for SEC so that it could employ needed experts that could benefit from time-limited cooperation with international experts supported by the project. In addition to SEC, a local non-governmental entity might serve as an additional promoter and facilitator of energy efficiency, and deliver specific services after project termination. Non-governmental organization might be more flexible in attracting international funding, but it will need to have secured at least core funding for its operation.

8. Analyze opportunities and barriers for development of store financing/leasing and its costs for financing resource efficient appliances

PM

Some local retailers and banks expressed interest in providing store financing/leasing services. However, leasing is not available as a financing option for appliances in Seychelles. Some stakeholders interviewed during the MTR mission suggested that the problem is in a local leasing legislation, which creates too risky conditions for lessors (ownership transfer from lessor to lessee after 50% of contract value is paid to a lessor). However, my quick review of the 2013 Financial Leasing Act did not find this provision. The project might explore why leasing is not established in Seychelles as an option for appliance financing, and to clarify if there are any legislative issues. If so, then the project is encouraged to continue facilitating discussions with the Ministry of Finance, Trade and Economic Planning to revise the wording of the legislation.

9. Explore opportunities to utilize international registries of energy efficiency appliances

PM/SEC

In order to minimize the administrative burden, the SEC has developed and implemented a scheme where declaration of energy performance is based on utilization of recognized international certificates/energy labels. However, in such a small market, the administrative burden might still be excessive for individual importers with small volumes of their imports. Seychelles is not the only country that faces this issue. Other small countries implementing MEPS/labels face the same challenge. It would be worth to explore opportunities for utilization of already developed registries of energy/water efficient appliances from other countries, and thus to reduce the administrative burden. If such registries are not accessible, it might be a good opportunity for Seychelles to utilize its experience from this project and initiate an international project to make such national registries publically accessible especially for authorities from other primarily small countries.

10. Revise project logframe

PM/Steering Committee

Project logframe revision should not downscale global environmental benefits – expected project results.

a) Do not limit the target group to some sectors, nor to specific source of financing only

Energy and water efficient appliances are used across all sectors, they are not limited for use in (part) of residential sector only, nor in SMEs only. RE legislation, minimum energy/water performance standards, labels, VAT tax exemption transform the whole appliance market – including, but not limited to households and SMEs. Residential sector is for sure the most important sector regarding energy and water consumption and penetration of appliances, and also specific because of limited financial capacity of relatively large share of households. However, other sectors, and especially the tourist industry in Seychelles, have large share in energy and water consumption related to appliances as well. There is no reason, why these other sectors should be excluded from the project. The SEEREP scheme has already been extended to SMEs as well.

Energy, water and GHG savings are generated by utilization of RE appliances regardless of type of financing used for their purchase. SEEREP is not the only scheme available for RE appliances financing in Seychelles. Also, there is no reason why purchase of RE appliances financed by own savings should be disqualified and related GHG savings not counted for project target evaluation, and why only debt financing should qualify for eligible GHG savings generation.

Installation of all RE appliances across all sectors regardless of form of purchase financing should be taken into account, and related GHG savings monitored and evaluated in the project logframe.

b) Pilot sites available to public, not necessarily households

All pilot sites should be easily accessible for visitors. Since RE appliances are the same across sectors, there is no need to limit the pilot sites to specific sectors. When selecting specific pilot sites for display and demonstration of RE appliances, the project should take into account accessibility and potential number of visitors, and strive to display and demonstrate especially those appliances that are visually interesting, and/or where specific installation matters. There is no visible difference between energy efficient and non-efficient refrigerator. But an installation of a refrigerator that limits airflow and cooling of its back-side has a significant impact on actual energy consumption. Another potential interesting display could include a display of different lights, including incandescent, CFL, and LED lights comparing heat generation, light color, and color rendering index (CRI).

The project team has already teamed-up with the SCAA that implements resource efficient technologies at its premises and considers visualization of results achieved at the airport facility that is open for travelers. This provides a good example of a pilot site targeted at population travelling from/to Seychelles.

- c) Remove the second target “Policy and institutional mandate (MoU signed by LWMA) in place by end of year 1” of Outcome 4.1 “Recycling of non-EE residential appliances mandated in policy and institutional responsibilities”**

LWMA does not have policy nor institutional mandate, but it is an implementing/executing agency of MEECC. This second target measures results of specific activity under the Outcome 4.1 rather than achievements of this Outcome.

Achievements and results of the Outcome 4.1 and its indicator 1 “Recycling of non-EE residential appliances mandated in policy and institutional responsibilities” is fully measured by its first target “Mandatory policy framework in place...”.

- d) Remove the last logframe indicator – “average electricity use per household (kwh/year) participating in SEEREP or other RSE financing platform”**

This indicator somewhat duplicates the project objective electricity savings indicator. Limiting the electricity savings indicator only to the installations financed from preferential debt financing would not give a full picture. The target was calculated based on very simplified assumptions. Thus, interpretation of achievement of this indicator’s target would be ambiguous.

- e) Rephrase the 5th indicator and target of output/outcome 1.1**

The project as a whole, and the Component 1 specifically addresses policy and legal framework for resource efficient technologies, i.e. electricity and water appliances. However, the wording of indicators in the Component 1 is limited only to energy/electricity appliances, and MEPS only, and do not explicitly target labeling schemes, neither water appliances, although the Project Document addresses resource efficiency (electricity and water), and MEPS as well as labeling.

The wording of the original indicator “Restrictions (ban or limits) on imports of non-energy efficient appliances” and target “Government-approved minimum energy performance standards (MEPS) approved by end of year 1” should thus be rephrased to include water appliances as well, and labeling in addition to MEPS.

Proposed new wording of indicator and target:

Indicator: “Restrictions (ban or limits) on imports of non-resource efficient appliances, i.e. electricity and water appliances, and labeling scheme”

Target: “Government-approved minimum energy and water performance standards and labeling scheme by end of 2017”

Addressing water efficiency requires also active involvement of water regulator, the MEECC, and the PUC in project implementation.

11. Secure funding for new/additional activities related to the project implementation for SEC, SRC, SIT, and SBS from the state budget

GOS, MEECC

The Resource Efficiency Project requires SEC, SRC, SIT and SBS to implement new/additional activities during and also after termination of this GOS-UNDP-GEF project. Their budgets need to account for these activities to fully cover their operational costs, mainly payroll. The GOS with support from MEECC are encouraged to take this into account when budgeting financial resources for these institutions.

12. Continue the discussion with policy makers on full pricing of electricity and water to reflect actual costs, combined with introduction of addressed social support to low-income households

PM, SEC

Electricity and water pricing policy is a sovereign responsibility of the GOS and an important tool for sustaining social cohesion and avoiding energy/water poverty. Low tariffs for electricity and water low-consumption customers, cross-subsidized below actual costs, play an important role in sustaining social cohesion in Seychelles. However, such policy has also negative impacts especially on low-income low-consumption (and low-tariff) households: the payback period of investment in electricity-efficient and water-efficient appliances is, for this group of customers, too long, and thus, it does not provide sufficient financial incentive. Low-income households are then locked in this situation using inefficient appliances that utilize excessive amount of electricity and water. Electricity and water bills are thus not necessary lower, despite subsidized tariffs, due to inefficient appliances.

Full-pricing of electricity and water tariffs accompanied with social support specifically addressed to low-income households removes this barrier and provides financial incentive also to this important group of customers to utilize efficient appliances. However, this type of social support targeted specifically to low-income households tends to have higher administration costs.

The project team is encouraged to facilitate open discussion with policy makers on pros and cons of different models of utility pricing combined with social support, and on experience of other countries that implemented full pricing in combination with addressed social support to low-income households.

This discussion has been already opened in 2012 as part of the tariff rebalancing exercise.

6. Annexes

Annex 1: MTR mission itinerary

Date	Time	Organization
Monday, January 23, 2017	8:30	Project Coordination Unit
	10:30	Seychelles Energy Commission
	13:30	PCU, Accounts team
	14:30	PCU, Project Manager,
Tuesday, January 24, 2017	8:30	Ministry of Finance, Trade and Economic Planning
	10:45	Seychelles Bureau of Standards
	14:00	Public Utilities Corporation
	15:30	Project Coordination Unit
Wednesday, January 25, 2017	9:30	Seychelles Revenue Commission, Customs Division
	11:00	Seychelles Civil Aviation Authority
	14:30	Ministry of Environment, Energy and Climate Change, Department of Energy and Climate Change
Thursday, January 26, 2017	9:00	Sustainability for Seychelles
	11:00	Development Bank of Seychelles
	14:00	ARC Distribution (import, retail)
	15:00	Mauritius Commercial Bank
Friday, January 27, 2017	9:00	International Technical Expert, T. Q. Santos
	11:00	Seychelles Institute of Technology
	13:00	Berclays Bank
	14:00	Landscape and Waste Management Agency
	15:00	Project Coordination Unit
Monday, January 30, 2017	9:00	Project Coordination Unit
	14:00	MTR Workshop
Tuesday, January 31, 2017	9:00	Project Coordination Unit
		Conference call with UNDP Regional Technical Advisor
		PCU/UNDP MTR debriefing meeting

Annex 2: List of persons interviewed

- GOS-UNDP-GEF PCU Seychelles
 - Mr. Roland Alcindor, UNDP Programme Manager
 - Mr. Andrew Grieser Johns, GOS-UNDP-GEF Programme Coordinator,
 - Ms. Elaine Ernesta, Resource Efficient Technologies Project Manager
- Ministry of Environment, Energy and Climate Change (MEECC)
 - Mr. Wills Agricole, Principle Secretary, Department of Energy and Climate Change
- Seychelles Energy Commission (SEC)
 - Mr. Tony Imaduwa, CEO
 - Ms. Cynthia Alexander, Head of Renewable Energy and Energy Management Unit
 - Mr. Tiago Queiroz Santos, RE Project International Technical Expert
 - Mr. Denis Morel, Technical Engineer/International Volunteer
- Ministry of Finance, Trade and Economic Planning (MFTEP)
 - Ms. Stephanie Larve, Policy Analyst
 - Ms. Fadeth Khan, Policy Analyst
 - Ms. Patricia Merie, Financial Analyst
 - Ms. Nadin Potter, Financial Analyst
- Public Utilities Corporation (PUC)
 - Mr. Laurent Sam, Energy Engineer
 - Mr. Christian Fleisher, Energy Engineer
 - Mr. Marlon Santache, NEPTUNE Project Director, Project Management Unit
- Seychelles Bureau of Standards
 - Mr. Andy Ally, Chief Executive Officer
- Seychelles Revenue Commission, Customs Division
 - Ms. Cindy Blakemore, Head
- Seychelles Civil Aviation Authority (SCAA)
 - Mr. Claude Mondon, General Manager Engineering, Technical Services
 - Ms. Jean Hassan, PR Officer
- Sustainability for Seychelles (S4S)
 - Ms. Michele P. Martin, Executive Director

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- Development Bank of Seychelles (DBS)
Ms. Rana Fernandez, Head of Credit
- Arc Distribution
Mr. Raja Ramani, Managing Director
- Mauritius Commercial Bank (MCB)
Ms. Dolly Tirant, Head of Corporate and SME, MCB
- Seychelles Institute of Technology (SIT)
Mr. Hubert Barbé, Director, SIT
- Berclays Bank
Mr. Johan Van Schalkwyk, Managing Director
- Landscape and Waste Management Agency (LWMA)
Mr. Lemmy Payet, Consultant

Annex 3: List of documents reviewed

General documentation

- UNDP Programme and Operations Policies and Procedures
- Project-Level Monitoring, Guidance for Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects, UNDP, UNDP-GEF Directorate, 2014
- GEF Monitoring and Evaluation Policy
- GEF focal area strategic program objectives
- UNDP Development Assistance Framework
- UNDP Country Program Document
- UNDP Country Program Action Plan

Project documentation

- Project Identification Form
- Project Document
- Inception Report
- Annual and Quarterly Work Plans
- Annual and Quarterly Project Reviews/Progress Reports
- Project Implementation Reports
- Project risk log
- Financial reports – Combined Delivery Reports
- GEF Operational Quarterly Reports
- Combined Delivery Reports
- Project Board/Steering Committee Meeting minutes

Other relevant documents

- Workshop presentations
- Dozens of press releases

Project web sites:

- PCU website at <http://www.pcusey.sc/index.php/pcu-projects/ongoing/142-re-project>
- PCU Facebook at <https://www.facebook.com/pages/GOSUNDPGEF-Programme-Coordination-Unit/100988506760318>
- Resource Efficiency Seychelles Facebook: <https://www.facebook.com/Resource-Efficiency-Seychelles-173972526302650>
- SEC - implementing partner website: <http://www.sec.sc/index.php/energy-efficiency>
- PCU youtube at: <https://www.youtube.com/channel/UCcv4gAP7goXf8NFinJojHZw>

Annex 4: Evaluation Consultant Code of Conduct and Agreement Form

Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Evaluation Consultant Agreement Form

Agreement to abide by the Code of Conduct for Evaluation in the UN System

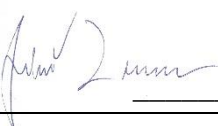
Name of Consultant: Jiří Zeman

Name of Consultancy Organization (where relevant): _____

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at *Prague* on January 16, 2017

Signature: _____



Annex 5: Midterm Review Evaluative Matrix

Evaluative Questions	Indicators	Sources	Methodology
Project Strategy: To what extent is the project strategy relevant to country priorities, country ownership, and the best route towards expected results?			
How well does the project align with evolving GEF focal area priorities through GEF 4 5 and 6?	Extent to which CBD and related GEF priorities and areas of work incorporated	Project documents National policies and strategies (MTNDS, blue economy road map, energy policy, etc.) Project partners Project beneficiaries	Document and information analysis/desk review prior to the mission, interviews with project staff and stakeholders during MTR mission, MTR workshop presenting draft findings, feedback from stakeholders, circulating draft MTR report for comments and review to project stakeholders, incorporation of comments if relevant, development of the final MTR report.
Is the project aligned with other donor and Government programmes and projects? Is the project country driven?	Degree of coherence between the project and national priorities, policies and strategies		
Does the project adequately take into account the national realities, both in terms of institutional and policy frameworks in its design and implementation?	Adequacy of project design and implementation to national realities and existing capacities		
Have implementation strategies been appropriate (is the logframe logical and complete)?	Degree to which the project supports objectives of Government.		
Did the project address the needs of target beneficiaries and other stakeholders? Is the approach inclusive? Are beneficiaries and other stakeholders effectively engaged in implementation?	Degree to which the project supports local aspirations Degree to which the project meets stakeholder expectations		
Progress Towards Results: To what extent have the expected outcomes and objectives of the project been achieved thus far?			
How well has the project performed against its expected objectives and outcomes, and its indicators and targets?	Extent to which milestones and targets are achieved at mid-term, as laid out in the logframe and	Project reports Minutes of Project	

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Evaluative Questions	Indicators	Sources	Methodology
	monitoring plan	Steering Committee Meetings	
Which have been the key factors leading to project achievements?	Achievement of milestones and targets as laid out in the logframe and monitoring plan	Local partners and beneficiaries	
To what extent can observed results be attributed to the project or not? In this respect have there been notable changes in the enabling environment for the project?	Extent of change to the enabling environment	Tracking tools	
Has the project failed in any respect? What changes could have been made (if any) to the design or implementation of the project in order to improve the achievement of the expected results?	Evidence of adaptive management and/or early application of lessons learned		
How has the project contributed to raising capacity of local stakeholders to address aims of the project or of Government?	Extent of support from local stakeholders		
What are the views of stakeholders on the implementation and activities of the project? Are there activities missing from the implementation?	Extent to which stakeholders are actively participating in the implementation and monitoring of the project		
Project Implementation and Adaptive Management: Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far? To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project's implementation?			
Implementation efficiency (including monitoring):	Extent to which project activities	Project work plans and	

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Evaluative Questions	Indicators	Sources	Methodology
<ul style="list-style-type: none"> Was the project implemented as planned, including the proportion of activities in work plans implemented? Have baselines been established and monitoring data been collected as planned, analyzed - and have these been used to inform project planning? Has project implementation been responsive to issues arising (e.g. from monitoring or from interactions with stakeholders)? What learning processes have been put in place and who has benefitted (e.g. training, exchanges with related projects, overseas study visits) and how has this influenced project outcomes? Were progress reports produced accurately and timely, and did they respond to reporting requirements including adaptive management changes? Did the project experience any capacity gaps, e.g. staffing gaps within the project or implementing agency (SEC)? Has internal and external communication been effective and efficient? Have the project team members worked effectively together, and with the implementing agency (SEC)? How efficiently have resources and back-up been provided by donors, including quality assurance by UNDP? 	<p>were conducted on time</p> <p>Extent to which project delivery matched the expectation of the ProDoc and the expectations of partners</p> <p>Level of satisfaction expressed by partners in the responsiveness (adaptive management) of the project</p> <p>Level of satisfaction expressed by MEECC and PCU in regard to UNDP back-stopping</p>	<p>reports</p> <p>Local partners</p> <p>Tracking tools</p>	
<p>Financial efficiency:</p> <ul style="list-style-type: none"> Are the accounting and financial systems in place adequate for project management and producing accurate and timely financial information? Have funds been available and transferred efficiently 	<p>Extent to which funds have been converted into outcomes as per the expectations of the ProDoc</p> <p>Level of transparency in the use of</p>	<p>Project financial records</p> <p>Project audit reports</p> <p>Project work plans and</p>	

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

Evaluative Questions	Indicators	Sources	Methodology
<p>(from donor to project to contractors) to address the project purpose, outputs and planned activities?</p> <ul style="list-style-type: none"> Are funds being used correctly? Are financial resources being utilized efficiently (converted into outcomes)? Could financial resources be used more efficiently? Have any issues been raised in audit reports and if so how efficiently were they addressed? Was project implementation as cost effective as originally proposed (planned vs. actual) Has the leveraging of funds (co-financing) proceeded as planned? 	<p>funds</p> <p>Level of satisfaction of partners and beneficiaries in the use of funds</p> <p>Timely delivery of funds, mitigation of bottlenecks</p> <p>Coordination and synergies of project funds and co-financing</p>	<p>reports</p>	
<p>Efficiency of partnership arrangements for the project</p> <ul style="list-style-type: none"> To what extent were partnerships/linkages between institutions/organizations/private sector realized as planned? Which partnerships/linkages were facilitated? Which ones can be considered sustainable? What was the level of efficiency of cooperation and collaboration arrangements? Have all parallel actions and processes within e.g. SEC coalesced into a single agenda? 	<p>Extent to which project partners committed time and resources to the project</p> <p>Extent of commitment of partners to take over project activities</p>	<p>Project work plans and reports</p> <p>Reports of local partners: SEC, MoFTBE (SEEREP reports)</p>	
<p>Is the project responsive to threats and opportunities emerging during the course of the project?</p>	<p>Level of adaptive management related to emerging trends</p>	<p>Project work plans and reports</p>	
<p>How well were risks, assumptions and impact drivers managed? What was the quality of risk mitigation strategies developed? Were these sufficient? Are there clear strategies for risk mitigation related to long-term sustainability of the project?</p>	<p>Extent to which project has responded to identified and emerging risks</p> <p>Level of attention paid to up-dating</p>	<p>Risks log</p>	

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

Evaluative Questions	Indicators	Sources	Methodology
	risks log		
Is a communications strategy in place? How well is it implemented and how successful has it been in reaching intended audiences?	Extent to which project information has been disseminated Level of awareness of beneficiaries and the general public	Communications documents (SEES communications strategy) Press articles, social media posts Physical evidence: posters, t-shirts Website	
Sustainability: To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?			
Is the social, legal and political environment conducive to sustainability?	Extent of supportive policies	Policy documents (e.g. energy policy)	
Are there early signs of activities being taken up by project partners, and plans being developed to sustain them?	Extent to which partners are considering post-project actions Evidence of Government follow-up financing for project initiatives	Steering Committee minutes Local partners and beneficiaries	
Have partners and stakeholders successfully enhanced their capacities and do they have the required resources to make use of these capacities?	Extent to which partners and stakeholders are applying new ideas outside of the immediate project context		

Annex 6: Progress towards results table

Indicator Assessment Key

Green= Achieved	Yellow= On target to be achieved	Red= Not on target to be achieved
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Strategy	Indicator	Baseline	Targets	Midterm Achievements	Midterm Rating
Project Objective: To significantly reduce the rate of electricity consumption and water usage in Seychelles among underserved communities in the residential sector	• Amount of reduced CO ₂ emissions from the power sector (compared to the project baseline)	• 0	• 139,590 tons CO _{2eq}	Savings monitoring system has not been developed yet, savings thus cannot be quantified.	NA
	• Direct emissions reductions				
	• Cumulative total electricity saved (MWh)	• 0	• 12,296 MWh per year (or 184,447 MWh for appliance lifetimes)	Sales of energy efficient appliances increased by ca 30% - based on preliminary estimate of major importer.	At high risk that the EOP target will not be achieved by EOP
	• Cumulative total water saved (m3)	• 0	• 446,250 m3 per year (or 6,693,750 m3 for device lifetime) - 20,060 tons of CO _{2eq} over their lifetime.	38 SEEREP loans approved of 8,500 target.	

Component 1: Improved policy, institutional, legal / regulatory and financial framework for resource efficient technologies					
Outcome 1.1 - Comprehensive and strengthened policy and legal frameworks adopted to promote residential resource efficient appliances	<ul style="list-style-type: none"> Key baseline data collected and analyzed (e.g. # of appliances and consumption patterns in households; consumer willingness or ability to pay; % of household spending that goes to electricity; etc.) 	No detailed information on residential or SME energy use	Baseline report completed by end of year 1	Baseline study under development utilizing detailed appliance power consumption metering in 50 selected households.	Moderately Satisfactory
	<ul style="list-style-type: none"> SEC Efficiency and Renewable Energy Unit operationalized with clear mandate /work plan and trained staff 	EE / RE unit proposed but not yet fully staffed or operationalized	EE / RE unit fully operational by end of year 1	SEC EE and RE Unit is fully operational, however understaffed, with one full time regular staff. The EERE Unit is supported by one international volunteer/technical assistant, and one international expert sponsored by the project (full-time till February 2017, and part time from February 2017 on)	Satisfactory
	<ul style="list-style-type: none"> Government-approved Energy Efficiency Strategy (EES) and Implementation Plan (EEIP) 	None (only energy bill in place)	EES and EEIP approved by end of year 1 and published by end of year 2	Approval of an EE Strategy is pending and depends on the postponed governmental review of the Energy Policy. Recommendations for revision of Energy Policy have been submitted to the MEECC.	Moderately Unsatisfactory
	<ul style="list-style-type: none"> Fiscal / tax incentives in place for imports and purchases of energy efficient equipment (except solar water heaters and energy saving lighting) 	EE equipment (except solar water heaters and energy saving lighting) currently subject to VAT No restrictions	Customs Act regulations amended to remove duties on EE equipment by middle of year 2 Government-	SEC implemented VAT exemption scheme for EE appliances based on its internal procedures – effective as of May 2016. SEC internal procedures to be transposed into a regulation yet. No new EE legislation developed nor approved so far. Thus no MEPS/import	Satisfactory

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

	<ul style="list-style-type: none"> Restrictions (ban or limits) on imports of non-energy efficient appliances 	in place for imports of non-EE appliances /no MEPS	approved minimum energy performance standards (MEPS) approved by end of year 1	restrictions for non-compliant appliances approved. Draft MEPS developed by SEC for lighting, washing machines, refrigerators, freezers, air-conditioners and solar water heaters.	Moderately Unsatisfactory
	<ul style="list-style-type: none"> System for measuring energy and water savings from EE residential appliances operational 	No system in place for monitoring SEEREP by PUC	Computer-based MRV system in place by end of year 1 at PUC	Appliance level power consumption metering and monitoring system implemented in 50 households, however, no water and energy savings monitoring system in place yet. Monitoring of SEEREP loan disbursement in place.	Moderately Satisfactory
Outcome 2.1 - Enhanced national awareness of the benefits of resource efficient appliances and verified behaviour change across target groups regarding reduced energy and water use	<ul style="list-style-type: none"> Full implementation of the Seychelles Energy Education and Communication Strategy (SEECs) for residential sector 	SEECs approved, but no large-scale actions implemented to date	SEECs Action Plan, including water use reductions, approved and under implementation by end of year 1	New SEECs, including water savings component and additional financing opportunities, has been developed and it replaced the former SEECs strategy. New SEECs implementation was launched in March 2016.	Satisfactory
	<ul style="list-style-type: none"> % of consumers and retailers aware of appliance energy efficiency standards and technologies via sampling and surveys 	TBD by baseline study conducted in year 1	At least 50% of target audience contacted (within the sample group) are aware of appliance energy efficiency standards and	March 2015 survey indicated retailers have some knowledge of EE appliances, but the knowledge was poorest among sales persons. Water baseline study indicated 89% customer awareness of energy efficient appliances for water conservation. Awareness raising campaigns is ongoing. The awareness	NA EOP Target

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

	<ul style="list-style-type: none"> No. of sites in Seychelles where consumers, retailers and other stakeholders can learn about and see demonstrations of functioning energy efficient appliances 	0 sites with RSE appliances open to public	5 sites (2 households and 3 public facilities) established and open to public by end of year 3 of the project	has increased by MTE due to the information campaign and display of labels, VAT exemption opportunities and SEEREP financing opportunities for efficient appliances in some shops, however, the updated % is not available yet.	Satisfactory
	<ul style="list-style-type: none"> # of energy efficient household appliances and water savings devices for which Labelling scheme (linked to MEPS) in place 	0 labels exist in Seychelles linked to MEPS	Labels approved for at least 5 types of household appliances and 2 water saving devices by end of year 1	No appliance labelling scheme in place yet. MEPS are specified for 5 electricity appliances. SEC and SBS implemented internal process for energy labels verification and certification in relation with implemented VAT exemption scheme and SEEREP financing scheme.	Moderately Unsatisfactory
	<ul style="list-style-type: none"> Quantitative assessment and feasibility study of potential energy savings (kWh) of absorption cooling technologies in the Seychelles, and recommendations for strategies for increasing their uptake in the country 	Absorption cooling technologies very infrequently used in the country – exact # TBC	Assessment report on Absorption Cooling Technologies completed and disseminated to all relevant stakeholders by year 2 with	Feasibility study on absorption cooling technologies and district cooling has been released (under the PUC/EIB project).	Satisfactory

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		by baseline study	targets specified for uptake potential		
Outcome 2.2 – Consumers of RSE appliances aware of goals and conditions of the financing schemes for RSE technologies and of purchase and financing options available through these programs	<ul style="list-style-type: none"> % of residential households and/or SMEs aware of goals, conditions and products offered by the financing schemes for RE technologies 	TBD by baseline study conducted in year 1	At least 80% of consumers/SMEs contacted (within the sample group) are aware of the different financing schemes or technology transfer platform offered for RSE technologies	Awareness rate will be evaluated before EOP. Awareness campaigns have been supplemented with marketing campaigns of banks offering SEEREP.	NA EOP target
Outcome 3.1 – Platforms established for training of technicians in the installation, operation and maintenance of residential resource efficient technologies	<ul style="list-style-type: none"> No. of private sector importers, dealers and retailers of household electrical appliances with access to market information (on product sourcing, pricing, quality, etc.) and maintenance of RSE technologies Training platform established to train technicians on installation and maintenance of RSE technologies 	<p>Relevant private sector stakeholders have little to no knowledge of RSE appliances</p> <p>No vocational training platform in place</p>	<p>At least 20 private sector partners have received training and support by end of project</p> <p>By EOP SIT operating a certificate course for technicians in installation,</p>	<p>70+ persons from sales teams & importers have been trained. 20 private companies attended four days courses at the UNISEY. 20 solar water installers have been trained in installation at three SIT lecturers.</p> <p>Training platform under development. TORs published twice in 2015, but applicants did not meet the expected standards and were not contracted.</p>	<p>NA EOP target</p> <p>NA EOP target</p>

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			operation and maintenance of resource efficient technologies (no. of technicians to be enrolled in course TBD during year 1)	Additional analysis of SIT capacity to deliver specific trainings and gap analysis was performed to better understand needs for own SIT capacity strengthening, and to better match SIT capacity with trainings to be delivered.	
Outcome 3.2 - Capacity of key stakeholders improved to monitor and enforce the Minimum Energy Performance Standards (MEPS) and new energy labelling scheme	<ul style="list-style-type: none"> No. of officers responsible for inspections of imported goods capacitated to evaluate compliance with relevant MEPS and related national labelling scheme 	0 trained officers	At least 10 trained officers by end of year 2 of the project	No officers trained so far due to pending adoption of labelling scheme and MEPS.	Moderately Unsatisfactory
Outcome 4.1 Regulations in place (linked to financing schemes) for safe disposal on non-EE residential appliances	<ul style="list-style-type: none"> Recycling of non-EE residential appliances mandated in policy and institutional responsibilities 	No specific policy exists for recycling of EE appliances; only a call for action under the new Solid Waste Management Policy (2014-2018)	Mandatory policy framework in place (to be implemented under the new Solid Waste Management Policy) which specifically includes guidelines and responsibilities for disposal of electronic waste	The adopted 2014-2018 Solid Waste Management Policy was not followed with governmental actions towards safe disposal of electronic waste. Working group was set up by the project but activities were put on hold to prevent duplication of effort with the pending development of the master plan. TOR for e-waste has been finalized.	NA EOP target

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			and electrical equipment		
		Voluntary code of practice for ODS use and disposal in the refrigeration/air-conditioning sector in place	Policy and institutional mandate (MoU signed by LWMA) in place by end of year 1	No MoU signed with LWMA, since it is the responsibility of MEECC.	Moderately Unsatisfactory
Outcome 4.2 Underserved consumers accessing specially designated financial products for purchase of RSE appliances	<ul style="list-style-type: none"> # of households receiving assistance from one of the identified financing/technology transfer platforms 	0	By end of project at least 8,500 households or SMEs have installed RSE technologies. At least 8,500 households participating in SEEREP by end of project.	Only 47 customers received financial support/SEEREP loan from local banks (75 applied, the difference did not qualify) – based on reporting from MFOTB, subject to update.	NA EOP target EOP achievement at risk
	<ul style="list-style-type: none"> No. of local banks that are providing loans to borrowers for purchase of resource efficient technologies 	0 banks providing loans	At least 3 banks by end of project	All but one, in total eight banks in Seychelles actively offer preferential financing under the SEEREP scheme (in total 8 banks, including Development Bank of Seychelles and 7 commercial banks).	Highly satisfactory
	<ul style="list-style-type: none"> # of households to receive water saving devices 	0	8,500 households (as per NEPTUNE targets),	These activities were removed from the NEPTUNE project, no other activities	NA EOP target EOP achievement

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	<ul style="list-style-type: none"> Average electricity use per household (kwh/year) participating in SEEREP or other RSE financing platform 	4,395.7 kwh/year (average)	disaggregated by socioeconomic status 1,512.8 kwh/year (average) by end of project	initiated yet. Savings are not monitored yet, electricity consumption profile per appliances in selected households is under development.	at high risk NA EOP target
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Annex 7: Example Questionnaire/Interview Guide

During the interviews with project stakeholders no unified formal questionnaire in a written form was used, but rather an informal discussion was held reflecting each stakeholder's role in project implementation in order to maximize effectiveness of stakeholders' responses.

After a brief summary of stakeholder's role and input in project implementation, results achieved and issues that arose during project implementation, additional fact/finding questions were answered in order to clarify project relevance, effectiveness, efficiency and sustainability.

Specific questions outlined in the Midterm Review Evaluative Matrix were used during interviews as needed, including the five major topics of:

Relevance: How does the project relate to the main objectives of the GEF focal area, and to the environment and development priorities at the local, regional and national levels?

Effectiveness: To what extent have the expected outcomes and objectives of the project been achieved?

Efficiency: Was the project implemented efficiently, in-line with international and national norms and standards?

Sustainability: To what extent are there financial, institutional, social-economic, and/or environmental risks to sustaining long-term project results?

Impact: Are there indications that the project has contributed to, or enabled progress toward, reduced environmental stress and/or improved ecological status?

Annex 8: Rating Scales

Box 1: Progress Towards Results Rating Scale

HS - Highly Satisfactory	The objective/outcome is expected to achieve or exceed all its end-of-project targets, without major shortcomings. The progress towards the objective/outcome can be presented as “good practice”.
S - Satisfactory	The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.
MS - Moderately Satisfactory	The objective/outcome is expected to achieve most of its end-of-project targets but with significant shortcomings.
MU - Moderately Unsatisfactory	The objective/outcome is expected to achieve its end-of-project targets with major shortcomings.
U - Unsatisfactory	The objective/outcome is expected not to achieve most of its end-of-project targets.
HU - Highly Unsatisfactory	The objective/outcome has failed to achieve its midterm targets, and is not expected to achieve any of its end-of-project targets.

Box 2: Project Implementation & Adaptive Management Rating Scale

HS - Highly Satisfactory	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice”.
S Satisfactory	Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.
MS - Moderately Satisfactory	Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.
MU - Moderately Unsatisfactory	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
U – Unsatisfactory	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
HU - Highly Unsatisfactory	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.

Box 3: Sustainability Rating Scale

L - Likely	Negligible risks to sustainability, with key outcomes on track to be achieved by the project's closure and expected to continue into the foreseeable future
ML - Moderately Likely	Moderate risks, but expectations that at least some outcomes will be sustained due to the progress towards results on outcomes at the Midterm Review
MU - Moderately Unlikely	Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on
U - Unlikely	Severe risks that project outcomes as well as key outputs will not be sustained

Annex 9: Midterm Review TOR

UNDP-GEF Midterm Review Terms of Reference

Post Title:	IC to conduct the MTR of the UNDP-GEF Resource Efficiency Project
Agency/Project Name:	UNDP
Country Of Assignment:	Home-based, with one mission to Seychelles
Duration Of Contract	26 days not exceeding 5 months with 11 days in country for field mission
Expected Start Date	15 th Dec 2016

1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the *medium*-sized project titled **Promotion and upscaling of climate-resilient, resource efficient technologies in a tropical island context** (PIMS 4913) implemented through the Ministry of Environment, Energy and Climate Change, GOS-UNDP-GEF Programme Coordination Unit, which is to be undertaken in *December 2016 to February 2017*. The project started on the 13th June 2014 and at the time of the MTR will be in its *third* year of implementation. This ToR sets out the expectations for this MTR. The MTR process must follow the guidance outlined in the document *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*.

2. PROJECT BACKGROUND INFORMATION

The project was designed to address, in part, Seychelles dependency on imported oil to meet its energy needs (90% of the primary energy supply comes from imported fuel, with imports of fuel for electricity generation alone accounting for 12% of the total government budget). This heavy reliance on imported fossil fuels places heavy pressure on the country's foreign exchange reserves, exacerbates state budget deficits, and poses major energy security concerns, both in terms of access to supplies and pricing. A market for energy efficient appliances is developing in the Seychelles. However, this market has been constrained in many ways, including: a lack of consumer awareness about EE appliances, extremely limited purchase options for EE appliances (apart from energy saving lights), the inability of consumers to get bank loans or store financing for the purchase of high-value EE appliances (such as air conditioning units, refrigerators/freezers, and washing machines), and the absence of any standards or labelling schemes or requirements for EE appliances in the country. For this reason, the GEF project is providing technical assistance for regulatory, standards setting, educational, data collection and training needs to help set the stage for the growth of the energy efficient appliances market in the country. In addition, the project provides critical catalytic support to programs designed to provide concessionary financing for energy efficient appliances and water saving devices, specifically the Seychelles Energy Efficiency and

Renewable Energy Program (SEEREP), a financing scheme for the residential sector to purchase EE appliances, and a credit facility of the Development Bank of Seychelles (DBS) to provide concessionary finance for the adoption of EE technologies in Small and Medium Enterprises (SME loans scheme). The project plays a critical facilitating role for these financing programs, through development of the necessary policy frameworks, providing capacity building for financial institutions, banks and other participants to enable their participation in the programs, and increasing public awareness about the programs and the opportunities and options for end users to purchase resource efficient technologies with concessionary financing. The project is for four years (2014-2018). It has a budget of US\$ 12,025,203 with a GEF grant of US\$ 1,770,000 and planned co-financing of US\$ 10,285,203. The project is managed by the GOS-UNDP-GEF Programme Coordination Unit (PCU) of the Ministry of Environment, Energy and Climate Change (MEECC), and implemented in association with the Seychelles Energy Commission (SEC) and other stakeholders.

3. OBJECTIVES OF THE MTR

The MTR will assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project's strategy and its risks to sustainability.

4. MTR APPROACH & METHODOLOGY

The MTR must provide evidence based information that is credible, reliable and useful. The MTR Consultant will review all relevant sources of information including documents prepared during the preparation phase (i.e. PIF, UNDP Initiation Plan, UNDP Environmental & Social Safeguard Policy, the Project Document, project reports including Annual Project Review/PIRs, project budget revisions, lesson learned reports, national strategic and legal documents, and any other materials that the MTR Consultant considers useful for this evidence-based review). The MTR Consultant will review the baseline GEF focal area Tracking Tool submitted to the GEF at CEO endorsement, and the midterm GEF focal area Tracking Tool that must be completed before the MTR field mission begins.

The MTR Consultant is expected to follow a collaborative and participatory approach⁶ ensuring close engagement with the Project Consultant, government counterparts (the GEF Operational Focal Point), the UNDP Country Office(s), UNDP-GEF Regional Technical Advisers, and other key stakeholders.

Engagement of stakeholders is vital to a successful MTR.⁷ Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to: MEECC (executing agency), PCU (ceded the role of executing the project by the MEECC), SEC (implementing agency)), Project Board, key project stakeholders (Public Utilities Corporation, Ministry of Finance Trade and Blue Economy, Development Bank of Seychelles, Seychelles Bureau of Standards, Land and Waste Management Agency, Seychelles Institute of Technology, Sustainability for Seychelles, residential and business end users, etc.

The final MTR report should describe the full MTR approach taken and the rationale for the approach making explicit the underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review.

5. DETAILED SCOPE OF THE MTR

⁶ For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see [UNDP Discussion Paper: Innovations in Monitoring & Evaluating Results](#), 05 Nov 2013.

⁷ For more stakeholder engagement in the M&E process, see the [UNDP Handbook on Planning, Monitoring and Evaluating for Development Results](#), Chapter 3, pg. 93.

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The MTR Consultant will assess the following four categories of project progress. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for extended descriptions.

i. Project Strategy

Project design:

- Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
- Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?
- Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
- Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
- Review the extent to which relevant gender issues were raised in the project design. See Annex 9 of *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines.
- If there are major areas of concern, recommend areas for improvement.

Results Framework/Logframe:

- Undertake a critical analysis of the project's logframe indicators and targets, assess how "SMART" the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
- Are the project's objectives and outcomes or components clear, practical, and feasible within its time frame?
- Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women's empowerment, improved governance etc...) that should be included in the project results framework and monitored on an annual basis.
- Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART 'development' indicators, including sex-disaggregated indicators and indicators that capture development benefits.

ii. Progress Towards Results

Progress Towards Outcomes Analysis:

- Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and following the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*; colour code progress in a "traffic light system" based on the level of progress achieved; assign a rating on progress for each outcome; make recommendations from the areas marked as "Not on target to be achieved" (red).

Table. Progress Towards Results Matrix (Achievement of outcomes against End-of-project Targets)

Project Strategy	Indicator ⁸	Baseline Level ⁹	Level in 1 st PIR (self-reported)	Midterm Target ¹⁰	End-of-project Target	Midterm Level & Assessment ¹¹	Achievement Rating ¹²	Justification for Rating
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⁸ Populate with data from the Logframe and scorecards

⁹ Populate with data from the Project Document

¹⁰ If available

¹¹ Colour code this column only

¹² Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

Objective:	Indicator 1-3:			n/a				
Outcome 1:	Indicator 4-9:							
	Etc.							
Outcome 2:	Indicator 10-15							
	Etc.							
Outcome 3:	Indicator 16-18							
	Etc.							
Outcome 4:	Indicator 19-23							
	Etc.							

Indicator Assessment Key

Green= Achieved	Yellow= On target to be achieved	Red= Not on target to be achieved
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In addition to the progress towards outcomes analysis:

- Compare and analyse the GEF Tracking Tool at the Baseline with the one completed right before the Midterm Review.
- Identify remaining barriers to achieving the project objective in the remainder of the project.
- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

iii. Project Implementation and Adaptive Management

Management Arrangements:

- Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
- Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
- Review the quality of support provided by the GEF Partner Agency (UNDP) and recommend areas for improvement.

Work Planning:

- Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
- Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
- Examine the use of the project's results framework/ logframe as a management tool and review any changes made to it since project start.

Finance and co-finance:

- Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.
- Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
- Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds?
- Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Is the Project Consultant

Midterm Review: GOS-UNDP-GEF Resource Efficiency Project, Seychelles

meeting with all co-financing partners regularly in order to align financing priorities and annual work plans?

Project-level Monitoring and Evaluation Systems:

- Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
- Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

Stakeholder Engagement:

- Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
- Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
- Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?

Reporting:

- Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
- Assess how well the Project Consultant and partners undertake and fulfil GEF reporting requirements (i.e. how have they addressed poorly-rated PIRs, if applicable?)
- Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.

Communications:

- Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?
- Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
- For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

iv. Sustainability

- Validate whether the risks identified in the Project Document, Annual Project Review/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
- In addition, assess the following risks to sustainability:

Financial risks to sustainability:

- What is the likelihood of financial and economic resources not being available once the GEF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)?

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Socio-economic risks to sustainability:

- Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

Institutional Framework and Governance risks to sustainability:

- Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

Environmental risks to sustainability:

- Are there any environmental risks that may jeopardize sustenance of project outcomes?

Conclusions & Recommendations

The MTR Consultant will include a section of the report setting out the MTR's evidence-based conclusions, in light of the findings.¹³

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report's executive summary. See the Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects for guidance on a recommendation table.

The MTR Consultant should make no more than 15 recommendations total.

Ratings

The MTR Consultant will include its

ratings of the project's results and brief descriptions of the associated achievements in a *MTR Ratings & Achievement Summary Table* in the Executive Summary of the MTR report. See Annex E for ratings scales. No rating on Project Strategy and no overall project rating is required.

Table. MTR Ratings & Achievement Summary Table for Outer Islands project

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	
Progress Towards Results	Objective Achievement Rating: (rate 6 pt. scale)	
	Outcome Achievement Rating: (rate 6 pt. scale)	

¹³ Alternatively, MTR conclusions may be integrated into the body of the report.

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	Outcome Achievement Rating: (rate 6 pt. scale)	2
Project Implementation & Adaptive Management	(rate 6 pt. scale)	
Sustainability	(rate 4 pt. scale)	

6. TIMEFRAME

The total duration of the MTR will be approximately *26 days* over a time period of 4 month starting 15TH December 2016, and shall not exceed five months from when the consultant(s) are hired. The tentative MTR timeframe is as follows:

TIMEFRAME	ACTIVITY
<i>15th November 2016</i>	Application closes
<i>15th December</i>	Contract Issued
<i>20th December</i>	Prep the MTR consultant (handover of Project Documents)
<i>3rd - 5th January 2017 (3 days)</i>	Document review and preparing MTR Inception Report
<i>20th January (1 day)</i>	Finalization and Validation of MTR Inception Report- latest start of MTR mission
<i>23rd – 31st January (11 days including travel)</i>	MTR mission: stakeholder meetings, interviews, field visits
<i>31st January 2017</i>	Mission wrap-up meeting & presentation of initial findings- earliest end of MTR mission
<i>1st – 22nd February (8 days)</i>	Preparing draft report
<i>9th – 10th March (2 days)</i>	Incorporating audit trail from feedback on draft report/Finalization of MTR report
<i>13th – 14th March</i>	Preparation & Issue of Management Response
	Concluding Stakeholder Workshop (not mandatory for MTR Consultant)
<i>15th March</i>	Expected date of full MTR completion

Options for site visits should be noted in the Inception Report.

7. MIDTERM REVIEW DELIVERABLES

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#	Deliverable	Description	Timing	Responsibilities
1	MTR Inception Report	MTR Consultant clarifies objectives and methods of Midterm Review	No later than 2 weeks before the MTR mission: (5 th January)	MTR Consultant submits to the Commissioning Unit and project management
2	Presentation	Initial Findings	End of MTR mission: (31 st January)	MTR Consultant presents to project management and the Commissioning Unit
3	Draft Final Report	Full report (using guidelines on content outlined in Annex B) with annexes	Within 3 weeks of the MTR mission: (22 nd February)	Sent to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFP
4	Final Report*	Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final MTR report	Within 1 week of receiving UNDP comments on draft: (10 th March)	Sent to the Commissioning Unit

*The final MTR report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

8. MTR ARRANGEMENTS

The principal responsibility for managing this MTR resides with the Commissioning Unit. The Commissioning Unit for this project's MTR is the UNDP Seychelles Country Office (under the UNDP Seychelles-Mauritius Country Office).

The commissioning unit will contract the consultants and ensure the timely provision of per diems and travel arrangements within the country for the MTR Consultant. The Project Consultant will be responsible for liaising with the MTR Consultant to provide all relevant documents, set up stakeholder interviews, and arrange field visits.

9. CONSULTANT COMPOSITION

One international independent consultant will conduct the MTR - one Consultant with experience and exposure to projects and evaluations in other regions globally. The Consultant cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project's related activities.

The selection of Consultant will be aimed at maximizing the qualifications in the below areas. 70% of points will be awarded for the technical qualifications and 30% for the financial bid.

- Recent experience with result-based management evaluation methodologies;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in adaptive management, as applied to GEF CCM Focal Area;
- Experience working with the GEF or GEF-evaluations;
- Experience working in SIDS, preferably in the Western Indian Ocean;

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- Work experience in relevant technical areas for at least 10 years;
- Demonstrated understanding of issues related to gender and climate change mitigation actions; experience in gender sensitive evaluation and analysis.
- Excellent communication skills;
- Demonstrable analytical skills;
- Project evaluation/review experiences within United Nations system will be considered an asset;
- A Master's degree in Energy Studies, or other closely related field.

10. PAYMENT MODALITIES AND SPECIFICATIONS

10% of payment upon approval of the final MTR Inception Report

30% upon submission of the draft MTR report

60% upon finalization of the MTR report

Or, as otherwise agreed between the Commissioning Unit and the MTR Consultant.

11. APPLICATION PROCESS¹⁴

Presentation of Proposal (all sections must be completed):

- Letter of Confirmation of Interest and Availability** using the [template](#)¹⁵ provided by UNDP;
- CV** and a **Personal History Form** ([P11 form](#))¹⁶;
- Brief description of approach to work/technical proposal** of why the individual considers him/herself as the most suitable for the assignment, and a proposed methodology on how they will approach and complete the assignment (max 1 page);
- Financial Proposal** that indicates the all-inclusive fixed total contract price and all other travel related costs (such as flight ticket, per diem, etc.), supported by a breakdown of costs, as per template attached to the [Letter of Confirmation of Interest template](#). If an applicant is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the applicant must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

All application materials should be submitted using the UNPD Jobs site (<https://jobs.undp.org>) **on 15th November 2016**. Incomplete applications will be excluded from further consideration.

Criteria for Evaluation of Proposal: Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP's General Terms and Conditions will be awarded the contract.

The Evaluation Criteria for technical Evaluation will be the following

Education:	Technical Qualification:	UNDP-GEF Experience:	Stakeholder Engagement:	Language and Communication
MA in Energy Efficiency or related fields	At least 8 years of evaluation experience. Knowledge of RBM, SMART tools and criteria.	Must have conducted at least 3 UNDP-GEF evaluations. Must have Knowledge of UNDP-	Demonstrated ability to work in diverse	Demonstrated skills in report writing. Fluency

¹⁴ Engagement of the consultants should be done in line with guidelines for hiring consultants in the POPP: <https://info.undp.org/global/popp/Pages/default.aspx>

¹⁵

<https://intranet.undp.org/unit/bom/psd/Support%20documents%20on%20IC%20Guidelines/Template%20for%20Confirmation%20of%20Interest%20and%20Submission%20of%20Financial%20Proposal.docx>

¹⁶ http://www.undp.org/content/dam/undp/library/corporate/Careers/P11_Personal_history_form.doc

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	SIDS evaluation experience is preferable	GEF process. Focus on Gender issues and RE is an advantage	environemnt	in English. Familiarity with French/Creole is an advantage
15	30	30	15	10

ToR ANNEX A: List of Documents to be reviewed by the MTR Consultant

1. PIF
2. UNDP Initiation Plan
3. UNDP Project Document
4. UNDP Environmental and Social Screening results
5. Project Inception Report
6. All Project Implementation Reports (PIR's)
7. Quarterly progress reports and work plans
8. Audit reports
9. Finalized GEF CCM Tracking Tool at CEO endorsement and midterm
10. Oversight mission reports
11. All monitoring reports prepared by the project
12. Financial and Administration guidelines used by Project team

The following documents will also be available:

13. Project operational guidelines, manuals and systems
14. UNDP country/countries programme document(s)
15. Minutes of the RE Project Board Meetings and other meetings (i.e. Project Appraisal Committee meetings)

ToR ANNEX B: Guidelines on Contents for the Midterm Review Report¹⁷

- i. Basic Report Information *(for opening page or title page)*
 - Title of UNDP supported GEF financed project
 - UNDP PIMS# and GEF project ID#
 - MTR time frame and date of MTR report
 - Region and countries included in the project
 - GEF Operational Focal Area/Strategic Program
 - Executing Agency/Implementing Partner and other project partners
 - MTR team members
 - Acknowledgements
- ii. Table of Contents
- iii. Acronyms and Abbreviations
1. Executive Summary *(3-5 pages)*
 - Project Information Table
 - Project Description (brief)
 - Project Progress Summary (between 200-500 words)
 - MTR Ratings & Achievement Summary Table
 - Concise summary of conclusions
 - Recommendation Summary Table
2. Introduction *(2-3 pages)*
 - Purpose of the MTR and objectives
 - Scope & Methodology: principles of design and execution of the MTR, MTR approach and data

¹⁷ The Report length should not exceed 40 pages in total (not including annexes).

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- collection methods, limitations to the MTR
- Structure of the MTR report
- 3. Project Description and Background Context (*3-5 pages*)
 - Development context: environmental, socio-economic, institutional, and policy factors relevant to the project objective and scope
 - Problems that the project sought to address: threats and barriers targeted
 - Project Description and Strategy: objective, outcomes and expected results, description of field sites (if any)
 - Project Implementation Arrangements: short description of the Project Board, key implementing partner arrangements, etc.
 - Project timing and milestones
 - Main stakeholders: summary list
- 4. Findings (*12-14 pages*)
 - 4.1 Project Strategy
 - Project Design
 - Results Framework/Logframe
 - 4.2 Progress Towards Results
 - Progress towards outcomes analysis
 - Remaining barriers to achieving the project objective
 - 4.3 Project Implementation and Adaptive Management
 - Management Arrangements
 - Work planning
 - Finance and co-finance
 - Project-level monitoring and evaluation systems
 - Stakeholder engagement
 - Reporting
 - Communications
 - 4.4 Sustainability
 - Financial risks to sustainability
 - Socio-economic to sustainability
 - Institutional framework and governance risks to sustainability
 - Environmental risks to sustainability
- 5. Conclusions and Recommendations (*4-6 pages*)
 - 5.1 Conclusions
 - Comprehensive and balanced statements (that are evidence-based and connected to the MTR's findings) which highlight the strengths, weaknesses and results of the project
 - 5.2 Recommendations
 - Corrective actions for the design, implementation, monitoring and evaluation of the project
 - Actions to follow up or reinforce initial benefits from the project
 - Proposals for future directions underlining main objectives
- 6. Annexes
 - MTR ToR (excluding ToR annexes)
 - MTR evaluative matrix (evaluation criteria with key questions, indicators, sources of data, and methodology)
 - Example Questionnaire or Interview Guide used for data collection
 - Ratings Scales
 - MTR mission itinerary
 - List of persons interviewed
 - List of documents reviewed
 - Co-financing table (if not previously included in the body of the report)
 - Signed UNEG Code of Conduct form
 - Signed MTR final report clearance form
 - *Annexed in a separate file:* Audit trail from received comments on draft MTR report
 - *Annexed in a separate file:* MTR tracking tool

Annex 10: Audit Trail Table

Author	#	Location/page, section, outcome	Comment on the MTR draft	Response and action taken
UNDP Results and Knowledge Specialist	1	Page 1	Medium-sized project	Incorporated
UNDP Results and Knowledge Specialist	2	Text	MTR is review not evaluation	Corrected
UNDP Results and Knowledge Specialist	3	Text	Awareness “rising” instead of raising	Corrected
UNDP Results and Knowledge Specialist	4	Page 16, 2.2	Explanation of the methodology should include underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review	Incorporated
UNDP Results and Knowledge Specialist	5	Pages 24-26, 4.1.1	Were the perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?	Yes, they were. Incorporated
UNDP Results and Knowledge Specialist	6	Pages 24-26, 4.1.1	Were relevant gender issues raised in the project design process?	Yes, they were. Incorporated.
UNDP Results and Knowledge Specialist	7	Pages 26-27, 4.1.2	Assess the extent to which broader development effects of the project were factored into project design	Incorporated
UNDP Results and Knowledge Specialist	8	Page 30, 4.3.2	Expand discussion about UNDP to include: Candor and realism in annual reporting, Quality of risk management, Responsiveness to significant implementation problems	Incorporated
UNDP Results and Knowledge Specialist	9	Page 30, 4.3.2	Expand discussion about the Executing Agency: Whether or not there is an	Incorporated

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			appropriate focus on results, Adequacy of management inputs and processes, quality of risk management, candor and realism in reporting	
UNDP Results and Knowledge Specialist	10	Page 34, 4.3.7	How stakeholders are involved and support the objectives of the project?	Incorporated
UNDP Results and Knowledge Specialist	11	Page 36, 4.4.2	Are lessons learned being documented by the Project Team on a continual basis?	Incorporated
UNDP Results and Knowledge Specialist	12	Annexes	Include Audit Trail	Included
UNDP Results and Knowledge Specialist	13		Include GEF mid-term Tracking Tool	PCU to include
SEC	14	Recommendation 1	There is no water authority. Regulation of water is jointly done by MEECC and PUC.	Incorporated, text adjusted
SEC	15	44	SEC is not water regulator	Incorporated, text adjusted
SEC	16	Recommendation 12	Already in implementation (tariff rebalancing exercise) since 2012	Incorporated
PCU	17	60	Demo sites include Seychelles Youth Hostel	Incorporated
PCU	18	60	5 appliances have set MEPS	Incorporated
PCU	19	62	The TOR for e-waste is finalized, and the post will be advertised end of April for the consultant to start work at end of May 2017	Updated
PCU	20	63	47 household has received the SEEREP loan	Updated
PCU	21	63	8 banks	Updated
PCU	22	Table 3	UNDP – 60% of budget	Incorporated
SEC	23	10	Rephrase wording on VAT exemption	adjusted
SEC	24	12	Monitoring system under development since mid-2016 but not in use yet. Savings cannot be quantified	Wording adjusted
SEC	25	12	This is not true. VAT	As described in the

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			exemption is implemented and formalized in the VAT Act. It is the endorsement of products to be exempted that needs a proper and dedicated framework	MTR text. Wording in the table clarified.
SEC	26	12, 1.1	Consider revising the Midterm Rating	Rating not changed
SEC	27	13, 3.2	Change wording to Officers progressively being trained in the scope of: i) project workshops developed to present the proposed institutional...	Wording adjusted
PCU	28	14 27	... but realistically only a small fraction of the target savings have been achieved by mid-term, Perhaps 'set too high', This being the case, there could be a recommendation to reduce the GHG emissions target Hopefully later in the document there will be calculation as to what would be a more realistic target, or a recommendation as to how that recalculation should be made	Change in project objective target would require GEF Sec approval, target change is not recommended, but rather implementation of adaptive management
PCU	29	Recommendation 1	How are we to facilitate? We have made funds available, we have provided a recommended Policy for RE, we have drawn the TOR	Explanation provided
PCU	30	Recommendation 2	Not possible under our project as implementing partner is SEC 7 they do not regulate water	Clarified to include responsible authorities for water/regulator MEECC and PUC
SEC	31	Recommendation 6	If possible include public sector	Included
PCU	32	19	RE target has been accelerated from 30% to 100%	Wording adjusted
PCU	33	23	Don't quite understand what you mean here.	Yes. Wording clarified

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			UNDP is responsible for quality assurance – maybe that is what you mean.	
PCU	34	24, 3.5	But note that the project became fully operational only with appointment of the Project Manager and the Inception Workshop in November 2014.	As described in the MTR text. Wording adjusted
SEC	35	25	Ad GHG targets in RE and PV projects: Can this difference in targets be translated in terms of CO2 reduction/USD of GEF funds ? Can both be indicated here to have more clarity and higher transparency ?, I would prefer not comparing both the projects as the target technology differs so much. PV is a straight target compared to Resource efficiency which is more complex	The difference between RE and PV project is provided to illustrate difference between resource efficiency and renewable energy projects, that applies generally. No full analysis is provided in the MTR.
PCU	36	28	Ad Number of targets: Actually 23 is quite a lot in my opinion.	Wording revised
SEC	37	28	This is not (VAT) extension but introduction of an interim procedure requesting minimum requirements	In agreement, wording adjusted
SEC	38	28	Ad lower delivery in component 3 ...: I think this deserves better wording...	Wording revised
SEC	39	29	MEP Requirements is already in place for some energy related products. They are being used with the VAT Act which gives power to SEC to endorse those products that should receive financial incentives.	In agreement, wording clarified
SEC	40	29	Ad The barrier “lack of access to financing”: Financial schemes for financing EE are not made	Comment not incorporated, but the project has the flexibility to

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			<p>only of loans. The MTR could open window for other possibilities given the demonstrated incapacity of the SEEREP to support the achievement of the project's targets and objectives.</p> <p>To document this with evidence based information, another comparison with the PV Project is suggested – USD (GEF funds) / kWh foreseen to be generated by the target PV systems rebated VS USD (GEF funds) / foreseen avoided kwh of targeted SEEREP purchased appliances</p>	<p>implement adaptive management by its own.</p> <p>Lack of financing does not seem to be the major problem. Compulsory MEPS to be enforced are expected to be the most effective policy.</p>
PCU	41	29	Ad SEEREP: Also the fact that many hhs reach their loan ceiling with loans for a house and a car	Incorporated
SEC	42	29	It seems that Jiri sees labels as alternative to MEPS (?). In my opinion, labels are add-ons to MEPS. They cannot exist without a reference (MEP requirement)	<p>Yes, this is correct. Labels and MEPS are two different and independent policy options. You can have labels without MEPS, or MEPS without labels. Or both measures, MEPS and labels, simultaneously in place. This comments relates to two different meanings of MEPS used by the project as described in the MTR. Labels are based on energy performance specification, but they are independent policy measure to MEPS – compulsory Minimum Energy Performance Standards, i.e. legislation that requires all imported/sold appliances to comply with MEP</p>

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				specification/standard.
SEC, PCU	43	30	Ad NEPTUNE project water efficiency: This doesn't seem to be a project element ... This is not part of the project deliveries..	Target of this (canceled) NEPTUNE project component represents 14% of the RE project objective target in GHG savings. Thus, water efficiency is a project element – expected to be delivered by NEPTUNE.
SEC	44	36, 4.4.1	Given the diversity of indicators that classify the success of the project, this is too optimistic and in a MTR we are losing the chance to raise the issues that need be resolved. Speaking about the financial resources for the SIT – Where is this going to be addressed	Need for funding from budget to SEC, SBS, SIT incorporated.
PCU	45	38, 4.4.4	Except in regard to mercury-containing devices, such as CFL bulbs	Incorporated
SEC	46	39	Rephrase.. rather than saying regulations to be built on the interim procedure, I would use this to explain the interim procedure	Incorporated
SEC	47	39	Consider using: restriction (instead of ban)	Reworded
PCU	48	40, Recommendation 2	Is it realistic that a project measure will meet the target originally given to NEPTUNE? Maybe add some detail on what the project might do and what proportion of the GHG savings might be reached	Details incorporated. Target will still be very demanding.
PCU	49	40, Recommendation 3	Technical working group which made up of the mentioned stakeholder have finalized a TOR for the review of solid waste policy...	Incorporated

Annex 11: MTR Final Report Clearance Form

Midterm Review Report Reviewed and Cleared By:

Commissioning Unit

Name: _____

Signature: _____

Date:

UNDP-GEF Regional Technical Advisor

Name: _____

Signature: _____

Date: