# Executive Summary

Project evaluations are based on the assumption that an agreed project document presents a reasonably accurate and comprehensive strategy and outline for the project and that it includes targets which are reasonable and SMART and appropriate for the development context of the country. Unfortunately, the project document for this project fell short in several important aspects (see section 1.4 for a further summary of this, and section 4.1 for a detailed discussion). As a result, this terminal evaluation worked with the UNDP country office and the project team to re-establish a baseline for the project and targets for its core objectives (which had not been defined), and these have been used to assess the project’s impact and progress towards targets. Further, this terminal evaluation was conducted before operational closure of the project and some activities were ongoing. This included some crucial regulatory work which the project had then just started, results of which were not yet available and not expected to be finished before the end of the project period. These activities could therefore only very partially be included in the terminal evaluation. The reader is advised to keep in mind that there may have been changes in the last two months of the project’s implementation that could not be captured in this report.

## Project Summary Table

The following table provides key data about the project “Promotion and up-scaling of climate-resilient, resource efficient technologies in a Tropical Island Context”.

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| --- | --- | --- | --- | --- |
| Project Title: | Promotion and up-scaling of climate-resilient, resource efficient technologies in a Tropical Island Context | | | |
| GEF Project ID: | 5316 |  | *at endorsement (Million US$)* | *at completion (Million US$)* |
| UNDP Project ID: | PIMS 4913 | GEF financing: | 1.77 | 1.62 |
| Country: | Seychelles | IA/EA own: | 0.08 | Unknown |
| Region: | Africa | Government: | 9.73 | Unknown |
| Focal Area: | CCM | Other: | 0.15 | Unknown |
| FA Objectives, (OP/SP): | CC-SP1 | Total co-financing: | 10.26 | Unknown |
| Executing Agency: | Seychelles Energy Commission | Total Project Cost: | 12.03 | Unknown |
| Other Partners involved: | Ministry of Environment and Energy, Ministry of Finance, Trade & Economic Planning, Public Utilities Corporation,  Development Bank of Seychelles | ProDoc Signature (date project began): | | 13 June 2014 |
| (Operational) Closing Date: | Proposed:  30 June 2018 | Actual:  30 June 2019 (assumed – this TE is conducted before operational closure of the project) |

*Co-financing levels at completion have not been established due to missing and unreliable information about the amounts actually provided by stakeholders, including Government. UNDP also has not provided its delivered amount of co-financing (nor is it tracked in its CDR reports).*

## Project Description (brief)

The five-year project (originally four years, extended by one year to account for delays in the first year of implementation) has been designed with an overall project objective to “significantly reduce the rate of electricity consumption and water usage in Seychelles among underserved communities in the residential sector”.

The project focuses on improving policy, regulatory and financial framework for resource efficient technologies; awareness raising and education; training for resource efficient technologies (RET) market development; and implementing financial mechanism to support adoption of resource efficient technologies.

The project has four components and related outcomes as described below:

* 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
* 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 behaviour 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 financing options available through these programs
* Component 3: Training schemes to support market development and maintenance of resource efficient technologies
  + 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
* 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 on non-EE residential appliances
  + Outcome 4.2: Underserved consumers accessing specially designated financial products for purchase of resource efficient appliances

## Evaluation Rating Table

Several parts of the project have been rated for this evaluation, in accordance with GEF and UNDP evaluation guidelines. These ratings are summarised here, and are substantiated in the sections of the report discussing the various rated aspects. The rating for overall project results factors in all individually rated elements.

|  |  |  |
| --- | --- | --- |
| **Rating project performance** | | |
| *Criteria* | *Comments* | *Ratings* |
| **Monitoring and Evaluation**:  Highly Satisfactory (HS), Satisfactory (S) Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU) | | |
| Overall quality of M&E | (rate 6 pt. scale) | Unsatisfactory (U) |
| M&E design at project start up | (rate 6 pt. scale) | Unsatisfactory (U) |
| M&E Plan Implementation | (rate 6 pt. scale) | Unsatisfactory (U) |
| **IA & EA Execution**:  Highly Satisfactory (HS), Satisfactory (S) Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU) | | |
| Overall Quality of Project Implementation/Execution | (rate 6 pt. scale) | Unsatisfactory (U) |
| Implementing Agency Execution | (rate 6 pt. scale) | Unsatisfactory (U) |
| Executing Agency Execution | (rate 6 pt. scale) | Unable to Assess |
| **Outcomes**:  Highly Satisfactory (HS), Satisfactory (S) Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU) | | |
| Overall Quality of Project Outcomes | (rate 6 pt. scale) | Moderately Unsatisfactory (MU) |
| Relevance: relevant (R) or not relevant (NR) | (rate 2 pt. scale) | Relevant (R) |
| Effectiveness | (rate 6 pt. scale) | Unsatisfactory (U) |
| Efficiency | (rate 6 pt. scale) | Moderately unsatisfactory (MU) |
| **Sustainability**:  Likely (L); Moderately Likely (ML); Moderately Unlikely (MU); Unlikely (U). | | |
| Overall likelihood of risks to Sustainability | (rate 4 pt. scale) | Moderately Unlikely (MU) |
| Financial resources | (rate 4 pt. scale) | Moderately Likely (ML) |
| Socio-economic | (rate 4 pt. scale) | Moderately Unlikely (MU) |
| Institutional framework and governance | (rate 4 pt. scale) | Unlikely (U) |
| Environmental | (rate 4 pt. scale) | Likely (L) |
| **Impact**:  Significant (S), Minimal (M), Negligible (N) | | |
| Environmental Status Improvement | (rate 3 pt. scale) | Minimal (M) |
| Environmental Stress Reduction | (rate 3 pt. scale) | Minimal (M) |
| Progress towards stress/status change | (rate 3 pt. scale) | Negligible (N) |
| **Overall Project results** | (rate 6 pt. scale) | Unsatisfactory (U) |

## Summary of conclusions, recommendations and lessons

This project struggled from the beginning, in its design, in implementation and it struggled to produce results. Part of that is due to an overambitious project design, which tried to do too much with a too small budget and with a government without much experience in regulations. This also raises the question to what extent the Government of the Seychelles was ready for a complex regulatory project at the time of the project’s design, and how ready it would be now. The project has given the Seychelles some useful and important steps forward, such as more attention for resource efficiency in the media, a retail sector more used to factoring in product efficiency and a government more used to supporting resource efficiency in its policies. On some core regulatory aspects, however, many gaps that were present before the project remain: a strategy to address product regulations in the Seychelles market, the capacity to independently design and develop a regulatory framework and technical requirements and the capacity to implement and enforce regulations. It is not yet clear if and when the Seychelles would be ready to handle such regulatory challenges.

A core barrier the project faced relates to subsidised electricity tariffs, which are harmful for the core tenet of the project’s approach, which was to bring the market towards more efficient, more expensive appliances which pay for themselves through electricity savings. Tariff reforms had started before the project started, however, were abandoned around the time the project commenced. That would have required a strategic rethinking of the project, which unfortunately did not happen. In addition, the project’s strategy was poorly developed, with a too large number of components, indicators that did not match outcome objectives, poor timing of activities and insufficient attention for the need to assess and find solutions fitting the Seychelles market before commencing on the implementation of regulation. For this Terminal Evaluation, a reconstructed set of SMART indicators and targets was created to have a relevant basis for assessing project results.

The project struggled to maintain focus during implementation, with a wide range of activities started, by a too small team, and many not continued or not finished. Technical regulations, training of stakeholders, awareness raising and a financial mechanism all have not delivered their intended results, for various reasons. Overall, this has resulted in a project that seriously underdelivered both on its (original and reconstructed) targets and by what might otherwise have been expected of a project of this size and duration. It was certainly not helpful, and very likely directly linked to the underperformance of the project, that the Government’s Department of Public Administration decided to block the staffing pledged, and needed, for the Renewable energy and energy management unit at the Seychelles Energy Commission, the executing agency for the project.

Together, this has resulted in a situation in which the country still needs to build up capacity for the development and implementation of regulations, initiate the training of stakeholders in working with those regulations and direct financial instruments to make the market introduction of regulations easier. Those achievements, which would also have built experience within government agencies and market parties around efficiency regulations, were supposed to be delivered by the project. Now that these mechanisms are not in place, it is much harder for the Government of the Seychelles to reach the original objectives of the project in coming years.

The project’s overall environmental impact adds up to approximately 3 – 5 kton CO2 equivalent direct impact, over a 10-year impact period. This impact is negligible at a national scale, even for a small island state.

This evaluation has resulted in the following recommendations for UNDP, the Government of the Seychelles and the GEF, for this and future projects:

1. Project designs need better reviews, including checks on internal consistency and whether baseline information is complete and has been adequately addressed in the project’s strategy. This should also include a check on the project’s strategy and whether this is aligned with the experience and capacity of a country’s government and market parties.
2. In complex markets, it is needed to carefully assess the policy approach. For the Seychelles, that would have needed to include a response to its situation as a small island nation, with limited government capacity, a small, relatively unorganised market and complicated trade relationships. Support of international expert groups might be needed to develop a suitable approach for such situations.
3. It might be useful to explore whether the Seychelles can develop a collaboration with an established standards and labels programme in a country it has trade relations with. That might make it easier to continue its approach without having to build up the extensive technical knowledge needed to do so independently.
4. Results of the project in communication and through its VAT mechanism need to be measured, through household surveys or similar means and through completion of the VAT exemption database.
5. Staff levels at the Renewable energy and energy management unit of the Seychelles Energy Commission urgently need to be brought up to planned levels, so that there is capacity to carry out the regulatory, communication and training activities planned, but not completed, under this project.
6. The Government should speedily introduce the necessary framework legislation for resource efficiency regulation, and then introduce those regulations as well as soon as a comprehensive strategy for their implementation has been established. The VAT mechanism can then be readjusted to smoothen the introduction of those MEPS.
7. It would be useful to explore extending the Lamps for LED exchange campaign, to more lamps and/or to other appliances also. Such approaches are beneficial in particular to low-income households, can offer specific national benefits when electricity tariffs are subsidised and may have a role in tariff restructuring.
8. Future policy or regulatory projects for resource efficiency are not recommended at this point, given that several more years may be needed to reach the objectives of this project and the experience gained with that would be needed for new projects.