

UNITED NATIONS DEVELOPMENT PROGRAMME

Philippines: Capacity Building To Remove Barriers To Renewable Energy Development (CBRED) PHI/01/G33

Terms of Reference for the Mid-Term Review

1. Introduction

1.1. Country Context

The Philippine Government, through the Department of Energy (DOE), has recognized the need to create a policy environment that will facilitate the transition of the country's energy sector to a sustainable energy system by developing renewable energy (RE) as a viable and competitive fuel option with maximum private participation. The increased use of RE will reduce the country's dependence on imported energy and broaden its resource base with an indigenous, inexhaustible and environmentally desirable option. Further to this, the utilization of RE resources enables the government to save on foreign exchange intended for energy imports and avoid increased pollutant emissions resulting from power generation. Moreover, the use of RE resources in small and medium-scale applications causes minimal environmental impact compared to large power plants. Ultimately, the government envisions a sustainable energy system for the country that constantly seeks a balance of its social, environmental and economic goals to improve the people's quality of life. The development of RE resources is beset with many barriers which the CBRED Project aims to address.

1.2. Project Summary

As stated in the CBRED Project Document, the Philippines has aimed in its national energy program a) to reduce a growing dependence on fossil fuels; b) to meet ambitious targets for reliable, economic supplies of grid electricity; and, c) to realize widespread electrification and poverty relief in remote communities. In order to pursue these objectives, RE will have to be tapped over the next ten years. These resources are abundant throughout the country but relatively under-utilized. Innovative financing and market delivery mechanisms will play a central role in providing the capital and access to the market required to meet expansion targets.

The UNDP and the Global Environmental Facility (GEF) has supported this Project of addressing the identified multiple barriers to the rapid market expansion of RE technologies and applications. The CBRED Project aims to help reduce in the long term the annual growth rate of GHG emissions from activities using fossil fuels through the removal of the major barriers to the development and widespread utilization of renewable energy systems to replace part of the current fossil fuel use in the Philippines. The Project was

designed under the GEF Operational Program No. 6: "Promoting the Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs". This Project addresses key market, policy, technical and financial barriers through a rationalized and integrated program approach.

1.3. Project Expected Outcomes and Outputs

The project outcomes and outputs covered by the entire project duration include:

Outcome 1: RE Policy, Planning and Institutional Capacity Building

Remove the policy and energy planning barriers and address the institutional issues regarding the development and implementation of RE initiatives in the country.

- Establishment of Renewable Energy Inter-Agency Committee/Project Steering Committee (REIAC/PSC) and formulation and endorsement of policies, laws and regulations favorable to renewable energy goals
- Formulation of an RE Bill and implementing rules and regulations
- Conduct of RE Policy studies in support of the RE Bill
- Institutionalization of RE Project Planning Tool
- Institutionalization of Integrated Energy Planning Model
- Establishment of RE Policy Implementation, Monitoring and Evaluation

Outcome 2: RE Market Services Institutionalization

Create and operationalize a "one-stop-shop" to serve as the single agency where RE project investors need to go to obtain all the legal papers and permits required for RE projects.

- Setting up and institutionalization of the Market Service Center (MSC)
- Preparation and implementation of the MSC Business Plan
- Capacity Building for MSC staff

Outcome 3: RE Information and Promotion Services

Establish a national RE information and promotion services facility in forms that are useful, innovative, readily accessible and known to target clients such as potential private investors, manufacturers, engineering service providers and policy makers.

- Conduct of RE resource inventory
- Development of a national RE database
- Establishment of an Integrated RE information exchange system including the development of an RE Website and consolidation of RE Databases
- Development of an RE Advocacy and Promotion Plan
- Development of the RE Engineering Service Industry
- Establishment of a Green Energy Rating Program

Outcome 4: RE Initiatives Delivery and Financing Mechanism

Remove the financing barriers and address issues on RE project development and implementation by providing financial support to project developers in

conducting projects that demonstrate innovative strategies and delivery mechanisms.

- Establishment of RE Funds and financing facilities
- Development of assistance services to financing applicants
- Demonstration of RE Delivery and Financing Mechanisms
- Implementation of RE-based energy projects supported by funding mechanisms
- Monitoring & evaluation of demonstration projects

Outcome 5: RE Training Program

Upgrade the capacity of major stakeholders in the country's RE sector in the various aspects of RE development and commercialization, particularly in policy/regulatory, financial, market, technical and operational aspects.

- Planning and Needs Assessment
- Design of Training Activities
- Conduct of Training courses
- Design of Sustainable Training

Outcome 6: RE Technology Support

Support the upgrading of the quality and efficiency of locally manufactured RE products.

- Development and setting of standards for RE equipment and systems
- Development of RE technology improvement program

The Project has been designed to be complementary to ongoing and planned RE and rural electrification programs of the GOP. In particular, this capacity building project will lay important groundwork for future RE-related projects in the country.

2. Project Status

The CBRED Project is now in its Year 3 of implementation since its start in April 2003. The status of accomplishments of the CBRED Project as of June 30, 2006 was reported in the 2006 Annual Project Report and Project Implementation Review (APR/PIR 2006) vis-à-vis the end-of-project Year 5 Target Level and is summarized as follows:

Outcome 1: RE Policy, Planning and Institutional Capacity Building

The implementation of this project component has been very well supported by the REIAC and the PSC which were established by the Project as oversight and policy-making bodies, and where project plans, activity outputs, consultant reports, major issues and concerns, directions and institutional strengthening to encourage the development and application of REs are being deliberated on and decisions made to guide the overall project implementation through the Project Management Office (PMO).

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Outcome 2: RE Market Services Institutionalization

The main activity of this component is the setting up of the Market Service Center (MSC) and the spinning off of the organization to be an independent and sustainable "one-stop-shop" for RE project development. While the MSC Business Plan has been approved, the timetable for actual spinning off of the MSC was decided to be moved to Year 4 while completing the setting up and building the capacity of the group. Meanwhile, the MSC group is simulating business operation in the interim to test the market and its services prior to the actual spin-off.

Outcome 3: RE Information and Promotion Services

The RE resources inventory has been completed. Additional surveys are ongoing to fill in data gaps that were identified during the course of the inventory.

The establishment of a national RE database which comprises the RE Database Keepers Committee (REDBKC) formation and data collection, is 35% completed. The RE Data and Information Exchange System is not yet operational, however, the data and information exchange system software including the implementation of the design of relational database, is already 80% completed. Also, CBRED through the MSC has provided information services to 114 RE developers and walk-in clients especially those pertaining to resource and potential sites, development strategies, regulatory matters, service providers, etc. The CBRED/MSC website has been completed in December 2004 and viewed by stakeholders.

On RE advocacy and promotion, around 300 institutions were reached by IEC activities with 481,000 potential end-users. These activities have resulted to 187 potential RE-based projects identified for development. The system for registration of RE engineering service firms is being established through a consultative process and active industry participation. Around 33 companies were already assessed as possible participants in the registration program. The MoA on the implementation of the Green-E Awards Program was signed by the Centre of Excellence for Sustainable Energy in Southeast Asia, as the host institution, UNDP and DOE on May 24, 2006. The first Green-E Awards is scheduled during the celebration of the National Energy Week in December 2006.

Outcome 4: RE Initiatives Delivery and Financing Mechanism

For the three RE funding facilities, namely: the Project Preparation Fund (PPF), Loan Guarantee Fund (LGF) and the Micro-Finance Fund (MFF), the guidelines for fund management and processing of applications were completed and possible RE projects identified. Land Bank of the Philippines was selected as the PPF Program and Fund Manager. A total of \$2.4 million has been remitted to Banco de Oro for the LGF Escrow Account; the

negotiation with Local Government Unit Guarantee Corporation as the possible LGF Program Manager is on-going. For the MFF Program and Fund Manager, the agreement between the DOE and Peace and Equity Foundation (PEF) is for signing by DOE management. Meanwhile, the Project conducted training for the LGF, PPF, and MFF program and fund managers.

Outcome 5: RE Training Program

The planning, training needs assessment and design of RE training activities were already completed. The TOR, Implementation Guidelines and the criteria for the selection and hiring of Training Service Providers (TSPs) were approved by the Selection Committee. Preparation for invitation for proposals and guidelines for evaluation of proposals were undertaken.

Outcome 6: RE Technology Support

The various activities regarding the establishment of standards for RE equipment and components are ongoing using the agreed standards endorsed by the respective Technical Committees. The RE technology support program for local RE manufacturers is being finalized.

3. Objectives of the Mid-Term Review (MTR)

The objectives of this Mid-Term Review (MTR) are in line with the following overarching objectives of the monitoring and evaluation of GEF projects:

- a. Promote accountability for the achievement of GEF objectives through the assessment of results, effectiveness, processes and performance of the partners involved in GEF activities. GEF results will be monitored and evaluated for their contribution to global environmental benefits;
- b. Promote learning, feedback and knowledge sharing on results and lessons learned among the GEF and its partners, as basis for decision-making on policies, strategies, program management, and projects and to improve knowledge and performance.

As defined in the GEF Monitoring and Evaluation (M&E) Policy, an evaluation is a systematic and impartial assessment of an activity, project, program, strategy, policy, sector, focal area or other topics. It aims at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions and contributions of the involved partners. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes.

4. Scope of the MTR

The scope of the MTR covers the entire UNDP/GEF-funded project and its components as well as the co-financed components of the project.

It will review and evaluate the Project implementation taking into account the status of the project activities, outputs and resource disbursements made up to June 30, 2006 which is also the cut-off date for the APR/PIR 2006.

The review and evaluation will involve analysis at two levels: component level and project level. On the component level, the following shall be assessed:

- Whether there is effective relationship and communication between/among components so that data, information, lessons learned, best practices and outputs are shared efficiently, including cross-cutting issues.
- Whether the performance measurement indicators and targets used in the project monitoring system are specific, measurable, achievable, reasonable and time-bounded to achieve desired project outcomes.
- Whether the use of consultants has been successful in achieving component outputs.

The evaluation will include such aspects as appropriateness and relevance of work plan, compliance with the work and financial plan with budget allocation, timeliness of disbursements, procurement, coordination among project team members and committees, and the UNDP country office support. Any issue or factor that has impeded or accelerated the implementation of the project or any of its components, including actions taken and resolutions made should be highlighted. In order to assess the performance of the project in terms of budget and corresponding components/activities, the following table can be used as guide, or the Evaluation Team may devise an appropriate format, in presenting it.

Components/Activities		Budget		
Planned Activities	Actual Accomplishment	As per WFP	Actual Expenditures	% of Actual vs. Project Budget

On the project level, it will assess the project performance in terms of: (a) Progress towards achievement of results, (b) Factors affecting successful implementation and achievement of results, (c) Project Management framework, and (d) Strategic partnerships.

4.1 *Progress towards achievement of results (internal and within project's control)*

- Is the Project making satisfactory progress in achieving project outputs vis-à-vis the targets and related delivery of inputs and activities?
- Are the direct partners and project consultants able to provide necessary inputs or achieve results?
- Given the level of achievement of outputs and related inputs and activities to date, is the Project likely to achieve its Immediate Purpose and Development Objectives?
- Are there critical issues relating to achievement of project results that have been pending and need immediate attention in the next period of implementation?

4.2 *Factors affecting successful implementation and achievement of results (beyond the Project's immediate control or project-design factors that influence outcomes and results)*

- Is the project implementation and achievement of results proceeding well and according to plan, or are there any outstanding issues, obstacles, bottlenecks, etc. on the consumer, government or private sector or the electricity industry as a whole that are affecting the successful implementation and achievement of project results?
- To what extent does the broader policy environment remain conducive to achieving expected project results, including existing and planned legislations, rules, regulations, policy guidelines and government priorities?
- Is the project logical framework and design still relevant in the light of the project experience to date?
- To what extent do critical assumptions/risks in project design make true under present circumstances and on which the project success still hold? Validate these assumptions as presently viewed by the project management and determine whether there are new assumptions/risks that should be raised?
- Is the project well-placed and integrated within the national government development strategies, such as community development, poverty reduction, etc., and related global development programs to which the project implementation should align?
- Do the Project's purpose and objectives remain valid and relevant, or are there items or components in the project design that need to be reviewed and updated?
- Are the Project's institutional and implementation arrangements still relevant and helpful in the achievement of the Project's objectives, or are there any institutional concerns that hinder the Project's implementation and progress.



4.3 *Project management* (adaptive management framework)

- Are the project management arrangements adequate and appropriate?
- How effectively is the project managed at all levels? Is it results-based and innovative?
- Do the project management systems, including progress reporting, administrative and financial systems and monitoring and evaluation system, operate as effective management tools, aid in effective implementation and provide sufficient basis for evaluating performance and decision making?
- Is technical assistance and support from project partners and stakeholders appropriate, adequate and timely?
- Validate whether the risks originally identified in the project document and, currently in the APR/PIRs, are the most critical and the assessments and risk ratings placed are reasonable.
- Describe additional risks identified during the evaluation, if any, and suggest risk ratings and possible risk management strategies to be adopted.
- Assess the use of the project logical framework and work plans as management tools and in meeting with UNDP-GEF requirements in planning and reporting.
- Assess the use of electronic information and communication technologies in the implementation and management of the project.
- On the financial management side, assess the cost effectiveness of the interventions and note any irregularities.
- How have the APR/PIR process helped in monitoring and evaluating the project implementation and achievement of results?

4.4 *Strategic partnerships* (project positioning and leveraging)

- Are the project partners and their other similar engagements in the Philippines, strategically and optimally positioned and effectively leveraged to achieve maximum effect of the RE program objectives for the country?
- Assess how project partners, stakeholders and co-financing institutions are involved in the Project's adaptive management framework.
- Identify opportunities for stronger collaboration and substantive partnerships to enhance the project's achievement of results and outcomes.
- Are the project information and progress of activities disseminated to project partners and stakeholders? Are there areas to improve in the collaboration and partnership mechanisms?

5. Review and Evaluation Methodology

The MTR Team is expected to become well versed as to the project objectives, historical developments, institutional and management mechanisms, activities and status of accomplishments. Information will be

gathered through document review, group and individual interviews and site visits. Review relevant project documents and reports will be based on the following sources of information: review of documents related to the Project and structured interviews with knowledgeable parties

The MTR Team will conduct an opening meeting with the National Project Director (NPD), CBRED Project Management Office (PMO), MSC Staff and relevant officials of the DOE- Energy Utilization Management Bureau (EUMB) and REMD to be followed by an "exit" interview to discuss the findings of the assessment prior to the submission of the draft Final Report.

Prior to engagement and visiting the DOE/CBRED Project, the MTR Team shall receive all the relevant documents including at least:

- CBRED Project Document and Project Brief
- Annual Work and Financial Plans
- Annual Project Report/Project Implementation Review (API/PIR) for 2004, 2005 and 2006.


To provide more details, as may be needed, the following will be made available for access by the MTR Team:

- Executive summary of all quarterly reports
- Internal monitoring results
- Terms of Reference for past consultants' assignments and summary of the results
- Past audit reports.

The MTR Team should at least interview the following people:

- CBRED National Project Director
- CBRED PMO Director
- EUMB/REMD Chief and Designated Staff
- Chief Technical Advisor
- Technical Specialists for each component
- MSC Coordinator and Staff
- Administrative Officer
- Financial Officer
- PSC Members
- REIAC Members
- UNDP Country Office in Manila in-charge of the CBRED Project.

With the aim of having an objective and independent evaluation, the MTR Team is expected to conduct the project review according to international criteria and professional norms and standards as adopted by the UN Evaluation Group.



6. MTR Team

The MTR Team will be composed of one International Lead Consultant and one National Consultant. The Team is expected to combine international standards of evaluation expertise, excellent knowledge of the RE and Climate Change projects and national context of RE project and program implementation in the Philippines.

At the minimum, the members of the MTR Team shall have the following professional background and responsibilities:

A. International Lead Consultant

Qualifications/Profile

- Post-Graduate in Engineering, Management or Business
- Minimum of ten years accumulated and recognized experience in renewable energy and climate change projects
- Minimum of five years of project evaluation and/or implementation experience in the result-based management framework, adaptive management and UNDP or GEF Monitoring and Evaluation Policy
- Familiarity in similar country or regional situations relevant to that of the Philippines
- Experience with multilateral and bilateral supported RE and climate change projects
- Comprehensive knowledge of international RE industry best practices
- Advanced report writing skills in English.

Responsibilities

- Documentation review
- Leading the MTR Team in planning, conducting and reporting on the evaluation.
- Deciding on division of labor within the Team and ensuring timeliness of reports
- Use of best practice evaluation methodologies in conducting the evaluation
- Leading presentation of the draft evaluation findings and recommendations in-country
- Conducting the debriefing for the UNDP Country Office in Manila and CBRED Project Management
- Leading the drafting and finalization of the MTR Evaluation Report.

B. National Consultant

Qualifications/Profile

- Post-graduate in engineering, management or business, or college degree in said areas with at least ten years of project development and implementation.

- A minimum of five years of project management experience in RE or related climate change projects
- RE and climate change training and technical experience
- Knowledge of RE industry and projects
- Multilateral and bilateral funded project development and implementation
- Familiarity with Philippine national development policies, programs and projects

Responsibilities

- Documentation review and data gathering
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the International Lead Consultant
- Contributing to presentation of the evaluation findings and recommendations at the evaluation wrap-up meeting
- Contributing to the drafting and finalization of the evaluation report.

The members of the MTR Team must be independent from both the policy-making process and the delivery and management of the UNDP/GEF assistance. Therefore, candidates who had any direct involvement with the design and implementation of the CBRED Project will not be considered.

7. Schedule and Deliverables

The CBRED MTR will commence in November 15, 2006. An evaluation report will be produced after a month, highlighting important observations, analysis of information and key conclusions including its recommendations. Based on the scope of the MTR described above, the Evaluation Report will include, among others:

- Findings on the project implementation achievements, challenges, and difficulties to date;
- Assessments of the progress made towards the attainment of outcomes;
- Recommendations for modifications and the future course of action;
- Lessons learned from the project structure, coordination between different agencies, experience of the implementation, and output/outcome and,

The report will be initially shared with the CBRED PMO to solicit comments or clarifications and will be presented to the UNDP Country Office (CO) in Manila for further deliberations. Consequently, the final MTR Report (in three copies) will be made and submitted to the UNDP CO with a copy furnished to the CBRED PMO.

There will be two main deliverables:

- Mid-Term Review Report, including an executive summary, fulfilling the evaluation requirements set out in this Terms of Reference (TOR). The final report is to be cleared and accepted by UNDP CO in Manila before final payment. The final report (including executive summary, but excluding annexes) should not exceed 50 pages.
- A power-point presentation of the findings of the evaluation. Depending upon the complexity of the findings, UNDP CO in Manila may consider organizing a half-day stakeholders meeting at which to make a presentation to the partners and stakeholders.

8. Budget

All costs to be incurred in the conduct of the MTR shall be charged against the CBRED Project funds allocated for such activity. Payment of the MTR Team's professional fees shall be made in accordance with the Service Contract to be issued for this purpose.

