

# Mid-Term Evaluation of the UNDP project

## “Supporting Uzbekistan in Transition to a Low-Emission Development Path”

(Project ID#00076760, ATLAS Award ID#00060832)

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July 2013

*Document Version: Final*

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This mid-term evaluation of the project “Supporting Uzbekistan in transition to a low-emission development path” was carried out between April 20 and May 25 2013.

This evaluation was conducted for the United Nations Development Programme in Uzbekistan by Susan L. Legro under Contract No. 2013-0171-UZB-01.

### Acknowledgements

The evaluator would like to thank the Project Manager and her team for their active cooperation in the evaluation, their willingness to provide information and to discuss project issues, their patience with a multitude of questions, and their kindness and hospitality down to the very smallest details of the mission. The evaluator would also like to thank UNDP for its strong and consistent support and insights throughout the evaluation process; the consultants who reviewed their work with the evaluator; the government, which participated actively in the evaluation and contributed to its ideas; the NGOs, university administrators, students, and farmers who took time out of their busy schedules to meet with the evaluation team and provide feedback; and the National Consultant, who provided both support and ideas that strengthened this evaluation. Finally, the evaluator would like to thank those stakeholders who provided comments and feedback on the draft version of this report; their insights have strengthened the document.

## Abbreviations and Acronyms

ABD	Asian Development Bank
APR	Annual Project Report
BRC	Bratislava Regional Centre
DNA	Designated National Authority
CC	Climate Change
CDM	Clean Development Mechanism
CDR	Combined Delivery Report
CER	Certified Emission Reduction
CoP	Conference of the Parties
EE	Energy Efficiency
EEU	Energy and Environment Unit (of UNDP Uzbekistan)
GIS	Green Investment Scheme
GIZ	German Development Agency
LEDS	Low-Emission Development Strategies
MDG CF	Millennium Development Goals Carbon Fund
MTE	Mid-Term Evaluation
NAMA	Nationally Appropriate Mitigation Activity
RBM	Results Based Management
PoA	Program of Activities
QOR	Quarterly Operational Report
RRF	Results and Resources Framework (logical framework)
TNC	Third National Communication
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WB	World Bank
WIS	Welfare Improvement Strategy

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## Executive Summary

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### Project Description

The project “Supporting Uzbekistan in transition to a low-emission development path” was designed to build on previous work on climate finance and climate change mitigation and integrate this aspect of sustainable development into country policies and programs. The stated output of the project as a whole was “National capacity for effective transition to a low-emission development path enhanced.” Specifically, the project was designed to address six areas:

1. Enhancing knowledge about international climate change negotiations at the national and regional level;
2. Improving the capacity of national negotiators to participate in international climate change meetings;
3. Strengthening national capacity to implement the Clean Development Mechanism (CDM);
4. Supporting Uzbekistan in its efforts to scale up climate change activities;
5. Developing a low-emission development strategy; and
6. Implementing Green Investment Scheme (GIS) projects with national partners and UNDP support.

### Context and Purpose of the Evaluation

As this is an evaluation at the mid-term of the project, there is emphasis both on monitoring project implementation as described in the project document and on providing recommendations and information that can support the project partners as they move forward in implementing the second half of the project. Changes in the baseline situation were emphasized due to the dynamic nature of climate change negotiations and major changes in global carbon finance markets.

The MTE was structured in several parts. First, the consultant conducted a desk review of project documentation and other relevant materials and submitted a questionnaire to all International Consultants who had participated in the project and discussed the project with three other stakeholders based outside of the country. Second, the consultant and a designated local consultant undertook a mission in Uzbekistan (11-22 May) that included interviews with project staff, consultants, the implementing partner, the project working groups, academia, NGOs, and beneficiaries. The mission also included site visits in Khorezm and Syrdarya Provinces. The results were then presented to the project team, the government implementing partner, and UNDP. Feedback from project stakeholders was collected during June 2013 and incorporated into this final report.

## Main Conclusions

Overall, the project appears to be **proceeding well** towards its overall objectives, and it has responded successfully to significant changes in the operating environment. The key to achieving project objectives will be to take the information and working relationships from the first half of project implementation and apply them to priority areas using mechanisms that can be implemented in the institutional environment in Uzbekistan.

Specific ratings where requested by the TORs of the evaluation (see Annex 1) are summarized below:

Measure	Rating			
	HS	S	MS	U
Project Relevance, Country Ownership/Drivenness	X			
Stakeholder Participation	X			
Management Arrangements	X			
Project Budget and Duration	X			
Design of Project M&E System	X			
Project's Adaptive Management	X			
Stakeholder Participation / Partnership Strategy	X			

Project Component	Rating			
	HS	S	MS	U
Activity 1	X			
Activity 2	X			
Activity 3	X			
Activity 4	X			
Activity 5	X			
Activity 6	NA			

The overall project rating, based on component ratings and other measures, is **highly satisfactory**.

## Good Practice

The selection of the **Ministry of Economy as the national implementing partner** (IP) has proved very beneficial to the project. By using the ministry responsible for strategic development issues in Uzbekistan as the IP, the project has had better access to data and decision-makers than it might have had otherwise.

Focusing on **information and capacity that can be used with multiple financing mechanisms, including domestic financing**, has insulated the project somewhat against the carbon market downturn. One example of this is the focus on sectoral baselines rather than project-specific baselines. These sectoral baselines were not subject to individual project risk, and they have been used by other stakeholders (GIZ).<sup>1</sup>

A system of **built-in peer review of technical reports** produced by project staff and consultants has led to reports that are above average in their consistency and quality.

### Lessons Learned

There is a need to **communicate with stakeholders about the risks of market-based mechanisms**, particularly because they are new to many stakeholders. Project materials and communications should always note that there are inherent risks in using these mechanisms, and that the value of a market-traded asset is not fixed, but can go up or down -- regardless of the performance of a given project.

It is **important to define clearly what the LED Strategy “product” will be** for reasons discussed in the Results section of this report.

In the area of renewable energy technologies, the project has had to **balance raising awareness about new technologies without creating expectations about these technologies when there is a lack of supply** (e.g. small-scale biomass).

### Recommendations

The project is moving into its second half from a strong position. Its activities have identified priority sectors, established working relationships with partners at the regional and national level, and collected a variety of background data in one place.

In its remaining time, the project now faces the task of **turning the government’s priorities into action**: international action in the form of strong negotiating positions and domestic action in the form of investment projects. Both the international and domestic work should be **backed by solid cost-benefit analysis**.

Finally, the project should prioritize its work on support for investments in the second half of the project through the LED strategy and the development of specific NAMAs. It should focus on priority areas where the government is already spending

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<sup>1</sup> In an interview with the project evaluator on May 14, 2013, a representative of GIZ stated that the sectoral baseline developed by the UNDP project had been used in the calculation of emission reductions for a GIZ-funded energy efficiency retrofit of a regional hospital.



money (industrial modernization and the buildings sector are only two examples) and strive for binding, official support that includes the legal and regulatory language necessary for implementation of any strategies or projects developed.

Primary Recommendations for the three major areas in which the project is working and regarding project management were as follows:

*Climate Change Negotiations and Capacity Strengthening (Components 1 and 2):* 1)

The project should consider providing support for the CC negotiation team in developing its position by working with the team to understand **how to translate domestic priorities into an international position**; and providing the team with the economic implications of proposed post-Kyoto regimes for Uzbekistan; 2) The negotiations work should be linked increasingly with projects and proposals from other project components, as an effective strategy would form the basis for a negotiating position and would be a natural topic for a CoP side event; and 3) The project should consider holding a **Youth Climate Summit** with some of the participants in the CC training courses for students. The summit would allow the students to develop their knowledge and would provide positive incentives.

*Carbon Finance (Components 3, and 4):* 1) It is important to emphasize that the **government can be a regional leader for NAMAs** in the way that it has been a regional leader in CDM, particularly in the areas of domestic (unilateral) NAMAs; 2) Where possible, existing **CDM capacity and institutions should be used to address NAMAs**; and 3) Potential **projects should consider areas where the Government is already making substantial investments**—e.g., it might be possible to allocate a portion of an existing fund (i.e. the Fund for Reconstruction and Development) for projects with climate benefits.

*Low-Emission Development Strategy (Component 5):* 1) The LED Strategy, no matter which sector or sectors (?) it addresses, should **incorporate government priorities and frame the discussion around them**; 2) The project **should have a common understanding of the “product” or products that are the LED Strategy**: what it should look like, what approach to implementation it should take, and what type of document or documents will be produced—keeping in mind that a strategy alone may not have the mechanisms to be implemented; and 3) The strategy should **focus on areas where the government is already spending money and convey the message that “climate investments” are not limited to international donors**, that they can come from money already in government budgets at the national and regional level funds, and that these investments can have substantial impacts.

*Project Management:* 1) The project board should **accept the recommendation of the team to revise the project targets in the RRF** as specified in the 2012 APR and undertake all of the necessary associated changes in project documentation; 2) The project should **consider whether a higher-level LED strategy group will be needed** for the discussion and adoption of the LED or any initiatives or targets; and

3) All parties in the project should continue to play an active role in **donor coordination on low-emission activities or activities with the potential to reduce emissions**.

Additional recommendations are provided in the final section of the document.

## Introduction

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### Project Background

The project “Supporting Uzbekistan in transition to a low-emission development path” was designed to build on previous work on climate finance and climate change mitigation and integrate this aspect of sustainable development into country policies and programs. Specifically, three projects provided experience with carbon mitigation projects at the local level and an indication of the issues that would be involved in scaling up these efforts: 1) “Clean Energy for Rural Communities in Karakalpakstan” (2003-2007); 2) “Assisting the Development of Biogas Technology in Uzbekistan” (2006-2008); and 3) “Capacity building for Clean Development Mechanism (CDM) in Uzbekistan” (2007-2010).

The focus of the project also seemed to be a strong fit with the general direction of UNDP-government cooperation, particularly given that one of the stated outcomes of the UNDAF was: “Principles of sustainable development integrated into country policies and programs.”

A third factor in the project development was the emergence of other UNDP-related work on green Low-Carbon Development such as the 2009 catalyst report and the development of the 2011 guidebook, which led to the desire to put low-carbon strategies into practice.

The stated output of the project as a whole was “National capacity for effective transition to a low-emission development path enhanced.” Specifically, the project was designed to address six areas:

1. Enhancing knowledge about international climate change negotiations at the national and regional level;
2. Improving the capacity of national negotiators to participate in international climate change meetings;
3. Strengthening national capacity to implement the Clean Development Mechanism (CDM);
4. Supporting Uzbekistan in its efforts to scale up climate change activities;
5. Developing a low-emission development strategy; and
6. Implementing Green Investment Scheme (GIS) projects with national partners and UNDP support.

## Purpose of the Evaluation

The Mid-Term Evaluation (MTE) is, in the words of UNDP, “initiated by the UNDP Uzbekistan and it aims to provide managers (at the project team and UNDP Uzbekistan Country Office levels) with strategy and policy options for more effectively and efficiently achieving the project’s expected results and for replicating the results. It also provides the basis for learning and accountability for managers and stakeholders.” (UNDP Uzbekistan 2013: 1)

As this is an evaluation at the mid-term of the project, there is emphasis both on monitoring project implementation as described in the project document and on providing recommendations and information that can support the project partners as they move forward in implementing the second half of the project.

This report is the core product of the MTE.

## Key Issues to be Addressed

Key issues to be addressed are as follows:

- “To assess overall performance against the Project objective and outcomes as set out in Project Document and other related documents.
- To assess the effectiveness and efficiency of the Project.
- To analyze critically the implementation and management arrangements of the project
- To assess the sustainability of the project’s interventions.
- To list and document lessons concerning Project design, implementation and management
- To assess Project’s relevance to national priorities
- To assess changes in the baseline situation and provide guidance for the future activities in the area of capacity building for sustainable development in Uzbekistan
- To study feasibility and risks of the project for further expansion of activities.”

(Source: UNDP Uzbekistan 2013: 2.)

Changes in the baseline situation were emphasized due to the dynamic nature of climate change negotiations and major changes in global carbon finance markets.

## How the Outputs of the Evaluation will be Used

The outputs of the evaluation are designed to inform project partners and other stakeholders and to serve as the basis for discussion among them regarding project implementation for the second half of the project.

## Methodology of the Evaluation

The project evaluation is a performance assessment conducted according to UNDP standard principles of Results-Based Management (RBM). The project document and the logical framework of outputs, targets, indicative activities provided in its Results and Resources Framework (UNDP 2011: 9) are used as the reference for purposes of analysis. Specific questions regarding project performance were determined by the terms of reference (ToRs) for the evaluation, and the rating scales used were also specified in that document.

The performance evaluation is divided into three sections: 1) project concept/design, relevance and strategy; 2) project implementation; 3) project results. As requested by the ToRs, this report uses a 4-point rating scale to describe project performance for certain aspects of project implementation:

Highly Satisfactory	The project has no shortcomings in the achievement of its objectives.
Satisfactory	The project has minor shortcomings in the achievement of its objectives.
Moderately Satisfactory	The project has moderate shortcomings in the achievement of its objectives.
Unsatisfactory	The project has major shortcomings in the achievement of its objectives.

Specific examples are used to document the ratings decisions in each category.

For sustainability, a different set of ratings was used to describe the probability of sustainability:

Likely	There are no or negligible risks that affect this dimension of sustainability.
Moderately Likely	There are moderate risks that affect this dimension of sustainability.
Moderately Unlikely	There are significant risks that affect this dimension of sustainability.
Unlikely	There are severe risks that affect this dimension of sustainability.

## Structure of the Evaluation

This MTE was structured as follows:

**Desk Review:** The initial stage involved the review of project documentation and associated documents (Annex 4.) The documentation was provided by the project team and collected from the Internet.

**Mission Preparation:** Through correspondence and discussions with the project team and UNDP, an itinerary for the local mission was proposed and developed.

Interviewees were selected in consultation with the project team and UNDP Uzbekistan. In other cases, the evaluation team requested interviews with specialists involved in other initiatives that were relevant to the project in terms of implementation mechanisms or similar focal areas. The evaluation team sought input from a variety of stakeholders, including the PIU, UNDP (both the environment unit and other areas), bilateral donors, multinational development banks, national government agencies, regional government, NGOs, academia (public and private universities), the private sector, research institutions, and beneficiaries such as students and farmers. A complete list of interview subjects is included in the itinerary in Annex 2.

A set of guiding questions was developed for use in the field interviews. These questions were adapted for different stakeholders, as many stakeholders had in-depth knowledge of only one of the activities in the project, and therefore did not have a basis for comparing the relative impact of project activities. All International Consultants who participated in the project were contacted by e-mail with a list of questions for their consideration, and three of the four consultants provided thorough written responses. These guiding questions and questionnaires are provided in Annex 3. In addition, three stakeholders not located in Uzbekistan (two UNDP Regional Technical Advisors based in Bratislava and Senior Capacity Building Specialist at the Asian Development Bank in Manila) were contacted via Skype for input.

**Mission:** The mission to Uzbekistan lasted from May 11 to May 21, 2013. The itinerary (Annex 2) included interviews with project management, key stakeholders (individually and in two working groups), and beneficiaries. Meetings were held in Tashkent, Urgench (for regional stakeholders in Khorezm Province), and Guliston (for regional stakeholders in Syrdarya Province). Additional documentation provided by project participants was also collected during these meetings and reviewed. Three visits to agricultural sites were also made – a training farm for Urgench State University in Khorezm Province and a small private farm and large dairy in Syrdarya Province.

At the conclusion of the mission the evaluation team presented its general findings in two briefings using a summary presentation: 1) To the project team and the government implementing partner; and 2) To UNDP Uzbekistan and the project team.

**Post-mission follow-up:** The draft mission report was compiled and submitted to UNDP and project management, and comments were collected from project stakeholders throughout June 2013. These comments were then incorporated into the final version of this report.

## The Project and its Development Context

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### Project Start and Duration

The Project Document (Project ID# 00076760), was signed by the Government of Uzbekistan on January 25, 2011, and the first project disbursement occurred on the date of the signing of the project document in accordance with the Annual Work Plan, which was signed simultaneously. The first Project Board meeting took place on June 29, 2011.

The project duration as planned in the Project Document was for 60 months: from January 1, 2011 to December 31, 2015.

### Implementation Status

The project is currently proceeding on schedule in terms of activities and financial disbursements. No need for extension was mentioned in interviews or project monitoring. All stakeholders anticipate that the project will continue to its scheduled conclusion date of December 31, 2015.

### Problems that the Project Seeks to Address

While previous initiatives in the sector created capacity in the international climate change environment, there was a stated need to have continuity in capacity-building efforts to allow the Government and the country as a whole to respond to changes in the international climate change regime and to introduce the concept of low-emission development within Uzbekistan.

Assessments during the project's development phase identified a number of barriers that needed to be addressed – the following problems were identified in the project document (UNDP 2011): 1) Limited technical capacity, information, and knowledge on how to develop LEDs or NAMAs; 2) A lack of data on certain key sectors; 3) Poor coordination between institutions or ministries; 3) A capacity deficit of relevant national experts; 4) Lack of awareness of tools and methods for LED strategies; 4) Lack of coordination among ad hoc climate change policy and program initiatives; 5) Perception of climate change as a strictly environmental problem.

## Immediate and Development Objectives of the Project

The *immediate objective* of the project is to enhance national capacity in Uzbekistan for effective transition to a low-emission development path. The *development objective* is to integrate principles of sustainable development into country policies and programs.

## Main Stakeholders

Stakeholders originally included in the project document as responsible parties were as follows:

Type	Stakeholders Mentioned in the Project Document
<i>National Government</i>	Ministry of Economy of Uzbekistan (Implementing Partner)
	State Committee for Nature Protection
	Uzhydromet
	Ministry of Agriculture and Water Resources
	Technology Transfer Agency (under the Ministry of Economy)
<i>State Enterprises</i>	NHC Uzbekneftgas
	JSC Uztransgas
	SJSC Uzkimyochnoat
	SJSC Uzbekenergo
<i>Sub-national Govt. Institutions</i>	Municipality of Tashkent City
	Municipality of Khorezm Province
	Local governments of Khorezm Province
	Center of Innovations and Technology Transfer of Khorezm Province
<i>Private Sector</i>	Biogas Ecologia, Energia, Organic Ogut, Ltd.
	Makhallas Regional Fund
	Nuroni Fund
<i>Academic and Research Institutions</i>	National University
	Institute of Irrigation Engineering
	Physics-Technical Institute
	Academy of Science
<i>Non-Governmental</i>	Mekhri Bulogi (NGO)
	NGOs
	Farmers



There have been a variety of changes in stakeholders since the project document was drafted in 2010. The proposed regional funds and organizations listed under private sector institutions in the table above have not taken an active role in the project. However, new key stakeholders have emerged, including the following:

- Urgench State University, which has played an active role in the project with its students (and students from Karakalpakstan State University) and with cooperation at its field training facility
- The University of World Economy and Diplomacy (Tashkent) and Westminster University (Tashkent), which have provided facilities and students to pilot the climate change training courses and e-course
- KRASS, an NGO that cooperates with the university on the provision of agricultural extension services in the Khorezm Province
- The regional administration of Syrdarya Province

In addition, the project has coordinated with other donor-funded initiatives. Several of these initiatives are also overseen by UNDP, such as the energy efficient building project, the Czech Trust Fund, and the GEF Small Grants Programme. Examples of cooperation included use of the Czech Trust Fund to support two transportation experts for a possible transport sector NAMA and work with the biogas pilot sites funded by the Small Grants Programme. The project has also been in contact with GIZ, which used the project's sectoral baseline for calculations related to one of its pilot energy efficiency project, and Mashav, which cooperated with the project on training for farmers. Furthermore, the Ministry of Economy has supported cooperation between stakeholders; for example, it requested the project to conduct an audit of the rural housing units developed by the Asian Development Bank's Project Implementation Unit for its sectoral program on rural housing.

### Results Expected

The results expected from the project as stated in the project document (UNDP-GoU 2011: 9-13) are as follows:

**Activity Result 1:** Knowledge about the negotiating process and outcomes of the international climate change meetings (including gender mainstreaming aspects) disseminated nationally and regionally.

**Activity Result 2:** Capacity of national negotiators (gender balanced) to participate in the international climate change meetings improved.

**Activity Result 3:** National Capacities for CDM strengthened.

**Activity Result 4:** Uzbekistan supported in its efforts to scale up climate change mitigation activities.

**Activity Result 5:** One low-emission development strategy developed (gender mainstreamed)

**Activity Result 6:** Well-being of local population measurably improved through implementation of GIS projects by national partners at UNDP support.

### Situational Analysis

The situational analysis seems to describe the situation with regard to local conditions, UNDP priorities, and the international situation regarding carbon finance at the time that the project was developed; i.e., in 2010.

The barriers identified during project development (see “Problems” section above) do not seem to have any major omissions, and the project document notes difficulties in planning processes (the relatively sectorally-based, short-term nature of planning) and coordination in Uzbekistan.

## Findings

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### Project Formulation (Concept/Design, Relevance and Strategy)

The following sections provide documentation of various factors that contribute to the ratings provided based on questions proposed in the ToRs for the MTE. When an “(R)” follows the review section, a rating is provided as per the mandate of the ToRs for the evaluation.

### Project Relevance, Country Ownership/Drivenness (R)

When considering whether project outcomes contribute to national development priorities and plans, it is important to keep in mind that Uzbekistan does not have a national development plan in place at present.<sup>2</sup> Instead, it currently uses a variety of sectoral plans, investment plans, and resolutions to carry out priority activities.

When considering the planning documents available, the project outcomes contribute directly to these plans. Specific examples include: the development of sectoral baselines for CDM (applicable to other potential mechanisms), which were endorsed by the Designated National Authority; the development of a low-emission development strategy for the energy sector, which reflects the priorities of the government for improving resource efficiency in industry; analysis of the buildings sector, which reflects government priorities for housing; and the analysis and handbook on biogas energy, which has contributed to the government’s resolution on renewable energy (the resolution provides an indication of policy and serves as a tool for programming, as it delegates authority and provides access to financing).

To the extent that the UNDAF can be considered an indicator of government development priorities, the project is strongly aligned with the UNDAF objective of integrating sustainable development into government policies and programs.

Project outcomes have supported government priorities by generating information and data analysis that will assist decision-makers. In the area of energy consumption, the projects work on sectoral baselines and PoA development have given the Ministry of Economy an overview of energy consumption that has not previously been available in a single place. The capacity strengthening for climate change negotiators has also supported the government in its desire to take a more

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<sup>2</sup> The planned Welfare Improvement Strategy, which has been under development for some time, has not yet been made public. An addition vision document, Uzbekistan 2030, is also under development and does not yet have specific details (WB 2013). In this case, UNDP Uzbekistan has been able to serve as a conduit for information regarding these initiatives, and will alert the project team if the possibility of contributing to those processes arises.

active role in international climate change negotiations and meetings on climate finance.

Certain outcomes related to CDM are less relevant than they were at the start of the project (see section on Adaptive Management and the Component 3 discussion in “Findings”), and the GIS-related activity is no longer relevant due to changes in circumstances beyond the project’s control.

Overall, however, the project’s outcomes are a reasonable approach to achieving the development objective (i.e. integration into key government policies and programs). On March 1, 2013, the President of the Republic of Uzbekistan signed an edict on “On Measures for the Further Development of Alternative Energy Resources.” Several interviewees during the MTE stated that information produced by the project contributed to this edict.

In the event that national-level development plans such as the WIS or Uzbekistan’s development vision up to 2030, close communication between the project management and UNDP should ensure that any opportunity for input will be utilized by the project.

*Rating for Project Relevance, Country Ownership/Drivenness:*

HS	S	MS	U
X			

### Stakeholder Participation (R)

The project design reflects the expressed request of the government for support on international negotiations and on the development and oversight of its CDM projects. A wide variety of stakeholders, including public and private sector participants, were involved with the activities that led up to the scoping of activities on CDM and PoAs.

In negotiations, the project design was explicitly focused on broadening government participation in the climate change negotiations beyond the UNFCCC focal point agency to key foreign and domestic policy agencies (the Ministry of Foreign Affairs, the Ministry of Economy, the State Committee for Nature Protection, et. al.).

Training sessions included in the project design were intended to expand the groups of stakeholders aware of climate-related issues to students, farmers, and others.

*Rating for Stakeholder Participation:*

HS	S	MS	U

X			
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### Underlying Factors/Assumptions:

The underlying factors beyond the project's immediate control are discussed in greater details in the Findings section under Components 3 and 6. The project did assume that CER prices would provide a significant amount of income, and it made some other assumptions about the emergence of a Green Investment Scheme (GIS) that could also provide external financing for projects.

That said, the project document did allude to uncertainties in carbon markets: Risk 1 in the Risk Analysis annex of the project document raised the possibility of "slow developments for reaching global climate change agreement [sic];" and the Risk Analysis annex identified a "relatively low" risk that "The project may not be able to mobilize sufficient funding for the development of low emission development strategy/nationally appropriate mitigation action."

In part due to these risks, proposed work on the GIS in Component 6 of the project was made contingent on the achievement of certain milestones<sup>3</sup> and assumed progress on the part of the national partner JSC Uztransgas." While the GIS-related initiative did receive some support for translations and communications, as did other CDM project under development, this component has not moved forward because of a lack of progress nationally and internationally.

Other capacity development activities focused on capacity that would be relevant both to CDM and to other potential climate financing mechanisms such as NAMAs, including the development of sectoral baselines, improving the capacity of the negotiating team, and supporting the CDM DNA, which could potentially cover other types of projects.

The project has reviewed the assumptions it made originally in the course of its implementation, and its recommendations for modifying project activities reflect this. It may also have to give priority to the development of unilateral ("domestic") NAMAs during its remaining time frame, as internationally funded NAMAs are unlikely to play a role in the market before 2015.

### Management Arrangements (R):

The project was designed for national implementation. A project manager was appointed to oversee project staff working on the two general directions of the project (LED strategy and Renewable Energy) and a Specialist on Capacity

<sup>3</sup> A footnote to the project RRF states, "This activity result #6 and the corresponding annual targets can be achieved if the MDG CF project to reduce leakages at compressor stations in Uzbekistan will be registered by CDM Executive Board (expected by December 2010), and therefore as soon as the project will generate CERs (expected by 2012), and only subject to a cost-sharing agreement between UNDP Uzbekistan and Uzbek government from part of GIS funds."

Development of national negotiators of international climate change meetings for the training component. The project manager has also been very involved with the development of materials, serving as an author or co-author for both handbooks and training course curriculum. An international consultant and a national consultant have also contributed to the development of training materials. All project roles appear to be in line with UNDP programming guidelines.

Feedback from stakeholders (project team, UNDP, and the government) indicates that all positions are still very relevant in spite of changes in the market and in government initiatives. Given the national circumstances, the project management arrangements seem to be relatively well suited for the tasks that are required.

*Rating for Management Arrangements:*

HS	S	MS	U
X			

#### **Project Budget and Duration (R):**

The project originally proposed a 5-year time frame in order to provide sufficient ongoing support to negotiators and the DNA unit as post-Kyoto regimes came into place and to provide sufficient time for the development of mitigation projects and their adoption by the government. Stakeholders expressed satisfaction with the time frame of the project.

The budget, while larger than other UNDP LED-related projects, is spread out over a longer time frame than the other projects. The total budget has been deemed sufficient for project activities by project management. It should be noted that support for project experts includes both fees for consultants (who have been primarily national consultants) and a portion of project staff salaries, as the Project Manager and Task Leaders have all made a substantive contribution to project-supported research and activities; for example, the project manager (as noted above) has co-authored or authored a number of the training materials; the task leader for the LED strategy has produced technical analysis in support of sectoral baselines; and the specialist responsible for renewables has carried out outreach and training activities on biogas energy. In each of these cases, project staff provided substantive expertise rather than simply management oversight.

Co-financing from the Government of Uzbekistan as stated in the project document included office facilities for project staff, telephone lines, and the required expertise of their staff. Currently, space is suitable and includes a small meeting room. By all accounts, the Ministry has also provided the services of its staff when necessary and has participated actively in the project's implementation.

It should be noted that the Ministry of Economy's building (the current site of the project offices) will be renovated, and the location of the project offices during the renovation is not yet known; however, there is no concern that this would cause any change in the provision of office space.

*Rating for Project Budget and Duration:*

HS	S	MS	U
X			

### Design of Project M&E System (R):

The M&E plan in the project document included specific reporting procedures and quality indicators. Indicators in the RFF are time-bound and quantifiable, and the RFF includes baseline data for each result target. The time frame for various M&E activities is specified, and stakeholders expressed their opinion that the budget for M&E activities was adequate.

*Rating for Project M&E System:*

HS	S	MS	U
X			

### Sustainability

An explicit *project sustainability strategy* does not appear in the project document; however, the project activities are designed to support sustainability by strengthening capacity in the government in key areas in a way that is supposed to be self-sustaining following the conclusion of the project. Furthermore, there is not an explicit "exit strategy" to cover the hand-over of ongoing capacity building activities to the government.

## Project Implementation

The project's **self-assessed** ratings as stated in the Annual Progress Reviews for 2011 and 2012 are as follows:

<i>Result</i>	<i>Rating for 2011*</i>	<i>Rating for 2012</i>	<i>% Completion for 2012</i>	<i>% Completion for 2012</i>
Result 1	9	9	100%	100%
Result 2		9		100%
Result 3	9	9	100%	100%
Result 4		9		100%
Result 5 (3 targets)	9	9	100%	100%
Result 6		NA**		NA**

\* Rating based on a scale of 1 to 10, with 10 indicating the highest possible performance.

\*\* The APR did not report on the progress towards Result 6.

## Project's Adaptive Management (R):

### Monitoring systems

Key partners report satisfaction with the information they are receiving regarding project progress. Additional ongoing monitoring tools beyond the QPR and the APR do not seem necessary.

The RRF and M&E plan in the project document have served as a source of baselines and annual targets. The use of these targets has been consistent, although Target 6 does not appear to have been reported on due to lack of progress in implementation, although all targets for a given year should be addressed in ongoing project reporting, regardless of the level of activity.

The project management has proposed several changes in the project's structure in order to respond to changes in the external environment. These changes were proposed in the 2012 Annual Project Report, and they were as follows:

"In Y2013 a revision of Project Document might be required to reflect the following changes:

- 1) Merging Activity Results 1 and 2, as currently they duplicate awareness raising and capacity building activities relevant to the international climate change negotiations; and merging two activity results will result in more effective and efficient achieving the planned project outcomes;
- 2) Shifting all actions relevant to CDM Programme of Activities (PoAs) from Activity Result 4 to Activity Result 3: "National capacities for CDM implementation strengthened" as this would allow combining the activities relevant to CDM (including PoA) and timely and efficient achieving the planned project outcomes;



- 3) Exploring, consideration and discussion of potential and feasibility of achieving the Target 4: Feasibility for new market mechanisms (including PoA) in Uzbekistan explored in coordination with UNDP Sectoral Market Mechanisms Initiative to undertake required revision or adjustments based on the present situation related to international carbon markets and lack of decisions of 17<sup>th</sup> and 18<sup>th</sup> Conferences of the Parties under the UN Framework Convention on Climate Change regarding new market mechanisms.”

Source: 2012 APR

It is recommended that activities and their corresponding funding, and annual targets, namely the project RRF should be revised with a view to ensuring that activities fulfill the overall project objectives and take into account the current operating environment for international climate change policy and finance.

### **Risk Management:**

A risk analysis was provided in the project document in Annex 1, although the scale used is not provided in the annex. Three risks are identified in the project document: 1) The risk of low government engagement; 2) The risk of low capacity in government to support carbon finance activities and the LED; and 3) The risk of mobilizing sufficient funding for the LED and associated NAMAs.

For risk 3), it is assumed that the project had in mind internationally-funded NAMAs. The probability assigned to this financial risk was relatively low.

Some contingency planning in the design stage is evident in Activity 6, which is made conditional. As the RRF states, “This activity result#6 and the corresponding annual targets can be achieved if the MDG CF project to reduce leakages at compressor stations in Uzbekistan will be registered by CDM Executive Board (expected by December 2010), and therefore as soon as the project will generate CERs (expected by 2012), and only subject to a cost-sharing agreement between UNDP Uzbekistan and Uzbek government from part of GIS funds” (UNDP-GoU 2011: 16).

In other elements of project design, risk identification and management systems were not made explicit, but rather appear to be a component of adaptive management.

Looking forward, one additional risk might be the potential *failure to implement a strategy* that is proposed. This could happen because of a lack of implementation mechanisms (laws, sub-laws, resolutions, etc.) or because of a failure to address the proper stakeholder, as the entity paying energy bills may not be the same as the facility management. The key to mitigating this risk will be to focus on the adoption of specific binding resolutions or projects by the government.

A second risk, which was identified by the Project Manager, was the *short-term nature of most government strategies* (2-3 years) and investment plans (annual). However, given the pressing need to increase resource efficiency in the economy, it does not look as though government priorities will change. However, these short planning horizons are a barrier to some planning, as it is very difficult to promote energy efficiency programs with a payback period of several years under the current system.

A third risk identified by project staff and participating international consultants involved the *lack of coordination in investment decisions* made by the government; i.e. that the government may approve new fossil fuel generating capacity to address shortages, even if that capacity might be met more cost-effectively addressed by efficiency programs, and even if a government energy efficiency program were in place. This risk is considered under the recommendations section of this report.

Specific activities and tasks to gain consensus, high-level involvement, determination of priorities, and very clear implementation pathways (types of government documents, delegation of authority) could mitigate this.

#### **Work Planning:**

Work planning for the project appeared to be consistent with reporting and stated activities and targets. The project used several sources of information to assess implementation, participation, and monitoring, including traffic on project-related websites and feedback in the form of questionnaires and comment forms at trainings and courses (including an on-line questionnaire for the e-course for students). This information appears to be incorporated into subsequent activities.

#### **Financial management:**

Financial oversight of the project is provided by UNDP under its direct support services to the project and has been conducted according to the language in the project document. CDR reporting for 2011 and 2012 appears to be consistent with regulations on reporting.

Co-financing includes support of the Ministry of Economy as mentioned in the section on Project Formulation and support from a regional government, including field office premises, local transport to demo sites, necessary staff support, and access to demo sites. These services are being provided (as observed and as reported by project staff and UNDP).

#### **Reporting:**

UNDP Uzbekistan has created a risk log in Atlas as per the M&E plan in the project document, and it is updated on the basis of the QPRs. It also activated a lessons

learned log at project inception, and the log has been updated in Atlas on the basis of the project's two APRs to date.

In addition, to reporting initiated by the project team, UNDP has conducted monitoring visits to the project office and to the project site, which have been documented using the "Report on Project Visit" form and uploaded into ATLAS. These reports have provided an important external source of verification on project management issues and have provided UNDP with the opportunity to address minor implementation issues (e.g. document management and archiving) and provide constructive suggestions for addressing them.

The project team has used the APR as an opportunity to report on adaptive management changes and suggestions for institutionalizing the need to respond to new opportunities (and to curtail work in less relevant areas). Regular informal communication with the government, formalized communication through the Working Groups, and information posted to the project's website have allowed the project management to disseminate information about changes in the project's operating environment relatively quickly and in real time.

#### **Delays:**

Some minor delays were experienced in the first year of the project because of difficulties in contracting for office-related services. There was also a minor delay in identifying suitable international consultant for consideration for the LED strategy, which is a relatively new area of work even at the international level. Fortunately, these delays did not affect the project's performance, nor did they affect the project's ability to meet its targets.

#### **Rating for Project's Adaptive Management:**

HS	S	MS	U
X			

#### **Contribution of UNDP and national partner executing agencies:**

According to documentation and interviews, both UNDP and the Ministry of Economy of the Republic of Uzbekistan have played an active role in project execution. Their participation in field visits, Project Board meetings, project reviews and reporting, and operational support are commendable. The two organizations have also provided very important "soft" assistance. The Ministry of Economy has provided access to its researchers and important contacts at the regional level, and it has been able to leverage other government agencies and acquire information and data.

At the country office level, UNDP has provided important linkages with other donor-funded programs, such as those with the GEF Small Grants Program managed by UNDP, the Czech Trust Fund to UNDP, and the UNDP-GEF project on Promoting Energy Efficiency in Public Buildings in Uzbekistan. In addition, the country office has served as a liaison with other donors, such as ADB, the World Bank, and bilateral donors. At the regional level, at least two experts from UNDP BRC have provided guidance on a number of issues related to project design and implementation.

#### Stakeholder participation, partnership strategy (R):

One key element of stakeholder participation in the project has been that of the two working groups created under the project. The working group members maintain e-mail and phone contact with the project team in addition to several in-person meetings per year. NGOs and research organizations have also participated indirectly through the use of their experts as project consultants, and this mechanism seems to be providing a channel for information about the project. The representatives of two regional governments interviewed felt that the level of information they received about the project was highly satisfactory.

As the project begins to focus on specific NAMAs or LED strategy implementation, it may have to broaden its contacts with certain departments at the level of regional administration. However, this should not be a problem given the positive relationships with the regional administrations to date. This strategy work will also require more feedback from agencies represented in the Working Groups, particularly the Working Group on the LED Strategy. To date, this Working Group has primarily provided supporting data and background information in support of the LED concept.

Two international consultants involved with the project mentioned that more feedback from stakeholders would be useful, and for feedback on policies, it may be necessary to consult different officials from the agencies represented in the project. A higher-level ministry consultation for the low-emission development strategy may be needed as the document or set of proposed measures draws closer to realization, particularly if targets or goals are involved. This consultation could involve an existing body, such as the DNA board, or a special task force.

*Rating for Stakeholder participation, partnership strategy:*

HS	S	MS	U
X			

## Sustainability

*Negotiations Component:* As of the MTE, it was the opinion of both the international consultant involved in training the negotiators and the negotiators that continued support in providing information on issues relevant to the negotiations would be necessary in the second half of the project. For this reason, it will be important to design an *appropriate exit strategy* for Component 2 – and for the other capacity strengthening components -- of the project. While the general information and briefings have been very helpful in providing the negotiating team with sufficient background to participate in international climate meetings, the project should focus more in its second half on responding to specific requests for information and analysis on priority topics for Uzbekistan.

*Carbon Finance:* Improved capacity in the DNA Unit of the Ministry of Economy should allow activities supporting international carbon finance to proceed when a post-Kyoto regime is put into place. In the meantime, this unit can focus on using its capacity to develop domestic NAMAs in areas where the government is already directing investment. This is discussed further in the Recommendations section of this report.

*LED Strategy:* The sustainability of this strategy will depend upon its format and the mechanisms that are in place by the end of the project to implement it. Another factor will be whether a national development policy is in place by the end of the project and – if not – how successful the strategy will be at getting incorporated into sectoral programs and cross-cutting investment programs.

### *Dimensions of sustainability:*

*Financial Resources:* There do not appear to be significant financial risks that may jeopardize sustenance of the project outcomes, because the government and IFIs are currently investing substantial amounts of money in areas on which the project will focus. While international funding for emission credits is not likely to play a significant role in the project, domestic funding and international lending are likely to play a major role.

L	ML	MU	U
		X	

*Socio-political:* There do not appear to be significant social and political risks that may jeopardize sustenance of project outcomes. The ownership by the Ministry of Economy should allow documents that are developed and endorsed to be enforced as long as the proper instruments for implementation are built in. Government

stakeholders in the Ministry of Economy, the Ministry of Foreign Affairs, the State Committee for Nature Protection, and other ministries understand the benefits of the project.

L	ML	MU	U
		X	

*Institutional framework and governance:* The legal frameworks, policies, and governance structures and processes may pose some risks that may jeopardize sustenance of project benefits. These risks are touched upon in the previous discussion on project risks, but they include: 1) the risk that a given strategy, although approved, may not be funded; 2) the risk that government implementing agencies may have overlapping jurisdictions, which would hinder implementation of policies and/or strategies; and the fact that any major policy decisions (as with policy-related interventions) will be dependent on a political decision or decisions that are external to the project and beyond its control.

L	ML	MU	U
	X		

*Environmental:* There do not appear to be any environmental risks that may jeopardize sustenance of project outcomes. Many of the areas addressed by the project will generate concurrent environmental benefits.

L	ML	MU	U
			X

## Project Results (Outputs, Outcomes, and Impact)

### Changes in development conditions

The following section summarizes project performance by component by looking at four measures: 1) general progress from the baseline provided in the RRF; 2) progress relative to targets set for the first half of project implementation; 3) evidence of relevance, effectiveness and efficiency; and 4) feedback from stakeholders.

## Component 1: Enhancing knowledge about international climate change negotiations at the national and regional level

<i>Baseline</i>	<i>Indicator</i>	<i>Status as of MTE</i>
Awareness, knowledge on international climate change issues among national organizations are limited.	Extent (gender based) to which national (central and regional level) organizations are aware of international climate change negotiations.	Awareness and knowledge of international climate change issues among national organizations has <b>improved significantly</b> . Awareness among students at two pilot universities has also improved, and students have applied the knowledge they have acquired in their degree studies.

*Targets:* Targets in this component to date were as follows:

- 2011.1 Relevant central ministries and regional organizations are aware of climate change negotiations and post-Kyoto Protocol arrangements.
- 2012.1 Relevant central ministries and regional organizations, NGOs and public are aware of climate change negotiations, their outcomes and implications.

In terms of the central ministries, regional organizations, and NGOs both of these targets have been met and exceeded. Five ministries, four universities, and one regional NGO participated in training courses developed and carried out by the project team.

There is evidence that students are applying what they have learned in the course and that the course has stimulated interest in further study of the issues in at least some students. Three Level 6 (bachelor's) theses at Westminster University were written on topics in renewable energy this year, and these topics were developed on the basis of material introduced in the climate change courses. For the e-course, participants who registered had a much higher rate of completion (29%) than the average for mass on-line courses (10%).

“[Before the course] I hadn’t known about climate change at all....I’ve used the course in my personal life, in my exams.  
 --Student

The project activities in this area consisted of press releases and posts on a “Green Economy” Facebook page (<http://www.facebook.com/zelenayaekonomika>). There was evidence through participation in the courses and through internet traffic to the

project's websites, that the project has reached people beyond the students in its pilot course, such as additional internet users. However, in terms of general awareness, it would be difficult to determine the project's impact on public awareness for individuals in Uzbekistan who do not have access to the internet (internet usage was estimated at 16.8% as of 2010 by the International Telecommunications Union).

Feedback from stakeholders included the following: 1) A suggestion to translate materials into Uzbek and to make them accessible to students at pedagogical institutes and faculties; 2) A suggestion to include certificates with both courses in order to motivate students; and 3) A suggestion to use the materials developed in English and Russian for the project website and for the training courses in other countries in the region (some have already been shared informally).

## **Component 2: Improving the capacity of national negotiators to participate in international climate change meetings**

<i>Baseline</i>	<i>Indicator</i>	<i>Status as of MTE</i>
National negotiators represented only a few government organizations (not covered CC negotiations and carbon finance) participated in international CC negotiations.	Extent to which trained national negotiators (including fair proportion of women) are able to cope with CC mitigation and carbon finance through participation in CC international meetings	Capacity of the national negotiators has <b>improved significantly</b> . The Ministry of Economy and Ministry of Foreign Affairs are now aware of current CC negotiation issues and can complement the presence of the Hydrometeorological Service at the international level. MFA and MinEcon have broadened Uzbekistan's participation in the CoPs and in other UNFCCC meetings. The Government has made several submissions (in 2013) and is now proposing a side event for Uzbekistan at the next CoP.

**Targets:** Targets in this component to date were as follows:

2011.2 At least three national negotiators (including women) trained to participate in international climate change meetings covering climate change mitigation and finance.

2012.2 Trained national negotiators (gender balanced) participate in at least one international climate change meeting

This project component has been bolstered by a multi-agency Working Group on Climate Change Negotiations established by the project – the Working Group meets



periodically, and it serves as a means of briefing a cross-section of government agencies on climate change current events and issues.

The targets for both number of training participants and number of meetings attended have been exceeded. It has been difficult to achieve gender balance in the trainees and meeting attendance due to the gender of participants at the participating ministries with negotiator profiles

One outcome of the project is a wider variety of government agencies participating in international climate change meetings: the Ministry of Economy, which sent representatives to five international meetings related to the UNFCCC and the Kyoto Protocol, did not participate in any climate-related meetings before the project began.

“The guidebook to the negotiations in Durban was especially useful.”  
--Government Climate Change Negotiator

Another outcome of the trainings and participation is an increased level of interest in presenting Uzbekistan and its activities at these meetings. For example, the Working Group participants would like to hold a side event at the upcoming CoP in December 2013. Finally, there has been a spill-over effect, as the project was able to indirectly support the participation of the Government in Rio +20 activities last year.

### **Component 3: Strengthening national capacity to implement the Clean Development Mechanism (CDM);**

<i>Baseline</i>	<i>Indicator</i>	<i>Status as of MTE</i>
As of mid-2010, form the total CDM portfolio of Uzbekistan 33% of projects are negatively validated.	Share (%) of CDM projects developed by local developers with negative validation against the total number of positively validated/registered projects in Uzbekistan.	The project made significant improvements in this indicator relative to the baseline; i.e., 14 CDM projects (or those 2 registered) with approximately 14 million CERs were achieving emission reductions relative to their baselines.

*Targets:* Targets in this component to date were as follows:

2011.3      Current procedures on the various aspects of CDM improved based on elaborated recommendations

2012.3 CDM projects' contribution to sustainable development and enhancement of national sustainable development increased through application of criteria elaborated based on best international practices.

By the time of the MTE, the project had reviewed tax and customs procedures related to CDM projects and had elaborated national criteria for sustainable development screening.

It would be impossible to address this component without noting changes in the international carbon market; specifically, the collapse in the prices of CERs on the market. As of the 2011 APR, reporting on the CDM projects used the following carbon prices: "...that is equal to €601,169 based on the carbon market price €10.7 per one ton of CO<sub>2</sub>-equiv."<sup>4</sup> The project management, however, did communicate the downward changes in the market as they occurred by keeping the NPC posted during briefings and by posting the CER prices reported by Point Carbon on their website.

However, the project has managed to achieve positive results in the development of a standardized baseline for the energy sector of Uzbekistan. The standardized baseline was developed because it was perceived as "an effective instrument for reducing transaction costs for CDM projects and NAMAs" (APR 2012), and it is useful because it can be used beyond CDM to other mechanisms. There was also evidence that the sectoral baseline has been used by other projects. During an interview with GIZ, a representative said that they had used the sectoral baseline for their savings calculations in a regional hospital energy efficiency project.

#### **Component 4: Supporting Uzbekistan in its efforts to scale up climate change activities**

Baseline	Indicator	Status as of MTE
No PoA has been developed in Uzbekistan to date for climate change mitigation options	PoA developed by national developers for climate change mitigation options	A dynamic baseline for at least one sector has been developed and information to support a PoA in buildings has been collected and synthesized.

*Targets:* For 2011 and 2012, targets in this component were as follows:

2011.4 Institutional and legal frameworks, and technical and economic potential for CDM PoAs (focusing on renewable energy and energy efficiency)

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<sup>4</sup> Current prices are less than €1.

promotion) implementation in Uzbekistan identified; and PoAs pipeline established.

- 2012.4 A dynamic baseline for at least one sector (or NAMA) to be used by the appropriate CDM mechanism, including POA, in Uzbekistan, developed.

This project component has probably resulted in the most varied activities and partner efforts, ranging from involvement in small-scale biogas, to residential buildings audits and a potential strategy for energy efficiency in public buildings.

The broad scope of this component allowed the project to partner with ongoing initiatives that benefitted from the complementary or follow-on support: Mashav training on renewable energy and EE greenhouses, KRASS facilities for agricultural extension training, GEF Small Grants, etc. The other benefit of this scope was that the project delivered tangible results to farmers and to policy-makers in the midst of other activities that were more abstract from a community perspective. Finally, activities under this component broadened the population reached by the project.

“We haven’t had to buy fertilizer in two years...our crop yields are bigger.”  
--Farmer in Syrdarya

“When we got the heat from the biogas, everyone came over...it was like a holiday.”  
--Farm owner in Syrdarya

As the project moves forward, there may be opportunities to scale up these partnerships, especially with large initiatives such as the ADB rural housing project, where ADB has expressed specific interest in technical and analytical support from the project (Glennie 2013). The proposed revision of the project activities should allow the project to focus its efforts and identify priority sectors and/or technologies for the second half of the project.

### Component 5: Developing a low-emission development strategy

<i>Baseline</i>	<i>Indicator</i>	<i>Status as of MTE</i>
There are no low-emission development strategies in place in Uzbekistan	One low-emission development strategy (gender mainstreamed) developed by national ministries/organizations and submitted to the Government of Uzbekistan	A mechanism for the development of the strategy is now in place, awareness regarding the strategy has been raised, priority areas for the strategy have been identified, and background

		data in those areas has been collected.
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*Targets:* Targets in this component to date have been as follows:

- 2011.5 Knowledge on development of low-emission development strategies in national ministries/organizations improved.
- 2012.5 A coordination mechanism for effective participation of relevant stakeholders in development of POA

It should be noted that at the time the project started, the concept of an LED strategy was new globally, and this project started as a “pioneer” in the absence of precedents (Carrington 2013). The Low-Emission Development Strategy was originally conceived in the context of a framework for NAMAs at the time when the international carbon market was relatively strong. While the context for the strategy has changed, the relevance remains high.

One issue identified during the evaluation was a variety of opinions on what constituted an LED strategy or concept. Ideas ranged from a general strategy document identifying areas to work on, an overall coordinating vision for the government’s work on low emission development, and a White Paper with background information on the key issues to be addressed. The broad nature of the LED complicated communications with the International Consultant tasked with designing an LED and resulted in differing expectations for the work to be done.

The issue has been further complicated by the fact that “strategy” (стратегия) in the national context refers to documents that identify policy directions but do not delegate authority or appropriate funds (as opposed to government resolutions, which do both). Both a Climate Change Strategy and a Sustainable Development Strategy, were adopted by the government following its accession to the UNFCCC and other “Rio” treaties but lacked the legislative or regulatory support necessary for implementation. In addition, a concept would serve as a White Paper in terms of presenting issues, but would not necessarily ensure the achievement of the development objective; i.e., mainstreaming these issues into actual policies and programs.

The Project Manager with the support of the UNDP EEU (Climate Change Specialist) and BRC (RTA on Energy, Infrastructure, Technology and Transport, E&E) and inputs from the Project Working Group on the LED Strategy developed a strategy outline for the energy sector, and a broader overview concept was developed by an international consultant. In addition, the project developed a regional strategy for the Syrdarya Region.

The project submitted its "Strategy for the development of low-carbon energy sector of the Republic of Uzbekistan" for review, and the document was approved by the

Minister of Economy. The Minister of Economy also approved the detailed content of the regional "Strategy for low-carbon development in Syrdarya Region."

The Working Group appears to have been an effective mechanism for collecting data from key stakeholders (e.g. Uzbekenergo) that will contribute to the ultimate document or documents produced under this component. The project team currently plans to produce other strategy outlines for the agriculture and transport sectors.

Finally, the issue of framing the strategy in terms of Low Emissions Development should be noted, as while government officials are aware of climate change issues, their key national priorities are focused on other issues: industrial modernization, development of the agricultural sector, rural housing and renewal of the housing stock, and balancing energy exports and a stable energy supply to the population. These priority areas are directly linked to low-emission development; however, many decision-makers may not connect them. Therefore it will very important to label the strategy or package of measures that result from the strategy in the way that they relate to immediate national priorities.

The project has been "at the right place at the right time" to support government initiatives.

--National Expert

In terms of **impacts** to date, it is important to note that the project's work on promoting renewable energy resources contributed to the Government's adoption of a Resolution on Renewable Energy, which was approved in the spring of 2013 (conversation with PM, 11 May). In a related activity, the government will hold an international conference on renewable energy in the autumn of 2013. In this sense, the project has contributed to a low-emission development program.

#### **Component 6: Implementing Green Investment Scheme (GIS) projects with national partners and UNDP support.**

<i>Baseline</i>	<i>Indicator</i>	<i>Status as of MTE</i>
There are no GIS projects implemented by national partners with UNDP support, under GIS	GIS project aimed at improving the well-being of local population implemented by national partner organizations with UNDP support and M&E and rated at least "MS" <sup>5</sup>	Because the GIS project and MDG Carbon Fund have not been active during the project, there has been no change from the baseline. In the spring of 2013, the project received an indication from the facility involved

<sup>5</sup> As in "Marginally Satisfactory" on a scale as follows: Highly Satisfactory, Satisfactory, Marginally Satisfactory, Marginally Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

		that it would not proceed.
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*Targets:* There was no target for this component in 2011. In 2012, the annual target was as follows:

2012. 6      A cost-sharing agreement with government, pertaining to GIS concluded, GIS Secretariat staff recruited (gender balance observed) with support of UNDP.

This target was seen as being contingent upon the achievement of certain milestones in project financing, which did not take place (see discussion on page 20). As noted in the box above, the project has been monitoring the status of a possible GIS project and will not continue to be involved actively in the project.

Project Component	Rating			
	HS	S	MS	U
Activity 1	X			
Activity 2	X			
Activity 3	X			
Activity 4	X			
Activity 5	X			
Activity 6	NA			

## Conclusions and Recommendations

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### Findings

Overall, the project appears to be **proceeding well** towards its overall objectives, and it has responded successfully to significant changes in the operating environment. The overall rating for the project is **highly satisfactory**.

The key to achieving project objectives will be to take the information and working relationships from the first half of project implementation and apply them to priority areas using mechanisms that can be implemented in the institutional environment in Uzbekistan.

### Good Practice

The selection of the **Ministry of Economy as the national implementing partner** (IP) has proved very beneficial to the project. By using a ministry with cross-cutting authority for national development as the IP, the project has had better access to data and decision-makers than it might have had otherwise. Virtually all stakeholders consulted identified the Ministry as a strong partner and felt that the project was able to accomplish more and achieve coordination among government agencies due to the Ministry's influence.

Focusing on **information and capacity that can be used with multiple financing mechanisms** has insulated the project somewhat against the carbon market downturn. . These sectoral baselines were not subject to individual project risk, and they have been used by other stakeholders (GIZ).

A system of **built-in peer review of technical reports** produced by project staff and consultants has led to reports that are above average in their consistency and quality.

Other good practices include the following: 1) Coordinating where possible with other donors, such as GIZ, Mashav, GEF, and ADB; 2) Teaching business and economics students about climate change, which has spurred interest in the students and resulted in three Level Six bachelors theses) on climate-related topics; 3) Broadening the negotiation team and providing it with up-to-date analysis on specific meetings; and 4) Focusing on the energy sector for the initial LED strategy due to its dominant role in GHG emissions.

## Lessons Learned

There is a need to **communicate with stakeholders about the risks of market-based mechanisms**, particularly because they are new to many stakeholders. Project materials and communications should always note that there are inherent risks in using these mechanisms, and that the value of a market-traded asset is not fixed, but can go up or down -- regardless of the performance of a given project.

It is **important to define clearly what the LED Strategy “product” will be** for reasons discussed in the Results section of this report.

In the area of renewable energy technologies, the project has had to **balance raising awareness about new technologies without creating expectations about these technologies when there is a lack of supply** (e.g. small-scale biomass).

## Recommendations

The project is moving into its second half from a strong position. Its activities have identified priority sectors, established working relationships with partners at the regional and national level, and collected a variety of background data in one place.

In its remaining time, the project now faces the task of **turning the government’s priorities into action**: international action in the form of strong negotiating positions and domestic action in the form of investment projects. Both the international and domestic work should be **backed by solid cost-benefit analysis**.

Finally, the project should prioritize its work on support for investments in the second half of the project through the LED strategy and the development of specific NAMAs. Support for investments in the second half of the project should focus on priority areas where the government is already spending money and strive for binding, official support that includes the legal and regulatory language necessary for implementation).

### *Climate Change Negotiations and Training (Components 1 and 2)*

- The project should consider providing support for the CC negotiation team in developing its position by 1) working with the team to understand how to translate domestic priorities into an international position; and 2) providing the team with the economic implications of proposed post-Kyoto regimes for Uzbekistan
- The negotiations work should be linked increasingly with projects and proposals from other project components, as an effective strategy would form the basis for



a negotiating position and would be a natural topic for a CoP side event. An understanding of the potential gains from GHG mitigation projects such as NAMAs in various sectors would be a valuable resource for the negotiators involved.

- The project should hold an “exit strategy” workshop in its final year in order to determine how capacity development support will be provided by the government to negotiators following the conclusion of the project. This workshop should be a component of the project sustainability strategy in the revised project document.
- The project might investigate the climate change diplomacy training courses through UNITAR and determine whether UNDP might be able to negotiate a reduced tuition fee for participants. <http://www.unitar.org/focus-climate-change>
- The project should consider holding a *Youth Climate Summit* with some of the participants in the CC training courses for students. The summit would allow the students to develop their knowledge and would provide positive incentives for participation.
- The project should consider whether it could facilitate the use of massive open, on-line courses (MOOCs) or other distance learning courses on climate change by providing a local “teaching fellow” and some classroom content relevant to Uzbekistan. A hybrid course would allow access to some leading international climate scholars but also make the course useful for students in Uzbekistan.
- The course should be shared with other countries in the region, and the project should consider whether to expand the course to other universities in Uzbekistan, such as institutes and universities affiliated with government ministries.
- If course offerings are expanded, the project should consider a course on the *Economics of Climate Change*.
- The project should consider an *issues briefing* for environmental NGOs and research institutes prior to COP19 in Warsaw where guidance documents are shared. This event could be a very low-cost form of outreach, would leverage existing materials developed for the government, and would provide a forum for questions and answers.

#### *Climate Finance (Components 3 and 4)*

- It is important to emphasize that the government can be a *regional leader* for NAMAs in the way that it has been a regional leader in CDM, particularly in the areas of domestic (unilateral) NAMAs.
- Potential projects such as NAMAs should consider areas where the government is already making substantial investments. The project can play an important supporting role to the government in supporting mitigation projects with ongoing priority investments.

- Where possible, existing CDM capacity and institutions should be used to address NAMAs. While the international status of NAMAs has not yet been finalized, it is clear that there is strong encouragement from the UNFCCC Secretariat for Non Annex I countries to move forward in developing systems to promote investment in mitigation projects.<sup>6</sup> In addition, the core capacities that are developed to support NAMAs—identifying GHG mitigation projects and documenting their impact—will be valuable to any post-Kyoto regime. The project should consider providing a “roadmap” from CDM to NAMAs in order to identify what kinds of changes may be necessary.
- The project has an important role to play in the development of sector-based MRV, which will complement the more general work on MRV systems to be covered by the UNEP-GEF project under development (see recommendations on donor coordination in the Project Management section below). In particular, the project can play a role in the development of baselines, which will draw upon the same body of research and analysis as sectoral baselines for CDM have done to date. Domestic NAMAs will not be possible in the absence of baselines and other components of MRV systems, and, as noted above, the UNFCCC Executive Secretary has strongly encouraged countries to promote domestic (unilateral) NAMAs.
- While it might be quite difficult to initiate a free-standing domestic climate fund, it might be possible to allocate a portion of an existing fund (i.e. the Fund for Reconstruction and Development) for projects with climate benefits. While the precise mechanism will depend upon the preferences of the Government, there are examples in other countries where: 1) projects with GHG mitigation benefits received priority status in the list of investment projects as per a decision by the government fund leadership (either a manager or a board); or 2) a fixed amount from a more general fund was set aside for projects with GHG mitigation benefits (e.g. renewable energy projects) in a similar way.
- The buildings-related research and analysis should continue to explore different areas of the sector and the possibility of linking with different policies and programs, such as the ADB-supported rural housing program.
- When considering projects related to rural energy use, the project’s analysis should start from needs (heat, power, cooking) and then look at available technologies. The project could play an important role in building capacity to make decisions about rural energy supply and in providing information on a variety of energy supply options.
- For existing CERs, keep in mind that there may be an eventual buyer, and follow developments in that market.

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<sup>6</sup> As Christiana Figueres, UNFCCC Executive Secretary, stated recently, “Carbon market players, you understand that the carbon market alone cannot lift the global mitigation effort that is needed worldwide. You understand that carbon markets are stronger if they are part of a broader suite of financial instruments that will provide a compelling incentive to mobilize increasingly high levels of capital into low-carbon infrastructure....So investors and carbon market players have a shared interest to make sure that governments across the world, in both the developed and developing world, tighten their carbon policies....” (Figueres 2013)

### The LED Strategy (Component 5)

- The LED Strategy, no matter which sector or sectors it addresses, should incorporate government priorities and frame the discussion around them. Two indicators of government priorities should be used: 1) strategies, resolutions, and other policy documents; and 2) sectoral investments and initiatives and cross-cutting investment programs (reconstruction and development and funding for regional investments). Recent governmental resolutions and decrees<sup>7</sup> indicate both priority areas and spending trends that can support efforts to focus the LED strategy.
- The project should have a common understanding of the “product” or products that are the LED Strategy: what it should look like, what approach to implementation it should take, and what type of document or documents will be produced—keeping in mind that a strategy alone may not have the mechanisms to be implemented. The strategy developers should also differentiate between policies that represent action and those that require action (see table below), as the latter will require additional actions to ensure implementation.

#### Policy NAMAs\*

Policy NAMAs that <i>represent</i> action	Policy NAMAs that <i>require</i> action
Grants	Energy Efficiency Target
Direct Payment	GHG Emission Target
Fixed Payment	Renewable Energy Target
Additional Payment (e.g. feed-in tariffs)	GHG mitigation target
Public Procurement Guidelines	R&D
Tax Credit	Enhancing Forest Carbon Sinks
Tax Reduction/Exemption	Quota obligations
Variable or accelerated depreciations	

<sup>7</sup> These include: The Decree of the President Islam Karimov "About the Investment program of Republic Uzbekistan for 2013" of 21 November 2012 No. UP-1855; Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "About additional measures on reduction of industrial expenses and decrease of production price in the industry" of 28 November 2012 No 333; and The Decree of the President Islam Karimov "About additional measures on stimulation of attraction of direct foreign investments" of April 10, 2012, No UP-4434.

Building sector standards	
Labeling requirements for low GHG products	
Removing subsidies to non-RE	
Loan Schemes	
Guarantee Schemes	

\*Source: Lutken et. al. 2011: 8.

- The strategy should focus on areas *where the government is already spending money* and the now-substantial investment funds -- the USD 47.3 billion, five-year Industrial Modernization and Infrastructure Development Program (2011-15) and help the government to spend its money efficiently.
- The strategy should *consider how to integrate energy savings into the review of regional investment programs*, which are de facto development plans at the sub-national level.
- The project should convey the message that “*climate investments*” are not limited to international donors, that they can come from money already in government budgets at the national and regional level funds, and that these investments can have substantial impacts.
- The strategy products should include a focus on donor coordination, particularly in areas such as rural housing and renewable energy, as a means to mainstreaming climate concerns into ongoing and planned spending.
- The “low emission” aspect of the strategy should be phrased in a way that is clearly relevant to decision-makers. As one IFI representative phrased it, “By investing \$1 in demand-side energy efficiency Uzbekistan can avoid \$2 in supply side investments.” (WB 2013). These are important statements for the government to hear.
- As with climate financing the strategy should consider at least one area where the government can be a regional leader; e.g., ISO certification for energy management in enterprises.
- Any strategy products should include a *detailed road map* for implementation with potential policy tools such as government resolutions, standards, sub-legislation, and other decisions. Discussions about the LED strategy should also consider proposing *targets* for energy or resource savings.
- The project should also provide cost-benefit analysis of the options it suggests.<sup>8</sup> It needs to be very clear to decision-makers that the *net* costs of many investments in the strategy may be negative and accrue savings.

<sup>8</sup> One example of this type of analysis: “Recent data shows that investments in energy efficiency of \$170 million over the next 10 years can result in a 15% reduction in Uzbekistan’s industrial electricity consumption by 2022” (WB 2013).

- The project should monitor overall investments and planned investments to ensure that decision-makers are aware of spending that may not be consistent with low emission development.

### *Project design and management*

- The project board should accept the recommendation of the team to revise the relevant project documentation, specifically the RRF, to reflect the recommendations made in the 2012 APR.
- The revised project documentation should remove Component 6, as it is no longer a valid activity.
- The quality indicators in Atlas and the RRF should also be updated to reflect the recommended changes.
- The revision of the documentation should include an updated list of stakeholders.
- For the gender considerations in the project generally and the LED strategy in particular, the project team should consider adopting the approach recommended by the International Consultant and commissioning a supporting study. This work would also generate a “spill-over benefit” by contributing to Uzbekistan’s activities related to Article 6 of the UNFCCC.
- The revised project documentation should specify groups for outreach and training at the national and regional level and decide to what extent the project should focus on the public (as included in the original project document).
- The revised project documentation should also include a *project sustainability strategy* for the capacity strengthening components and an exit strategy workshop in the final year of the project to determine who in government (or the donor community) will provide ongoing informational support on negotiations after 2015.
- The project should consider whether a higher-level working group will be needed for the discussion and development of the LED or any initiatives or targets. CDM DNA has a 21-person inter-ministerial body – this might be one option for the focused measures
- All parties in the project should continue to play an active role in *donor coordination* in the following areas where donors are funding low-emission activities or activities with the potential to reduce emissions (see table on the following page).

<i>Donor</i>	<i>Activity</i>
Asian Development Bank	Rural Housing Loan Large-Scale Solar PV in Samarkand Power Generation Loan Welfare Improvement Strategy
World Bank	Industrial Modernization (linkages with ISO certification) Rural Enterprises Support Project (and Biogas) Possible White Certificates Project <sup>9</sup> Sectoral lending in waste and water mgmt. Uzbekistan's development vision up to 2030
GEF	Small Grants in the Climate Sector (through UNDP) Energy Efficiency in Buildings (through UNDP) Support for the 3rd Nat. Communication (through UNEP) --Proposed Nat. Mitigation and Adaptation CC Strategy --Work on Technology Transfer --Support for NAMA and MRV design --Support for outreach and awareness raising (Article 6)
German Government	GIZ Regional Hospital EE project (EE buildings) GIZ Ministry of Env. grant (through CAREC) --Building audits in residential buildings --Regional LED strategy
Mashav	Training for farmers, experts on renewable energy
<i>European Commission</i>	Uzbekistan is eligible for participation in the Covenant of Mayors (municipal-level energy saving initiative with a focus on buildings and heating).

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<sup>9</sup> White certificates are tradable certificates that represent a certain amount of certified energy reductions, similar to emission reduction permits.

## Annexes

### Annex 1: Terms of Reference



#### UNITED NATIONS DEVELOPMENT PROGRAMME TERMS OF REFERENCE / INDIVIDUAL CONTRACT

##### I. Position Information

Position Title:	International Consultant/Evaluator
Type:	Individual Contract (International)
Project Title/Department:	UNDP Project “Supporting Uzbekistan in transition to a low-emission development path” (LED)” / Environment and Energy Unit
Duration of the service:	25 working days during the period from mid-April – May 2013
Duty station:	Home-based with one mission to Tashkent, Uzbekistan, including 2 project site visits to Syrdarya province and Urgench city in Khorezm province
Reports to:	Head of Environment and Energy Unit, UNDP Uzbekistan

##### II. Background

Uzbekistan is one of the world’s largest producers of fossil fuels and this rich fuel endowment is currently used to provide subsidized energy to the economy. Pursuit of economic growth in the past has not fully considered the associated environment costs, in particular the rising levels of carbon emissions. Low emission development strategy (LEDS) will enable Uzbekistan to transition to low carbon economic development resulting in sustained growth in employment and investment, increased financial flows through carbon markets, reduced greenhouse gas emissions, greater energy security and other social, economic, and environmental benefits. The country has an opportunity to advance to new technologies such as solar and biogas, energy efficiency industrial production, “green buildings” and “green” transport.

With the dual and interconnected goal of reducing energy consumption and environmental pollution, UNDP project “Supporting Uzbekistan in transition to a low-emission development path” (LED) was started in January 2011 with the main objective to enhance the national capacity of Uzbekistan for effective transition to a low-emission development. The Project is planned for five years (January 2011 - December 2015).

##### III. Functions / Key Outputs Expected

###### I. Objective of the Mid-Term Evaluation

This Mid-Term Evaluation (MTE) is initiated by the UNDP Uzbekistan and it aims to provide managers (at the project team and UNDP Uzbekistan Country Office levels) with strategy and policy options for more effectively and efficiently achieving the project’s expected results and

for replicating the results. It also provides the basis for learning and accountability for managers and stakeholders.

This evaluation is to be undertaken taking into consideration the evaluation policy of UNDP (<http://www.undp.org/eo/documents/Evaluation-Policy.pdf>) and the UNDP Handbook on Monitoring and Evaluating for Results (<http://www.undp.org/gef/05/monitoring/policies.html>).

The MTE is intended to identify potential project design problems, assess progress towards the achievement of objective with a particular emphasis on assessment of the project activities and their consistency with project objectives and future plans, identify and document lessons learned (including lessons that might improve design and implementation of other UNDP projects), and to make recommendations regarding specific actions that might be taken to improve the project.

It is expected that MTE serves as a mean of validating or filling the gaps in the initial assessment of relevance, effectiveness and efficiency obtained from monitoring. It provides an opportunity to assess early signs of project success or failure and prompt necessary adjustments.

Moreover, MTE evaluation will play a critical role in the future implementation of the project by providing advice on: (i) how to strengthen the adaptive management and monitoring function of the project; (ii) how to ensure accountability for the achievement of the UNDP project objective; (iii) how to enhance organizational and development learning; and (iv) how to enable informed decision – making.

The evaluator should prepare specific ratings on specific aspects of the project, as described in the section IV of this Terms of Reference. Particular emphasis should be put on the current project results and the possibility of achieving the objective and outcomes in the established timeframe, taking into consideration the speed, at which the project is proceeding. The Report of the Mid-Term Evaluation will be stand-alone document that substantiates its recommendations and conclusions.

## **II. Project Overview**

The project has been implemented since the beginning of 2011 and is expected to be completed by the end of 2015. The project is nationally executed by the Ministry of Economy of the Republic of Uzbekistan. The total project budget is \$1,186,500 and funded from UNDP core resources (UNDP contribution amounts to \$950,500 matched by \$236,000 (in-kind) from the Uzbek Government).

The project aims at enhancing national capacity of Uzbekistan for effective transition to a low-emission development path through:

- (i) proactive participation in the international climate change negotiation;
- (ii) process design, resource-mobilization and implementation of low emission development strategies (LEDS);
- (iii) drawing on international carbon market finance, and
- (iv) integrate climate change mitigation activities (promotion of renewable energy development) and available carbon finance mechanisms

## **III. EVALUATION OBJECTIVES**

The purposes of the Mid-term Evaluation are:

- To assess overall performance against the Project objective and outcomes as set out in Project Document and other related documents.



- To assess the effectiveness and efficiency of the Project.
- To analyze critically the implementation and management arrangements of the Project.
- To assess the sustainability of the project's interventions.
- To list and document lessons concerning Project design, implementation and management.
- To assess Project relevance to national priorities.
- To assess changes in the baseline situation and provide guidance for the future activities in the area of capacity building for sustainable livestock development in Uzbekistan.
- To study feasibility and risks of the project for further expansion of activities.

In particular, this evaluation will assess progress in establishing the information baseline, and identifying any difficulties in project implementation and their causes, and recommend corrective course of action. Effective action to rectify any identified issues hindering implementation will be a requirement prior to determining whether implementation should proceed.

Project performance will be measured based on Project's Results and Resources Logical Framework Matrix (see Annex 1), which provides clear performance and impact indicators for project implementation along with their corresponding means of verification. Success and failure will be determined in part by monitoring changes in baseline conditions.

The evaluation team is expected to work with key project stakeholders, including UNDP Country Office in Uzbekistan, Ministry of Economy is the National Implementing Partner. Other partners are State Committee for Nature Protection, National Centre for Hydrometeorological Services (Uzhydromet), NHC "Uzbekneftegas", JSC "Uztransgas", SJSC "Uzkimyosanoat", SJSC "Uzbekenergo", Ministry of Agriculture and Water Resources, Technology Transfer Agency of the Ministry of Economy, Municipality of Tashkent city, Municipality of Khorezm province and local governments, Center of Innovations and Technology Transfer of Khorezm Province, "Biogaz Ecologia, Energia, Organic Ogut" Ltd. Private company, Regional Fund "Makhallas", Fund "Nuroni", NGO "Mekhri Bulogi", National University, Academy of Science, Institute of Irrigation Engineers, Physics-Technical Institute, NGOs and farmers and members of the Project Board and also Inter-Agency Working Groups established within the project.

#### **IV. SCOPE OF THE EVALUATION**

The evaluation will focus on the range of aspects described below. In addition to a descriptive assessment, all criteria marked with (R) should be rated using the following divisions: *Highly Satisfactory*, *Satisfactory*, *Marginally Satisfactory*, *Unsatisfactory*. All ratings given should be properly substantiated:

##### **1. Project concept/design, relevance and strategy**

The evaluators will assess the project concept and design. Revision of the problems addressed by the project and the project strategy, encompassing an assessment of the appropriateness of the objectives, planned outputs, activities and inputs as compared to cost-effective alternatives shall be undertaken. The executing modality and managerial arrangements should also be judged. The evaluator will assess the achievement of indicators and review the work plan, planned duration and budget of the project.

##### **1.1 Project relevance, country ownership/drivenness (R):**

The extent to which the project is suited to local and national development priorities and organizational policies, including changes over time as well as the extent the activities contribute towards attainment of global environmental benefits:

- a. Are project outcomes contributing to national development priorities and plans?
- b. How and why project outcomes and strategies contribute to the achievement of the expected results?
- c. Examine their relevance and whether they provide the most effective way towards results.
- d. Do the outcomes developed during the project proposal development phase still represent the best project strategy for achieving the project objectives (in light of updated underlying factors)? *Consider alternatives.*
- e. Has the government approved policies or regulatory frameworks in line with the project's objectives?

**1.2 Stakeholder involvement (R):**

- a. Did the project involve the relevant stakeholders through information-sharing, consultation and by seeking their participation in the project's design?
- b. Did the project consult and make use of the skills, experience and knowledge of the appropriate government entities, NGOs, community groups, private sector, local governments and academic institutions in the design of project activities?

**1.4 Underlying factors/assumptions:**

- a. Assess the underlying factors beyond the project's immediate control that influence outcomes and results. Consider the appropriateness and effectiveness of the project's management strategies for these factors.
- b. Re-test the assumptions made by the project management and identify new assumptions that should be made.
- c. Assess the effect of any incorrect assumptions made by the project.

**1.5 Management arrangements (R):**

- a. Were the project roles properly assigned during the project design?
- b. Are the project roles in line with UNDP programming guidelines?
- c. Can the management arrangement model suggested by the project be considered as an optimum model? If no, please come up with suggestions and recommendations.

**1.6 Project budget and duration (R):**

- a. Assess if the project budget and duration were planned in a cost-effective way?

**1.7 Design of project M&E system (R):**

- a. Examine whether or not the project has a sound M&E plan to monitor results and track progress towards achieving project objectives.
- b. Examine whether or not the M&E plan includes a baseline (including data, methodology, etc.), relevant indicators and data analysis systems, and evaluation studies at specific times to assess results and adequate funding for M&E activities.
- c. Examine whether or not the time frame for various M&E activities and standards for outputs are specified.

**1.8 Sustainability:**

- a. Assess if project sustainability strategy was developed during the project design?
- b. Assess the relevance of project sustainability strategy

**2. Project implementation**

**2.1 Project's adaptive management (R):**

- a. Monitoring systems
  - Assess the monitoring tools currently being used:
    - Do they provide the necessary information?
    - Do they involve key partners?
    - Are they efficient?
    - Are additional tools required?
  - Assess the use of the logical framework as a management tool during

- implementation and any changes made to it.
- What impact did the retro-fitting of impact indicators have on project management, if such?
- Assess whether or not M&E system facilitates timely tracking of progress towards project's objectives by collecting information on chosen indicators continually; annual project reports are complete, accurate and with well justified ratings; the information provided by the M&E system is used to improve project performance and to adapt to changing needs.
- b. Risk Management
  - Validate whether the risks identified in the project document and quarterly and annual reporting are the most important and whether the risk ratings applied are appropriate. If not, explain why.
  - Describe any additional risks identified and suggest risk ratings and possible risk management strategies to be adopted.
  - Assess the project's risk identification and management systems:
- c. Work Planning
  - Assess the use of routinely updated work plans.
  - Assess the use of electronic information technologies to support implementation, participation and monitoring, as well as other project activities.
  - Are work planning processes result-based<sup>10</sup>? If not, suggest ways to re-orientate work planning.
- d. Financial management
  - Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions. (Cost-effectiveness: the extent to which results have been delivered with the least costly resources possible.). Any irregularities must be noted.
  - Is there due diligence in the management of funds and financial audits?
- e. Reporting
  - Assess how adaptive management changes have been reported by the project management.
  - Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.
- f. Delays
  - Assess if there were delays in project implementation and what were the reasons.
  - Did the delay affect the achievement of project's outcomes and/or sustainability, and if it did then in what ways and through what causal linkages?

## *2.2 Contribution of UNDP and national partner executing agencies:*

- Assess the role of UNDP and the Ministry of Economy of the Republic of Uzbekistan against the requirements set out in the UNDP Programme and Operations Policies and Procedures<sup>11</sup>. Consider:
  - Field visits
  - Participation in Project Board meetings
  - Project reviews, APR preparation and follow-up
  - Operational support

<sup>10</sup> RBM Support documents are available at <http://www.undp.org/eo/methodologies.htm>

<sup>11</sup> Available at <http://content.undp.org/go/userguide/results/project/>

- Consider the new UNDP requirements outlined in the UNDP Programme and Operations Policies and Procedures, especially the Project Assurance role, and ensure they are incorporated into the project's adaptive management framework.
- Assess the contribution to the project from UNDP and the Ministry of Economy of the Republic of Uzbekistan in terms of "soft" assistance (i.e. policy advice & dialogue, advocacy, and coordination)
- Suggest measures to strengthen UNDP's soft assistance to the project management.

### 2.3 Stakeholder participation, partnership strategy (R):

- Assess whether or not and how local stakeholders participate in project management and decision-making. Include an analysis of the strengths and weaknesses of the approach adopted by the project and suggestions for improvement if necessary.
- Does the project consult and make use of the skills, experience and knowledge of the appropriate government entities, NGOs, community groups, private sector, local governments and academic institutions in the implementation and evaluation of project activities?
- Consider the dissemination of project information to partners and stakeholders and if necessary suggest more appropriate mechanisms.
- Identify opportunities for stronger partnerships.

### 2.4 Sustainability:

- Assess the extent to which the benefits of the project will continue, within or outside the project scope, after it has come to an end; commitment of the government to support the initiative beyond the project.
- The evaluators may look at factors such as mainstreaming project objectives into the broader development policies and sectoral plans and economies.

The sustainability assessment will give special attention to analysis of the risks that are likely to affect the persistence of project outcomes. The sustainability assessment should also explain how other important contextual factors that are not outcomes of the project will affect sustainability. The following four dimensions or aspects of sustainability will be addressed:

- *Financial resources:* Are there any financial risks that may jeopardize sustenance of project outcomes? What is the likelihood of financial and economic resources not being available once the UNDP assistance ends (resources can be from multiple sources, such as the public and private sectors, income generating activities, and trends that may indicate that it is likely that in future there will be adequate financial resources for sustaining project's outcomes)?
- *Socio-political:* Are there any social or political risks that may jeopardize sustenance 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?
- *Institutional framework and governance:* Do the legal frameworks, policies and governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems for accountability and transparency, and the required technical know-how are in place.
- *Environmental:* Are there any environmental risks that may jeopardize sustenance of project outcomes? The terminal evaluation should assess whether certain activities will pose a threat to the sustainability of the project outcomes.

On each of the dimensions of sustainability of the project outcomes will be rated as follows:

- *Likely* (L): There are no or negligible risks that affect this dimension of sustainability.
- *Moderately Likely* (ML): There are moderate risks that affect this dimension of sustainability.
- *Moderately Unlikely* (MU): There are significant risks that affect this dimension of sustainability.
- *Unlikely* (U): There are severe risks that affect this dimension of sustainability.

### **3. Project results (outputs, outcomes and impact)**

#### **3.1 Progress towards achievement of intended outputs, outcomes/measurement of change:**

The evaluation will assess the outputs, outcomes and impact achieved by the project as well as the likely sustainability of project results. This should encompass an assessment of the achievement of the immediate objectives and the contribution to attaining the overall objective of the project. The evaluation should also assess the extent to which the implementation of the project has been inclusive of relevant stakeholders and to which it has been able to create collaboration between different partners. The evaluation will also examine if the project has had significant unexpected effects, whether of beneficial or detrimental character.

#### **Results and effectiveness:**

Changes in development conditions. Address the following questions, with a focus on the perception of change among stakeholders:

- What are the results (outcomes and impacts) of the project?
- Have awareness on the project in general and personal capacity of national stakeholders to continue project activities in particular are built?
- Have the project contributed in the establishment of efficient national institutional frameworks for the national low-emission development?

Measurement of change: Progress towards results should be based on a comparison of indicators before and after the project intervention.

To determine the level of achievement of project outcomes and objectives following three criteria should be assessed:

- *Relevance:* Are the project's outcomes consistent with the country priorities?
- *Effectiveness:* Are the actual project outcomes commensurate with the original or modified project objectives? In case the original or modified expected results are merely outputs/inputs then the evaluators should assess if there are any real outcomes of the project and if yes then whether these are commensurate with the realistic expectations from such a project.
- *Efficiency:* Is the project cost effective? Is the project the least cost option? Is the project implementation delayed and if it is, then does that affect cost-effectiveness? Wherever possible, the evaluator should also compare the cost-time vs. outcomes relationship of the project with that of other similar projects.

Outcomes should be rated as follows for relevance, effectiveness, efficiency:

- *Highly Satisfactory (HS):* The project has no shortcomings in the achievement of its objectives.
- *Satisfactory (S):* The project has minor shortcomings in the achievement of its objectives.
- *Moderately Satisfactory (MS):* The project has moderate shortcomings in the

achievement of its objectives.

- *Moderately Unsatisfactory (MU)*: The project has significant shortcomings in the achievement of its objectives.
- *Unsatisfactory (U)*: The project has major shortcomings in the achievement of its objectives.
- *Highly Unsatisfactory (HU)*: The project has severe shortcomings in the achievement of its objectives.

## **V. EVALUATION OF DELIVERABLES**

The core product of the Mid-Term Evaluation will be the Mid-Term Evaluation Report that includes:

- Findings with the rating on performance;
- Conclusions drawn;
- Recommendations for improving delivery of project outputs;
- Lessons learned concerning best and worst practices in producing outputs;
- A rating on progress towards outputs.

The report is proposed to adhere to the following basic structure:

1. Executive summary
  - Brief description of project
  - Context and purpose of the evaluation
  - Main conclusions, recommendations and lessons learned
2. Introduction
  - Project background
  - Purpose of the evaluation
  - Key issues to be addressed
  - The outputs of the evaluation and how will they be used
  - Methodology of the evaluation
  - Structure of the evaluation
3. The project and its development context
  - Project start and its duration
  - Implementation status
  - Problems that the project seeks to address
  - Immediate and development objectives of the project
  - Main stakeholders
  - Results expected
  - Analysis of the situation with regard to outcomes, outputs and partnership strategy
4. Findings and Conclusions
  - 4.1 Project formulation
    - Project relevance
    - Implementation approach
    - Country ownership/Driveness
    - Stakeholder participation
    - Replication approach
    - Cost-effectiveness
    - Sustainability
    - Linkages between project and other interventions within the sector
    - Management arrangements
  - 4.2 Project implementation
    - Financial management
    - Monitoring and evaluation

- Management and coordination
- Identification and management of risks (adaptive management)
- 4.3 Results
  - Attainment of outputs, outcomes and objectives
  - Project Impact
  - Prospects of sustainability
- 5. Conclusions and recommendations
  - Findings
  - Corrective actions for the design, duration, implementation, monitoring and evaluation of the project
  - Actions to strengthen or reinforce benefits from the project
  - Proposals for future directions underlining main objectives
  - Suggestions for strengthening ownership, management of potential risks
- 6. Lessons learned
  - Good practices and lessons learned in addressing issues relating to effectiveness, efficiency and relevance
- 7. Annexes
  - Evaluation TOR
  - Itinerary
  - List of persons interviewed
  - Summary of field visits
  - List of documents reviewed
  - Questionnaire used (if any) and summary of results
  - Comments by stakeholders (only in case of discrepancies with evaluation findings and conclusions)

The expected length of the report is around 40-50 pages in total. The first draft of the report is expected to be submitted to the UNDP Country Office in Uzbekistan within approximately **2 weeks** (will be agreed upon in the beginning of the consultancy assignment) of the in-country mission for subsequent circulation to the key project stakeholders for comments. Any discrepancies between the interpretations and findings of the evaluator and the key project stakeholders will be explained in an annex to the final report.

## **VI. METHODOLOGY**

Evaluators should seek guidance for their work in the following materials, which could be found at ([www.undp.org](http://www.undp.org)):

- UNDP Handbook on Monitoring and Evaluation for Results
- UNDP M&E Resource Kit

It is recommended that the evaluation methodology include the following:

- Documentation review (desk study), to include Project Document, Quarterly Progress Reports, Annual Progress Reports, minutes of the Project Board meetings, minutes of project Inter-Agency Groups meetings, and others (see annex 2);
- Interviews with project team and key project stakeholders, and UNDP Country Office in Uzbekistan (see annex 3);
- In-country field visits, if necessary.

The evaluation must provide evidence-based information that is credible, reliable and useful. It must be easily understood by project partners and applicable to the remaining period of the project.

## **VII. EVALUATION TEAM**

The evaluation will be undertaken by a team composed of an *International Consultant (Team Leader)* and a *Local Consultant*. They will receive the support of UNDP Country Office in Uzbekistan and Project Management Team.

The evaluators selected should not have participated in the project preparation and/or implementation and should not have conflict of interest with project related activities.

The *International Consultant - Team Leader* will be responsible to deliver the expected output of the mission. Specifically, he/she will perform the following tasks:

- Lead and manage the evaluation mission;
- Design the detailed evaluation methodology and plan;
- Conduct desk-reviews, interviews and site-visits in order to obtain objective and verifiable data to substantive evaluation ratings and assessments, including:
  - Assessment of adequacy of the level and proposed modes of enforcement of the regulatory and programmatic documents developed within the project for creation of an enabling environment for promoting the national low-emission development;
- Draft the evaluation report and share with the key stakeholders for comments;
- Finalize the evaluation report based on the inputs from key stakeholders.

#### IV.Deliverables and timeframe

The principal responsibility for managing this evaluation lies with UNDP Country Office in Uzbekistan. It will be responsible for liaising with the project team to set up the stakeholder interviews, arrange the field visits, coordinate with the Government.

These Terms of Reference follow the UNDP policies and procedures. UNDP Country Office in Uzbekistan and the Ministry of Economy of the Republic of Uzbekistan will receive a draft of the final evaluation report and provide comments on it prior to its completion.

The evaluation mission in Uzbekistan will take place in April-May 2013. The total duration of the assignment will be 25 working days during the calendar period of 1.5 months (April-May 2013). The following tentative timetable is recommended for the evaluation, however, the final schedule will be agreed upon in the beginning of the consultancy assignment:

Desk review, development of methodology	4 days (tentatively during 15-18 April, 2013)
In-country field visits, interviews	10 days (tentatively during 21-30 April, 2013)
Drafting report	3 days (tentatively during 1-3 May, 2013)
Draft report circulation	5 days (tentatively during 5-9 May, 2013)
Finalization of report	3 days (tentatively during 13-15 May, 2013)

Prior to approval of the final report, a draft version shall be circulated for comments to UNDP CO, government counterparts and project management. UNDP and the stakeholders will submit comments and suggestions within 5 working days (within the calendar period agreed) after receiving the draft. All comments and suggestions (if any) shall be addressed and the report will be considered as the final deliverable as soon it is accepted by UNDP.

The final version of the evaluation report should be submitted in electronic format (MS Word) to UNDP Country Office in Uzbekistan (Mr. Abduvakkos Abdurahmanov, address: Uzbekistan, 100029, Tashkent, Taras Schevchenko Str., 4, tel. +998 71 1203450, 1206167; fax +998 71 1203485, e-mail: [abduvakkos.abdurahmanov@undp.org](mailto:abduvakkos.abdurahmanov@undp.org)) no later than **May 15, 2013**.

Deliverable	Timeframe
1. Desk review, development of methodology	4 days



2. Mission to Uzbekistan, including briefings for evaluators by PM and UNDP, in-country field visits, interviews, de-briefings for UNDP CO	10 days
3. Drafting of the evaluation report	3 days
4. Draft report circulation for comments and other types of feedback mechanisms	5 days
5. Finalization of the evaluation report (incorporating comments received on first draft)	3 days
<b>V. Payment Conditions</b>	
<p>This is a lump sum contract that should include costs of consultancy and international travel costs (in-country air ticket costs will be covered by the project), accommodation and meal (DSA or per diems in Tashkent and provinces) and visas costs required to produce the above deliverables. Payment will be released in 2 installments:</p> <ul style="list-style-type: none"> <li>• First installment (40% of total contract amount) to be made upon achievement of Deliverables 1, 2, 3.</li> <li>• Second installment (60% of total contract amount) to be made upon achievement of Deliverables 4, 5.</li> </ul> <p>upon timely submission of respective deliverables and their acceptance by the Supervisor and UNDP CO</p>	

<b>VI. Recruitment Qualifications</b>	
Education:	Advanced university degree in economics, climate change mitigation, energy or related area
Experience:	<ul style="list-style-type: none"> <li>• Extensive (at least 7-year) experience and proven track record with policy advice and/or project development/implementation in climate change mitigation, low-emission development;</li> <li>• Proven track record of application of results-based approaches to evaluation of projects focusing on climate change mitigation, low-emission development (relevant experience in the CIS region is a requirement; and relevant experience within UN system would be an asset);</li> <li>• Familiarity with climate change mitigation and low-emission development principles and relevant international best-practices;</li> <li>• Knowledge of and recent experience in applying UNDP M&amp;E policies and procedures</li> </ul>
Language Requirements:	Excellent English communication and writing skills, knowledge of Russian would be an asset
Others:	Demonstrable analytical skills

UNDP is an equal opportunity employer. Qualified female candidates, people with disabilities, and minorities are highly encouraged to apply. UNDP Gender Balance in Management Policy promotes achievement of gender balance among its staff at all levels.