

UNDP Management Response Template

MID TERM REVIEW – Removal of Barriers to Solar PV Power generation in Mauritius, Rodrigues and Outer Islands Date: 23 June 2015

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Input into and update in ERC:

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Overall comments:

The achievements of the project up to the time of MTR are largely attributable to the proactive actions by CEB to engage with the private sector towards the creation of grid-connected solar PV facilities and the consulting assignment to Mercados for MSDG. The project has been instrumental in the establishment of grid-connected solar PV power generation facilities in Mauritius. The project has been able to create capacity of about 10 MW, which is the target capacity by 2025 for solar PV as per the strategy of the Government. This became possible as the project supported the difference in tariff between the fossil fuel power plants and the cost of procurement of power from solar PV plants. Although the cost of power generation using solar PV technology has come down (due to a general trend of reduction in the capital cost of solar PV and fiscal measures by the Government, including a reduction in VAT, no land-use conversion charges etc.), there is still a difference in the cost of generation using solar PV technology and other fossil fuel-based technologies. In view of this gap, any further capacity addition will still require the feed-in tariff support or other matching fiscal incentives. The project was intended to remove a number of legal, regulatory and market barriers which hamper realisation of the potential of solar PV energy for on-grid electricity generation. The project has partially succeeded in doing so. Some technology (availability of solar resource data), financial (need for support by fiscal incentives due to viability gap) and regulatory barriers (long time required to receive clearances) still remain. Some of the remaining barriers will be addressed during the remaining implementation period. However, in order to achieve the planned objectives, outputs and outcomes of the project, an extension of time will be required. We conclude that the project has been instrumental in lowering many of the barriers towards grid-connected solar PV in Mauritius; however, the barriers have not been wholly removed.

1) Evaluation Recommendation or Issue 1: *Time extension of 15 months until the end of 2016 to complete the project*

There was delay of about two and half years in the start of the project. Accordingly, most of the outcomes and outputs of the project will not be achieved by the scheduled end of the project in September 2015. This is despite significant progress having already been made towards achievement of results. Notable results which can be achieved during the recommended extension of time are the creation of the 'Solar Map', operationalisation of solar PV facilities being supported under the project, disbursement and monitoring of utilisation of funds for feed-in tariff support provided to the beneficiaries, formalisation of regulations based on the recommendations of the consultants, etc.

Management Response: We agree with the need to extend the project

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking*	
			Status	Comments
1.1. Project extension will be requested from UNDP GEF for up to end 2016.	June 2015	UNDP CO		

Evaluation Recommendation or Issue 2:

Recruitment of a full-time Project Assistant, to provide support to accelerate implementation of the project.

The start of the project was delayed due to persistent failure to recruit a project manager by MEPU. Presently, project management has been entrusted to two full-time staff members of CEB (one fulfilling the responsibility of project manager and the other the responsibility of Project Assistant), who maintain their regular job responsibilities. Due to lack of dedicated human resources, some of the project management activities such as preparation of work plans, coordination, stakeholder consultations etc. at times take a back seat. It is recommended that UNDP recruits a full-time project assistant to provide dedicated support to the project team.

Management Response: The recommendation will be tabled to the next steering committee.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
2.1. Recommendation will be put as an item of the agenda of the	July 2015	UNDP CO		

next steering committee.			
Evaluation Recommendation or Issue 3: Easier environmental clearance procedures for solar PV plant projects			
Current regulations require solar PV projects to undergo a complete EIA, in order to obtain a formal environment clearance, which is time consuming (as mentioned in the log frame (outcome 1.4) the average time to secure all required construction licenses and permits can take up to 12 months). Discussions with the private sector solar PV facilities being supported under the GEF project, revealed that EIA for the projects may take anywhere from 6 months to 12 months. It is recommended that an outcome be added to examine the possibility of having faster environment clearance procedures (without compromising environment integrity). One possibility that may be examined in this regard is to have recourse to a PER (Preliminary Environmental Review) instead of a full EIA.			
Management Response: Facilitating the implementation of PV plans has always been one of the core aims of the project. Therefore the recommendation will be taken up with the relevant authorities in view of easing the EIA process.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
			Status Comments
3.1 Discussion to be initiated at the next steering committee with the representative of the Ministry of environment	July 2015	Project manager	
Evaluation Recommendation or Issue 4: Initiate activities related to outreach and communication			
Outreach, information dissemination, communications and awareness creation activities have not yet been taken up. Considering that such activities have a multiplier effect towards achievement of the objectives and the results, it is recommended that dedicated efforts be made towards this component (Output 5) of the project.			
Management Response: The project manager and his team will be requested with initiating this component asap as the other components are now well on track and there is a need to start working on communications.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
			Status Comments
4.1 Discussion to be initiated at the next steering committee	July 2015	Project management team	
Evaluation Recommendation or Issue 5: Follow-up activities for acceptance of recommendation of consultants for regulations			
Consultants were appointed to suggest policy, legal and regulatory measures for the solar PV sector. As the consultants have submitted their report, the work progress reports show the activities of regulatory measures as completed. It needs to be appreciated that the indicators on achievement do not relate to the completion of studies but, rather, to having regulations in place. The steering committee should follow up regularly with the Government on the recommendations by the consultants to ensure issuance of the required regulatory measures. Until such time regulations are in place, these corresponding outcomes and activities should not be shown as completed.			
Management Response: The consultancy assignment for the policy and regulatory part is not financed by the UNDP GEF project but by AFD under a separate consultancy. Therefore as and when the regulations will be finalized, the project will follow up with the MEPU to ensure that they are enforced.			
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking
			Status Comments
5.1 Project team to liaise with the MEPU representative on the steering committee to be appraised of progress	July 2015	Project management team	
Evaluation Recommendation or Issue 6: Monitor and report co-financing			
Currently, there is no mechanism to monitor record and report co-financing to the project. It is recommended that procedures be developed for project			

management to monitor record and regularly report co-financing to the project.				
Management Response: The project management team will be requested to monitor co-financing as part of the next PIR exercise.				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
6.1 Discussion will be initiated at the next steering committee and project management team to start to monitor level of co-financing achieved.	July 2015	Project Management team		
Evaluation Recommendation or Issue 7) Organise capacity building for private sector and financial personnel.				
To promote private sector investment, awareness creation, capacity building and training of private sector personnel play an important role. Applying such measures to the lending institutions has a multiplier impact. It is recommended that officials of the private sector (solar PV suppliers / installers, facilities management companies), and financial institutions (commercial banks, leasing and hire-purchase companies) be closely involved while creating awareness and capacity building				
Management Response: The consultancy for capacity building for financial personnel will be awarded by July 2015. The private sector has already been invited to be part of the training.				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
7.1 Training activities to take place in the coming months following award of contract	July 2015	Project management team		
Evaluation Recommendation or Issue 8) Technical training for grid connectivity at higher voltage				
Under the SSDG programme run by the Government prior to this project, training courses were carried out to ensure availability of trained manpower. However, small-scale PV systems are connected to the grid at lower voltage. As medium-scale and large-scale solar PV need to be connected to the grid at higher voltage, it is recommended that appropriate training courses for the trainers of MITD (Mauritius Institute of Training and Development) and or the technicians working on solar PV be organised in this field.				
Management Response: It is agreed that one of the objectives of the project was to assist in the training of technicians for the installation of PV systems. The MITD will be contacted and possibility of the project assisting with this training will be examined.				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
8.1 Discussion will be initiated at the next steering committee and meeting to be called with MITD once budget available is re-assessed.	July 2015	Project management team		
Evaluation Recommendation or Issue 9) Solar Resource Mapping				
Deployment of pyranometers at different locations to collect data and subsequent preparation of the solar map is a time-consuming process (generally year-long data are required, thus it would take about 15 months to prepare the solar map). In order to optimally utilise the available resources and time, it is recommended that the possibilities of collaborating with University of Mauritius (while preparing an RFP for Outcome 3.1) be explored. It is also notable that the University is already carrying out relevant research work on the assessment of solar resources.				

Management Response: One of the objectives of the project was to purchase pyranometers to assist in solar mapping. An assignment is currently ongoing in view of developing a more accurate solar map for Mauritius. The University researcher will be invited to a steering committee in order to look into the possibility of collaboration.

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
9.1 Discussion will be initiated at the next steering committee and meeting to be called with MITD	July 2015	Project management team		
Evaluation Recommendation or Issue 10) Explore Green Climate Fund to provide fiscal incentives to future PV installations				
In the foreseeable future, the cost of generation of electricity using solar PV technology is unlikely to be at par with the cost of generation using fossil fuel technologies. Thus, it will be necessary to continue to provide fiscal incentives for future PV installations. Such incentives may be provided as feed-in tariff support or through other fiscal measures (grants, subsidies, interest rate draw-down support etc.). It is recommended that possibilities to obtain technical support (for capacity building, awareness creation, training etc.) and financial support (to provide fiscal incentives such as feed-in tariff support, subsidies, etc.) from the Green Climate Fund be explored.				
Management Response: A proposal for the GCF is currently in preparation. However, preliminary feedback received from the GCF Secretariat indicates that the GCF does not want to support Feed in Tariffs in the long-term, nor bind government into long-term subsidies.				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
10.1 GCF proposal in preparation	July 2015	UNDP CO		

* The implementation status is tracked in the ERC.