

# UNDP-GCF Project Interim Evaluation Report Management Response

## Management response to the Independent Interim Evaluation of the UNDP-supported GCF-financed “De-risking and Scaling-up Investment in Energy Efficient Building Retrofits” Project in Armenia

Project Title: “De-risking and Scaling-up Investment in Energy Efficient Building Retrofits”

UNDP Project ID: #00098348

GEF Project ID (PIMS): #5684

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### Context, background and findings

The Interim Evaluation was conducted with purpose to assess the progress towards the achievement of the project objectives and outcomes as specified in the Project Document, the Funding Proposal, and the Funded Activity Agreement. The project’s strategy and sustainability risks were reviewed to provide recommendations for the necessary course adjustments and the achievement of the intended results. The Interim Evaluation was conducted based on the ToR, which was developed following the UNDP Evaluation Guidelines (2019) and in consultation with the GCF. The TOR has addressed the COVID-19 related policies and procedures.

### Recommendations and management response

#### ***Interim Evaluation Recommendation 1 to UNDP/Government:***

*Facilitate adoption of amendment to the Law on Multi-Apartment building (MAB) Management without further delays*

There is typically a rather lengthy period between approval of a legislation by the Government, subsequent approval by a Parliament, and effective date when new/amended legislation comes into force. The draft amendment of the Law prepared by the Project addresses the main problems housing associations face when financing MAB reconstruction. Without the amendment effectively in force, delivery of energy efficiency retrofit investment in MABs will be at risk. The project can take on a pro-active role and actively support the Committee of Urban Development.

#### **Management response:**

Recommendation is accepted. The “velvet” revolution and significant changes in policy and governance in the public administration bodies affected the project initial action plans and approaches, agreed with the stakeholders and the focal point – the Urban Development Committee (former Ministry). In 2020, due to the COVID-19 outbreak the stakeholders’ engagement and discussions were limited.

On 18 September 2020, the meeting was held with Ms. S. Ghazaryan, Adviser to the Prime Minister of Armenia, who was assigned to tackle the MAB management regulatory issues. It was agreed to accelerate the processes. The Adviser will coordinate the activities among the government institutions to increase efficiency and accelerate decision-making and approval processes. Consultations with Government of Armenia (GoA) are refreshed and mechanism of regular meetings was re-established and will be maintained.

Key action(s)	Time frame [month, year to month, year]	Responsible unit(s)	Tracking	
			Comments	Status <sup>1</sup>
1.1. Support provided to the inter-agency working group under coordination of the Urban Development Committee.	03.2021 – 11.2021	Project team	Expert support provided to finalization of the Draft Law.	Partially completed
1.2. Regulatory amendments are drafted and consulted.	03.2021 - 11.2021	Project team /GoA		Partially completed

***Interim Evaluation Recommendation 2 to UNDP:***

*Accelerate pending activities/outputs*

*a) Publish Measurement, Reporting and Verification/Energy Management Information System (MRV/EMIS) data from retrofitted buildings at the new web platform*

MRV data from retrofitted buildings are available in the project fact sheets, however, they are not easily accessible at the dedicated project web site. Regularly upload available data to keep the web page updated.

*b) Analyze critical path and accelerate all activities on the critical path.*

**Management response:**

Recommendation is accepted. All the MRV/EMIS data for pilots is readily available in respective reports and on the old website. Transfer to the new platform is in progress. Required support will be provided also to the Environmental Project Implementation Unit (EPIU) of the Ministry of Environment (MoE) upon taking the responsibility (expected Q3-Q4 2021) of implementation of the Project Component 1 “Establishment of building sector MRV and knowledge management.”

Key action(s)	Time frame [month, year to month, year]	Responsible unit(s)	Tracking	
			Comments	Status
2.1. Web-based platform for MRV/ EMIS data is finalized. Data to be entered and updated by EPIU.	03.2021 - 10.2021	Project team EPIU/MoE	MRV data from retrofitted buildings are available in the project fact sheets.	Partially completed
2.2. Trainings are organized for specialists in urban communities.	03.2021 – 12.2021	Project team /EPIU	On-job training as well as involvement of municipal specialists in the energy consumption data collection and archiving are done for public buildings.	Partially completed

***Interim Evaluation Recommendation 3 to UNDP:***

*Strengthen project-level monitoring*

*a. Organize Project Board meetings regularly at least once a year. To avoid any delays due to changes of the Government representation in the Project Board, advocate for and facilitate nomination of their deputies*

*b. Update logframe targets and specify indicators and targets, where missing*

Specify project objective indicator and target, and targets for Outputs 1.2, 3.1, and 4.1 which were not specified for all relevant output indicators in the Project Document. Incorporate indicator of Total number of buildings retrofitted and square area in m<sup>2</sup> as per GCF recommendations for each building type – public, MAB, SFH. Revise the logframe

<sup>1</sup> Status of Implementation: Completed, Partially Completed, Pending.

and have it approved by the Project Board. Consider necessity of using the SDG indicator of “Energy intensity measured in terms of primary energy and GDP” and the indicator “M5.0 Strengthened institutional and regulatory systems”, or avoid them.

*c. Align activity targets achievements in Annual Performance Reports and Quarterly Progress Reports*

In some cases, there is a difference in achievement rating in APRs (cumulative achievement of project activities) and Quarterly Progress Reports (achievement as per AWP activities) and achievement of relevant outcome and output target as per logframe. See for example APR 2019 rating for activities within Output 1.1 and 1.2 – cumulative rating 20-70%, and rating in quarterly report Q4 2019, where outputs 1.1 and 1.2 are rated as “completed” – but this refers to activities planned as per AWP 2019, rather than for logframe output level targets.

**Management response:**

Recommendation is accepted. The Ministry of Environment coordinated the nomination of new Project Board members (on Deputy Ministers’ level) from respective ministries and agencies. The Board co-chairs are the Minister of Environment and UNDP Resident Representative. The package for the Project Board meeting was prepared, however, the meeting was possible to convene in December 2020 only, due to the Martial Law declared. The next Project Board meeting is planned for the second semester of 2021.

Logframe targets and indicators will be updated, discussed with the Project Director and UNDP, approved by the Project Board and proposed to the GCF Secretariat.

Key action(s)	Time frame [month, year to month, year]	Responsible unit(s)	Tracking	
			Comments	Status
3a. Conduct the next Project Board meeting in 2021.	07.2021 – 12.2021	MoE Project Manager		Pending
3b,c. Logframe targets and indicators are updated.	03.2021 – 06.2021	MoE UNDP Project team		Partially completed
3b,c. Updated logframe targets are approved by the Project Board and proposed to the GCF Secretariat.	06.2021 – 12.2021	MoE UNDP Project team		Pending

***Interim Evaluation Recommendation 4 to UNDP:***

*Use required criterion of women share as a priority for selection of investment level projects/buildings*

This GCF gender criterion is intended rather for the whole program or portfolio of individual investment-level projects (energy efficiency retrofits of individual buildings). If applied for each individual building, investment level projects/buildings where women do not dominate would be excluded from reconstruction. Instead, use this criterion as a preference for selection of an individual building for retrofit, and for evaluation of the whole portfolio of sub-projects.

**Management response:**

Recommendation is accepted. The criterion of giving preference to reconstruction of buildings where women residents are dominated is followed by the Project.

Key action(s)	Time frame [month, year to month, year]	Responsible unit(s)	Tracking	
			Comments	Status
4.1. Gender sensitive data for retrofitted buildings and for the whole project is assessed and reported to UNDP and donor by the Project.	03.2021 – 12.2021	Project team		Partially completed

***Interim Evaluation Recommendation 5 to UNDP:***

*Evaluate the feasibility of meeting the planned end-of-project targets in three years*

Evaluate capacity of construction companies to deliver all planned energy efficiency building retrofits, and estimate achievable time-bound targets. If necessary, consider request for appropriate extension. However, this should not hamper timely implementation of all other activities.

**Management response:** Recommendation is accepted. Such study will help to assess the potential for residential buildings energy efficiency retrofitting and work out measures for reducing cumbersome processes in service provision in post-COVID-19 and post-conflict reality.

Provisional 12 months' project no-cost extension is discussed with Regional Technical Advisor to eliminate the implications of gap financing issues, the COVID-19 outbreak, and the Martial Law.

Key action(s)	Time frame [month, year to month, year]	Responsible unit(s)	Tracking	
			Comments	Comments
5.1. The obstacles slowing down procurement process of retrofit works of Project partners are analyzed and mitigation measures are proposed.	03.2021 – 06.2021	Project team GoA	Currently the statistics is collected on reasons for delayed/cancelled bids and tenders and shared with partners.	Partially completed
5.2. Project extension request package is prepared.	03.2021 – 09.2021	Project team UNDP Regional Hub	Currently under discussion.	Pending