**Management Response to the Midterm Review of the GEF Project Sustainable Cities in Turkmenistan: Integrated Green Urban Development in Ashgabat and Avaza**

Project Title: **Sustainable Cities in Turkmenistan: Integrated Green Urban Development in Ashgabat and Avaza**

Project PIMS #: **5452**

GEF Project ID (PIMS) #: **9279**

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**Context, background and findings**

The development objective of this Sustainable Cities project is to promote and implement integrated low-carbon urban systems in Ashgabat and Avaza, thereby reducing GHG emissions and creating other environmental, social, and economic development benefits. According to the Project document, several results (outcomes, outputs) will be achieved in Ashgabat, Avaza, and other cities across Turkmenistan, and among them:

* Improved capacities and enabling conditions in Ashgabat and Avaza to identify, design and implement integrated low-carbon and climate-resilient solutions;
* Reduction of GHG emissions and other negative environmental impacts;
* Nationwide replication and scaling-up of results of first project two components, enhancement of capacity of agencies and managers, and adoption of policies and regulation.

These outcomes and outputs were planned to be achieved through the implementation of three Project components. Component 1 is focused on Ashgabat, Component 2 on Avaza, and Component 3 is seeking scale-up via policy and regulations at the national and municipal level throughout Turkmenistan.

The Mid-Term Review (MTR) report summarizes the findings of the MTR for the UNDP-GEF full-sized project entitled “Sustainable Cities in Turkmenistan: Integrated Green Urban Development in Ashgabat and Avaza” (“Sustainable Cities project”) with financing support provided by the Global Environment Facility (GEF).

The purpose of the MTR of this Sustainable Cities project is to assess the progress towards the achievement of the project objectives and outcomes as specified in the Project Document (ProDoc), whether it is on track to its stated objective - to promote and implement integrated low-carbon urban systems in Ashgabat and Avaza, thereby reducing greenhouse gas (GHG) emissions and creating other environmental, social, and economic development benefits. The MTR serves as a tool for assessment of the success or failure of the Project and identification of the necessary changes to be made in order to enhance the likelihood of achievement of the Project objectives and intended results by the end of the Project.

The main output of the review shall be specific recommendations for adaptive management to improve the project over the second half of its lifetime

UNDP acknowledges the main findings of the MTR, which include design flaws of the project, lack of baseline data, lack of indicators and targets for some outputs. UNDP appreciates the acknowledgement of COVID-19 pandemic and related restrictions to be one of the major impediments in ability to conduct the project activities and in achieving the mid-term targets, in particular, those related to Avaza touristic resort within the Component 2. The MTR report notes achievement of 3 targets out of 12 and 6 targets being on track to be achieved by the end of the project. However, little progress has been made towards 3 targets related to sustainable transport and the MTR notes about the risk of them being not achieved without project strategy revision, also proposed by the Regional Technical Adviser during the 2020 GEF PIR reporting period.

The MTR consultant gives Moderately Satisfactory rating for project implementation and adaptive management as well as for overall progress towards results at the Project Objective level. UNDP CO appreciates this rating and in general, accepts all 10 recommendations proposed by the MTR report with relevant management responses laid out in detail in the following table:

**Recommendations and Management response**

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| Midterm Review recommendation 1. **Strengthen the Project Team**   1. Renew/extent the existing contract with the CTA. If the travel restrictions are released, the CTA has to spend about 50% of his time in the country; 2. Hire additionally a national consultant to in energy audit of hotels; 3. Hire a task leader for sustainable transport sub-component; 4. Hire a consultant in sustainable urban planning (international or national based on consultations with the Khyakimlik of Ashgabat, and recommendations of CTA) 5. Hire a consultant in GHG reductions calculations | | | | |
| Management response: The recommendation is partially accepted and addressed through actions below. UNDP believes up to 30% of time of CTA to be spent on-site shall be sufficient to provide required level of technical support, hands-on training, advice, and guidance for the project team. The task leader for the transport component will also be hired on delivery-based consultancy to improve engagement with relevant national stakeholders. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 1.a.CTA will spend up to 30% of time in the country (as opposed to 50% recommended), which is sufficient considering the current ongoing COVID-19 pandemic situation and country’s restrictions on international and internal travel as well as burdensome internal approval/protocol procedures for a foreign national to meet and engage with the government institutions. | On a needed basis | Project Team | Frequency of visits and presence of the CTA in the project country will depend on the status of COVID-19 travel restrictions. | Ongoing |
| 1.b. Project Team will hire the Project Junior specialist and a national Consultant on holding energy audit in Avaza. Due to in-country travel restrictions between provinces, Project Junior Specialist together with NC will be hired from Avaza or Turkmenbashi city to closely work with administrations of selected hotels. | October-November 2021 | UNDP CO, Environment Portfolio, Project team. | ToRs is being prepared at present. | In process |
| 1.c. Project will hire a national consultant to implement transport related activities on a delivery-based concrete tasks. If progress is achieved on collaboration and positive engagement with “Turkmenavtotransport” Agency, then this NC position can be revised and re-advertised to hire a Project Specialist on transport related activities. | November 2021 – April 2022 for revising the NC to SC modality | UNDP CO, Project Team | Project will further seek the possibility of cooperation with “Turkmenautotransport” Agency on joint implementation of project activities | Not started |
| 1.d. Project will hire International or National consultant on sustainable urban planning. | January 2022 | UNDP CO, Project Team | ToRs will be prepared based on consultations with the Khyakimlik of Ashgabat and Project’s CTA. | Not started |
| 1.e. Project will hire a National or International consultant on GHG reductions calculations. | November - 2021 | UNDP CO, Project Team |  | Not started |

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| Midterm Review recommendation 2. **Increase the effectiveness of the Project Board**.   1. Increase the frequency of PB meetings (twice a year, at least until full participation of all key stakeholders is ensured) 2. The Project manager performs the functions of the PB secretary. | | | | |
| Management response: The recommendation is generally accepted. Project will exert more constructive efforts to improve communication with members of PB meeting. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 2.a. Project will increase PB meetings up to twice a year upon its necessity and availability participation of all members of PB. | Semi-annually | UNDP CO, Project Team, Members of PB meeting |  | Started |
| 2.b. Project will prepare and share quarterly reports with PB members briefly outlining the project progress achieved, issues and challenges encountered and suggested solutions that Project seeks from PB members, collectively and/or individually, when needed. | Quarterly | UNDP CO, Project Team, Members of PB meeting |  | Started |

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| Midterm Review recommendation 3. **Provide targeted trainings to the relevant staff of Governmental Agencies, representatives of private companies and public organizations, in best practices to identify, design and implement projects in the fields of sustainable urban planning, street lighting, waste recycling, sustainable transport.** | | | | |
| Management response: The recommendation is partially accepted. The project will continue to conduct related trainings for government officials, stakeholders, private sectors, and NGOs. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 3.1. Development and organization of training on identification, development, and implementation of projects on street lighting, power grid and development of RE for the specialists of the Ministry of Energy, representatives of private sector and public organizations. | April-May 2022 | UNDP CO, Project Team | Preparation of Program, methodical data gathering, presentation is on process | Not started |
| 3.2. Preparation of tutorials with Turkmen State University named after Magtymguly (TSU) for student after the implementation of pilot project on waste sorting. | Macrh 2022 | Project Team, Teachers of TSU, NGO | Analysis of results that are obtained after implementation of pilot project on waste sorting at the student campus will be included to the tutorial and presented to the students and teachers of TSU named after Magtymguly. | Not started |
| 3.3. Conducting of training for specialists of hotels in Avaza on waste management and sorting | May 2022 (subject to lifting of travel restrictions to Avaza) | Project Team, NGO | These trainings will be held to address one of the main sections on Green Certificate. | Not Started |
| 3.4. Conducting of trainings and roundtables on waste management and handling for representatives of Private Sector, Project Partners, and representatives of Construction companies. | November 2022 | Project Team, NGO |  | Not started |

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| Midterm Review recommendation 4. **Intensify studies to determine the baselines and adjust targets for those indicators baseline levels of which were not available before the start of the Sustainable Cities project.** | | | | |
| Management response: The recommendation is generally accepted. Project will hire National Consultant to conduct comprehensive inventory of cars in Turkmenistan. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| Project will hire a National Consultant to assess vehicle pool in the country to determine baseline levels for transport related indicators. | January 2022 | Project Team, National Consultant |  | Not started |

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| Midterm Review recommendation 5. **Re-design the implementation strategy for transport-related activities**   1. Proper tire inflation; 2. Construction of new bus lanes; 3. Construction of new bicycle lanes; 4. Design of e-passes, map updates, and a mobile app for riders; 5. Development of standards and incentives; 6. Solar-power charging stations for electric cars; 7. Promoting electric cars; | | | | |
| Management response: The recommendation is generally accepted. UNDP CO will review the proposed Strategy review prepared by international consultant, discuss proposed revised activities with National stakeholders during the next PB meeting and adopt revised alternative activities related to transport sector support suggested by revised strategy. This will be done through the following key activities after the consultations with “TurkmenAvtotrasport” Agency. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 5.1 Project will intensify engagement with “Turkmenavtotransport” Transport Agency and discuss proposed revised transport related activities as part of Project Strategy Review | October-November 2021 | Project Team, UNDP CO, NPC |  | Ongoing |
| 5.2 Discussion and adoption of proposed revised transport related activities by the Project Board | October 2021 | Project Team, UNDP CO, NPC |  | In process |
| 5.3 Approval of revised transport related activities by the RTA and start of implementation | December 2021 | Project Team, UNDP CO, UNDP RO |  | Not started |

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| Midterm Review recommendation 6. **Conduct** **economic and financial analysis (cost-benefit analysis) for typical waste recycling projects.** | | | | |
| Management response: The recommendation is accepted, and project will cooperate with Government agencies, NGOs and project partners in implementing the waste management activities by hiring International Consultant that will prepare baseline for further promotion of waste management activities through development of business models and awareness-raising campaigns and attract State organizations and national stakeholders. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 6.1 Project will hire international consultant on preparation of economic and financial analysis for typical waste recycling projects | February 2023 | Project Team |  | Not started |
| 6.2. Dissemination of obtained analysis and data on awareness-raising campaign on waste management among state organizations, private sector, and stakeholders. | April 2023 | Project Team, Ministry of Agriculture and Environment Protection of Turkmenistan, NGO | Obtained experience and prepared analysis will be disseminated through online meetings, roundtables. | Not started |
| 6.3. Development of attractive business models for private sector with the involvement of project partners on waste utilization and processing | November 2023 | Project Team, Project Partners, NGO |  | Not started |

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| Midterm Review recommendation 7. **Continue providing technical assistance in development of policy/strategy documents.**   * + - 1. Adoption of a Law on Energy Efficiency.       2. Development of National strategy on Waste Management.       3. Development of NDC.       4. Development of National Renewable Energy Action Plan.       5. Development of National Energy Efficiency/Energy Savings Action Plan. | | | | |
| Management response: The recommendation is generally accepted. Project will continue to assist in developing policy/strategy documents with its partner agencies through the following key actions: | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 7. a. Project will actively participate of the Working Group of the Mejlis of Turkmenistan for finalize the draft of new Law of Turkmenistan on “Energy-saving and energy efficiency” (earlier developed by the Project) for its adoption. | March 2023 | Project Team, Ministry of Energy, Mejlis of Turkmenistan | Joint work is conducted on discussion of draft of the document | In process |
| 7.b. Project will prepare the final version of the draft of National Strategy of Turkmenistan on Waste management and present it to the Ministry of Agriculture and Environment of Protection of Turkmenistan | December 2021 | Project Team, Ministry of Agriculture and Environment Protection |  | In process |
| 7.c. Project will coordinate the support and preparation of the final version of the draft of NDC of Turkmenistan and present it to the MFA of Turkmenistan inistry of Agriculture and Environment Protection | October 2021 | Project Team,  MFA,  Ministry of Agriculture and Environment Protection |  | Final stage |
| 7.d. Project will provide technical assistance to the Ministry of Energy of Turkmenistan on development the new sublaws for implementing the “National Action Plan on Development of Renewable Energy in Turkmenistan for 2023-2030” (approved on 4th December 2020) | December 2023 | Project Team, Ministry of Energy | Preparation of methodical data gathering presentation is on process. | Started |
| 7.e. Project will provide technical assistance to the Ministry of Energy of Turkmenistan on development a number of the new sub-laws on energy efficiency and energy saving | December 2023 | Project Team, Ministry of Energy | Preparation of methodical data gathering presentation is on process. | Not started |

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| Midterm Review recommendation 8.  **Revise the Logframe.**   1. Add an Indicator: Number of institutions, covered by capacity building activities to identify and design and implement integrated low-carbon and climate-resilient solutions in cities. Corresponding end-of-project target: At least 3 institutions (Ministry of Agriculture and Environment Protection, Ministry of Energy, “Turkmenavtotransport” Agency) and at least 4 cities (municipal utilities/services dealing with public lighting, waste management, public transport): Ashgabat, Avaza and two other cities. 2. Re-determine targets for those indicators, baseline levels of which were not available before the start of the Sustainable Cities project but were determined during the implementation of the Project. Hire an expert with experience in UNFCC CO2 emissions baseline accounting. 3. Establish an indicator and target for Output 2.2: Demonstration and replication of solar-powered public lighting (in Avaza). Define an indicator and target for Outcome 2.2. Demonstration and replication of solar street lighting (in Avaza)   Establish an indicator and target for Output 2.4: Managerial and technical capacity of planners, officials, and facility managers in Avaza enhanced via training. | | | | |
| Management response: The recommendation is generally accepted. New indicator on number of institutions covered by CB activities to identify, design and implement low-carbon and climate resilient solutions in cities will be added to the Logframe. Indicators and targets for Output 2.2 and Output 2.4 will be established and added to LogFrame. The timing of the installation of solar panel powered LED lamps in Avaza will mostly depend on cancellation of restrictions lifting internal travel ban due to COVID-19. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 8.a. Project will revise Project LogFrame with adding proposed new indicator, updating targets for indicators without baseline levels at the start of the Project as well as establishing indicators and targets for Outputs 2.2. and 2.4 and get this approved by | June 2022 | Project Team, UNDP CO and RTA |  | Not started |
| 8.b. Procurement of LED lamps with solar panels for “Scientific and Production Center for Renewable Energy” with recommendations on replication following the results of the pilot. | April 2022 | Project Team, Ministry of Energy |  | In process |
| 8.c.  1) Implementation of pilot project on introduction of LED lamps with solar panels in street lighting grid of Avaza. | March 2023 | Project Team, Ministry of Energy |  | Not started |
| 8.c.  2) Adoption of decision on replication of obtained good experience on introduction of LED lamps with solar panels in city street lighting grid of Turkmenistan. | June 2023 | Project Team, Ministry of Energy |  | Not started |
| 8.c.  3) Preparation of draft of sectoral program on introduction of LED lamps with solar panels in city street lightening grid of Turkmenistan and recommendations to Ministry of Energy for adoption. | June 2023 | Project Team, Ministry of Energy |  | Not started |
| 8.d. Development and approval of methodology normative document and conducting at least 4 trainings for planners, officials, and facility managers in hotels (on country level). | March 2023 | Project Team |  | Not started |

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| Midterm Review recommendation 9. **Consider assistance to the Khyakimlik of Ashgabat in application energy and water saving technologies in construction of new city parks.** | | | | |
| Management response: The recommendation is partially accepted. Project will first study the feasibility of pilot project on solar powered drip irrigation system for green zone trees irrigation to determine energy efficiency and if feasible, then project will develop and implement a pilot project for a selected Ashgabat city green zone to demonstrate energy and water saving for a potential replication by the city municipality in the future. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 9.1 Project will hire a national consultant to conduct a feasibility study to determine economic viability, energy efficiency and replication potential of a pilot project on solar powered drip irrigation system at selected green zone of Ashgabat city | March 2022 | Project team |  | Not started |
| 9.2. If feasible, project will develop and implement pilot project on introduction of power generation system by solar panels in order to supply power to wells that supply water through drip irrigation system at green zones around Ashgabat. | September 2022 | Project Team,  Ministry of Agriculture and Environment Protection,  Ministry of Energy,  Khyakimlik of Ashgabat |  | Not started |

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| Midterm Review recommendation 10. **Extend the duration by 12-18 months.** | | | | |
| Management response: The recommendation is accepted. UNDP will consider this issue and discuss with Project Board during the final year of project implementation and duly apply for no-cost extension. | | | | |
| Key action(s) | Time frame | Responsible unit(s) | Tracking | |
| Comments | Status |
| 10.1. UNDP will consider and discuss with PB a no-cost extension of the project due to COVID-19 related restrictions and subsequent delays in delivering key Project activities | October 2023 | UNDP CO, Project Team |  | Not started |