

UNDP Management Response Template

[Final Evaluation of the Fiji Renewable Energy Power Project, FREPP (Date: 24 June 2019)

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Overall comments: The Terminal Evaluation was undertaken for FREPP covering the periods 2012 to 2018. The terminal evaluation commenced in November 2018 and the report was finalized in February 2019. UNDP acknowledges that the opinions of the independent consultant are within the scope of the terminal evaluation TOR. Currently, FREPP is undergoing financial closure. The following are collective comments from UNDP and the Department of Energy on the ‘Conclusions, Lessons, and Recommendations’ (pages 54–56) of the Final Evaluation Report.

Evaluation Recommendation or Issue 1: FREPP objective and interventions were relevant in addressing the prevailing barriers to the wide-scale use of renewable energy resources for power generation in Fiji. The project has made strenuous efforts to promote availability and use of renewable energy and has made rigorous efforts and considerable progress towards achieving its objective and goal. However, there is a long road ahead to achieve the NDP goal of 100% power generation through RE sources by 2036.

Recommendation 1: UNDP to continue external technical and especially financial support for further promotion of RE in Fiji. Such external support projects and programmes are found instrumental in fast forwarding of an agenda like renewable energy. DOE and UNDP should continue exploring, the possibilities for mobilizing resources and preparation of a new project proposal, in consultation with stakeholders to follow up on FREPP interventions and to promote wider scale use of RE in Fiji.

Management Response:

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking*	
			Status	Comments
1.1. There is an opportunity to continue external technical and financial assistance through UNDP via the 7 th program cycle of the Global Environment Facility (i.e. GEF-7). a. DOE to discuss together with UNDP or any GEF Agency, with Fiji’s National GEF Operational Focal Point the development of a new project concept (Project Identification Form, PIF) that builds on the results of FREPP. b. The GEF Agency should be able to provide guidance on how to conceptualize such project in such a way that it is aligned with the GEF-7 climate change mitigation objectives e.g. to promote innovation and technology transfer for sustainable energy breakthroughs,	DOE to advise UNDP by 31/07/2019	DOE	Initiated	DOE was part of the GEF National Dialogue on 03/12/18 and 04/12/18 and presented the FREPP program with completed activities and also the proposed project activities for GEF-7 programme.

such as de-centralized renewable power with energy storage.

Evaluation Recommendation or Issue 2: FREPP has implemented a wide range of interventions and have made considerable progress to achieve its outputs and outcomes. However, many of these interventions are of longer-term nature therefore they will require continuous follow up in times to come to realize their full effectiveness and benefits.

Recommendation 2: DOE with the support of UNDP to develop a follow up strategy. Some of the important interventions and outputs needing follow up includes:

- ✓ **The approval of Biofuel Policy:** The draft BF Policy, prepared by the project, is presently in the vetting and approval process, therefore DOE should rigorously follow up to get the proposed policy approved as soon.
- ✓ **Bukuya PPP Model:** The Bukuya Hydro Power Special Purpose Company (SPC) is still in its infancy and needs capacity building, administrative and technical support. Specific issues, which needs to be immediately followed up on includes; opening of a bank account, establishment of tariff guarantee fund, putting in place accountability, coordination and reporting mechanisms and establishment of a standard tariff through the Fiji Competition and Consumer Commission (FCCC) etc.
- ✓ **Energy Information Forum portal:** All project knowledge products should be sorted out, keeping in view its usefulness and relevance, by DOE and uploaded to the information portal. Similarly, all other energy related information should also be uploaded for easy accessibility and future reference.
- ✓ **Assessment reports of hydro and wind potential:** DOE in due course to analyse the collected data and make available the detailed assessment reports for the benefit of stakeholders and investors.
- ✓ **Fiji Sugar Corporation (FSC) Labasa biomass power project:** DOE to follow up on remaining issues faced by the FSC Labasa. These include lower tariff, non-availability of biomass fuel (non-bagasse), lack of interest of FSC management and inadequate technical support.
- ✓ **Biofuel Mills:** DOE to work on development of a profitable model through increasing use and improving marketability of biofuels in the country.
- ✓ **Proposed standardized PPA:** DOE to advocate with EFL to incorporate elements from the standardized PPAs, prepared by the project, into the EFL's PPAs.
- ✓ **The National Electrification Plan:** DOE to rigorously follow up on the formulation of NEP for its earliest formulation and endorsement.

Management Response:

Key Action(s)	Time Frame	Responsible Unit(s)	Tracking	
			Status	Comments
2.1. The approval of Biofuel Policy	DOE to advise UNDP by 31/07/2019	DOE	Initiated	Cabinet Paper drafted and final vetting underway from higher Management of Ministry before cabinet submission. Not yet endorsed by Cabinet.
			Initiated	Awaiting registration of TIN for the Bukuya Company and the opening of their Account Currently Siwatbau & Sloan Lawyer is looking after the registration of the TIN.
2.2. Bukuya PPP Model	DOE to advise UNDP by 31/07/2019	DOE	Initiated	

2.3. Energy Information Forum portal	DOE to advise UNDP by 31/07/2019	DOE	Not initiated	The Energy information forum website is open and easily accessed www.reinfofiji.com.fj
2.4. Assessment reports of hydro and wind potential	DOE to advise UNDP by 31/07/2019	DOE	Initiated	15 wind and 6 hydro monitoring stations are currently up and running. Data to be analyzed after 5 years readings. 8 wind monitoring stations were damaged during TC Winston in 2016 and these were rehabilitated in 2018
2.5. FSC Labasa biomass power project	DOE to advise UNDP by 31/07/2019	DOE	Initiated	ADB currently developing an IPP Framework, which is expected to enable IPPs to thrive in Fiji's energy sector.
2.6 Biofuel Mills	DOE to advise UNDP by 31/07/2019	DOE	Initiated	Biofuel programme review completed and profitable strategies currently implemented i.e. private operator. Revival of all mills in the next five years is the target. Lakeba and Rabi revived in 2018; Cicia and Gau in 2019; Moala & Matuku in 2020 followed by Koro and Rotuma.
2.7. Proposed standardized PPA	DOE to advise UNDP by 31/07/2019	DOE	Initiated	Energy Fiji Limited (EFL) is proposing a tariff increase by ~17% to attract more IPPs and has commenced with public consultation. The standardized PPA may have indirectly contributed to this process.
2.8. The National Electrification Plan	DOE to advise UNDP by 31/07/2019	DOE	Initiated	A draft Electrification Master Plan has been submitted by ADB to the Ministry for comments

				before submitted for Cabinet Approval
<p>Evaluation Recommendation or Issue 3: FREPP has successfully implemented a wide range of interventions. However, it has also faced considerable delays during implementation and its end date was extended from Dec 2014 to May 2018. These delays mainly resulted from non-endorsement of NEP and time consumed by lengthy processes for establishment of Project Board, PMU and recruitment of project staff and procurement of goods and services. Furthermore, inadequacy (only 2 people PMU) and turnover of project coordinator also hampered the implementation.</p>				
<p>Recommendation 3: For future such projects of UNDP and DOE, estimate timeframes/durations realistically by allocating adequate and sufficient timeframes for project organization, mobilization, recruitment of staff, procurement of goods and services and formulation of necessary implementation processes and procedures. Such project should employ adequate number of staff keeping in view the scope of the project interventions. Project plans also need to provide necessary allowance and flexibility for unforeseen delays and road blocks.</p>				
Management Response:				
Key Action(s)	Time Frame	Responsible Unit(s)	Status	Tracking Comments
3.1. The recommendation can be realistically carried out based on lessons learned during the implementation of FREPP. The implementing partner of future UNDP-GEF projects should recruit project staff within 3 months of project sign-off during which the inception workshop and induction training should be convened, UNDP support for procurement of goods and services should be implemented as per the signed Letter of Agreement, should be followed. Where possible, each project component should have a coordinator, or the project should have a chief technical advisor to support the PMU. The PMU should focus on the day-to-day management of project.	The timeframe for the actions covers the GEF-7 period as they depend on whether UNDP is requested to be the GEF Agency for GEF-7 climate change mitigation.	UNDP and DOE	Not initiated	DOE was part of the GEF National Dialogue on 03/12/18 and 04/12/18 and presented the FREPP program with completed activities and also the proposed project activities for GEF-7 programme.
<p>Evaluation Recommendation or Issue 4: The project has fostered successful collaboration with a wide range of stakeholders including governmental institutions, private sector, development partners, academia and local communities. However, it also has faced some partnership issues and its major co-financier – Varā Renewable Energy (VRE), dropped out during implementation, though the project found another co-financier, however this resulted in immense delays and changes in the project design.</p>				
<p>Recommendation 4: In future such projects of UNDP and DOE, select partners carefully keeping in view their relevance, expertise, interest and commitment and, their roles and obligations should be clearly defined and agreed upon in advance. Similarly, in case of co-financing agreements/commitments obtain documentation to verifying availability of resources.</p>				
Management Response:				
Key Action(s)	Time Frame	Responsible Unit(s)	Tracking Comments	
4.1. The recommendation can be realistically carried out through due diligence checks by both UNDP and	The timeframe for the actions covers the GEF-7	UNDP and DOE	Not initiated	DOE was part of the GEF National Dialogue on

<p>Government. The standard UNDP due diligence checks for implementing partners (micro-HACT assessment) and responsible parties (capacity assessment) will apply in any future engagement with DOE.</p>	<p>period as they depend on whether UNDP is requested to be the GEF Agency for GEF-7 climate change mitigation.</p>			<p>03/12/18 and 04/12/18 and presented the FREPP program with completed activities and also the proposed project activities for GEF-7 programme.</p>
<p>Evaluation Recommendation or Issue 5: The project strived to effectively monitor and evaluate its progress and performance and the quality of its progress reporting was noteworthy, however most of the monitoring was limited to progress reporting and field visits. Furthermore, the absence of dedicated resources and specific M&E expertise within the PMU has considerably hampered the development and implementation of a comprehensive and effective project M&E system, especially collection, analysis and reporting of data related to project outcomes and impact indicators.</p>				
<p>Recommendation 5: Such projects of UNDP and DOE need to employ dedicated M&E expertise, which should develop and implement a rigorous M&E mechanism and provide continuous feedback to the management during implementation and keep track of project outcomes and impact indicators. Furthermore, the PMU must facilitate the regular involvement of all stakeholders particularly the project partners (e.g. co-financiers) in the regular project reporting and monitoring of activities, not only during six-monthly and annual review meetings.</p>				
<p>Management Response:</p>				
<p>Key Action(s)</p>				
<p>5.1. The recommendation can be realistically carried out. In addition to recommendation #3, the PMU's role in facilitating and reviewing the M&E work have to be emphasized when the PMU is established. This is not only during MTR and TE but also in the quarterly reporting and annual PIR reporting. The PMU staff must have experience in project management and project M&E. The M&E experience of the PMU staff should be supplemented with training on the specific M&E requirements of UNDP-GEF projects to be able to carry out evaluations of the project performance and results/findings, conclusions and recommendations of independent M&E activities in a systematic manner. That will also enable them to adequately present the project status and project implementation plans to stakeholders through six-monthly and annual review meetings. Annual performance of the PMU must be reviewed based on not only its ability to achieve planned annual targets, but also its ability to effectively carry out M&E activities and implement agreed M&E recommendations.</p>	<p>The timeframe for the actions covers the GEF-7 period as they depend on whether UNDP is requested to be the GEF Agency for GEF-7 climate change mitigation.</p>	<p>UNDP and DOE</p>	<p>Status Not initiated</p>	<p>Tracking Comments DOE was part of the GEF National Dialogue on 03/12/18 and 04/12/18 and presented the FREPP program with completed activities and also the proposed project activities for GEF-7 programme.</p>

Evaluation Recommendation or Issue 6: The goal of the project was to reduce GHGs from power sector in Fiji. Overall it can be concluded that project RE demonstrations have contributed in the reduction of GHGs from power sector. However, in view of the preliminary analysis, the original project target of cumulative reduction of 935.8 ktons CO₂, seems to be quite ambitious. It is also highlighted that the project has not undertaken estimations or calculations on the status of overall GHG reductions to assess the overall impact.

Recommendation 6: DOE, with the help of UNDP, conduct a comprehensive study to estimate the exact status of GHG reductions from project interventions. Furthermore, for future such projects set realistic GHG reduction targets, keeping in mind the scope of the project interventions, and, develop and implement rigorous mechanisms to collect and analyze time series data on impact related indicators.

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			Status	Comments
<p>6.1. While UNDP can provide support technical advice to DOE regarding this recommendation, the DOE must advise if this recommendation can be realistically carried out including what is required or what are the constraints in carrying these out.</p> <p>The setting of GHG emission reduction targets is a must in the design of CCM/energy projects. Whatever reliable data/information (e.g., GHG inventories, energy consumption, etc.) are gathered or produced during the project preparation stage would be useful in the setting of realistic GHG emission reduction targets. But these targets can be adjusted depending on the changes in a country's national circumstances. Hence, a regular tracking of the various parameters and factors that influence the magnitude of GHG emission reductions, must be done during the course of project implementation to be able to assess whether the targets can be justifiably adjusted say during the project mid-term.</p>	DOE to advise UNDP by 31/07/2019	DOE	Not initiated	<p>This work can be carried out when relevant stakeholders cooperate and share energy data.</p> <p>Inclusion of relevant stakeholders from RE project implementation will assist in attaining relevant and reliable information in setting the GHG emission targets.</p> <p>Challenges faced during data collection.</p> <p>Non-availability of data.</p> <p>Non-cooperation from relevant stakeholders.</p>

* The implementation status is tracked in the ERC.

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