



2017

Project Implementation Review (PIR)



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Resilient nations.*

Ethiopia Sustainable Rural Renewable Energy

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A. Basic Data

Project Information	
UNDP PIMS ID	5200
GEF ID	5501
Title	Promoting Sustainable Rural Energy Technologies (RETs) for Household and Productive Uses in Ethiopia
Country(ies)	Ethiopia, Ethiopia
UNDP-GEF Technical Team	Energy, Infrastructure, Transport and Technology
Project Implementing Partner	ETH10
Joint Agencies	
Project Type	Full Size

Project Description
<p>The project aims to reduce Ethiopia's energy-related CO₂ emissions by approximately 2 million tonnes CO₂e by promoting renewable energy and low greenhouse gas (GHG)-producing technologies as a substitute for fossil fuels and non-sustainable biomass utilisation in the country, with a focus on rural household appliances for cooking, lighting and heating. The activities proposed in the project are designed to remove barriers that hamper the wide-scale use of off-grid renewable energy technologies in households and productive uses in rural areas of Ethiopia, where extending the grid is simply not feasible in the short-run and where the ability to pay for larger-scale solutions is often limited.</p> <p>The project consists of four components and will be implemented over a period of five years. This UNDP and MoWIE -implemented, GEF-financed project will seek to implement a more private sector-driven and market-based approach towards promoting renewable energy technologies in rural communities in Ethiopia. The four components consist of a combination of de-risking instruments (Component 1) and market-enabling activities (Component 2 and Component 4) that will combine together with a financial support mechanism (Component 3) to help transform the market for off-grid renewable energy technologies in rural communities. Approximately 800,000 additional households (4 million people) will benefit from the project by being enabled to invest in approximately 200,000 small-scale solar PV products (about 2.5 MWp total capacity) and approximately 600,000 improved cook-stoves.</p>

Project Contacts	
UNDP-GEF Regional Technical Adviser	Mr. Marcel Alers (marcel.alers@undp.org)
Programme Associate	Ms. Adey Tesfaye (adey.tesfaye@undp.org)
Project Manager	Mr. Yared Shumete Asfaw (yared.shumete@undp.org)
CO Focal Point	Mr. Atnafu Woldegebriel (atnafu.woldegebriel@undp.org)
GEF Operational Focal Point	Mr. Kare Chawicha (lemkare@gmail.com)
Project Implementing Partner	Mr. Asres W/Giorgis Belachew (w.asress@gmail.com)
Other Partners	Mr. (yimeslalt81@gmail.com)

B. Overall Ratings

Overall DO Rating	Satisfactory
Overall IP Rating	Moderately Satisfactory
Overall Risk Rating	Moderate

RTA DO Rating Comment	<p>The calculated average rating came out as "MS", but only 1 out of 4 raters chose MS, the other 3 rated the project S. As Technical Adviser, I consider the rating at this time as satisfactory (S) to be a better reflection of the reality at this early time in implementation. The project has only been under implementation for about 1 year and has done reasonably well so far. There are no indications yet that the project might not achieve its target, nor is it possible to tell it will. It is simply too early to give an informed advice, so in this circumstance the project deserves the benefit of the doubt and merits a S rating for the DO</p>
RTA IP Rating Comment	<p>Implementation progress in terms of activities done against the work plan is satisfactory, however in disbursement terms falls somewhat short. Cumulatively since project start it is relatively OK, mostly due to the transfer of the capitalization of the credit risk guarantee mechanism in one lump sum, instead of annual tranches, as suggested by the project document. This year (calendar year 2017) disbursement is somewhat slowed down compared against initial projections as per the prodoc and as per the approved annual budget plan.</p>

C. Development Progress

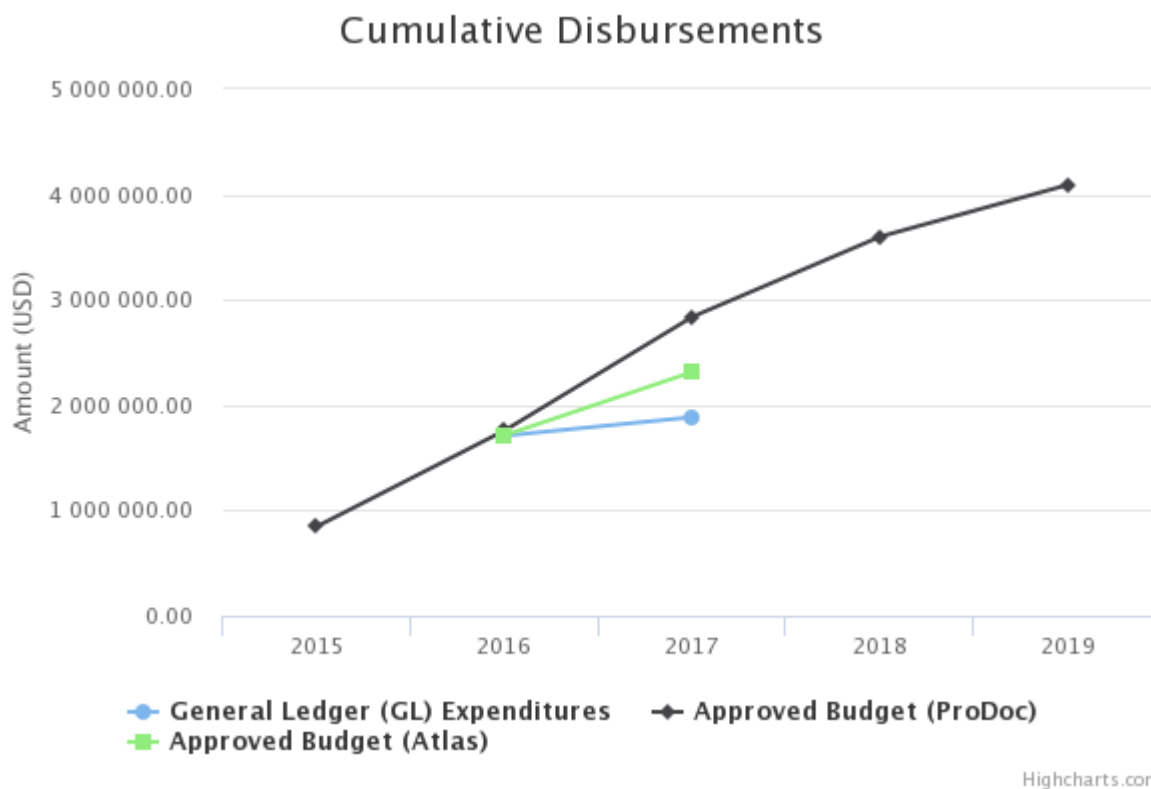
Objective or Outcome	Description				
Objective:	To promote and encourage significantly greater use of energy efficient and renewable energy technologies for household and productive uses in rural communities in Ethiopia				
	Description of Indicator	Baseline Level	Target level at end of project	Level at 30 June 2016	Cumulative progress since project start
	Lifetime energy saved.	The use of over 15 million inefficient cook-stoves and over 15 million kerosene lamps leads to over 35 Mt CO2e annually.	35.5 million mega-Joules of energy saved.		Energy saved through the RET Technology products disseminated is not yet measured.
The progress of the objective can be described as:		On track			
Outcome 1:	Favourable legal and regulatory environment created for small-scale, off-grid renewable energy investments in rural areas are in place and stakeholders are trained to comply and implement the new standards and regulations.				
	Description of Indicator	Baseline Level	Target level at end of project	Level at 30 June 2016	Cumulative progress since project start
	Status of development and enforcement of RET hardware standards by Government of Ethiopia.	No regulatory basis to improve and control the quality of rural energy technologies for Ethiopia.	New regulations for enforcement of standards in place.		National standards on solar home systems from 15Wp to 200 Wp, Injera baking stoves and cooking stoves are set and approved. Training modules on those standards prepared
The progress of the objective can be described as:		On track			
Outcome 2:	Greater awareness among rural populations about the benefits of renewable energy for household and productive uses.				

Greater awareness among RET enterprises about the availability of SFM and business support					
	Description of Indicator	Baseline Level	Target level at end of project	Level at 30 June 2016	Cumulative progress since project start
	Type, item price and estimated efficiency of technology sold directly at roadshows	Lack of public awareness in rural communities about the benefits of improved energy technologies for lighting and cooking.	300,000 RET items sold directly at roadshows		Pilot technology roadshows conducted in four woredas / districts of two regions, and 829 improved cook stoves and 178 solar home systems sold
	Number, size and length of appearances of promotions in media.	The use of over 15 million inefficient cook-stoves and over 15 million kerosene lamps leads to 51 Mt CO ₂ e of emissions annually.	At least 1000 appearances of promotions in media.		More than 200 appearances of promotions (3 types of 1 minute length radio spot messages) using national media in seven different languages done so far
	Number of RET enterprises using SFM or applying for business incubation services.	Lack of public awareness about the availability of financial products to purchase rural energy technologies.	200 RET enterprises using SFM. 500 RET enterprises applying for business incubation services.		Message is being transferred to RET enterprises on the availability of SFM scheme using the training and other events organized by the project. However, due to delay of implementation of the SFM, no enterprise has used the SFM; and no enterprise has applied for business incubation services.
The progress of the objective can be described as:		On track			
Outcome 3:	By the end of project, more than 290,000 low-income households and micro-enterprises (1,500,000 beneficiaries) will have sustainable access to clean energy through micro-finance. It is envisaged that CleanStart, in partnership with the UNDP-implemented, GEF-financed project, will create a				

	replicable business model for wider scale-up across other developing countries by adopting an integrated approach to addressing demand and supply-side barriers.				
	Description of Indicator	Baseline Level	Target level at end of project	Level at 30 June 2016	Cumulative progress since project start
	Volume of investment mobilised by FSPs participating in the project.	No lending on RETs by MFIs; slow disbursement of an available World Bank loan for the sector of USD 40 million (15% disbursement rate as of April 2014) The use of over 15 million inefficient cook-stoves and over 15 million kerosene lamps leads to 51 Mt CO ₂ e of emissions annually.	With support from financial mechanism and awareness campaigns, investment and deployment of at least 200,000 additional small-scale solar energy technologies and of an additional 600,000 improved cook-stoves, worth USD 15 million, have been mobilised.		Credit Risk Guarantee fund Established at Development Bank of Ethiopia, and Credit Risk Guarantee fund operational manual developed, validated and endorsed. However, no resources have been mobilized for investment by the FSPs yet.
The progress of the objective can be described as:		On track			
Outcome 4:	At least 120 small-scale enterprises and manufacturers are successfully producing and profitably selling RETs both for household consumption and for productive uses.				
	Description of Indicator	Baseline Level	Target level at end of project	Level at 30 June 2016	Cumulative progress since project start
	Number of enterprises that launch micro-businesses to sell either small-scale solar technologies or improved cook-stoves (or both)	At least 120 enterprises in Ethiopia are unable to launch improved businesses due to lack of capital and	120 enterprises launch micro-businesses to sell either small-scale solar technologies or improved cook-		six days entrepreneurship skill development training for members of 51 enterprises, and two days customized entrepreneurship training for members 96 cook stove producers given to scale up and strengthen their

		business expertise.	<p>stoves (or both) with at least a 25% success rate (i.e. still in business and profitable after 12 months).</p> <p>12 enterprises develop their business based on innovative RETs further due to investment grants and training received.</p>		business in the sector
The progress of the objective can be described as:		On track			

D. Implementation Progress



Cumulative GL delivery against total approved amount (in prodoc):	46.09%
Cumulative GL delivery against expected delivery as of this year:	66.43%
Cumulative disbursement as of 30 June (note: amount to be updated in late August):	1,885,965.72

Key Financing Amounts	
PPG Amount	100,000
GEF Grant Amount	4091781
Co-financing	69,045,899

Key Project Dates	
PIF Approval Date	Sep 12, 2013
CEO Endorsement Date	Jun 12, 2015
Project Document Signature Date (project start date):	May 16, 2016
Date of Inception Workshop	Dec 26, 2016
Expected Date of Mid-term Review	May 16, 2018

Actual Date of Mid-term Review	(not set or not applicable)
Expected Date of Terminal Evaluation	May 16, 2021
Original Planned Closing Date	May 16, 2021
Revised Planned Closing Date	(not set or not applicable)

Dates of Project Steering Committee/Board Meetings during reporting period (30 June 2016 to 1 July 2017)
2016-12-30
2016-10-24
2016-09-14
2016-07-07

E. Critical Risk Management

Current Types of Critical Risks	Critical risk management measures undertaken this reporting period
Operational	<p>Delay in engagement of UNCDF to implement activities under component 3.</p> <p>A series of communication and discussions were made with UNCDF in order for them to expedite their engagement in the implementation of component 3 of the project on mid-August 2017.</p>

F. Adjustments

Comments on delays in key project milestones

<p>Project Manager: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure.</p>
<p>No delay in conducting the inception workshop after the project manager is on board.</p>
<p>Country Office: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure.</p>
<p>The inception workshop was conducted on time. The time for mid term review and terminal evaluation not yet reached</p>
<p>UNDP-GEF Technical Adviser: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure.</p>
<p></p>

G. Ratings and Overall Assessments

Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
Project Manager/Coordinator	Satisfactory	- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -
Overall Assessment	The project is progressing as per the plan indicated in the project document. All the four components of the project are well complemented. The activities under the project components are well on track except some activities under component three of the project. With the current pace of implementation of project activities and also the mitigation measures being taken to bring some of the activities lagged under component three on track, the project can achieve its objective.	
Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
UNDP Country Office Programme Officer	Satisfactory	Satisfactory
Overall Assessment	<p>The project performance is very encouraging as both financial and physical activities implementation are progressing as planned. As a result it is expected that the project will register outstanding performances and exemplary achievements at the project closure.</p> <p>the delay by UNCDF to start implementation of component 3 of the project has created delay in the operationalization of some activities. Frequent discussion was made and UNCDF will be on board in this month</p>	
Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
GEF Operational Focal point		- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -
Overall Assessment		
Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
Project Implementing Partner	Moderately Satisfactory	- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -
Overall Assessment		
Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
Other Partners		- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -

Overall Assessment		
Role	2017 Development Objective Progress Rating	2017 Implementation Progress Rating
UNDP-GEF Technical Adviser	Satisfactory	Moderately Satisfactory
Overall Assessment	<p>This is the project's first PIR. After incurring delays between CEO endorsement and project signature, which took about a year, since then things have progressed fairly well, bringing on board the management team and holding the inception workshop within the first six months. Progress in implementation has followed more or less the plan, across all outcomes. Under component/outcome 1 new performance standards have already been introduced and training modules for these are being prepared. Some pilots for awareness raising (outcome 2) have also been successfully launched. A critical component is outcome 3, introducing a financial support mechanism in the form of a credit risk guarantee fund. This was already set up at the Development Bank of Ethiopia, and the project's contribution of an initial capitalization was done (which explains the reasonable level of disbursement), although it did not follow the prescribed transfer of this amount in annual tranches (it was done in a lumpsum upfront). This could be problematic in case the mechanism runs into trouble, since we have no leverage left. The mechanism is also not fully operational yet. A related risk is the involvement of UNCDF, on the implementation of the non-grant part of the project, helping set up and management the micro-credit mechanism. This collaboration remains to be fully agreed and put into action. This constitutes the biggest challenge in the coming year. A successful outcome 3 is critical to overall project success and requires close supervision. The CO is in touch with the RTA and HQ on getting this resolved. In terms of overall implementation progress, as measured by disbursement rate, this is reasonable overall in cumulative terms since project start (in part because of the large lump sum transfer of the credit guarantee mechanism), but falls somewhat short and has slowed down in the current (2017) calendar year.</p>	

H. Gender

Progress in Advancing Gender Equality and Women's Empowerment

This information is used in the UNDP-GEF Annual Performance Report, UNDP-GEF Annual Gender Report, reporting to the UNDP Gender Steering and Implementation Committee and for other internal and external communications and learning.

<p>Has a gender analysis been carried out this reporting period? Please note that all projects approved in GEF-6 (1 July 2014 through 30 June 2018) are required to carry out a gender analysis.</p>
<p>Yes</p>
<p>If a gender analysis was carried out what were the findings?</p>
<p>In most regional states of Ethiopia, substantial time must be devoted to the collection of firewood for cooking as a result of increasing scarcity of wood due to land clearing for agriculture, and higher demand for fuel wood due to increased household energy consumption. It is clear that the burden (higher in rural households) of firewood collection falls heavily on adult women and female children under 15 years of age.</p> <p>Inefficient cooking fuels and technologies produce high levels of household air pollution with a range of health-damaging pollutants, including small soot particles that penetrate deep into the lungs. In poorly-ventilated dwellings, indoor smoke can be 100 times higher than acceptable levels. Exposure is particularly high among women and young children, who spend time near the domestic hearth.</p> <p>Many women are engaged in cook stoves production and selling but their access to market is low. Moreover, women lack entrepreneurship skill in order for them to advance their businesses.</p> <p>Introducing improved (energy-efficient) cook-stoves on a large scale will have direct gender-differentiated impacts in favor of adult women and girls.</p>
<p>Does this project specifically target woman or girls as direct beneficiaries?</p>
<p>Yes</p>
<p>Please specify results achieved this reporting period that focus on increasing gender equality and improving the empowerment of women.</p>
<p>Results reported can include site-level results working with local communities as well as work to integrate gender considerations into national policies, strategies and planning. Please explain how the results reported addressed the different needs of men or women, changed norms, values, and power structures, and/or contributed to transforming or challenging gender inequalities and discrimination.</p>
<p>The entrepreneurship skill development training particularly the customized entrepreneurship skill development training targeted women who are engaged in cook stoves production and selling. The</p>

training were organized in a relatively nearby their area so as to make the training conducive for them. Moreover, while selecting experts from regions for the business development service advisers training, female representatives were also targeted.

The training given energized the communities and experts to use the opportunities brought through this project mainly the sustainable financial mechanisms and the different promotion activities the project is doing.

I. Communicating Impact

Tell us the story of the project focusing on how the project has helped to improve people's lives.

(This text will be used for UNDP corporate communications, the UNDP-GEF website, and/or other internal and external knowledge and learning efforts.)

In the reporting period the project provided entrepreneurship skill development training for RET enterprises (six days training for RET enterprise members who have better education level and two days customized training for RET enterprise members who have lower education level or no education). In addition, the project organized business development service advisers training to government experts from regions with the aim of availing business advisory support to RET enterprises in their locality. Taking feedback from the training participants in all the three training, they explained that the training changed the way they do business in such a way that they will change their production system and customer hunting and handling.

The training coupled with the different awareness raising and promotional activities the project is doing, the producers will have better access to local and national markets.

The different promotion activities the project is doing also encouraged and motivated rural communities to use the technology products so as to improve their living standards in terms of energy consumption in their day to day activities.

What is the most significant change that has resulted from the project this reporting period?

(This text will be used for internal knowledge management in the respective technical team and region.)

The project set national standards on three technology products solar home systems (from 15 wp to 200 wp), Injera baking stoves and cooking stoves in collaboration with different relevant stakeholders (government and non-government organizations including the private sector).

The standards set for solar home systems are mandatory and have significant impact on the growth of the sector in the country as it will solve many of the problems in importing and distributing the technology products, and also controlling the quality for those technology products. Stakeholders are happy by the approved standards and ready to support the enforcement of those standards.

Describe how the project supported South-South Cooperation and Triangular Cooperation efforts in the reporting year.

(This text will be used for internal knowledge management within the respective technical team and region.)

UNDP China country office high level representatives have had discussion with the implementing partners and conducted a field visit. This contributed to the facilitation of the initiative of the tri-parties project among Ethiopia, Sri Lanka and China on the basis of the south-south cooperation.

In a similar manner, UNDP Botswana Country Office expert team got experience sharing visit on the national bio-gas program in the country implemented by the government.

Project Links and Social Media

Please include: project's website, project page on the UNDP website, Adaptation Learning Mechanism (UNDP-ALM) platform, Facebook, Twitter, Flickr, YouTube, as well as hyperlinks to any media coverage of the project, for example, stories written by an outside source. Please upload any supporting files, including photos, videos, stories, and other documents using the 'file upload' button in the top right of the PIR.

Ethiopian Standards on Solar Home Systems and Training module

Technology Roadshow Communication Strategy

Credit Risk Guarantee Fund Operational Manual

RET Innovation Award Application Package Document

Complied report of first round entrepreneurship skill development training

National Project Steering Committee Meeting Minutes

Project Inception Workshop Report

J. Partnerships

Give the name of the partner(s), and describe the partnership, recent notable activities and any innovative aspects of the work. Please do not use any acronyms. (limit = 2000 characters).
 This information is used to get a better understanding of the work GEF-funded projects are doing with key partners, including the GEF Small Grants Programme, indigenous peoples, the private sector, and other partners. Please list the full names of the partners (no acronyms please) and summarize what they are doing to help the project achieve its objectives. The data may be used for reporting to GEF Secretariat, the UNDP-GEF Annual Performance Report, UNDP Corporate Communications, posted on the UNDP-GEF website, and for other internal and external knowledge and learning efforts. The RTA should view and edit/elaborate on the information entered here. All projects must complete this section. Please enter "N/A" in cells that are not applicable to your project.

Civil Society Organisations/NGOs
N/A
Indigenous Peoples
Local communities located in off-grid areas of the country are the main targets of this project. Mainly, the communities engaged in the production and sell of improved cook-stoves are the good partners of the project in reaching its goal by the end of the project period when they are actively involved in the market based and private sector driven dissemination of 600,000 improved cook stoves throughout the country. First round training on entrepreneurship skill development was given to improved cook stoves producers coming from the nine regional states in the country. Few of these trainees have participated in the pilot technology roadshow and benefited from the opportunities created there.
Private Sector
Private sectors mainly local producers of improved cook stoves and solar energy technology importers are another key partners in realizing the market based and private sector driven dissemination of 200,000 solar home systems throughout the country. These partners are highly involved in the preparation of national standards on the three technology products (solar home systems, Injera baking stoves and cooking stoves). They have been also key partners in conducting successful pilot technology roadshows.
GEF Small Grants Programme
N/A
Other Partners
Regional government energy bureaus are the main stakeholders on the implementation of this project at region level. Different Ministries and organizations, which are highly involved in the control and permit of solar energy technology products imported in the country, are also partners of the project. They are key in the formulation and enforcement of the national standards and guiding other relevant stakeholders for smooth implementation of the project activities.
National media and promotion companies in supporting aggressive promotion activities of the project.

K. Grievances

Environmental or Social Grievance

This section must be completed by the UNDP Country Office if a grievance related to the environmental or social impacts of this project was addressed this reporting period. It is very important that the questions are answered fully and in detail. If no environmental or social grievance was addressed this reporting period then please do not answer the following questions. If more than one grievance was addressed, please answer the following questions for the most significant grievance only and explain the other grievance(s) in the comment box below. The RTA should review and edit/elaborate on the information entered here. RTAs are not expected to answer these questions separately.

What environmental or social issue was the grievance related to?
How would you rate the significance of the grievance?
Please describe the on-going or resolved grievance noting who was involved, what action was taken to resolve the grievance, how much time it took, and what you learned from managing the grievance process (maximum 500 words). If more than one grievance was addressed this reporting period, please explain the other grievance (s) here.
N/A

L. Annex - Ratings Definitions

Development Objective Progress Ratings Definitions

(HS) Highly Satisfactory: Project is on track to exceed its end-of-project targets, and is likely to achieve transformational change by project closure. The project can be presented as 'outstanding practice'.

(S) Satisfactory: Project is on track to fully achieve its end-of-project targets by project closure. The project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Project is on track to achieve its end-of-project targets by project closure with minor shortcomings only.

(MU) Moderately Unsatisfactory: Project is off track and is expected to partially achieve its end-of-project targets by project closure with significant shortcomings. Project results might be fully achieved by project closure if adaptive management is undertaken immediately.

(U) Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets by project closure. Project results might be partially achieved by project closure if major adaptive management is undertaken immediately.

(HU) Highly Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets without major restructuring.

Implementation Progress Ratings Definitions

(HS) Highly Satisfactory: Implementation is exceeding expectations. Cumulative financial delivery, timing of key implementation milestones, and risk management are fully on track. The project is managed extremely efficiently and effectively. The implementation of the project can be presented as 'outstanding practice'.

(S) Satisfactory: Implementation is proceeding as planned. Cumulative financial delivery, timing of key implementation milestones, and risk management are on track. The project is managed efficiently and effectively. The implementation of the project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Implementation is proceeding as planned with minor deviations. Cumulative financial delivery and management of risks are mostly on track, with minor delays. The project is managed well.

(MU) Moderately Unsatisfactory: Implementation is not proceeding as planned and faces significant implementation issues. Implementation progress could be improved if adaptive management is undertaken immediately. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are significantly off track. The project is not fully or well supported.

(U) Unsatisfactory: Implementation is not proceeding as planned and faces major implementation issues and restructuring may be necessary. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are off track with major issues and/or concerns. The project is not fully or well supported.

(HU) Highly Unsatisfactory: Implementation is seriously under performing and major restructuring is required. Cumulative financial delivery, timing of key implementation milestones (e.g. start of activities), and management of critical risks are severely off track with severe issues and/or concerns. The project is not effectively or efficiently supported.