

Basic Data / Basic Project & Finance Data

Basic Project Information

PIMS ID	3908
Project Title	Promoting Renewable Energy in Mae Hong Son Province

Project Contact Information

Role	Name	Email Address
Project Manager/Coordinator	<i>Sorat Phutthaphithak (since June 2014)</i>	<i>sorat.phutthaphithak@gmail.com</i>
UNDP Country Office Programme Officer	<i>Sutharin Koonphol</i>	<i>Sutharin.koonphol@undp.org</i>
GEF Operational Focal Point (OFP)	<i>Mr. Chote Trachu Permanent Secretary Ministry of Natural Resources and Environment, Thailand GEF OFP Thailand</i>	<i>N.A.</i>
Project Implementing Partner	<i>UNDP Direct Implementation Modality (DIM), N.A.</i>	<i>N.A.</i>
Other Partners	<i>Office of the Governor, MHS Provincial Energy Office MHS DEDE MHS</i>	<i>N.A.</i>

Finance

[Will be automatically uploaded to each PIR by end June. No input required. Data to be uploaded: GEF Grant Amount; PPG Amount; Total GEF Grant; Co-financing; Total GEF Grant Disbursement as of 30 June]

Project Milestones and Timeframe

Revised planned closing date	<i>31 December 2016. (explanation see below).</i>
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Project Supervision

Dates of Project Steering Committee/Board meetings during reporting period (30 June 2013 to 1 July 2014)	<i>12 June 2014</i>
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Terminal PIR

Is this the terminal PIR that will serve as the final project report?	<i>No</i>
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General Comments on Basic Data

<i>Project expenditures were relatively low in the reporting period, as the focus during this period was on refocusing the project as recommended by the mid-term review (MTR), and the transition period before the new project manager is on</i>
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board in June 2014. The delivery as of 6 June 2014 was at US\$ 14,363. See detailed information below and other sections.

Development Objective Progress / Progress Toward Development Objectives

Objective / Outcome: Description of Objective / Outcome	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2014
Project Objective: To overcome barriers to the provision of Renewable Energy (RE) services in integrated provincial renewable energy programmes in Thailand	Increase of power generation capacity and usage from RE systems in MHS both on-grid and off-grid	RE power generation capacity in MHS amounts to 29,220 MW (on grid) and 255 kW (off-grid). (June 2014)	By the end of the project RE power generation capacity in MHS amounts to 29,720 MW (on grid) and more than 315 kW (off-grid). Additional RE power generation capacity of 500 kW (solar farm) and 60 kW (off grid hydro) and several solar applications realized.	RE power generation capacity in MHS amounts to 29,220 MW (on grid) and 255 kW (off-grid). (June 2014).
	Models for RE generation & application which can be replicated in other areas demonstrated	No new models for RE generation & application.	At least 3 new models for RE generation & application developed and operational. Models ready to be replicated in other areas (hydro, solar and biodigesters)	Implementation of the project activities for the second phase of the project started beginning of June 2014. The time period for achieving results till the end of the reporting period (end of June '14) was too short. In the period July '13 till June '14 very few activities on the ground were implemented. The focus was on implementing the recommendations of the MTR team and agreeing with the government on the new project strategy. No RE models developed.
Outcome 1: Strengthened institutional, organizational and social capacity results in planning, management and implementation of integrated RE programmes in MHS	No. of RE projects proposed by government agencies in line with provincial plan	None	At least 2 RE projects proposed by government agencies in line with provincial plan	See above. No RE projects proposed.
	No. of working RE management models established	None	At least 3 management models established (off-grid hydro, biodigesters, solar)	See above. No management models established.

<p>Outcome 2: Financially sustainable RE systems operational in MHS</p>	<p>No. of on-grid solar farm projects approved, installed and operational in MHS by end of 2016</p> <p>No. of SHS rehabilitated in MHS by end of 2016</p> <p>No. of solar lanterns sold in MHS by end of 2016</p> <p>No. of biodigesters installed at schools, SMEs and farms in MHS by end of 2016 with support from project</p> <p>No. of off-grid micro-hydropower projects approved, installed and operational in MHS by end of 2016</p> <p>No. of solar rooftop installations approved, installed and operational in MHS by end of 2016</p> <p>No. of EE projects in gov. buildings approved, implemented and operational in MHS by end of 2016</p> <p>No. of villages in which ICS have been tried out and are being used in MHS by end of 2016</p>	<p>3 (total 2,880 kW- June 2014)</p> <p>0</p> <p>0</p> <p>33 (at SMEs/hh – June 2014)</p> <p>9 (255 kW – June 2014)</p> <p>0</p> <p>0</p> <p>0</p>	<p>1 additional on-grid solar farm project approved, installed and operational in MHS by end of 2016 (capacity 500 kW).</p> <p>100 SHS rehabilitated in MHS by end of 2016 (100*120 Wp)</p> <p>200 solar lanterns sold in MHS by end of 2016 (200*2.5W)</p> <p>20 additional biodigesters at schools, SMEs and farms installed and operational in MHS by end of 2016 with support from project (average size 8 m3)</p> <p>2 off-grid hydropower plants approved, installed and operational in MHS by end of 2016 (2 * 30 kW).</p> <p>10 solar rooftop systems approved, installed and operational in MHS by end of 2016 (with support from the project) (10 * 200 W)</p> <p>1 EE project in gov. building approved, implemented and operational in MHS by end of 2016 (RE capacity 600 W savings)</p> <p>10 villages in which ICS have been tried out and being used in MHS by end of 2016 (50 systems)</p>	<p>See above.</p> <p>No new RE systems approved or installed.</p>
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<p>Outcome 3: <i>Technical support is available locally for the development, management and maintenance of RE applications in MHS</i></p>	<p><i>No. of village technicians trained to operate and maintain off-grid hydropower plants</i></p> <p><i>No. of village technicians trained to maintain rehabilitated SHS</i></p> <p><i>No. of technicians trained on EE measures and solar rooftop installation</i></p> <p><i>No. of users trained in the operation and maintenance of biodigesters</i></p> <p><i>An improved design of an ICS suitable for situation in MHS</i></p>	<p><i>No knowledge (centre) or experts easily available</i></p>	<p><i>4 village technicians trained to operate and maintain off-grid hydropower plant by end of 2016</i></p> <p><i>10 village technicians trained to maintain rehabilitated SHS by end of 2016</i></p> <p><i>2 government technicians trained on EE measures and solar rooftop installation</i></p> <p><i>20 users of biodigesters trained to operate and maintain the systems</i></p> <p><i>Improved design for ICS suitable for MHS finalized</i></p>	<p><i>See above.</i></p> <p><i>No technicians or users trained.</i></p>
<p>Outcome 4: <i>Policies facilitate up-scaling and replication of RE systems in Thailand</i></p>	<p><i>Documented and published experiences/lessons learned from all technologies implemented by end of 2016</i></p> <p><i>Centre of learning approved and operational in MHS by end of 2016</i></p> <p><i>Guidelines published</i></p> <p><i>No. of lessons learned included in policy making at central level</i></p>	<p><i>None</i></p> <p><i>None</i></p> <p><i>None</i></p> <p><i>None</i></p>	<p><i>By end of 2016 all lessons learned documented and published</i></p> <p><i>Centre of learning approved and operational by end of 2016</i></p> <p><i>At least 2 guidelines for replication published e.g. a) on management models for off-grid applications b) incentive schemes/financial model for RE</i></p> <p><i>At least 2 important lessons learned included in policy making at central level</i></p>	<p><i>See above.</i></p> <p><i>No lessons learned documented or guidelines published.</i></p>

Development Objectives Rating

Project Manager / Coordinator is the person managing the day to day operations of the project.

MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country or regional projects where appropriate.

Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:

1. What is the likelihood that the project will achieve its stated objective?
2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date?

Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.

1. Explain why you gave a specific rating.
2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3. Fully explain the critical risks that have affected progress.
4. Outline action plan to address projects with DO rating of HU, U or MU.

S – Satisfactory. *Project is expected to achieve most of its major global environmental objectives and yield satisfactory global environmental benefits with only minor shortcomings.*

Following the recommendations of the MTR, the project framework was revised. The outcomes remained the same (with increased focus on Mae Hong Son province), while outputs were merged and revised to respond to the changing environment in the province and the limited budget available for the second phase of the project.

Regarding the new project framework, based on my current understanding after having been a few weeks in the job, I assess that the project is expected to achieve most of its objectives. The current risks to the project have been addressed as far as possible.

The most important risks for the project relate to:

-Delays in construction of the planned hydro power plants due to forestry laws => The project aims to address this issue and identify a procedure of communities to obtain approval for construction and operation of off-grid hydropower in protected areas;

-In rainy season, some of the project areas may not be accessible due to road conditions and safety reasons. => Weather conditions are considered in the project plan.

-Service provider for solar home system rehabilitation and solar lanterns distribution may have limited ability to respond to sharp increase in local communities' demands for the technology due to their relatively small operational team on the ground. => The project management team will spend the first few months to build capacity of the service provider by identifying its potential gaps which may cause delays or ineffective service delivery and jointly develop solutions to address the gaps/risks in alignment with GEF's policy framework and procedures to support the engagement of private sector in GEF-supported project.

-The project's experiences on RETs may not be sufficiently integrated into the provincial strategic and annual operational plan due to limited sense of ownership and level of engagement of line agencies in project implementation. => the project implementation structure has been revised. Now the governor's office and the Provincial Energy Organization will be the main partners. This set-up ensures the cooperation of all organizations and departments in Mae Hong Son province. The Governor's office is the coordinating unit in the province.

	<p><i>-Limited impact of the project results in policy scaling up due to its small scale and lack of built in policy scaling up channel. => All experiences will be documented carefully during project implementation. In addition, local officials will be involved in all steps. Unfortunately the ability of the project to support further up-scaling of the results will be limited due to the limited financial resources for the second phase of the project.</i></p>
<p>UNDP Country Office Programme Officer is the UNDP programme officer in the UNDP country office who provides oversight and supervision support to the project.</p>	<p>MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country. Not necessary for regional or global projects.</p> <p>Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:</p> <ol style="list-style-type: none"> 1. What is the likelihood that the project will achieve its stated objective? 2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date? <p>Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating, for example, if your rating differs from the rating provided by the project manager please explain why. 2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet. 3. Fully explain the critical risks that have affected progress. 4. Outline action plan to address projects with DO rating of HU, U or MU. <p>Moderately Satisfactory</p> <p><i>The rating is marginally satisfactory because the project has decisively acted on the change of implementation in order to improve the performance and to ensure that the project will achieve its major development objectives. The results are yet to be proven. But the adjusted project strategy and changed implementing modality provide a more viable means for the project to do so. Nonetheless, the adjustment also took time and caused the project to lose the momentum on the ground.</i></p> <p><i>The project undertook a strategic review according to the mid-term review’s recommendation during October – December 2013. The process was completed as planned with effective participation and contribution from the stakeholders, notably at the provincial level. The transition from National Implementation Modality to Direct Implementation was smooth and timely with full backing from UNDP Thailand’s senior management and technical advice from UNDP-GEF Asia-Pacific Regional Centre and Headquarters.</i></p> <p><i>The project set-up in the second phase has faced some delays due to the recruitment process within UNDP and the change of the Head of the Provincial Office who has been the focal point for the project during the transition process. However, once the Project Manager was on board from June 2014, the project has made good progress according to plan, especially in terms of stakeholder engagement and project management set-up.</i></p> <p><i>The positive trends in this reporting period include:</i></p> <ul style="list-style-type: none"> • Strategic review: <i>the mid-term review recommendations and the ensuing strategic review of the project shows a positive adaptive management. The mid-term review had been a bit</i>

	<p><i>delayed in the process, hence it took longer time to make the adjustment. The project is more than half way through its implementation period with over half of the budget spent. However, once the decision was made on the changes, actions were taken quickly to complete the transition.</i></p> <ul style="list-style-type: none"> • Key stakeholders remain engaged: <i>the transition has been well-received by the stakeholders, especially at the provincial level. The Mae Hong Son Provincial Office played a key role in facilitating the transition and in coordinating the strategic review.</i> <p><i>The critical risk remains on the decision-making process on site selection, for the two focused areas (for micro-hydro power) beyond Q3/2014, the progress towards other areas in the outcome will also be delayed. The project is in pressing need to produce tangible results soon, so as not to risk losing the confidence of the stakeholders.</i></p> <p><i>Another risk identified is in this reporting period is the change of policy enabling factors related to the project, due to the change of government. For example, the policy window to support the community solar farm may not be continued. However, the project has built in an adaptive measure to ensure that this output can still be achieved provided that a form of public (local government organization) -private partnership can be developed for investment in the solar farm.</i></p>
<p>GEF Operational Focal point is the government representative in the country designed as the GEF operation focal point.</p>	<p>HIGHLY RECOMMENDED but NOT mandatory for projects under implementation in one country. Not necessary for regional or global projects.</p> <p>Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:</p> <ol style="list-style-type: none"> 1. What is the likelihood that the project will achieve its stated objective? 2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date? <p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet. 3. Provide recommendations for next steps. <p>N.A.</p> <p>N.A.</p>
<p>Project Implementing Partner is the representative of the executing agency (in GEF terminology). This would be Government (for NEX/NIM execution) or NGO (for CSO</p>	<p>RECOMMENDED but NOT MANDATORY for projects under implementation in one country and regional projects.</p> <p>Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:</p> <ol style="list-style-type: none"> 1. What is the likelihood that the project will achieve its stated objective? 2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date? <p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating.

<p>Execution) or an official from the Executing Agency (for example UNOPS).</p>	<p>2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.</p> <p>3. Provide recommendations for next steps.</p> <p>N.A.</p> <p>N.A.</p>
<p>Other Partners:</p> <p>For jointly implemented projects, a representative of the other Agency working with UNDP on project implementation (for example UNEP or the World Bank).</p>	<p>RECOMMENDED but NOT MANDATORY for jointly implemented projects.</p> <p>Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:</p> <ol style="list-style-type: none"> 1. What is the likelihood that the project will achieve its stated objective? 2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date? <p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet. 3. Provide recommendations for next steps. <p>N.A.</p> <p>N.A.</p>
<p>UNDP Technical Adviser is the UNDP-GEF Technical Adviser.</p>	<p>MANDATORY RATING MUST BE PROVIDED for all projects.</p> <p>Please review the cumulative progress toward end-of-project targets as noted in the DO tab of this PIR and provide a rating on this progress. Please consider the following questions before selecting a DO rating:</p> <ol style="list-style-type: none"> 1. What is the likelihood that the project will achieve its stated objective? 2. What is the likelihood that the project will achieve all stated outcomes by the planned project closure date? <p>Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating (do not repeat the project objective). 2. Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet. 3. Fully explain the critical risks that have affected progress. 4. Outline action plan to address projects with DO rating of HU, U or MU. <p>Moderately Satisfactory (MS)</p> <p>Following the recommendations of the mid-term review, substantial changes were made to the project framework at the output and activity level and to the overall implementation arrangements. The focus of the project has now shifted to off-grid renewable energy options, in particular solar home systems, solar lanterns, micro-hydro, biogas and improved cookstoves. The project is now directly implemented by UNDP. Much of the year was spent on preparing the addendum to the project document, securing the buy-in of key partners, obtaining the necessary approvals (notably the DIM waiver), constituting the Project Board and recruiting the project team. While this process was time-consuming, it was a necessary transition period for course adjustment. The project framework is now more realistic and achievable and better reflects the reality on the ground. Accordingly, the work plan is also clearer and more focused.</p>

	<p>While the general objective remains the same, the level of ambition in terms of installed capacity of renewable energy is significantly lower, reflecting the shift from on-grid investments to smaller scale, off-grid renewable energy options. The rating assigned here is based on the revised project framework and the likelihood of achieving the new targets. With just over two years remaining in the project duration, it is considered likely that the project will achieve most of its relevant major objectives, taking into account the revised targets and the new implementation arrangements. Given the limited time and budget remaining and the fact that some momentum was lost during the transition period and the results are still to be seen, a rating of Moderately Satisfactory has been assigned.</p> <p>The critical risks that were reported in last year's PIR report and that had impeded progress in the past have largely been addressed. By focusing on smaller-scale and mostly off-grid renewable energy, the project will be able to avoid the regulatory constraints that are preventing the development of on-grid power generation in national park reserve areas. The concerns related to the limitations of the implementing partner are no longer an issue since the project is now under direct implementation by UNDP. A related risk was the high turnover of the Project Manager, which largely appears to have been due to the internal management and incentive structure of the previous implementing partner, TEI. With UNDP now implementing the project, this risk is much lower. Additionally, a part-time RE expert has been brought on board to address some of the technical gaps.</p> <p>A huge effort has been made to get the project back on track, for which the Country Office should be commended. If the project can achieve some meaningful results in the remaining period by expanding energy access to local communities, it can serve as a model for adaptive management for other initiatives. As the poorest province in Thailand with many remote, scattered and difficult-to-access hill tribe villages, working in Mae Hong Son certainly presents some challenges but with the above-mentioned impediments out of the way, the project should be able to make real progress on its work plan and on achieving its targets.</p>
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General comments on Development Objective Rating

General

Following the recommendations of the MTR and the strategic review, the PB and UNDP decided to make changes to the project framework. In general, the project objectives and project outcomes remain the same with increased focus on Mae Hong Son province, while project outputs were merged and revised to respond to the changing environment and limited budget available for the second phase of the project.

*The limited financial resources available for the second phase of the project (around USD 1.3 million) and the fact that realization of on-grid hydropower in the province is practically impossible, required to significantly scale back and revise the ambitions of the project. While originally the project focused on installing more than 10 MW of hydropower and developing new (business) models followed by up-scaling in other provinces in Thailand (such as Chiang Mai, Chiang Rai and Tak province), the resources in the second phase are only sufficient to develop and implement new (business) models and document them thoroughly, while implementation of up-scaling activities cannot be addressed. So the project is much more focused in this regard. In addition, the focus on off-grid applications in difficult to access areas also means that no large numbers in terms of GHG emission reductions avoided, MW installed, households electrified, etc. can be reached. Further, the technological focus regarding on-grid systems shifted from hydropower to solar power. In total the project framework for the second phase of the project aims to install around 560 kW of on-grid (500 kW solar farm) and off-grid new (2*30 kW off-grid hydro and many small solar applications) renewable energy generation capacity and will result in around 14,216 tCO2 direct emission reductions.*

Despite all the changes and challenges, important results can be achieved by showcasing and implementing (business) models in the province, which can be followed by others later on. For example, by establishing a procedure with all (government) stakeholders concerned to obtain approval for off-grid hydropower in protected areas (without damaging the forest), would mean an important way forward. In addition, introducing a business model for solar solutions (rehabilitation of solar home systems and sales of solar lanterns) would also mean a significant step forward for areas which cannot be reached by the grid and without options for hydropower. This is all in line with the UN's Sustainable Energy for All initiative.

Within the project results framework, financial resources were shifted towards realizing renewable energy systems on the ground and towards off-grid solutions (electrical and non-electrical systems).

New project strategic framework

In order to realize the project objective, the project was designed to comprise of four components, each of which addresses a specific category of barriers to renewable energy development in MHS. The project components and outputs for the remaining period of the project are:

Component 1: Strengthened institutional, organizational and social capacity results in planning, management and implementation of integrated RE programmes in MHS

- * Output 1.1: Strengthened capacities, mobilization and co-ordination mechanisms for integrated RE planning in MHS*

Component 2: Financially sustainable RE systems operational in MHS

- * Output 2.1: Awareness raised of all stakeholders involved in RE projects regarding social, economic and environmental costs and benefits of RE systems*
- * Output 2.2: Grid-linked RE systems established consistent with integrated provincial development plans*
- * Output 2.3: Off-grid renewable energy electrical systems to local communities established*
- * Output 2.4: Non-electrical renewable energy promoted*

Component 3: Technical support is available locally for the development, management and maintenance of RE applications in MHS

- * Output 3.1: Completed trainings in maintenance and repair of RE systems*

Component 4: Policies facilitate up-scaling and replication of RE systems in Thailand.

- * Output 4.1: Lessons learned documented and disseminated to policy makers and included in national policies*
- * Output 4.2: Centre of learning in MHS promoting RE as part of the Sufficiency Economy established*

Technology focussed approach

The MTR recommended that the project activities should be more focused around certain technologies. This recommendation was taken up. However, for reporting in the PIR the structure of the old framework is used to avoid confusion. The activities plan and work plan used during the second phase of the project will follow a technology approach. The technology focused approach has 7 elements:

- 1. Off-grid micro-hydropower*
- 2. On-grid solar farm*
- 3. SHS rehabilitation and solar lanterns*
- 4. Improved cookstoves*
- 5. Provincial integrated RE planning*

6. Solar rooftop and energy efficiency measures in government buildings
7. Biodigesters for households/SMEs and schools.

Detailed comparison old and new outcomes/outputs

Below a summary comparison between the original outcomes & outputs and the outcomes & outputs after the strategic review/reformulation is presented.

Original outcomes/outputs:	New outcomes/outputs:	Remarks: (outputs here below refer to the new outputs)
Outcome 1: Strengthened institutional, organizational and social capacity results in planning, management and implementation of integrated RE programmes in MHS, Chiang Rai, Chiang Mai and Tak	Outcome 1: Strengthened institutional, organizational and social capacity results in planning, management and implementation of integrated RE programmes in MHS	Project focused on Mae Hong Son province
Output 1.1 Integrated provincial RE plans prepared	-	Output achieved during the first phase of the project
Output 1.2 Strengthened mobilization and coordination mechanisms	Output 1.1: Strengthened capacities, mobilization and co-ordination mechanisms for integrated RE planning in MHS	-
Output 1.3 Institutional arrangements for cooperatively-owned and PPP renewable energy systems	-	This outputs is merged with outputs 2.2, 2.3 and 2.4 under component 2
Output 1.4 Local entities with strong leadership to plan, develop and manage RE systems	-	This outputs is merged with outputs 2.2, 2.3 and 2.4 under component 2
Outcome 2: Financially sustainable RE systems operational in MHS, Chiang Mai, Chiang Rai and Tak	Outcome 2: Financially sustainable RE systems operational in MHS	Project focused on Mae Hong Son province, on off-grid solutions and actions on the ground.
Output 2.1 Awareness raised of all stakeholders involved in RE projects regarding social, economic and environmental costs and benefits of RE systems	Output 2.1: Awareness raised of all stakeholders involved in RE projects regarding social, economic and environmental costs and benefits of RE systems	-
Output 2.2 Operational guidance on SPP (RE)/VSPP and other schemes disseminated among stakeholders	-	Output not necessary anymore, stakeholders are well aware of VSPP and SPP schemes.
Output 2.3 RE systems installed under previous initiatives rehabilitated	-	This output is merged with output 2.4 (SHS rehabilitation)
Output 2.4 Off-grid renewable energy electrical systems to local communities established	Output 2.3: Off-grid renewable energy electrical systems to local communities established	Technologies included are SHS, solar lanterns, off-grid micro-hydro.
Output 2.5 Grid-linked RE systems established consistent with integrated provincial development plans	Output 2.2: Grid-linked RE systems established consistent with integrated provincial development plans	Technology included is grid-connected solar farm. Grid connected hydropower is not feasible anymore due to the changing legal environment/procedures.
Output 2.6 Non-electrical renewable energy (e.g. charcoal kilns, biodiesel) promoted	Output 2.4: Non-electrical renewable energy promoted	Technologies included are biodigesters and improved cookstoves. Charcoal and biodiesel is not feasible in MHS.
Output 2.7 access to concessional loans facilitated	-	Output merged with output 2.3 and 2.2. The BAAC bank was originally envisaged to be the lender. But in the course of 2014 BAAC bank got dragged into the political conflict in Thailand and a small bank run affected its financial position.
Outcome 3: Technical support is available locally for the development, management and maintenance of RE applications in MHS, Chiang Rai, Chiang Mai and Tak	Outcome 3: Technical support is available locally for the development, management and maintenance of RE applications in MHS	Project focused on Mae Hong Son province and actions on the ground.
Output 3.1: RE curricula for vocational training institutes targeting private service providers and others developed and officially approved	-	Output completed in phase 1.
Output 3.2 Completed training in business, finance and resource management of RE systems	-	Output merged with output 1.1 and output 2.5.
Output 3.3 Completed trainings in maintenance and repair of RE systems	Output 3.1: Completed trainings in maintenance and repair of RE systems	-
Output 3.4 Disseminated technology/information	-	Output merged with output 4.1.

Output 3.5 Technically capable and skilled local RE technology equipment manufacturers increased	-	Output merged with output 2.6 (on ICS manufacturing)
Outcome 4: Policies facilitate up-scaling and replication of RE systems in Thailand	Outcome 4: Policies facilitate up-scaling and replication of RE systems in Thailand	The extent that the project can support upscaling is more limited than in the original design. The lessons learned and models developed will be carefully documented and shared with stakeholders, including the government agencies at central level.
Output 4.1 Centre of learning in MHS promoting RE as part of the Sufficiency Economy established	Output 4.2: Centre of learning in MHS promoting RE as part of the Sufficiency Economy established	-
Output 4.2 RE applications prominent in government energy programmes	-	Output merged with output 4.1
Output 4.3 Flexible subsidies / tax incentives revised and promoted	-	Output partly beyond reach of the project (with regard to revising tax incentives) and partly merged with output 1.1 (with regard to promotion of existing incentives).
Output 4.4 Transparent system of government accountability established	-	Output beyond reach of the project.
Output 4.5 Policy makers that support RE development and application programs	Output 4.1: Lessons learned documented and disseminated to policy makers and included in national policies	-
Output 4.6 a "VSPP association" consisting of VSPP practitioners, academics, NGOs and government agencies established	-	Output not necessary anymore. Stakeholders are well aware of VSPP and SPP scheme.

DO Progress: Rating Definitions	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives and yield substantial global environmental benefits without major shortcomings. The project can be presented as "good practice".
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives and yield satisfactory global environmental benefits with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

Implementation Progress

For each project Outcome briefly describe up to four (4) major outputs delivered this reporting period only (i.e. annual progress not cumulative progress). **Do not repeat outputs reported in previous PIRs.** If you have any general comments about the information in this section of the PIR, please note them at the bottom of this page.

Outcome	Outputs reported as of 30 June 2014
Outcome 1	<i>Strengthened institutional, organizational and social capacity results in planning, management and implementation of integrated RE programmes in MHS</i>
	<i>See below.</i>
Outcome 2	<i>Financially sustainable RE systems operational in MHS</i>
	<i>See below.</i>
Outcome 3	<i>Technical support is available locally for the development, management and maintenance of RE applications in MHS</i>
	<i>See below.</i>
Outcome 4	<i>Policies facilitate up-scaling and replication of RE systems in Thailand</i>
	<i>See below.</i>

General comments on Implementation Progress

As explained earlier on, during the reporting period very few activities were implemented. Following the MTR in July-August 2013, significant changes were made to the project framework and implementation modality, which took time.

The entire process from MTR, implementation of the recommendations of the MTR, strategic review, changing IP, agreeing with the government on the new project strategy and objectives, till establishing the new project team took much longer than anticipated, mainly due to the political situation in Thailand. From October 2013 onwards protests erupted against the government. The protesters targeted government agencies and tried to stop the government from functioning. In May 2014 the government effectively came to a standstill, which was followed by a coup d'état by the Thai military. Organizing meetings with the government was hard these 8 months. Only in the beginning of June 2014 did the new Project Manager for the project come on board.

This all means that during the reporting period from July 2013 till June 2014 no major outputs were delivered.

Implementation Progress Rating

<p>Project Manager / Coordinator is the person managing the day to day operations of the project.</p>	<p>MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country or regional projects where appropriate.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a] <p>Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Summarize annual progress and address timelines of project output/activity completion in relation to annual workplans. 3. Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation. <p>Moderately Unsatisfactory</p> <p><i>During the reporting period, the recommendations of the MTR were implemented. This included a strategic review and revision of the project framework.</i></p> <p><i>If the project should be assessed against the progress in delivery of original outputs, then the project should be rated moderately unsatisfactory as only a few activities were implemented during the reporting period and no major outputs delivered. Also budget resources were not spent as originally envisaged.</i></p> <p><i>On the other hand, a major restructuring took place to adapt the project framework and project implementation modality to the changing circumstances in the province and following the recommendations of the MTR. In that regard very effective adaptive and risk management took place. Also a stringent M&E framework has been put in place. If the project should be assessed on that, a positive rating should be assigned.</i></p> <p><i>It is difficult to assign a rating which would capture the above issues effectively. A moderately unsatisfactory rating is considered to capture the above issues in the best way.</i></p>
<p>UNDP Country Office Programme Officer is the UNDP programme officer in the UNDP country office who provides oversight and supervision support to the project.</p>	<p>MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country. Not necessary for regional or global projects.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial

resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a]

Please justify your rating and address the following points in your comments. The QORs and delivery data in the ERBM portfolio project monitoring report should inform your rating. Please keep word count between 500 words minimum and 1200 words maximum.

1. Explain why you gave a specific rating. If your rating differs from the rating provided by the project manager please explain why.
2. Summarize annual progress and address timeliness of project output/activity completion in relation to annual workplans.
3. Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation.

Moderately Unsatisfactory

In line with the mid-term review's recommendations as well as further consultation with the GEF, UNDP and TEI agreed to a change in implementation arrangements and the termination of the Project Cooperation Agreement between both parties. Furthermore a scaling-down timeline was agreed to wrap up the project under TEI's implementation by 31 October 2013.

The matter was subsequently reported to the Project Board, chaired by the Vice Governor of Mae Hong Son representing the Governor as the Chair of the Project Board, on 4 September 2013. The Board acknowledged and agreed to make UNDP the direct implementer of the project and to reformulate the project's logical framework during the last quarter of 2013.

The request for a shift to direct implementation for the remainder of the project is based on the following justifications:

- ***Flexibility for adaptive management:*** moving to direct implementation will allow UNDP to initiate immediately, lead and facilitate the 'strategic review' of the project as recommended by the mid-term review within a concise timeframe to ensure the momentum and continuity of the project work and deliverables. It will enable UNDP to use its convening power to ensure the participation of all key stakeholders in the strategic review to address key issues already identified. This includes among others the revision of the project's logical framework, outputs and activities, and work plan; the creation of a new, more effective M&E strategy; the change in the management modality; the creation of an appropriate HR profile to inform the recruitment process going forward; changes in project targets and performance indicators.
- ***Assured effectiveness in delivering the results within the remaining time and resources:*** considering that only 2 years remain for the delivery of the project with a budget of only USD 1 Million left, the direct implementation of the project will allow for a more efficient and effective direct management of the project. This includes the selection of and management of technically qualified and motivated personnel and consultants. It will ensure the speed-up of HR processes which greatly delayed the project's implementation since it took the implementation partner up to one year in the past for the hiring of a Project Manager. Reduced mark-ups will further mean that better remuneration packages can be offered to personnel resulting in the hiring of better qualified staff and a lower turn-over. DIM will also allow UNDP to use the existing M&E tools and mechanisms more effectively to allow for a more stringent results-based implementation. With more direct control over the project team, UNDP can equally ensure that the project remains on track and achieves its objectives

	<p><i>in the remaining short period of time.</i></p> <ul style="list-style-type: none"> • UNDP Capacity: <i>as indicated in the Country Office capacity checklist, the UNDP Thailand Office has sufficient capacity to undertake the direct implementation of this project. The Office's Environment Unit will be the focal unit and in lead of the direct implementation. To strengthen the Unit's existing capacities, a project team, consisting of a project manager, a coordinator, and an assistant, will be specifically recruited to be responsible for the project.</i> <p><i>With the justification provided above, a DIM approval was approved to allow for the direct implementation of this project starting 1st of November 2013 until the project's end. UNDP Thailand continues to work in close partnership with the Governor's Office of the Mae Hong Son Province as the hosting government agency, as well as other key partners at the national level including the Ministry of Energy and the Electricity Generating Authority of Thailand.</i></p> <p><i>The project delivery rate in 2013 was at 72% (USD 593,178) against the 2013 ASL (USD 821,558). The delivery from Q1-Q2 2014 was low due to the transition period.</i></p>
<p>GEF Operational Focal point is the government representative in the country designed as the GEF operation focal point.</p>	<p>HIGHLY RECOMMENDED but NOT mandatory for projects under implementation in one country. Not necessary for regional or global projects.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a] <p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Note trends, both positive and negative. 3. Provide recommendations for next steps. <p>N.A.</p> <p>N.A.</p>
<p>Project Implementing Partner is the representative of the executing agency (in GEF terminology). This would be Government (for NEX/NIM execution) or NGO (for CSO</p>	<p>RECOMMENDED but NOT mandatory for projects under implementation in one country or regional projects.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a]

<p>Execution) or an official from the Executing Agency (for example UNOPS).</p>	<p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Note trends, both positive and negative. 3. Provide recommendations for next steps. <p>N.A.</p> <p>N.A.</p>
<p>Other Partners: For jointly implemented projects, a representative of the other Agency working with UNDP on project implementation (for example UNEP or the World Bank).</p>	<p>RECOMMENDED but NOT mandatory for jointly implemented projects.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a] <p>Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. 2. Note trends, both positive and negative. 3. Provide recommendations for next steps. <p>N.A.</p> <p>N.A.</p>
<p>UNDP Technical Adviser is the UNDP-GEF Technical Adviser.</p>	<p>MANDATORY RATING MUST BE PROVIDED for ALL projects.</p> <ol style="list-style-type: none"> 1. Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this PIR)? [HS / S / MS / MU / U / HU / n.a] 2. Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?) [HS / S / MS / MU / U / HU / n.a] 3. Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively? [HS / S / MS / MU / U / HU / n.a] 4. Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the PIR last year? [HS / S / MS / MU / U / HU / n.a] 5. Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation. [HS / S / MS / MU / U / HU / n.a] <p>Please justify your rating and address the following points in your comments. The QORs and delivery data in the ERBM portfolio project monitoring report should inform your rating. Please keep word count between 500 words minimum and 1200 words maximum.</p> <ol style="list-style-type: none"> 1. Explain why you gave a specific rating. If your rating differs from the rating provided by the UNDP Country Office Programme Officer and/or the Project Manager please explain why. 2. Summarize annual progress and address timelines of project output/activity completion in relation to annual workplans. 3. Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation. <p>Moderately Unsatisfactory</p>

As mentioned elsewhere in the report, in the period from July 2013 until June 2014, very few activities on the ground were implemented. The focus was on implementing the recommendations of the mid-term review and agreeing with the government on the new project strategy. The second phase of the project only effectively started in June 2014. Accordingly, project expenditures were relatively low during the reporting period. While it was expected that the transition period would take time, especially given the magnitude of the course adjustment, it is clear that the annual outputs do not represent sufficient progress in order to achieve the project outcomes.

The key targets for 2013 as entered into the ERBM include:

- Completion of the Provincial Renewable Energy Plan of Mae Hong Son;
- 5 demonstration sites installed;
- RE technical mobile unit set up with support from local vocational colleges;
- Completion of RE Learning Centre in Mae Hong Son as part of the project support.

In the third quarter of 2013, the Provincial Energy Strategy Plan was developed with the support of the project and incorporated into the Provincial Development Plan. Nonetheless, some important work on policy linkages with the central level still has to be done. Up until now, no new RE systems have been approved or installed. The RE mobile unit is not yet operational, nor is the RE Learning Centre. Importantly, the key targets and the quarterly progress for 2014 have not yet been entered into the ERBM. If we consider that in the first half of 2014, the key targets mainly involved following through on the mid-term review recommendations, then significant progress has been made on this front, albeit at a slower pace than originally anticipated. The focus now and for the remainder of the project should be on delivering direct project outputs in line with the revised project framework.

We turn now to the efficiency in the delivery of outputs. While the delivery rate for 2013 was a modest 72%, the delivery rate thus far this year is 20%, with project expenditure of just \$58,047 so far. It is anticipated that as the project turns its attention to implementing activities on the ground and procuring the services of a sub-contractor, the delivery rate will increase substantially in the second half of the year. As the reporting period marked a transition phase for the project, under-delivery is less of a concern this year. As of June 2014, total expenditure stands at \$1,421,894 out of a total GEF budget of \$2,712,700 representing a cumulative delivery rate of about 52%. While the actual results achievement to date does not match that level of delivery, if spent judiciously, there should be sufficient funds remaining to achieve the targets.

The degree and quality of risk management and adaptive management have been exemplary. The Country Office has responded decisively to the findings and recommendations of the mid-term review. The critical risks outlined in last year's PIR report have all been largely addressed and all of the recommendations of the mid-term review have been acted upon. Following a strategic review, the project framework is now more realistic and achievable and the implementation arrangements more conducive. With the project team in place under the direct implementation modality and the Project Board re-constituted, the project is now in a position to make considerable progress on its work plan.

General comments on Implementation Progress Rating

As noted earlier on, restructuring of the project took place during the reporting period. Following strong recommendations from the MTR, the project strategic framework and project implementation modality were revised. Hardly any activities on the ground were implemented during the reporting period and no major outputs delivered. So

basically the reporting period was used for adaptive management. It is difficult to assign a rating to this which would capture the situation effectively.

Implementation Progress: Ratings Definitions	
Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action.
Moderately Satisfactory (MS)	Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan.
Highly Unsatisfactory (HU)	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

Project Planning

If delays have occurred in reaching key projects milestones - the inception workshop, the Mid-term Review and/or the Terminal Evaluation - then note below the current status of that milestone, the original planned and actual/expected dates, and comments to explain the reasons for the delays and their implications.

Key Project Milestone	Status (pick one option below)	Original Planned Date	Actual/Expected Date	Comments including reasons for delays and their implications
Inception Workshop	<i>Completed</i>	<i>December 2010</i>	<i>January 2011</i>	<p><i>The project was endorsed by the GEF CEO in February 2010, whereas the project document was only signed with the government host agency in December 2010 (10 months delay).</i></p> <p><i>The GEF approval process took more than a year. This, combined with the delay in project document signature, meant that valuable momentum was lost between project formulation and project start. The project objectives had to be reintroduced and explained to key partners.</i></p> <p><i>The inception workshop was expected to be organized in December 2010, but instead the project launch was conducted on 29 January 2011. This delay did not have any significant consequences on project implementation.</i></p>
Mid-term Review	<i>Completed, with a slight delay of 2 months.</i>	<i>June 2013.</i>	<i>August 2013.</i>	<p><i>Completed. The Request for Proposals for the mid-term review was advertised at the end of May 2013, the consulting firm was selected in June 2013, and the field mission to Thailand was conducted from 23-30 July 2013. The final version of the MTR was released 30 August 2013. This delay did not have any significant consequences on project implementation.</i></p> <p><i>However, the implementation of the recommendations of the MTR took longer than anticipated, mainly due to the political situation in Thailand, see comments under "General Comments on Basic Data".</i></p>
Terminal Evaluation	<i>As per the new timeframe for the second phase of</i>	<i>End of 2015</i>	<i>End of 2016.</i>	<i>As per the new timeframe for the second phase of the project following the recommendations of the MTR, the TE will take</i>

	<p><i>the project. Following the recommendations of the MTR, the TE will take place end of 2016.</i></p>			<p><i>place end of 2016. Originally it was planned at the end of 2015.</i></p>
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Critical Risk Management

Select from below the critical risks only that appear in the ATLAS project risk log and briefly describe actions undertaken this reporting period to address each critical risk. Please ensure that any 'social' risks identified during the environmental and social screening of the project are reflected in the ATLAS risk log under type/description 'other'. Note that the total number of critical risks is used to calculate the overall risk rating of the project. The methodology to determine the overall risk rating is explained further on this page.

Current/Active Critical Risks <small>(pick one option below; add rows as necessary)</small>	Critical Risk Management Measures Undertaken in 2014
<i>Regulatory</i>	<p><i>Difficulties on the ground: the areas where there are renewable energy potential (especially for micro-hydro power) mostly fall within the jurisdiction of the Department of National Parks and due to the changing rules and regulations of installing RE systems in protected areas stipulated in 2011, the project has been facing difficulties in asking for permission to introduce RE systems in some of the targeted areas. => The project has initiated discussions between the Department of National Parks and Ministry of Energy in order to resolve this constraint. In the new project framework for the second phase of the project, identifying a procedure to obtain permission to construct and operate off-grid hydropower by communities in protected areas is an important output. The government stakeholders expressed already their willingness to cooperate, as they realize this is a major (unnecessary) barrier.</i></p>
<i>Operational</i>	<p><i>Technical and managerial capacities of the IP and a high turn-over rate of Project Manager/staff. => End of 2013 it was decided to end the cooperation agreement with the IP and revise the implementation modality to DIM. UNDP will now directly be responsible. With a more favorable remuneration package and better overall working environment, it is expected that turn-over of project staff will no longer be an issue.</i></p>
<i>Operational/ Strategic</i>	<p><i>Lack of coherence and direction of the project: the project was lacking the overall coherence to move towards outcomes. Most of the actions taken were largely piecemeal and on an ad-hoc basis. => End of 2013 it was decided to revise the project strategic framework. The framework is now clearer, more focused and more realistic. There is now a much closer correlation between the outputs and outcomes. That is to say that if the outputs are delivered, then the outcomes will be achieved.</i></p>

General comments on Adjustments

Following the recommendations of the MTR, adjustments to the project strategic framework were made. For details see the section "General Comments on Development Objective Rating".

The above risks relate to the risks faced during the reporting period. Effective and far reaching actions were undertaken

to address these risks.

Mid-term Review (MTR)

Has a Mid-term Review report for this project been completed since the last PIR was submitted?	Yes
Will this project undertake a mid-term review?	Yes, already done so.
Will the mid-term report be completed and translated into English by December of this year?	Yes, MTR is in English
Actual Co-financing at Mid-term (Answer these questions only if the MTR was completed this reporting period)	
Co-financing for GEF-financed projects, excluding LDCF and SCCF projects, is defined as resources that are additional to the GEF grant and that are provided by the GEF Partner Agency itself and/or by other non-GEF sources that support the implementation of the GEF-financed project and the achievement of its objectives.	
How much of the total planned co-financing as committed in the Project Document has <i>actually been realized</i> ?	US\$ 580,720 (till end of June 2014)
Add any comments on co-financing including other types and amounts of co-financing such as in-kind, private sector, grants, credits and loans. (word limit = 200 words)	<p><i>The actual co-financing obtained at the end of June 2014 was only 6% of the anticipated co-financing in the Project Document. The original ProDoc assumed grid connected hydropower plants of in total 10.8 MW. Realization of these plants is however not likely anymore due to the changing legal environment.</i></p> <p><i>Under the revised project strategic framework for the second phase of the project, the focus will be on off-grid technologies. As the MTR noted, these systems will typically be small-scale and will not achieve the anticipated levels of investment one would expect from the larger grid-connected plants.</i></p>
For projects that completed an MTR since the last PIR was submitted, please respond to the following (500 words or less):	<p><i>(note: the text below contains more than 500 words, but this is the most appropriate place to put this information and is required to understand the history and current situation of the project better).</i></p> <p><i>The observations of the MTR focused on three aspects:</i></p> <ul style="list-style-type: none"> Project direction and operational frameworks <p><i>According to the MTR, the project lacked an effective activity framework which would prioritize activities as well as ensure that activities are mutually reinforcing and contribute towards the overall project objective. There were a number of reasons for this, including the fact that the original project document was fairly open-ended in its design, not strongly insisting on a specific operational framework (for instance, a technology-led approach), but instead presented a general framework of barrier analysis that was not practically informed by actual renewable energy project development. In addition, the original grid focus of the project was challenged by subsequent restrictions for construction in national park reserve areas. While constraints and controls to construction in these protected areas were in existence prior to the finalization of the RE-MHS project document, the proclamation of many of the former protected forests as 'National park reserve areas' converted constraints into absolute restrictions. The MTR noted that the proposed 11.8 MW of new</i></p>

generating capacity was very unlikely to occur within the project's timeframe given the conservation restrictions to developing new hydro-electric generation plants in MHS Province. Regarding GHG emission reductions the MTR noted that the specific outcomes regarding greenhouse gases (GHGs) had to be similarly downgraded within the project timeframe.

The MTR also noted that instead of adapting the project to these conditions and realities, the IP appeared to struggle to effectively re-orientate the project. With increasingly unobtainable objectives in terms of the expectations on grid-connected developments alone, the IP appeared to create a cover of activities, creating something of an illusion of control and direction. According to the MTR, as well as UNDP's own observations and records, there was inadequate project progress and achievement. While over 40% of the project budget had been spent, there were few concrete results to show for it. And the reasons relate to the second point.

- **IP capacity**

The MTR concluded that the Thailand Environment Institute (TEI) did not perform to the levels expected. In particular they did not demonstrate sufficient 'adaptive management' ability. Over two and a half years into the project, the pertinent issue around the constraints to achieving the 11.8 MW of grid-connected RE had not been effectively addressed. The IP did not have a clear understanding of the project objectives; the original objectives were unobtainable and yet the IP continued as if nothing had changed. For instance, the operational team based in MHS appeared to plan their own monthly/weekly activities and yet none of these staff members shared a similar idea about the project goals. In addition, the MTR noted that none of these project interpretations aligned with the project document's actual expectations.

In addition, the MTR concluded that the IP did not recruit the necessary technical skills required to achieve project objectives. The operational team lacked sufficient financial and renewable energy technical skills to really address the full range of barriers presented, particularly in the expanded framework (grid and off-grid) proposed by the mid-term review.

- **Management model**

The MTR noted that there were many examples of UNDP advising the IP with regard to challenges in project management, technical constraints of the IP team, coordinating relations with Provincial and National stakeholders, with regard to refining and articulating the project objectives, ensuring project activities are effectively coordinated, encouraging the appointment of a suitable project manager/director, etc. In many cases, the IP did not address these issues in a timely manner and in some cases, not at all. This situation appeared to obtain as a result of the management framework (NGO execution)

being applied. A management framework that would allow for more direct and persuasive interventions by UNDP would, the MTR suggests, facilitate the achievement of the project objectives.

The MTR recommended the following changes to the project:

1. To adopt a more technology-led approach to overcoming barriers to renewable energy. This would include all feasible RETs for both grid and off-grid. Barrier analysis at the specific technology level will provide a better understanding of the costs and benefits of each technology and how these might be vertically integrated into local and provincial government planning.
2. To adopt a DIM management framework in order to facilitate greater and more effective intervention by UNDP. The MTR advised that the NGO management approach is converted to the DIM approach, which would provide a more effective platform for intervention.
3. To retain TEI to implement specific activities which are in line with its strengths, but certain technical capacities must be recruited into the project, specifically technology and finance. The IP does not have the capacity and appears reluctant to recruit this capacity on a sub-contracting basis. The original project document required specialist capacities and these requirements have, if anything, been further accentuated by the technology-led approach advised.
4. To implement an independent M&E process through the contracting of an M&E consultant responsible for all M&E activities. The reporting from the IP is inadequate at this point to support an effective M&E process. Based on the review, it would appear that the IA has inadequate engagement at project level to provide a sufficient platform for the M&E process.
5. To implement an official 'strategic review' to discuss and implement the findings of the MTR. The outcome of this review should be a new, revised project design document which incorporates the MTR recommendations. The findings and recommendations of the MTR are quite fundamental and far-reaching, and therefore cannot be implemented 'as is'; there are serious consequences related to how the project is implemented with the time and resources remaining, that have to be addressed. Issues to be addressed as part of the strategic review include the revision of the project design, work plan, outputs and activities; the creation of a new, more effective M&E strategy; the change in the management modality; the creation of an appropriate HR profile to inform the recruitment process going forward; changes in project targets and performance indicators, etc.

Following the recommendation of the MTR, the Project Board and UNDP

	<p><i>decided the following:</i></p> <ol style="list-style-type: none"> 1) <i>Start the strategic review process immediately (recommendation no. 5);</i> 2) <i>Convert the project to DIM modality (recommendation no.2);</i> 3) <i>Adopt a more technology based approach (recommendation no. 1);</i> 4) <i>During the discussions about the findings of the MTR the IP did not show much understanding of the issues raised, nor did it provide suggestions on the way forward. It appeared the IP was not motivated to continue its involvement in the project. Although the PB and UNDP kept the door open for future involvement, at this moment the former IP is no longer involved in the project.</i> 5) <i>Regarding recommendation no. 4 to contract an independent M&E consultant, given the very limited remaining financial resources of the project, the PB and UNDP decided to give the tasks of improved M&E to the Chief Technical Advisor of the project.</i> <p><i>The process to implement all recommendations took longer than anticipated; only in June 2014 a new project manager started. See further explanations in the “General Comments on Basic Data” regarding the revised planned closing date.</i></p>
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Terminal Evaluation (TE)

Has a Terminal Evaluation report for this project been completed since the last PIR was submitted?	No
If the TE report has been completed, has it been uploaded to the UNDP Evaluation Resource Centre ?	N.A.
Actual Co-financing at Project End (Answer these questions only if the TE was completed this reporting period)	
Co-financing for GEF-financed projects, excluding LDCF and SCCF projects, is defined as resources that are additional to the GEF grant and that are provided by the GEF Partner Agency itself and/or by other non-GEF sources that support the implementation of the GEF-financed project and the achievement of its objectives.	
How much of the total planned co-financing as committed in the Project Document has <i>actually been realized</i> ?	N.A.
Add any comments on co-financing including other types and amounts of co-financing such as in-kind, private sector, grants, credits and loans. (word limit = 200 words)	N.A.
For projects that completed a TE since the last PIR was submitted, please respond to the following (500 words or less):	N.A.
<ul style="list-style-type: none"> • Briefly outline the key findings and recommendations of the TE report and the management response. • Discuss any problems/issues with the final TE report or the TE process. • Discuss any problems/issues with the related GEF Focal Area Tracking Tool. 	

Tell us the story of your project, focusing on the impacts and results achieved during this reporting period.

Please use 500 words or less.

Avoid UN jargon, acronyms, and technical terms. Use plain language.

Include quotes from beneficiaries, if possible, and be sure to provide their names

The following questions can be used as guidance for your story:

What is this project about – the issue, interventions, and impacts?

Who are the beneficiaries of this project?

How have project interventions improved people's livelihoods?

What was the most notable achievement during this reporting period?

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

Despite the commitment of the Thai government to Renewable Energy, there have been constraints to the wider and more sustained application of renewable energy technologies in Thailand. This project will overcome barriers that currently prevent widespread and sustainable utilization of renewable energy technologies for the provision of energy services in rural areas of Thailand. The project will work in Mae Hong Son province, which the Ministry of Energy has identified as its target to be the first energy self-sufficient province in Thailand, in conformity with the king's sufficiency economy concept.

The project will facilitate an integrated RE planning process at provincial and local level, in order to translate targets set at the national level to the local level and into real action. The four components of the project focus on (a) institutional capacity development for planning and implementing RE programmes; (b) access to financing; (c) technical training and education and (d) policies for up-scaling and replication. As the project was being reformulated during the reporting period, no major impacts and results were achieved during the reporting period.

Adaptive management this reporting period.

Describe a problem that was encountered and how the project team overcame that problem. Give multiple examples if possible.

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

The project faced a multitude of problems around mid-2013. To address all of the issues, a MTR team was recruited. Their task was to critically analyze all aspects of the project in an independent way and make strong recommendations on how to put the project back on track.

Following their recommendations, the Project Board and UNDP decided to implement the measures recommended in a strong and effective way. This included changing the implementation modality of the project from NIM to DIM, which can be a challenging exercise as agreement of many stakeholders is required. After careful planning and consultation with the main stakeholders the changes were made.

Lessons learned

Describe lessons learned in the course of the project's implementation relating to any aspect of the project - technical, social, political, administrative, etc.

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

Only a few activities were implemented in the reporting period, so no major lessons to share on project implementation.

Regarding design of the project, an important lesson is that the right implementing partner is selected which has all the required skills and mandate. TEI in this regard was not the right implementing partner, as it did not have project management experience with large projects and limited renewable energy background. It should be noted though that when TEI was engaged initially, the required skills were more apparent in the organization. However, following internal changes the skills were no longer available. During the reshuffling, mid-level and high level managers left the organization and were not replaced. Another lesson would be that quick action should follow red flags, such as the departure of important management staff in the implementing organization.

Regarding design of the project, an important lesson would be that a realistic design should be pursued. With hindsight the design was overambitious. It should be noted though, that the legal environment changed during the implementation period, which made the project more difficult to implement. Realization of hydropower installations became nearly impossible by the requirement to have a license issued by the Department of Industrial Works.

Project links & social media

<p>Please list below the website addresses (URLs) that exist for this project, including any links to social media sites. Please include: Project website, Project page on the UNDP website, Adaptation Learning Mechanism (UNDP-ALM) platform, Facebook, Twitter, Flickr, YouTube, Google +</p>	<p>N.A.</p>
<p>Please share hyperlinks to any media coverage of the project, for example, stories written by an outside, external source.</p>	<p>N.A.</p>
<p>Please upload any supporting files, including photos, videos, stories, and other documents.</p>	<p>N.A.</p>

General comments on Communications & KM

See earlier explanations, the project was being reformulated during the reporting period. No major impacts and results were achieved during the reporting period.

Partnerships

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. The data may be used for reporting to GEF Sec, 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.

Partners	Describe innovative aspects of the project in working with (limit = 2000 characters for each section)
Civil Society Organisations/NGOs	<p><i>The project aims to work with a network of NGOs in the province. This network works with the hill tribes. Via this network, hill tribes could be reached more easily.</i></p> <p><i>Local government organizations are considered to be one of the most important strategic partners of the project. The project has managed to concretely engage local civil society organizations in conducting RE community surveys and RE training courses.</i></p>
Indigenous Peoples	<p><i>Indigenous hill tribes are the main beneficiaries of this project.</i></p> <p><i>Since most of our target groups are ethnic groups who are not able to understand official Thai language, the language barrier is regarded as one of the significant obstacles. We overcame this limitation by working with local translators such as the village heads and teachers. Besides, we use media, i.e. video to explain RE knowledge. RE radio station using local dialects, Karen and Thai Yai is another activity created to overcome this barrier. (=> this refers to the entire project period so far, not only the reporting period.).</i></p>
Private Sector	<p><i>The project aims to cooperate with the private sector on the establishment of a solar farm and the rehabilitation of SHS.</i></p>
GEF Small Grants Programme	<p><i>The project does not cooperate yet with the Small Grants Programme.</i></p>
Other Partners	<p><i>The project works with several government agencies at central and local level.</i></p>

General comments on Partnerships

The focus of the project during the reporting period was on implementing the recommendations of the MTR team and revising the strategic framework.

No new partnerships were established during the reporting period.

Gender

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.

Has a gender or social assessment been carried out this reporting period?	<i>No. The focus during the reporting period was on implementing the recommendations of the MTR team and revising the strategic framework.</i>
If a gender or social assessment has been carried out what were the findings?	<i>N.A.</i>
Does this project specifically target women or girls as key stakeholders?	<i>Yes, women are an important stakeholder in the project.</i>
Have there been any changes in specifically targeting women or girls as key stakeholders this reporting period?	<i>No.</i>
If yes, please explain	<i>N.A.</i>
<p>Please discuss any of the points above further or provide any other information on the project's work on gender equality undertaken this reporting period.</p> <p>Some points to consider: impact of project on daily workload of women, # of jobs created for women, impact of project on time spent by women in household activities, impact of project on primary school enrolment for girls/boys, increase in women's income etc. Be as specific as possible and provide real numbers (e.g. 100 women farmers participating in sustainable livelihoods programme).</p>	<i>The project has taken gender equality into account in promoting RE work. It is seeking possible ways to raise the awareness of women on RE. Children are regarded as key informants to communicate about RE to their mothers. So, the project has conducted activities to educate students from local schools on RE. Basically, it is trying to develop kids to become RE disseminators in their families. In addition, the project has been working with Radio of Thailand and other community radio networks to communicate with local people, particularly women who are working at home and in farmlands. (=> this refers to the entire project period, not only this reporting period).</i>
Please upload the gender or social needs assessment and any other documents related to the project's gender-related results.	<i>N.A.</i>

General comments on Gender

The focus during the reporting period was on implementing the recommendations of the MTR team and revising the strategic framework.

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.

What environmental or social issue was the grievance related to?	<i>N.A. No grievance received.</i>
What is the current status of the grievance?	<i>N.A.</i>
How would you rate the significance of the grievance?	<i>N.A.</i>
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.	<i>N.A.</i>

Rating	Description
Minor	The grievance had/has a low impact on the day-to-day implementation of the project.
Significant	The grievance had/is having a significant impact on the day-to-day implementation of the project, but the project is still expected to achieve its objective.
Serious	The grievance had/is having a serious impact on the day-to-day implementation of the project, and there is a risk (50% or higher) that the project may not be able to achieve its objective.

UNDP-GEF Region-based Technical Adviser (RTA)

RTA Revised Overall Ratings (optional)	
Revised overall DO rating	
Revised overall IP rating	

<p>Explanation for change to Overall DO Rating or Overall IP Rating (required only if the Overall DO or IP Rating have been revised by the RTA).</p>	
<p>Please upload any supporting files, including photos, videos, stories, and other documents associated with this project that have not been uploaded elsewhere in the PIR (i.e. via the Adjustments, Communications KM or Gender tabs). The files will be saved in the UNDP-GEF PIMS database and used for internal and external learning and communications.</p>	<p>[uploading only possible in PIR system; list here the files that you plan on uploading]</p>