

Management Response: Implementation Plan for Evaluation Recommendations

General Information

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Implementation Plan

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1	Limited engagement of local stakeholders was observed to have resulted in passive commitment to the promotion of the adoption of modern DES. Evidence from the data collection process during the evaluation revealed that private sector organisations within the project cities (local private sector) were not adequately involved in some countries, as well as local architects, construction workers, local utilities in cities among	The Executing Agency should adopt follow-up communication with city officials in pilot and replication cities to ensure that the scope and depth of active stakeholder participation during active implementation of project action for DES action should be widened beyond the DES team, global partners and city officials at municipal levels.	Critical	Project	UNEP Cities Unit (EA)	Immediately	Partially Accepted	Partially accepted as majority of these stakeholder groups mentioned have been very closely and adequately involved in project delivery in the pilot countries. Some of the projects delivered under the program were directly with local private sector and utilities (e.g. Hiranandani real	UNEP will share by email to state and city governments the recommendation on the importance of multi-stakeholder coordination in delivering projects and designing policies and will share international best practices on models for stakeholder coordination. UNEP will ensure to include all stakeholder groups clearly in ongoing DES

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	<p>others. This affected the number of people who directly benefited from technical assistance packages, including webinars for capacity building, and also had implications on limiting the discovery and attraction of local investors into modern DES. The terminal evaluation revealed therefore that many of these individual stakeholders did not participate in webinars for example.</p> <p>Participation by the officials at the state level was limited in many contexts, and this affected their commitment beyond the project's life-span. For the projects focused on the city level governance, it is important to involve the sub-national (state government officials) as well. This ensures that there is no resistance to the program at the state government level. Further, in some cases, the involvement of the state government can be leveraged to facilitate activities at the city level. It needs to be understood that urban development and building regulations are state subjects in many contexts such as in India, hence it is important to engage the state-level governments.</p> <p>Widening the scope of stakeholders broadens the awareness, enhances more capacities that can even contribute to effective rapid</p>							<p>estate developer project in India; district heating utility in Belgrade; private real estate developer in Changdao project). Local architects and construction workers were engaged through wide-ranging engagement of their employers - i.e. private real estate sector firms, industry associations and public sector public works departments. Workshops and one-to-one meetings in cities adequately engaged these stakeholders and webinar participation is a poor metric for registering their involvement in the project as webinar audiences are often skewed towards a different type of stakeholder. UNEP has also trained cities and stakeholders on establishing local coordination structures and stakeholder groups to ensure these stakeholders are adequately included in project design. With regards to state government involvement, this was realised during</p>	<p>projects in India and Chile.</p>

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	assessments, deepens local ownership of the projects and stimulated active interest in investors when they find that local people are actively involved and would be willing to adopt and pay for such systems if they are invested in.							program delivery and state governments have been fully engaged now - e.g. district cooling event with Gujarat state government, district cooling in MoU with Maharashtra and Tamil Nadu state governments; cities selected with provincial governments in Chile and China etc.	
2	The huge capital requirement for the development of DES and limited private sector funding threatens sustainability. Governments should enter into PPP arrangements under mutually beneficial terms to help address this challenge. Since it is an infrastructure intervention, government involvement is key. PPP arrangements can help to guarantee low operational cost, where government creates the enabling environment and private institutions take care of the provision, operation, and management. Subsidies are not effective but improving investment environment with low-tax rates and tariff rates for modern DES systems will really attract investment. Availability of such private financial institutions to support the implementation of these interventions is key and should be prioritised	PPP arrangements should be adopted by city and national governments in deep dive cities for the successful construction of modern DES systems in cities with high potential	Critical	Partners	Deep Dive City governments in Chile, China, India and Serbia	Immediately	Partially Accepted	Partially accepted as we agree on the point but are clear that PPP models and inclusion of MDBs has been the core of the project and in all countries PPP model has been promoted and MDBs engaged. For example, UNEP has worked with EBRD, KfW, IFC on the projects and all projects except those in Belgrade are being taken forward on a PPP basis. Going forward we are closely engaged with IFC, World Bank, EBRD etc. UNEP has led global knowledge sharing on this topic, dedicating a whole chapter to PPP business models in the flagship UNEP publication "District Energy in Cities: Accelerating investments in	No action required except to maintain and deepen engagement with MDBs in specific projects where UNEP is still active including district cooling in Egypt, India and Viet Nam with IFC, World Bank and EBRD. Engagement would include holding meetings presenting specific projects to MDBs, proposing national-level funds for district energy development in India that MDBs could support, identifying policy and business model best practices and presenting to stakeholders in countries.

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	soon. By the time a project will be assessed and described as bankable, a bank should have already been involved at that stage. These high capital cost interventions will succeed if the financial institutions are brought in along the design value chain. This should be a rule.							renewable energy and energy efficiency"	
3	The project team and its partners should ensure that the design of DES interventions and proposition of local action for each city or country should be based on a thorough review of their local-specific needs (context-relevance responses and priorities)	Heating and cooling require different systems. In countries such as India, assessments of integrative approaches for utilizing waste heat (using vapor absorption technology for cooling and heat exchangers for heating), wherever such an opportunity exists, or where such opportunities can be created (e.g., integrated facility to produce power and cooling) can be primed focus for heating during Rapid Assessments. This is the same for Chile. China for example already has district heating as a public service, implying that the need to re-organise the focus of the DES initiative in terms of local priorities is critical.	Critical	Partners	UNEP Cities Unit and Deep Dive City governments in Chile, China, India and Serbia	Immediately	Not Accepted	We agree with the point that locally tailored approaches are critical but this is already the focus of the DES Initiative, the country-level activities of which have been fundamentally geared towards providing locally tailored recommendations depending on climate, political structures, finance availability, local resources etc. For example, in all countries local district energy plans have been prepared which assess local heat/cooling demand geospatially and also locally available resources (biomass, waste heat, solar, gas etc.). Projects prepared have necessarily been adapted to local demand groups, local resources and also	No action required as this has been core of program design.

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								local procurement and business model practices.	
4	<p>A critical goal of accelerating the deployment of modern DES is to contribute towards emission reduction and improvement in air quality. However, current behaviour and capacities are too low among city officials in terms of the development and utilisation of MRV frameworks that were included within the DES initiative. This is a critical gap that can be complemented by active scientific research action in each project country, particularly if the project is intended to be further developed.</p> <p>The results of the scientific research on international best practices in the use of MRV frameworks that are applicable to modern DES in the various countries can be consolidated and used to re-design project component 3 activities, such that local officials will be able to actually develop and use these systems to facilitate tracking of emissions.</p>	Innovative approaches that will help to enhance the measuring of the impact of DES in terms of emissions and sustainable development outcomes, and how existing frameworks can be enhanced in local sensitivity should be actively researched into, either as complementary actions, or as sub-components of future DES interventions.	Critical	Project	UNEP Project Team (EA and IA)	Immediately	Partially Accepted	Partially accepted. DES Initiative has already developed MRV frameworks recommended by the evaluator and these are adapted to DES and can be shared to states and cities under the program and recommendation shared to governments on the importance of adapting MRV to the country context.	DES Initiative has developed reports and recommendations on MRV frameworks and these will be sent by email to pilot national governments, states and cities and recommendations shared on the importance of adapting MRV to the country context.
5	The current level of gender sensitivity in the project was observed to be generally low. In various training workshops, it is unclear what strategies are adopted to ensure that both men and women benefit equally from the various technical	Project partners, city officials and national governments should adopt a common effort through innovative and bottom-up practices to ensure that human rights-sensitivity and gender dimensions in district energy systems project are	Critical	Project	UNEP Cities Unit (EA) and Climate Mitigation Unit (IA), National and City governments	Immediately	Accepted		DES Initiative will prepare clear recommendations in collaboration with partners for sending by email to national governments, states and cities on importance of human

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	<p>assistance packages. Again, policies and projects for modern DES would have effects on infrastructure development in the various cities. Given that these infrastructures are owned by local people, it is important that their needs and concerns be factored in when taking plans for the development of such projects.</p> <p>In emerging development activities, gender sensitivity is key, and respect for human rights based on the Rights Based Approach is critical. Thus, it is important that subsequent project efforts adopt innovative approaches to enhance the gender sensitivity and responsiveness to human rights needs.</p> <p>Such approaches could include the institution of mandatory legal requirements, conscious efforts to enhance women participation in workshops and trainings towards the deployment of modern DES, gender-preferences in selection of heads of working groups in cities among others</p>	enhanced, particularly during the formulation of policies and the selection of District Energy projects in the various cities.							rights sensitivity and gender in developing district energy projects
6	The current level of sensitivity of the project to marginalised and under-represented groups such as the urban poor in the Project is limited, even though the selection and construction of modern DES projects could directly or indirectly affect these people. Where	The project team should use follow-up conversations to encourage project partners in the pilot and replication cities, particularly city officials in charge of policy formulation and project identification, and local investors into the construction of modern DES	Critical	Partners	UNEP Cities Unit	Immediately	Partially Accepted	UNEP has been promoting district heating as a means to provide sustainable heat to social housing and marginalised. In Chile, Serbia and China district heating is being	UNEP will promote through at least 2 trainings and 4 meetings with national, state and city policymakers the importance of a comprehensive approach to urban cooling in countries at

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	<p>policy and project development are limited in this regard, it can result in worsening the conditions of these marginalised groups, through displacement costs for example. Beyond this, their inclusion is a matter of fundamental human rights, in line with the Rights-Based Approach to development. Thus, follow-ups with city officials and relevant partners in project cities in charge of the formulation of policies and the selection of either new projects, retrofitting projects, or interconnection of existing systems should endeavour to identify these groups, and through opinion surveys for example, include these people in the project development and implementation process within the various cities.</p>	<p>based on the list of pilot projects identified to incorporate the needs and views of marginalised and under-represented groups in cities, such as the urban poor into further development of selected pilot DES projects</p>						<p>used to protect the most vulnerable and the project has encouraged this further. One issue is district cooling is unlikely to be economically viable for low-income communities and UNEP is now promoting a comprehensive approach to cooling that includes district cooling in zones where economically viable but in other zones much greater emphasis on low-cost extreme heat adaptation and cooling solutions.</p>	<p>risk from extreme heat that provides solutions for low-income communities even if not district energy.</p>