

## FINAL EVALUATION

### **CVE/083**

Support programme for the renewable energy sector (PASER)

#### **PROJECT SUMMARY DATA**

Country	Cabo Verde
Long project title	Support programme for the renewable energy sector
Short project title	PASER
LuxDev Code	CVE/083
Version of the Report	June 2022

#### **RATING OF THE PROJECT BY THE EVALUATION MISSION**

Global rating (Effectiveness)	<b>3</b> On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: <b>3</b> Efficiency: <b>2</b> Sustainability: <b>4</b> Coherence: <b>2</b>

## EXECUTIVE SUMMARY

### Introduction and objectives

The purpose of the report is to present the main findings, conclusions and corresponding recommendations that emerged from the final evaluation of **Support programme for the renewable energy sector (PASER) - CVE/083**, on behalf of the Luxembourg Cooperation, as well as their counterparts. In this context, the report:

- analyses the results and the specific objectives reached at the time of the evaluation;
- analyses the results achieved in terms of capacity building;
- analyses the programme's management and monitoring;
- analyses the programme using the Development Aid Committee evaluation criteria, taking into account cross-cutting aspects;
- analyses the evaluation questions described in the terms of reference.
- establishes the lessons learned and provides recommendations for the continuation of the programme.

### Specific objectives and results

The programme **overall objective** is to contribute to the universal access to proper, reliable, modern and affordable energy with the consequent improvement of the energetic independence by improving governance, regulation, and market conditions of the renewable energies sector (**specific objective**). Two complementarity **results** were defined:

- the governance of the renewable energies sector is strength;
- the renewable energies sector capacity to mobilise resources is improved.

The PASER programme has delivered a large part of its results, as demonstrated by the indicators carried out, expressed in the draft of the final report. However, there is an imperative need to put into practice the recommendations of the reports for the review and improvement of the sector's human resources recruitment policy, as well as the creation of an institutional structure that is more in line, especially from the point of view of political visibility, with the objectives of the country's energy transition, and where the renewable energy sector occupies a prominent position.

It is also consensual that the results obtained open very good prospects for the establishment of an energy market in the country, and that, in this context, the role played by the PASER programme was essential. However, and even though the conditions have been created for some optimism in the pursuit of an effective renewable energy market in Cabo Verde, there is still a long way to go. At this point, much remains to be done in the context of mobilising funding for greater financial sector engagement and setting rules for all parties involved. Here, the blocking force that constitutes ELECTRA as it is organised and managed should be underlined, since it is the largest operator in electricity production and is the concessionaire of the distribution network.

### Evaluation scores and comments

Score	Comments
<b>Relevance: 2,65</b>	The programme was aligned with the national priorities, addressing real sector needs but the final rate is heavily penalised by poor formulation, ineffective monitoring systems, uninformative reporting and steering structures that focus on activities rather than on strategy.
<b>Coherence: 2,33</b>	PASER is coherent and complementary to the interventions of the other development partners present in the Renewable Energy sector in Cabo Verde and sought a better articulation and sectorial coordination, being one of its priorities. The program's coherence was also ensured by efforts to harmonize it with other technical and financial partners existing in the sector. Complementarity with interventions from other development partners could have been better defined at the level of the definition of assumptions.
<b>Effectiveness: 3,29</b>	The programme delivered what it could control (outputs, particularly at the level of the legal framework and energy information system) but faced more difficulties in producing the expected outcomes. No service providers were established, no independent power producers in Renewable Energies, " <i>Brava Ilha Sustentável</i> " and pump storage projects are not yet being implemented. Credit to sector private investor had a limited increase.
<b>Efficiency: 2,35</b>	The means used in the formulation and implementation were adequate for the objectives pursued and resulted in the achievement of practically all the indicators.

<b>Sustainability: 3,61</b>	It was not achieved the objective to create an appropriate institutional framework. The current National Directorate for Industry, Commerce and Energy has small number of staff, and this could have represented a setback in the progress achieved for energy transition, if there had not been a continuation of the program, albeit in other ways, also financed by Luxembourg Cooperation, which had recently begun.
<b>Impact: 3,54</b>	The rate is severely penalised by the non- creation of the Institute of Energy and Industry and the restructuring of ELECTRA. However, the programme created a series of legal and regulatory provisions that made it possible to advance in private participation in the integration of renewable energies into the country's energy systems. The programme also allowed for a very valuable awareness of the financial sector for renewable energy projects and created conditions for the organization of independent power producers and Energy Service Companies in the country, although this did not take place during the programme. But the fact is that private investment in sector remains modest and no relevant services providers were created.

### Lessons learned from this programme

- the efficiency of the cycle of operations of Luxembourg cooperation can be improved:
  - formulation studies are considered expensive (so appropriate resources for a quality work are made available),
  - they are launched too late and thus designers are pressured by time,
  - in spite of the cost, time pressure affects the final quality,
  - there is an unclear division of labour between the concerned strategic and operational Luxembourg Cooperation structures that further contributes to inefficiency;
- having the same experts responsible for the design and later management of the program raises several questions. Besides potential reputation issues for Luxembourg Cooperation (selection of programme managers should be a fair process) doesn't promote a critical inception phase. A first critical analysis of the relevance of the design is immediately contaminated;
- this is clear on the original project documents. The logic model behind the project was poorly designed: results are unclear regarding the goods and services that the programmes will deliver to the population; too many indicators (20), in some cases unavailable, in others unmeasurable and baselines and targets not defined; hypothesis are vague, not based on evidence collected during the analysis of the context and even incorrectly used from a methodological point of view (hypotheses at the level of the overall objectives in the programme's log frame);
- it was crucial for the formulation of the programme to carry out a sectorial diagnostic study, before launching the formulation phase. This made it possible to prepare a detailed mapping, identify national priorities and challenges in the sector, undertake a participatory approach with stakeholders and identify possible intervention scenarios for the Luxembourg Cooperation;
- monitoring system should have been the key to address the limitations of the original design. Unfortunately, that didn't happen for three reasons: absence of specific budget for monitoring and evaluation – original programme's planning didn't consider time and money for monitoring (only evaluation); absence of project management skills in the program's teams – which are mostly staffed by qualified and experienced water and sanitation experts but with limited knowledge and experience in monitoring and evaluation systems: inflexibility to change original design – from the side of the Government and Funding partner due to lack of supporting evidence (which should have been generated by a proper monitoring system);
- poor reporting that is a consequence of limited monitoring systems is translated into lack of accountability: unclear results, changing indicators with unclear targets;
- synergies between Luxembourg cooperation programs and between them and the programmes of the government and other development partners are not fully exploited:
  - formulation: Technical and Financial Documents doesn't define the synergetic elements between the different interventions, particularly in the corresponding logic models. The same happens with sector programs from the government and other development partners,
  - implementation: Annual Operational Plans and reports don't refer the articulation with other interventions in the upstream or downstream;
- still, there were important synergies produced in the field and during implementation particularly with GIZ and World Bank projects. Moreover, the participation of other development partners in the Steering Committees also created a favourable environment for enhanced coordination. The synergies happened mostly at activities level. In the future, those synergies should be enlarged to higher levels of the results chain (results and specific objectives);

- the sustainability of PASER's achievements might be hampered by the lack of a state entity for sectoral coordination, since the programme foresaw the creation of the Institute of Energy and Industry, and this was not accomplished. In this context it can be added the lack of resources of the (National Directorate for Industry, Commerce and Energy), which raised and continues to raise the issue of the counterparty's ability to absorb results. Many of these issues were raised and discussed in interviews and meetings with people from the institutions visited. The issue of sustainability of the results obtained, although mitigated in part by the possibility of continuing support from LuxDev to the sector, now in a broader energy transition programme, will certainly continue in the future, if the issue of a more efficient framework is not resolved, with the necessary political visibility and administrative and financial autonomy, and enough technical staff;
- the lack of human resources and the lack of availability of personnel on the national counterpart's side, at the request of the Technical and Financial Documents, created risks of substitution, detrimental to the sustainability of the programme;
- it is very important that the political commitment in the sector is in line with the stated objectives to obtain the expected results. In the case of the programme's object sector, to improve governance and business conditions in the Renewable Energies sector is linked to a strong and dynamic political ecosystem to make timely policy decisions for the future. reforms deemed necessary or even indispensable. This could have been the case of the recommended Institute of Energy and Industry, the creation of which was not achieved during the programme's lifetime, and which must be, essentially, the object of the new phase of Luxembourg cooperation in the area of energy transition.

## Recommendations

- LuxDev should improve the management of its cycle of operations moving towards a real knowledge management system:
  - evaluation studies should be finalised before the start of the formulation of new programmes to benefit from experience and lessons learned,
  - recommendations from mid-term evaluations should be enforced, otherwise these becomes a mere formality; implementing partners should be accountable for such implementation and provide supporting evidence,
  - improved planning of the cycle will increase the value for money of the formulation studies and a sounder implementation (more time with the same money should pave the way for better quality) ;
- formulation teams should always include sound project management skills. Technical content is critical for the success of the programmes. But technical content without a well-designed management framework will not fulfil all its potential;
- formulation and implementation should involve different experts not only for transparency reasons and to avoid conflicts of interest that can harm LuxDev reputation but also to make sure that a first critical analysis of the project design is done in the inception phase;
- formulation studies should consider specific budgets for monitoring as well as dedicated time for field and desk monitoring. Without time and money is impossible to have proper monitoring systems;
- LuxDev should strength its own internal monitoring skills to ensure that they steer the monitoring and evaluation systems of the programmes. Having the simple ability to ask the correct answers to project management teams will make a huge contribution to guide the implementation systems;
- both the Embassy and LuxDev should strength the articulation with the national planning system and tools along the public policy cycle, from formulation to evaluation, passing by implementation;
- this enhanced articulation with national systems and improvement on the use of the corresponding tools towards an approach based on the Theory of Change requires a clear division of labour between Luxembourg Cooperation structures for an effective collaborative work;
- synergies strategies should be established from the very beginning of the formulation phase. The analysis of relevant interventions from the Government and other development partners should be part of the analysis of the context and feed the evidence based political, behavioural and operational assumptions. The interdependence between the programme and other relevant interventions should be clearly identified in the logic model through the assumptions. This will define the elements and moments in which the project should interact with other relevant interventions;
- synergies strategies should be implemented through joint activities planning with the upstream and downstream programmes and projects that have been identified in the assumptions. Whenever possible, joint activities planning should reduce transaction costs (common events, shared trainings, shared implementation of relevant studies, common data collection activities, etc.);

- there is an absolute need to obtain political approval for the creation of a public institution qualified with all the requirements for good governance of the renewable energy/energy sector in general, endowed with technically qualified human resources, in number and in quality, with sufficient autonomy to be able to deconcentrate resources to cover the entire national territory ;
- there should be a continuous awareness of the financial sector for the necessary support to the initiatives of the operators, in order to reinforce all the valences in the formation of the energy market, which allows the private sector to play the fundamental role it has in the development of projects for the production of electricity and water exhaustively used in the country's renewable energy potential, as well as in the experimentation and installation of technological scenarios for the storage of intermittent energy. Only in this way will the percentage of renewable energy in the energy production sector and in its final use be able to increase, making it possible to obtain the targets that the country proposes in its energy and climate transition plans.