

# **Summary Paper on the Evaluation of the Sustainable Energy Access for the Latin America and the Caribbean (LAC) Region Project<sup>i</sup>**

## **1. General Background:**

The Inter-American Affairs Division, Global Affairs Canada commissioned a consultancy group to elaborate a summative evaluation of the project: “Sustainable Energy Access for the Latin America and Caribbean Region” (SEALAC). The consultant team was made up by members of the International Development Management Advisory Group (IDMAG), Inc. and Ticon Development Consulting (TDC).

This Project was implemented by the Latin American Energy Organization (OLADE) in 14 countries from LAC region (Belize, Bolivia, Colombia, Cuba, Dominican Republic, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Peru and Surinam), using financial resources of the Canadian Government in the amount of \$9.2 million of Canadian dollars.

The purpose of the evaluation was to:

- Account for the achievement of results (immediate and intermediate outcomes);
- Inform future programming in sustainable energy (clean energy) in Latin America and the Caribbean (LAC); and,
- Account for aid expenditures to stakeholders and taxpayers

The specific objectives of the evaluation were the following:

- Assess the effectiveness and efficiency of OLADE;
- Assess sustainability/relevance of results, including women and Indigenous people; and,
- Generate findings, conclusions, recommendations and lessons to guide the design of future programming in the Latin American and Caribbean energy sector in accordance with the DAC quality standards

## **2. Methodology of Project Evaluation:**

The consultancy team adopted an evaluation methodology which utilizes mixed approaches combining analysis of qualitative and quantitative data. It included document review, semi-structured interviews and focus groups with key stakeholders in five countries, on-line surveys of participants in capacity building, and data collection and analysis.

For the field missions, a sample of five representative countries was selected. On-site interviews with representatives of the main stakeholders and other project participants were held in the following countries: Bolivia, Dominican Republic, Grenada, Honduras, and Jamaica.

There were 110 persons who were interviewed with semi-structured protocols, or who participated in focus groups, of which 46 (42%) were women. An online survey was conducted as a census of the participants in capacity building and a statistically significant sample of respondents was obtained. Of the 215 respondents to the survey, 86 (40%) were women.

Furthermore, the consultant team visited the OLADE's headquarters in Quito, Ecuador where they reviewed in detail all the documentation concerning the Project and met with the technical team of OLADE that was involved in the different activities of the Project.

### **3. Key concepts analyzed:**

The evaluation methodology used different variables to compare the findings of the Project and the following are the main findings of achieved by the consultancy team:

#### **3.1 Effectiveness**

1. The two intermediate outcomes from the Logic Model (LM) are stated generally and there are challenges with the indicators used in the Performance Management Framework (PMF). The PMF does not capture the outcomes of the project well. Intermediate and immediate outcomes from the project are not captured fully.

2. Technical assistance was delivered on energy policy and regulation in the target countries utilizing the Energy Planning Manuals for five countries: Bolivia, Belize, Dominican Republic, Grenada and Honduras. Four of these countries were visited by the Evaluation. In Dominican Republic and Honduras, the Energy Policy was developed according to the project planning. In the case of Bolivia, the Energy Policy was not developed, and the legal review did not result in a new legal framework for regulation.

3. Technical assistance (TA) and training was delivered to promote Gender Equality in Energy Policies, Regulations and Guidelines. Gender awareness was raised somewhat by inclusion of the gender issues in the Manuals and the technical assistance on the Gender index, but the immediate outcome of "increased capacity of governments to develop suitable, gender-sensitive energy policies, strategies, plans and regulations in the LAC region" is achieved only partially.

4. Capacity Building (CAPEV) had substantial participation by more than 30,000 participants during the implementation of SEALAC and has contributed to capacity building throughout the region. Turnover of staff in ministries and in companies are challenges. CAPEV offers an ongoing capacity building solution.

5. Participation in CAPEV and associated online platforms led to the establishment of meaningful informal sub-regional information networks that have become robust and function on a sustainable basis - with technical information

and knowledge-sharing on lessons learnt and Best Practices between Energy Departments and Ministries across the LAC region.

6. During the project OLADE has moved on energy efficiency and renewable energy support. Some of the OLADE members are focused on development of petroleum resources. Yet the Capacity Building under CAPEV and other national and regional workshops have addressed energy efficiency, renewable energy and 'smart' grids.

7. The project did support off-grid solutions for electricity access in three communities in Bolivia, but insufficient support was provided to sustain the projects. Only one project supported is still operational.

### ***3.2 Efficiency***

The CAPEV program activity has been cost-effective due to the large number of participants, about 30,000, and the positive assessments of the quality. The digital distribution has enabled knowledge to be distributed at low cost throughout the region with economies of scale. The result has been to enhance capacity of public and private entities in the energy sector and supported the development of on-line technical networks for sharing experience.

### ***3.3 Relevance***

The relevance of the project activities was considered high in most cases based on the key respondent interviews of stakeholders and the on-line survey of capacity building participants.

### ***3.4 Sustainability***

1. The capacity building, and the development of content for CAPEV, are likely to be sustainable. The relatively low costs of on-line distribution and networking indicate a likelihood that key elements of capacity building will be sustained in the future.

2. The obstacles to sustainability among stakeholders are staff turnover in government ministries and lack of financial resources for community organizations.

## **4. Cross Cutting Themes**

### ***4.1 Environmental Sustainability***

1. Environmental results have received more priority as the project evolved. There was increased attention to energy efficiency, renewable energy and smart grids by OLADE in technical assistance and capacity building activities by CAPEV.

2. The investment in capacity building could improve environmental sustainability. In the Dominican Republic, Honduras and Jamaica, there was technical assistance on NAMA and NAMA projects have been prepared. In Bolivia the technical assistance did contribute to Clean Development Mechanism (CDM) and NAMA project development. In the case of Grenada, a NAMA proposal had been prepared but it did not come to fruition.

3. Off-grid renewable energy solutions were explored but implementation was limited. Off-grid solutions were not sustainable in some pilot projects in Bolivia.

4. It has been difficult to assess the results in adapting regulations. The Policy Guidelines for energy policy included guidance for improved environmental policies.

5. CSR training and workshop activities were undertaken in Bolivia, Dominican Republic, Honduras, Nicaragua, and Guatemala. The companies interviewed in Bolivia, Dominican Republic and Honduras by the Evaluators, indicate interest in CSR. Companies have modified internal processes, but community relations remain challenging. Guatemala, Honduras, and Nicaragua utilize the CSR report cards. Four countries – Honduras, Guatemala, Colombia, and Dominican Republic – have qualified as Extractive Industries Transparency Initiative (EITI) Candidate countries, and one - Guatemala – has been certified an EITI Compliant Country.

6. Key concepts of energy efficiency, renewable energy and smart grids, were not emphasized in project planning, but have been incorporated into the technical assistance and training including CAPEV.

7. For many countries in the region their preoccupation in the energy sector is to increase access to hydrocarbons. Interest in renewable energy, energy efficiency and smart grids are all growing but the level of country support for environmentally sound energy solutions varies from country to country.

#### ***4.2 Gender Equality***

1. Women have been involved in the capacity building accounting for about 40% of the training participants responding in the On-line Survey. OLADE has documented the participation of women in the training activities and workshops.

2. For women in some rural communities including Indigenous communities, there is an emphasis of respecting community social norms which are patriarchal, and the result is less role for women in decision-making.

3. The focus groups and semi-structured interviews (SSIs) yielded mixed results. Some women reported successful employment in the energy sector, while others complained of job stereotyping.

#### ***4.3 Indigenous Communities***

The outreach to Indigenous communities has been active and OLADE has documented the training of Indigenous men and women in various training and

workshop activities. The Bolivia mission has identified that community relations with Indigenous communities remain sensitive.

## **5. Intervention**

The Intervention covers 14 beneficiary countries listed above over the period The Contribution Arrangement was signed 30 March 2012 until 31 December 2017 with a budget of \$9.2 million. There was a no-cost extension until 31 December 2018.

The project covered many activities, which are summarized briefly here. The Project Implementation Plan specified two main components as follows:

1. “Energy Planning, Integration, and Governance, reflecting the core mandate of OLADE in developing an appropriate policy and regulatory environment for sustainable energy development in the LAC Region (both the “upstream” and “downstream” ends of the energy sector), involving the following sub-projects:

1.1 Development of Energy Planning Capacity.

1.2 Strengthening Sub-Regional Energy Integration and Improving Access to Energy Markets.

1.3 Energy Governance: Small Country Assistance Mechanism for Development of Regulatory Frameworks & Policy.

1.4 Improved Access to Electricity on the Grid.

1.5 Programmatic Clean Development Mechanism (CDM) and Nationally Appropriate Mitigation Actions (NAMAs) (renewable energy and energy efficiency).

1.6 Energy Sector Mitigation and Adaptation to Climate Change.

1.7 Capacitación Energética Virtual (CAPEV) Program and technical networks.

1.8 Executive Development Program on Energy Planning.

2. Social and Environmental Issues, to ensure that opportunities for social inclusion and environmental sustainability in the energy sector in the LAC Region are identified and addressed, involving the following sub-projects:

2.1 Promoting Corporate Social Responsibility, including support to the Central America CSR dialogue; dissemination of CSR principles; CSR check list – report card; Extractive Industries Transparency Initiative (EITI) promotion, and resumption of the EAP

2.2 Application of CSR in Rural Energy Systems in Isolated Areas.

2.3 Development of Gender Equality in Energy Decision-making and Energy Access.

2.4 Certificate on Energy and Social Issues.

## **6. Conclusions**

1. The LM and the reporting on the PMF does not adequately capture intermediate outcomes on capacity building.

2. The capacity building under SEALAC through CAPEV and face to face training has been effective despite high staff turnover in the ministries and other stakeholders. Evidence of this is obtained by the semi-structured interviews and focus groups conducted by the Evaluation Team in five of the beneficiary countries. The online survey provides quantitative statistical confirmation of this result.

3. The focus on energy efficiency, renewable energy, and smart grids including storage was not emphasized when the project was launched, however these factors have been incorporated into the technical assistance activities and capacity building materials in recent years. The evidence comes from documentation obtained from OLADE and from the field missions of the Evaluators.

4. Some of the activities were implemented but have not achieved fully the intended results. As an example, only one of three off-grid pilot projects in Bolivia is still working while the other two have encountered technical issues which could not be fixed with community resources. Based on the evidence from the field mission in these communities, and on document review of other projects to support off-grid developments there needs to be supporting technical assistance and training and some supplementary resources are needed to support maintenance and repairs beyond the initial support for installation.

5. Efforts to support energy policy development at the national and regional level have encountered difficulties due to lack of political ownership by the governments which have been compounded by tensions in the region. The field missions confirmed the reporting of the project that the technical assistance had been mobilized. The development of the energy policy was not achieved fully in Grenada, or Bolivia according to the field missions. However, the Evaluation field missions found that there had been progress in energy policy development in Dominican Republic and Honduras.

6. Although some progress has been made, Gender remains a key issue in the Energy Sector in the Region. In particular, the Evaluation field missions in Bolivia and Honduras found that pressures to respect community traditions and social norms tended to limit the role of women in decision making.

7. CSR still offers benefits to the region despite challenges with implementation and limited progress on community dialogue. The field missions in Bolivia, Dominican Republic and Honduras found that while the companies acquired skills and knowledge from the CSR training, not as much cohesion and dialogue with communities was achieved as could have been expected. CSR training needs to stress community outreach and dialogue with more interaction among stakeholder groups.

8. The review of the LM and the PMF reveals a focus on activities, outputs and immediate outcomes with less focus on well-defined intermediate outcomes with appropriate indicators. As is often required to improve project performance and reporting for large complex multi-faceted and multi-country projects, the project

would have benefited from a mid-term review or evaluation and/or external monitoring. Note that the original Contribution Agreement included an external monitoring contract, a mid-term evaluation and a final evaluation. Only the final evaluation was conducted.

## **7. Recommendations**

1. The ongoing development of CAPEV capacity building warrants support. The target of the recommendation is OLADE, OLADE member states, DFATD and other donors.
2. More focus on renewable energy, energy efficiency and smart grid is needed by donors in the region to support an energy transition geared at supporting climate change mitigation. The target of this recommendation is DFATD and other donors.
3. Support for off-grid projects needs to provide adequate technical and financial support for rural communities in order to provide a degree of sustainability. The target of this recommendation is DFATD and other donors.
4. Renewed effort to support energy policy development should focus on supporting the implementation of renewable energy and integration of renewable energy sources into the grid. Efforts to support energy policy development need to offer tangible economic, social and environmental benefits. Increased awareness of climate change and of the technological potential for more environmentally sustainable energy could lead to an improved policy environment. The target of this recommendation is DFATD and other donors.
5. Gender continues to be a challenging issue in the region and the sector. Women and women's groups need to be consulted in project design and in the implementation of the project. The targets of this recommendation are OLADE, DFATD and other donors.
6. Project implementation, performance, results management, and reporting would be enhanced by a mid-term evaluation or an external monitor, or both. The target of this recommendation is DFATD and other donors.
7. More effort is needed to dialogue with local communities in order to involve them in CSR. The target of this recommendation is OLADE, OLADE member states, DFATD and other donors in the sector.

## **8. Lessons Learned**

1. The success of the capacity building of CAPEV could offer an example to other international organizations and development partners of complementary digital and face to face training activities. The challenges of staff turnover in government ministries, public and private entities is unlikely to be remedied soon, so continual capacity building will be needed for some time to come. Also, CAPEV has been

adapted to address emerging issues such as renewable energy, storage, and utilization of smart grids.

2. Donor support for environmentally sustainable energy solutions remains important to the region.

3. Support for off-grid solutions is part of the solution for remote rural communities who lack economically and technically feasible access to the grid. Adequate technical and financial support is needed to ensure the sustainability of off-grid solutions.

4. Much of the region continues to attach priority to hydrocarbons. Financial and technical support for environmental solutions needs to be supported and economic benefits to national economies and regions needs to be demonstrated.

5. Gender support will be needed to encourage the participation of women in decision-making and in achieving non-traditional employment roles. Women benefited from the technical training under CAPEV and face-to face training.

6. Project performance and results reporting could be enhanced by an external monitor, a mid-term evaluation, or both.

7. CSR can play a useful role, but it needs to involve effective community dialogue.

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<sup>i</sup> *The findings, conclusions, recommendations and lessons listed are those of the consultant and do not necessarily reflect the views of GAC or the Government of Canada. GAC does not guarantee the accuracy of the information provided in this report.*