

**END-TERM REVIEW REPORT  
CLEAN DEVELOPMENT MECHANISM:  
CAPACITY DEVELOPMENT AND  
PROJECTS SUPPORT**

**DATE: AUGUST 2015  
CONSULTANT: NTU  
NAVISION CODE: UGA 09 0211 11  
DGCD CODE: NN 3008741**

## Table of contents

1	Introduction .....	10
1.1	Short Presentation of the Intervention .....	10
1.2	Objectives and Context of the End-Term Review .....	12
1.3	Methodology of the Review .....	12
2	Background and Context .....	13
2.1	Historical Context of the Intervention .....	13
2.2	Social and Economic Context.....	14
2.3	Policy and Institutional Context .....	14
2.4	Intervention Logic .....	17
3	Follow-up of Mid-Term Review Recommendations.....	19
4	Implementation and Achievements .....	25
4.1	Result 1 .....	25
4.2	Result 2.....	27
4.3	Result 3.....	29
5	Generic Evaluation.....	31
5.1	Basic Criteria .....	31
5.1.1	Relevance .....	31
5.1.2	Efficiency.....	33
5.1.3	Effectiveness .....	35
5.1.4	Sustainability .....	38
5.1.6	Coherence.....	39
5.1.7	Impact.....	39
5.2	Transversal Themes .....	40
5.3	Horizontal Aspects .....	41
6	Specific Evaluation Questions .....	44
7	Lessons Learned.....	49
7.1	For the intervention .....	49
7.2	For a future intervention in the same sector.....	49
7.3	For the partner institution .....	49
7.4	For the Project Steering Committee.....	50
7.5	For the BTC Representation .....	50
7.6	For BTC Brussels .....	50
7.7	For the Donor .....	51
8	CONCLUSIONS.....	52
8.1	Main Findings .....	52
8.2	Recommendations.....	54
	ANNEXES .....	58

# UGANDA END-TERM REVIEW REPORT CLEAN DEVELOPMENT MECHANISM: CAPACITY DEVELOPMENT AND PROJECTS SUPPORT

DGCD intervention number:	NN 3008741
Navision code BTC:	UGA 0902111
Partner institution:	Ministry of Water and Environment and Climate Change Department
Duration of intervention:	48 months extended to 60 months
Duration of Specific Agreement:	48 months extended to 60 months
Starting date of intervention	24 November 2010
Uganda contribution:	EUR 0
Belgian contribution:	EUR 200 000 + 221 130
Total contribution:	EUR 2 221 130
Intervention sector	Environment

## Summary of the intervention

**Overall Objective:** To enable Uganda to benefit from the Clean Development Mechanism of the Kyoto Protocol.

**Specific Objective:** To strengthen technical capacity on CDM project formulation and create awareness of investment opportunities under the CDM among government institutions and project developers including financing institutions.

## Review Team

Dr Richard Pagett	International Lead Expert
Ms Rebecca Nanjala	National Non-Lead Expert

## ACRONYMS AND ABBREVIATIONS

BTC	Belgian Development Agency
CAMCO	Camco Advisory services (Kenya) Limited and Carbon Africa Limited
CCU	Climate Change Unit
CCD	Climate Change Department <sup>1</sup>
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CoP	Conference of the Parties
DNA	Designated National Authority
DOE	Designated Operational Entity
DoM	Department of Meteorology
EIA	Environmental Impact Assessment
ERPA	Emission Reduction Purchase Agreement
ETR	End-Term Review
GEF	Grid Emission Factor
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoU	Government of Uganda
ITA	International Technical Advisor
JICDM	Joint Implementation Clean Development Mechanism
JTF	Joint Task Force
LNO	Letter of No Objection
LoA	Letter of Approval
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MoFPED	Ministry of Finance, Planning & Economic Development
MoU	Memorandum of Understanding
MTR	Mid Term Review
MWE	Ministry of Water and Environment
NCCP	National Climate Change Policy
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NTA	National Technical Adviser
NWSC	National Water and Sewerage Corporation
PDD	Project Design Document
PIN	Project Idea Note
PoA	Programme of Activities
PSC	Project Steering Committee
REDD	Reduced Emissions from Forest Deforestation and Forest Degradation
ROS	Results-Oriented Steering
SBL	Standard Baseline
TA	Technical Assistance
TFF	Technical and Financial File
ToR	Terms of Reference
UECCC	Uganda Energy Credit Capitalisation Company
UIA	Uganda Investment Authority
UNFCCC	United Nations Framework Convention on Climate Change
VER	Verified Emission Reduction

<sup>1</sup> Formerly the Climate Change Unit  
BTC, Belgian Development Agency  
End-Term Review Report

# EXECUTIVE SUMMARY

## MAIN FINDINGS

### Relevance

The CDM capacity-building project addresses Uganda's need to benefit from the UNFCCC Clean Development Mechanism (CDM) as well as the larger climate change financing opportunities. The CDM capacity-building intervention is in line with National Development objectives of Uganda and the National Climate Change Policy. The Belgium Government, as part of the international community under the UNFCCC is committed within the framework of "...*common but differentiated*" responsibilities where all countries are concerned and must unite their efforts to save the climate, though on a *pro rata* basis of their historical responsibility and their potential.

### Efficiency

The various inputs have not been managed efficiently with key personnel (ITA and support ITA) leaving the Project, due to difficulties in execution. The ITAs were replaced almost immediately. Despite this, there have been substantial delays in the execution of the Project activities that have led to a no-cost Project extension for one year. The Project that was officially to end on 23 November 2014 will end 23 November 2015. Although the outputs have been largely achieved, the web site still requires updating. After the Mid-Term Review (MTR) the Climate Change Department (CCD) began implementing the Project proactively together with CAMCO and BTC Uganda. Previous lack of clear roles and responsibilities among the implementing partners had led to some institution inertia leaving CCD feeling no control over the Project. The modalities of implementation of this Project (technically implemented by CCD and CAMCO and financially managed by BTC under the own-management modality) are rather specific compared to the traditional BTC modality of co-management (cogestion). However, there were some flaws in the overall approach adopted, particularly regarding the roles and responsibilities which meant that the execution modality did not foster an efficient conversion of inputs into outputs.

### Effectiveness

After the MTR, the Project was back on track and began to deliver the required outputs, leading to overall outcomes required. With the institution of the Joint Task Force (JTF), the Project has progressed substantially towards its required outcome, realising more outputs in a limited time frame.

### Impact

There are clear gains in capacity building for CDM trainees and project developers. Assuming that the CDM mechanism will be included in future protocols under the UNFCCC, this capacity will help Uganda see more CDM projects being developed, registered and CERs issued. However, the original intention was to develop CDM consultants who would be able to go into the marketplace to assist future project developers. This has little prospect of happening. Although the carbon market has almost crashed, with prices going below EUR1, the CDM capacity building remains relevant as it provides the necessary skills to address any carbon offset scheme which is likely to be based on similar monitoring, reporting and verification principles. Currently, there is little evidence of market recovery.

### Sustainability

In terms of enabling environment, the intervention is well embedded in the strategic framework of Uganda including the *National Development Plan (2010/11-2014/15)*, the *Uganda Vision 2040* and the *National Climate Change Policy (2013)*. The intervention is implemented by the Climate Change Department of the Ministry of Water and Environment which is the Designated National Authority. The intervention therefore satisfies the requirements of local ownership in relation to the Kyoto Protocol. The uncertainty surrounding the carbon market; continued erosion of the CER prices, whether the CDM mechanism will be included in future UNFCCC protocols together with lengthy and very costly CDM procedures threaten the sustainability of the intervention. It is anticipated that various learned techniques will be an important element in future climate policies (e.g. NAMAs and INDCs). The knowledge acquired under the Project, may therefore continue to benefit CCD, assuming some of the trainees are retained by CCD. It should be noted that the trainees are not operating as "CDM consultants" either they are in other donor projects, other non-consulting professions or are working for CCD.

## Other assessment criteria

### **Gender**

Apart from the mention of the *National Gender Strategy* and *National Action Plan for Women*, neither the *Formulation* nor the *Technical and Financial File (TFF)* adequately analyse the gender dimensions of the Project so that they could be taken into consideration in the logframe. Project results are not reported on in a gender-focused manner possibly because the logframe did not explicitly set gender disaggregated targets and indicators. The criteria for recruitment of CDM trainees did not give special attention to gender consideration. The advertised criteria included: Ugandan nationality, University qualification, English-speaking, Computer skills, good communication skills, be interested in climate change and reducing emissions, and an interest in sustainability.

### **Environment**

The CDM capacity building Project in itself contributes to environmental sustainability through reduction of emissions (not likely to be very significant given the scope of the Project). In the short term, the Project could have some negative effects, though not significant, such as an increase in emissions due to the flights for the various Project personnel and backstopping activities; and excess paper usage. Through support of projects to meet CDM requirements, the Project contributes to sustainable environment management. Examples include pollution control from waste water, solid waste from landfills and inefficient cook stoves. The Project undertook some activities that potentially could leverage more important GHG reductions or avoidance of emissions: Standard Baselines development, and support to new methodologies, though this is speculative pending the Paris Negotiations at COP 21 at the end of 2015. In addition, the Project financed the installation of the solar PV on the roof of the new CCD building.

### **Result-Oriented Steering**

The *Formulation*, the *TFF* and *Specifications* were all silent on the management practice of result-oriented steering (ROS). The general intention of ROS is to assist interventions and the relevant “steering committees” to focus “...their dialogue on results and take timely “evidence-based” decisions in order to re-orient interventions....” The MTR noted that the Project had not practised results-oriented management and confirmed the observation made several times by the backstopping missions, of poor follow-up to recommendations and delayed decision making for addressing challenges and issues. It was not until the institution of the JTF, as recommended by the MTR, that the Project started to undertake quarterly progress reviews through a special JTF meeting to ensure that quarterly execution reports reflect verified progress based on the detailed work plan and clearly this approach has yielded substantial results in form of progress towards the outcome.

It is quite clear that:

- **BTC Headquarters** was receiving backstopping mission reports that contained sufficient points of alarm that should have triggered sufficient timely action to bring the Project back on course;
- **BTC Uganda** did not have the resources, initially, to undertake its obligations under the Project and did not take sufficient timely action to bring the Project back on course;
- **Project Steering Committee** could have intervened earlier to correct the course of the Project (as the MTR did). With infrequent meetings (during the period when the Project was largely ineffective) the PSC missed several opportunities to intervene. Even after the MTR, it seemed not to appreciate its role and responsibility;
- **Climate Change Department** seems not to recognise its obligations when the Ministry of Finance Planning and economic development signed the agreement with the Belgian Embassy and did not take sufficient timely action to bring the Project back on course;
- **Project Team** until after the MTR appeared to have no understanding of the situation in which it found itself nor the necessary experience to turn around the Project.

### **Monitoring**

The ETR finds it intensely disappointing that this basic project management tool had no traction within the Project despite considerable guidance by BTC<sup>2</sup>.

---

<sup>2</sup> BTC MoRe Guidelines  
BTC, Belgian Development Agency  
End-Term Review Report

Many of the classic project management errors could have been avoided very early on in the Project by recognising, through monitoring, that there was poor implementation between the nominally-cooperating parties (CCD, BTC Uganda and the Project delivery team).

Even without systematic monitoring it must have been self-evident (even just by reading the backstopping mission reports) that personnel resignations, extended delays over relatively simple deliverables, the repeated requests for actions already committed to, and the general lack of measurable progress on activities was contributing to the overall lack of progress of the Project, and that increasingly urgent corrective action was necessary.

The point of “monitoring” is to understand if a Project is making progress as intended and, therefore, to assist in adjustments, as required. Sadly all those with some responsibility for monitoring in some form (BTC Headquarters, BTC Uganda, MWE, PSC, CCD and the Project Team) missed the opportunities that were open to them, to effect the appropriate changes. However, it is not just monitoring, some or all the basic tenets of project management seem to have eluded some or all of the Project partners at some time or another.

## **LESSONS LEARNED**

### **For the Intervention**

In future, when there are several components to a “contract” especially when the Terms of Reference (*Specifications*) and the contractor’s offer are not aligned it is advisable to have a single bridging document that ties all other documents together with unequivocal definitions and commitments of all parties. When there are unique concepts such as a “*de facto* CDM School” or a “*CDM Hub Associates*”, it is advisable to ensure that concepts are thoroughly thought through prior to implementation. For instance, half a dozen small tables pushed together to make one larger one in a small room does not constitute a good learning environment, *de facto* or otherwise.

In future, when there is a clear aspiration in the *Formulation*, *TFF* and the *Specifications*, such as “CDM consultants” who are intended to go out into the marketplace, as part of the Project benefits and sustainability, it is advisable to ensure that this is not changed through oversight. The open *Call for Trainees* immediately weakened the prospects for Project sustainability.

Right from the beginning of the Project implementation there were documented instances (catalogued by the MTR) within one or more of the Project Partners:

- Under-performance in decision-making;
- Confusion of roles and responsibilities;
- Inadequate capacity in and/or knowledge of project management;
- Inadequate capacity in and/or knowledge of administrative requirements within a project management context;
- Lack of communication; and
- Poor operational planning and monitoring.

In future, all partners must have proven project management capability and sustainability should be embedded within the Project design. Even now there is no *Exit Strategy*.

### **For a future intervention in the same sector**

It is understood that there is to be no further intervention of this nature. At the request of BTC Brussels some additional guidance related to “long-term on-the-job training” and on technical backstopping has been provided (Section 8.2)

### **For the Partner Institution**

For various reasons, the Climate Change Department (CCD) appeared not to be a willing partner until after the MTR. Whilst some CCD staff members are now able to promote CDM and provide necessary information to the public, the full potential benefit of the Project to the CCD has not been realised. Whilst it is disappointing that the CCD has not been strengthened to an optimum level, it is also clear that deficits within the Department were not adequately appreciated by the Project early on and remedied (e.g. project management training).

Simple tasks such as keeping the web site up to date were not done despite several CCD staff being trained to be able to update the web site. CCD has to learn to deliver its part and take responsibility.

#### **For the Project Steering Committee**

The PSC was responsible for steering the Project. It needs to take ownership of its own commitments and deliver. It seems too comfortable with institutional inertia and delay and then wonders why the Project is not delivering. It should think critically about institutional inertia and be intolerant to unnecessary time-wasting. Even after the MTR, the PSC is only going to meet every six months ~ a committee that meets every six months cannot steer anything. Its meetings need to begin promptly, have the appropriate people attending and take decisions efficiently.

#### **For BTC Uganda**

There was a well-known (by BTC Uganda) mis-alignment between the main Project partners (BTC Uganda and MWE/CCD). BTC Uganda was clear on the underlying problem. It is quite clear that the Project was encouraged into existence, leaving legacy issues between the two parties that were reflected in day-to-day matters such as lack of cooperation, institutional delays and so on. BTC Uganda, as part of the implementation troika, should not have been satisfied with knowing why the problem existed, it should have recognised its responsibility and communicated this to those who had the power to correct the problem.

In the CAMCO Offer, the proposed ITA was already “...*managing four professionals working on twelve different projects*” (this is the person who is going to provide *day-to-day project management* on a complex capacity-building project, involving many different project partners, trainees and project developers). The ITA had some limited training experience. The supporting ITA had even less training experience. The first NTA had no project management experience and no training experience and so had little background in understanding the likely challenges that this Project would present or how to deal with them.

It is clear that the Project was beginning with a sub-optimum Project Team and it is questionable whether or not they should have been appointed in the first place. Given that, there were many warning signs of a Project under-performing, BTC Uganda either thought it was not their responsibility to effect change, or did not know how. BTC Uganda requires training in project management.

#### **For BTC Brussels**

The modality of this Project was not the typical BTC modality. It is recognised that BTC typically uses co-management. There were several problems with this particular Project which meant that the chosen method of working was fraught with challenges. Within three months the Project design began to unravel with the ITA being absent far more than the design envisaged supported by an NTA with almost no project management skill or experience. Even in the CAMCO Offer, the primary ITA was going to be supported by a sub-ITA who appeared to have little training experience. It was clear, that the implementation was already moving away from the formulated Project design. It was clear from the backstopping mission reports that all was not well with the Project. It was clear that there was lack of cooperation and this was leading to challenges in making decisions and significant progress by the time of the MTR.

There were many warning signs of a Project under-performing yet BTC Brussels either thought it was not their responsibility to effect change, or did not know how. Indeed, even when it was recognised that the Project had been delayed and progress minimal, the one-year audit (as required by the *TFF*) did not take place.

#### **For the Donor**

The Project was part of the Indicative Cooperation Programme between Belgium and Uganda, signed on 7 November, 2009. The identification file for the Project had been elaborated in 2008. Formulation began in May 2010 and the *TFF* emerged in mid-October 2010. Despite this, there were months of delay in having the project approved. When a beneficiary is fighting against a project before it is even approved, there is a message. Ignoring that particular message led to a stalled Project and a lot of disappointed and frustrated partners. The Government of Belgium should have given this ownership issue more reflection before pushing for, or demanding, approval.



## **RECOMMENDATIONS**

### **Regarding the period until the end of Project**

There are several small Project activities to take to completion. These should be documented as part of the overall *Exit Strategy* together with an appropriate work plan for each:

- Hydromax verification;
- NWSC methane capture project;
- Validation for Nutrimix or Afro-Mix Feeds Ltd Project; and
- Development of SBLs for methane recovery from wastewater (which is currently waiting for DOE assessment).

Guidance on formulating an Exit Strategy is provided (Section 8.2).

### **Regarding the period after the end of Project**

If an *Exit Strategy* is developed it should be monitored, where possible, by BTC Uganda to ensure that those Project benefits that could be retained are given the best chance to emerge.

The *Exit Strategy*, with clear responsibilities to implement the strategy identified needs to be signed off by BTC Uganda, the PSC and CCD.

The ETR understands that by the end of June 2015, EUR 1,752,703.94 (79%) of the budget had been absorbed. The balance is EUR 468,423.06. The forecasting is being finalised for the period to the end of the Project. The balance could be in the range of EUR 100,000.

By the end of September or beginning of October, an end session of the PSC will be convened to decide or propose what should be done with the remaining funds. A request has been made for CCD to have an option, with clear activities, to be supported with the remaining funds.

Should this not transpire, the Partner Committee (Ministry of Finance, BTC, and Embassy) is able to decide the fate of the remaining funds during their meeting at the end of the year.

### **Regarding a possible further phase**

There should be no further phase.

# 1 Introduction

## 1.1 Short Presentation of the Intervention

1. There are three documents that provide the technical description of the intervention; the *Formulation Report*, the *Technical and Financial File* (TFF) and the *Specifications*. Given that the *Specifications* was the document sent out to bidders and against which they submitted bids, the *Specifications* is considered to take precedence, should there be any contradictions between it, the *Technical and Financial File* and the *Formulation Report*.
2. The Belgium Development Agency (BTC) project, *Clean Development Mechanism: Capacity Development and Projects Support* (Project) in Uganda consists of a EUR 2 million grant (subsequently increased by EUR 221 130) to strengthen the capacity of Ugandan public and private entities in identifying, developing and implementing Clean Development Mechanism (CDM) projects and/or CDM Programme of Activities (PoA) that will contribute to enhanced sustainability of economic development of Uganda. The Project was to include capacity building in terms of hands-on training in all stages of CDM project development.
3. The Project was to concentrate<sup>3</sup> on providing support for the identification, development (including registration) and implementation (including monitoring) of CDM projects and/or CDM PoA through the following steps (taken from the *Specifications*):
  - Assessment of the actual and potential CDM situation in Uganda (including projects, actors, financial institutions, etc.) in all sectors of the economy summarised in a *Screening Report* to be uploaded on the web site of the Ugandan Designated National Authority (DNA) and including a list of potential CDM projects indicating the potential (Certified Emission Reductions (CERs) per year;
  - Provision of support (hands-on training, financial support) for the drafting of Project Idea Notes (PINs) and Project Design Documents (PDDs) for the validation, and the registration and monitoring of projects selected from the screening. This activity will include contracting of Ugandan consultants qualified for receiving hands-on training on drafting of CDM documentation;
  - Provision of support to the development of (innovative) financing possibilities/funding mechanism to assure the Project and carbon financing, and support the negotiation of Emission Reduction Purchase Agreements (ERPA) for the carbon credits to be generated; and
  - Establish a web site for the Ugandan DNA allowing for transparent communication on all information enabling the development of CDM projects and/or CDM PoA (such as the sustainability criteria used for the evaluation of project proposals, the approval procedures, identified CDM opportunities, and so on).
4. The specific approach taken was considered to be innovative in that the Project:
  - Was to be implemented in the Climate Change Unit<sup>4</sup> (CCU) with the support of a private consultancy consortium<sup>5</sup> (CAMCO) specialised in CDM development;

---

<sup>3</sup> Specifications May 2011

<sup>4</sup> Now Department

<sup>5</sup> Camco Advisory Services (Kenya) Limited and Carbon Africa Limited  
BTC, Belgian Development Agency  
End-Term Review Report

- Recruited several young Ugandans (trainees) to work for two years alongside CAMCO to become experienced CDM developers on real CDM projects in different sectors and stages of development. Through intensive coaching the trainees would be acquainted with different aspects of CDM development and with new approaches to supporting mitigation in developing countries; and
  - CDM projects would be selected through specific *Call for Proposals* and those associated with these projects (project developers) would also benefit from hands-on training by the experienced CDM developers.
5. An international consultancy (CAMCO) was appointed to carry out the Project and would provide an International Technical Advisor (ITA) and a National CDM/Carbon Market Specialist<sup>6</sup> (NTA). The ITA would be available for 29 months during the 38-month period of the Project and have “*advanced project management skills*” and provide day-to-day project management “*when present in the country*”. In addition to the technical tasks of the NTA (as specified in the *Specifications*) will also provide day-to-day project management in the absence of the ITA, though is not required to have any project management competencies (see *Specifications*). In addition, the *TFF* calls for the ITA to draft a terms of reference (ToR) for an international CDM expert to draft the CDM documentation.
  6. Crucially, although the *Formulation* did not foresee the need for any backstopping at all, the *Specifications* required the ITA to provide “*backstopping missions*” (despite supposedly being in country for more than 75% of the time anyway).
  7. In the *Specifications*, it stated that “*BTC Headquarters may organise punctual backstopping missions to monitor the project’s achievements and difficulties*”. The *TFF* did not elaborate on the purpose and scope of the backstopping and merely accorded it a single mention as a line in the budget. In practice, BTC requested the JICDM<sup>7</sup> team of the Climate Change Section of the Belgian Federal Public Service Health, Food Safety and Environment to assist with the technical and management follow-up (backstopping) of the Project. There were nine backstopping missions, five of which were before the *Mid-Term Review* (MTR).
  8. The Project underwent an MTR in June 2013 and, subsequently, a re-planning for activities in August 2013. This re-planning was reviewed and it was realised that approved project activities could not be completed within the originally planned duration of the Project (expiring in November 2014). A request for the extension of the Project by one additional year was recommended by the Project Steering Committee (PSC) of 28 March 2014 and a formal request forwarded to concerned authorities. The request for extension was approved and instead of ending on 23 November 2014, the Project will close on 23 November 2015.
  9. The Project budget was also increased by an extra EUR 221,130, being provided from a balance of funds from a closed project (*Kampala Integrated Environmental Planning and Management Project*). It was confirmed that the Project extension *per se* did not require these extra funds.
  10. The **overall objective** was to enable Uganda to benefit from the Clean Development Mechanism of the Kyoto Protocol. The **specific objective** was to strengthen technical capacity on CDM project formulation and create awareness of investment opportunities under the CDM among Government of Uganda (GoU) institutions and project developers, including financing institutions.

---

<sup>6</sup> In Specifications, this role is also referred to as a National CDM Expert

<sup>7</sup> Joint Implementation/Clean Development Mechanism

BTC, Belgian Development Agency

End-Term Review Report

## 1.2 Objectives and Context of the End-Term Review

11. The End-Term Review<sup>8</sup> (ETR) function is to:

- Offer useful recommendations that are based on data (evidence-based) that support strategic and operational decision-making, and consequently, the steering of future interventions;
- Contribute lessons learned to explain what works, what does not work and why, and to thus inform other interventions or for the elaboration of new policies, strategies and programmes; and
- Enhance accountability of the donor, partner and other internal actors by supplying an external assessment of the progress made and the results achieved.

## 1.3 Methodology of the Review

12. The methodology consisted of two aspects; **examining documentation**, primarily related to the Project itself though also of other institutions, and **interviewing** as many available key stakeholders as possible. Considerable effort was expended in pursuing several lines of enquiry simultaneously in order to triangulate the responses.

13. The ToR for the ETR called for the assessment of the intervention with two perspectives; a generic evaluation of performance and a more specific evaluation on the training aspects.

14. The generic evaluation grid is used for every review of the bilateral development cooperation, hence its generic nature. The generic approach allows easier exploitation of the information generated and should ensure an efficient follow-up of the performance of all interventions (see Annex 4).

15. The MTR had identified certain criteria as being problematic (e.g. *Efficiency, Sustainability* and *Impact*) and these have been subjected to a little more in-depth analysis during this ETR.

16. Regarding the question of sustainability, it was important that the ETR considered this from two perspectives; was it sufficiently addressed during the *Formulation* as well as during the Project execution.

17. Regarding the specific evaluation, the hands-on training was considered to be critical in the approach adopted by the Project to reach its objective.

18. Key questions to be considered (as asked by the ETR ToR) include:

- *To what extent was this hands-on training approach better than (or not as good as) any other approach in achieving the overall objective of the Project;*
- *What are the lessons that could be learned from this hands-on approach for other capacity-building projects to be implemented by GoU and/or BTC;*
- *Was the implementation modality of this project –technically implemented by CCD<sup>9</sup> and a private consultancy company though financially managed by BTC under its own-management modality (regie) better than the more traditional BTC modality of co-management ~ what are the advantages and disadvantages of such a modality and are there gains to be obtained and thus should be replicated?; and*
- *Was the choice to continue the intervention after the evident crash of the carbon market relevant (with hindsight) in view of the required outcome (specific objective) of the intervention?*

---

<sup>8</sup> Terms of Reference February 2015

<sup>9</sup> From this point, the Climate Change Unit is referred to as CCD (Climate Change Department)  
BTC, Belgian Development Agency  
End-Term Review Report

## 2 Background and Context

### 2.1 Historical Context of the Intervention

19. The *Kyoto Protocol* (1997) strengthened commitments of developed countries to reduce their greenhouse gas (GHG) emissions using three mechanisms of which the Clean Development Mechanism (CDM) is one. CDM is an environment market instrument to protect the global environment through implementation of cost effective GHG reduction projects and contribute to sustainable development of host developing countries. CDM is a relatively new and complex instrument and considered as a risky investment by many private sector institutions in developing countries, particularly in least developed countries. Carbon financing (sale of carbon credits) of CDM projects is relatively small compared to costs. CDM is considered to offer benefits to both developed and developing country parties.
20. As a market mechanism, the CDM transaction requires both sellers and buyers. Sellers include private or public project developers in developing countries such as Uganda who enter into sales contracts of Certified Emission Credits (CERs). Examples include industries, Government and private utilities. Buyers, on the other hand, are public or private entities using CERs for compliance with commitments under the Kyoto Protocol, or on a voluntary basis (emissions offsetting). Examples include governments of industrialised countries, power utilities, and other large emitters of GHGs.
21. Uganda is able to participate in the CDM process since it has signed the *Kyoto Protocol*, established the required DNA and is able to issue Letters of Approval (LoA) that a given project meets the national sustainability criteria and is entered into voluntarily. In addition to these obligations, GoU also needs to play some voluntary roles in order to sell CDM credits, including:
  - Creating a policy framework and supporting institutional structure;
  - Providing on-line transparent information on procedures, eligibility criteria for issuing LoAs to sellers and buyers, and potential CDM project opportunities;
  - Issuing Letter of No Objection based on Project Idea Notes (PINs);
  - Facilitating and promoting development of CDM project proposals;
  - Facilitating project financing of CDM projects;
  - Providing resources for PIN, PDD, Validation, Registration and Monitoring;
  - Developing an on-line accessible Grid Emission Factor (GEF) for the national grid;
  - Awareness-raising among potential CDM project developers;
  - Promoting international visibility for project developers; and
  - Hosting of meetings with interested buyers.
22. Most potential project developers in Uganda have yet to identify project ideas, undertake feasibility studies, finance potential projects, attract financing where a project is eligible for CDM trading, or undertake CDM project documentation following the entire CDM project cycle.
23. Overall, the key findings of the *Formulation Report* regarding the potential for CDM included:
  - Available indicators showing a significant CDM potential in Uganda;
  - Limited amount of available CDM expertise;
  - General lack of capacity despite widespread interest;
  - CCU was still establishing itself, financially and institutionally, though the Uganda Investment Authority (UIA) was in place and already active in the CDM market;
  - Possibilities for obtaining financing;
  - Lack of capacity for utilising the CDM potential was clear (lack of awareness of actual possibilities among project developers, lack of capacity for participation by CCU, Ugandan PDD developers; and
  - Inadequate supportive administrative environment for both sellers and buyers and lack of financial support for transaction costs related to CDM including PIN, PDD, validation and monitoring.

24. To maintain the integrity of the Kyoto Protocol, CDM projects must go through a rigorous and thorough scrutiny by the United Nations Framework Convention on Climate Change (UNFCCC) CDM Executive Board. This has necessitated the development of a comprehensive regulatory framework. This rigour has further led to the development of methodologies and stringent modalities and procedures to ensure delivery of measurable and verifiable greenhouse gas emissions. Development of CDM projects therefore requires professional skills in climate change and specific disciplines depending on the identified project concept. Training in one or more disciplines is required in order to develop or understand CDM projects.
25. Capacity building, particularly in developing countries, has been recognised as a key element for effective implementation of the UNFCCC and its Kyoto Protocol. At the 7<sup>th</sup> Conference of the Parties (CoP) in 2001 (Marrakech) the Comprehensive Capacity Building Framework was adopted (strengthening institutional capacity, strengthening of focal points or establishing national climate change secretariats and regional and sub-regional centres and technical capacity building). Although some efforts have been made by developed countries to assist developing countries to do this, these efforts have been limited to a few countries.

## 2.2 Social and Economic Context

26. Neither the *Formulation Report* nor the *Specifications* commented specifically on the social and economic context. The *TFF* noted that new international finance and political attention on climate change has the potential to strengthen weak institutions and to reduce the social vulnerability and inequity which has long been a target of development assistance. Civil society with support from international NGOs has the potential to play an important role in supporting an effective response to climate change in Uganda and that activity is increasing (*Climate Change Actors' Landscape*, GIZ 2010).
27. The National Development Plan (NDP) 2010 focuses on economic growth, employment and prosperity and recognises the important role that the CDM will play in fulfilling its obligations to the Kyoto Protocol as well as improving environmental conditions for sustainable economic growth.
28. Cabinet approved the National Vision Statement “*A transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years*” and is now implementing the *Vision 2040* to operationalise this vision statement.

## 2.3 Policy and Institutional Context

### Policy Framework of Climate Change in Uganda

29. Uganda’s economy is particularly exposed to climate change, expected to be felt mainly by increased variability in rainfall. In a country heavily dependent on agriculture and energy generation from hydropower, increasingly erratic rainfall may have a significant impact on economic growth and threaten Uganda’s economic recovery, even if models of potential impact on agriculture vary significantly. This is why the country, at all levels from government to civil society, has increasingly turned its attention to the issue of climate change.
30. The policy priority given to climate change is illustrated by the establishment of the Climate Change Unit (now, Department) at the Ministry of Water and Environment, a Parliamentary Forum on Climate Change and a coalition called Uganda Climate Action Network affiliated to the Pan-African Climate Justice Alliance. The 2010 study by GIZ indicated 84 different actors working on some aspect of climate change in Uganda.
31. In 2007, a National Adaptation Plan of Action was based on participatory appraisal and proposed a series of coping strategies and a list of nine priority projects though, in practice, most relevant sector policies have not yet integrated climate change, and the private sector needs to be more vigorously involved.

32. The country is active in global negotiations on climate change and has mainstreamed the issue into the NDP and sectoral plans in water and agriculture.
33. The NDP 2010 noted the following constraints to climate change adaptation:
- Critical shortage of requisite expertise;
  - Limited awareness at all levels about the causes of climate change and/or climate variability as well as their impacts affecting socio-economic development plans and activities;
  - Lack of policy, legislation, regulation and guidelines for mainstreaming climate change into development plans at all levels;
  - Inadequate conceptualisation of the importance of weather and climate information by strategic planners;
  - Insufficient and unreliable scientific data and information especially climatic data necessary for forecasting various phenomena;
  - Inadequate institutional and financial resources; and
  - Weak coordination mechanisms.
34. The NDP defined the following objectives for climate change:
- Develop national capacity for coordination and implementation of climate change adaptation and mitigation activities in support of social welfare and national development;
  - Ensure climate-proof development planning;
  - Promote low carbon economic development path; and
  - Meet Uganda's international obligations.
35. The NDP indicates increasing investment in accessibility of water to face climate change, improving meteorological services, and has mainstreamed the issue in its *Strategy 4: Build capacity to respond to Climate Change* which identifies the following interventions:
- Identify climate effects, vulnerabilities and coping measures as they relate to the various agricultural production strategies active across Uganda;
  - Improve climate forecasts along with procedures for use in agricultural management;
  - Integrate climate risk management in agricultural business strategies; and
  - Strengthen central and local government capacity to integrate climate change into planning.
36. The *Uganda National Climate Change Policy (2013)* and its costed implementation strategy developed with Belgian and Danish financial support was approved and adopted by the National Environment Policy Committee, and approved by Cabinet in 2015. Under a cabinet directive CCD will fast track the development of the National Climate Change Law.
37. Uganda signed the UNFCCC in 1992 and ratified the Kyoto Protocol on 25 March 2002 signalling commitment to the adoption and implementation of policies and measures designed to mitigate climate change and adapt to its impacts. Indeed, Uganda has demonstrated active engagement in the UNFCCC and its processes including the CDM through various capacity building projects, development, approval and the registration of projects with the CDM Executive Board. There are 15 CDM registrations including both programmatic and single projects

### **Institutional Context for Climate Change**

38. The DNA is organised under a single government department model, by which the Ministry of Water and Environment (MWE) undertakes all the activities of the DNA. The MWE acts as a secretariat, and calls upon technical experts from other government agencies/ministries, non-governmental organisations (NGOs) and private sector to evaluate/analyse and validate CDM projects/investments. At its inception in 2004, the DNA secretariat was the Department

of Meteorology (DoM), operated by a single person from DoM, though without a budget for addressing the DNA duties and responsibilities.

39. In 2009, a Climate Change Unit (CCU) was established funded initially by DANIDA and based in the Ministry of Water and Environment. Now a Department (CCD), it still lacks the requisite financial, technical and infrastructural capacity to perform its functions in the most effective way of developing CDM projects and attracting buyers of carbon credits. Nevertheless, the DNA has dealt with all requests for issuance of Letters of Approval and other matters.
40. Prior to the Project, eligibility criteria were available for evaluation of CDM projects and procedures in place for LoAs.
41. The CCD, the UNFCCC Focal Point, assists the DNA supported by a multi-stakeholder Climate Change Policy Committee which advises the DNA on issuing the LoAs. The Climate Change Policy Committee also doubles as the Climate Change Steering Committee for overseeing and monitoring climate change related projects such as the present one. The CCD has been accorded high level status and therefore reports directly to the Permanent Secretary (of MWE) thus being equivalent to a Directorate in the Ministry of Water and Environment. The CCD has recently moved into a new office block and has 13 professional staff and five support staff<sup>10</sup>.
42. In terms of functions, the CCD is not only responsible for Uganda's reporting commitments to UNFCCC, but also coordinates mitigation and adaptation activities and assists line ministries in preparing strategies for climate change. It also raises awareness on climate change at policy level, and in Uganda in general. In terms of CDM, the CCD will coordinate CDM projects; develop CDM operational guidelines and approval procedures, provide technical assistance to CDM project developers; maintain a register of CDM projects and keep track of CER units.

#### **Other institutions**

43. The following Uganda institutions also play key roles in CDM:

##### **National Forestry Authority**

44. The National Forestry Authority (NFA) was established under the Forests and Tree Planting Act (2003). Section 54 of the Act provides the functions of the NFA which include monitoring the management of forest reserves, providing technical support and guidance in the delivery of forestry services, monitoring and guiding the development of tourist activities in the forestry sector and acting as a lead agency in EIA for the forestry sector. The NFA is the lead authority for CDM projects implemented in the central forest reserves. Furthermore, the NFA has also been engaged in the development of PDDs and PINs for CDM projects based in the forestry sector. NFA is one of the more knowledgeable institutions with regard to CDM and the Reducing Emissions from Deforestation and Forest Degradation (REDD) and is included in the World Bank Forest Carbon Partnership Facility.

##### **Uganda Wildlife Authority**

45. The Uganda Wildlife Authority (UWA) is a semi-autonomous body under the Ministry of Tourism, Trade and Industry, which is responsible for the management of wildlife and national parks in Uganda and is the lead agency for wildlife management issues. UWA has issued sectoral EIA guidelines for protected areas in Uganda, which are compulsory for those interested in undertaking any development activity in protected areas. UWA has for a decade been involved in voluntary programmes aiming at preserving forest cover by using sale of verified emission reduction credits (VERs)<sup>11</sup> from planted trees within their jurisdictional areas.

##### **National Environmental Management Authority**

46. Under the National Environment Act, the National Environment Management Authority (NEMA) is the principal agency in Uganda for the management of the environment, as well

---

<sup>10</sup> At the time of this Report

<sup>11</sup> In collaboration with Plan Vivo  
BTC, Belgian Development Agency  
End-Term Review Report



as for the coordination, monitoring and supervision of all activities in the field of the environment.

47. NEMA is a semi-autonomous body under MWE and has a cross-sectoral mandate to review and approve environmental impact assessments (EIAs). NEMA is required to review and approve all EIAs for CDM projects in the energy and other sectors, and therefore plays a key role in this regard. NEMA has a Programmatic CDM project within in 12 municipalities for Municipal Solid Waste Composting with World Bank support which is expiring at the end of 2015. NEMA has no official role assigned to it regarding approval of CDM projects other than that of approving EIAs, as for any other investment projects.

#### **Uganda Investment Authority**

48. The Uganda Investment Authority (UIA) has the overall responsibility of registering and licensing private investment. The functions of the UIA include the promotion, facilitation and supervision of foreign and domestic investment, promotion of employment creation, and promotion and encouragement of technology transfer in Uganda and provision of assistance to potential investors in identifying and establishing investment projects.
49. In 2002 the UIA joined DoM in laying out plans to interest local industrialists in CDM. As such, the active involvement of the UIA in CDM projects has been well established. With specific regard to CDM projects, UIA performs the following functions:
- Receives investment proposals for investment projects, including CDM projects and provides relevant investment guidelines to prospective project proponent;
  - Ensures that CDM project is in line with the established sectoral regulations;
  - Licenses investment activities;
  - Assists the project developer in acquiring the necessary land and the necessary utility provisions such as water, electricity and telephone;
  - Assists the project developer to sort out any disputes that may arise during the course of their activities; and
  - Facilitates the project developer in any other formalities including accessing key incentives.

## **2.4 Intervention Logic**

50. In this Project it was proposed that technical capacity building and awareness would revolve around implementation of real CDM project development activities. For instance, strengthening technical capacity to develop CDM projects should in addition include project development, drawing upon experts from different disciplines including project financing.
51. The intervention logic is reasonable though, as the MTR identified, there were some confusing aspects.
52. The logic applied in the Project was intentionally anchored in the following guiding principles:

Guiding Principles	ETR Comment
Transparency of information	Certain aspects were entirely transparent (such as the screening of potential trainees) others less so (e.g. availability of the CAMCO contract to CCD, and aspects of project developer assessment)
Capacity building will be a priority, leading to Ugandan expertise being, at the end of the Project, able to develop CDM projects	This is a principal aim of the Project
The Project will align entirely with long term strategic vision for the environmental sector as laid out in the National Development Plan	Any environmental project achieves this (or ought to)

Guiding Principles	ETR Comment
The Project will support the implementation of the National Development Plan	Very similar to the preceding principle
<p>The Project will be fully integrated into the planning procedures of the facilities and institutions that will be supported.</p> <p>Specific Project activities will be planned for. The Project will stimulate targeted facilities and institutions to integrate CDM activities in their year plans (MWE, UIA)</p>	A useful principle though the reality appears to be that the MTR caused this to happen rather than by the actions of the Project <i>per se</i>
The Project will have to build synergies with other initiatives in the field of capacity building in the Clean Development Mechanism	Yes, and this needs to be built into the <i>Exit Strategy</i> of the Project
The Project will draw on existing capacities, initiatives and structures as much as possible, as well as learning from best practices elsewhere, regionally and internationally	A useful principle though not overt in its delivery
The Project will be implemented through a highly collaborative arrangement with several institutions under the GoU and the private sector	This should have been the case, though the reality has been far from this
Collaboration with academia and consultants knowledgeable on CDM will be developed in order to supply advanced training in CDM documentation and other skills needed for participation in the CDM project cycle	This should have been the case, though the reality is rather less

### 3 Follow-up of Mid-Term Review Recommendations

53. The MTR made a set of **general recommendations**, and a set of **specific recommendations** to be considered by:

- Project Steering Committee;
- Project Team;
- BTC Uganda;
- Climate Change (Unit) Department;
- Trainees; and
- BTC Brussels.

#### General Recommendations

54. Recognising the self-evident deficiencies in overall project management, the MTR proposed that a Joint Task Force (JTF) was established comprising CAMCO (NTA), BTC Uganda (Project Officer or Assistant Project Officer) and the CCD Principal Officer for Mitigation.

55. The Role of the JTF would be to ensure the day-to-day management of the project for the remaining period by:

- Developing a participatory work plan for the remaining period, with detailed outputs, delivery and quarterly milestones, and the specific responsibilities of all parties including the trainees (based on the MTR);
- Supervising and monitoring the implementation of this work plan with regular monitoring and decision-making, and face-to-face meetings (twice a month); and by
- Reviewing on a quarterly basis, prior to each execution report, the progress of the work plan, and planning the forthcoming quarter activities based on that.

56. Several observations are made by the ETR:

- Despite the recommendation from the MTR that there should be face-to-face meetings of the JTF, twice each month, the first meeting of the JTF reported that the MTR was recommending a monthly meeting. It did not (the backstopping mission made this recommendation based on the likely frequent informal exchanges that would happen anyway). The problem with this, is that it is this precise informality which partly contributed to the lack of rigour in completing assigned actions in the first place. The JTF also noted the need to make minutes; this is really rather self-evident<sup>12</sup>;
- It is also a concern that the JTF felt there was a need to need to consider deadlines in implementing tasks. Again, this is both self-evident and simply basic project management;
- A further concern is that the CDM Hub Associate implementation is still unclear (one Hub Associate later expressed the opinion that apart from meeting other associates at various external events, there was no specific opportunity for sharing of lessons within an organised context. Several project developers were exposed to technical skills surrounding CDM (either through training, seminars, Africa Carbon Forum events and similar) though not on an identifiable Hub framework;
- Occasionally, the PSC visited project developers though it was not always clear from the project developer side what the purpose was. Indeed, the ETR viewed various email strings and the arrangements for these site visits seem rather *ad hoc*;

---

<sup>12</sup> MoM JTF October 2013  
BTC, Belgian Development Agency  
End-Term Review Report

- Some concern was expressed by project developers that the Project seemed to go “very quiet” occasionally presumably reflecting periods of interregnum when ITAs were coming and going. Also, there seemed to be lack of clarity on some issues (e.g. the need for an EIA for one project);
- The trainees were asked to look for external training options for basic aspects such report writing yet this could/should be accomplished easily by the Project Team;
- The *Screening Report* was to be completed very early on in the Project yet despite several requests by the backstopping missions and even the MTR (June 2013) it remained unfinished for much of the Project. It seemed that most of the ITAs, at one time or another, attempted this task and were unable to complete, until it was finally accomplished by March 2014; and
- Reviewing several of the JTF minutes there seemed to be several instances whereby CCD is somewhat tardy in effecting actions.

### **Specific Recommendations**

#### ***Project Steering Committee***

57. The PSC was recommended to, meet as soon as possible and approve the updated work plan (based on the MTR) and to monitor project progress more closely, particularly the quarterly progress milestones
58. Several observations are made by the ETR (on the PSC minute of meeting (MoM) for the first PSC meeting following the MTR):
  - It is disappointing to note that the PSC should be advised that the Project was resorting to “*ultimatum letters with deadlines*” to encourage beneficiaries to sign MoUs. Lack of response is indicative of a basic lack of interest or other concerns;
  - It is welcome that the PSC requested that the budget forecast should be included in the work plan;
  - The BTC Backstopping Consultant was asking where the training for the CDM School was planned for in the work plan and that a training programme be available;
  - It was remarkable that the revised Project organogram should have omitted the PSC; and
  - It was disappointing that despite the serious nature of the MTR findings and subsequent adjustment of the Project, that the PSC did not feel the need to have a further meeting until March 2014.
59. It was also observed that the PSC at its June (2015) meeting, and specifically referring to the ETR, requested to be briefed by the ETR Team on 10 July 2015. Despite the ETR being advised of this during the initial briefing with BTC on arrival in-country, this meeting was later cancelled at short notice by PSC.

## **Technical Assistance Team**

60. It was proposed that:

### **Project Delivery Responsibilities**

- NTA be confirmed as the person in charge of day-to-day project management and to participate in the JTF and, if needed, to receive capacity-building in monitoring and evaluation;
- ITA and “assistant ITA” restrict themselves to technical work and not take responsibility for project management; and
- CAMCO Project Director should only have administrative responsibility regarding the contract with BTC.

61. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation. When the ETR requested the Back-to-Office Reports or Mission Reports of the ITA (when the principal ITA was visiting once/month, nominally) the ETR was advised that because the ITA was considered to be a resident ITA (which clearly he was not) there was no need for such reports. This is simply playing with words and unhelpful, further instances of which the MTR documented in terms of degree of progress being reported (which the MTR considered to be misleading).

### **Revised Project Work Plan**

- Work plan follow the structure detailed in the MTR and be based on:
  - specific tasks (each project considered as a task etc)
  - each task having its own timeline of delivery of outputs with quarterly milestones, starting August 2013 until Q 4 of 2014
  - each task indicating detailed responsibility of each of the stakeholders including the trainees
- Initial work plan should be developed through a two-day participatory workshop (as soon as possible) including at least, the members of the JTF and the trainees;
- The planning workshop should be facilitated by an external person, chosen by BTC, to ensure that each participant takes ownership (agrees and understands) of the inputs/duties that are expected; and
- Project Team to ensure all technical and project management inputs required are included in the work plan, and duties adequately defined to achieve the milestones.

62. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation. The MTR observed that progress reports did not give a good overall view of progress (or lack of it) and this lack of appropriate operational documentation contributed to the Project partners’ lack of appreciation of just how poorly the Project was performing, prior to the MTR.

### **Revised Logframe**

- Revised logframe be used to address the existing key weaknesses; lack of adequate indicators and milestones to measure progress, and a better vertical logic between results and specific objective; and
- Structure should be used for reporting overall progress at results level while reporting of activities should be provided based on the detailed work plan.

63. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation.

### **Training Requirements**

- Work plan to be the basis for the “hands on” training (noting that the key objective of the support to the projects was not only to achieve registration but also to build capacity; and

- Work Plan (which details duties of the trainees) to guide the overhaul of the training programme with as much contact time between trainees and project developers as possible.

64. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation.

#### ***Training Programme Adjustment***

- Dysfunctional nature of the training to be corrected; clearly defined curriculum and award criteria; and
- Meet trainee aspirations and expectations.

Specifically:

- Review the institutional insertion of trainees (feasibility for the second year of their engagement, current trainees could shift to a form of internship within relevant institutions (e.g. CCU/DNA, project team, or attached to the project developers as CDM TAs and rotated)
- Diversify training inputs to include other providers
- Overhaul the curriculum; objectives, mode of learning, learning outcomes, crosscutting issues such as gender, sustainability etc, programme structure and detailed course content, with each course/module having description, objectives, learning outcomes, methods of course delivery or training, method/mode of assessment, detailed course content including allotted time, basic reading list/references or other materials
- Consider professional and related issues

65. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation.

66. However, it is disappointing that a rigorous structure for the training programme (as described above) still seems elusive. The intended well-rounded CDM consultants as envisaged by the *Formulation Report*, the *TFF* and of course the *Specifications* have not really emerged. Perhaps one of the trainees has the aptitude and ability to be a “consultant”.

67. Regarding a *Training Manual*, it was agreed that (despite the MTR recommendation) the focus of the training would be on hands-on training as opposed to focusing on generating the content of the training (which should have been a simple consolidation and compilation of easily available existing materials). The final manual was therefore never produced. This is unhelpful and epitomises the approach to accomplishing tasks in a timely and efficient manner.

#### ***BTC Uganda***

68. The Project Officer and/or Assistant Project Officer, supported by the Assistant Administrative Officer, should ensure continued participation in the JTF and that these meetings must be decision-making meetings.

69. It was proposed that BTC Uganda should ensure:

- A facilitator with planning experience was contracted for the workshop, all participants are incorporated and all necessary outputs included in the work plan (to cover August 2013-September 2014 period);
- All administrative inputs required are included in proactive form in the work plan, and duties adequately defined to achieve the milestones;
- All inputs in the work plan are delivered and managed with regular review (recognising that adherence to all details of the *TFF* cannot reflect evolution of the Project context);
- Quarterly progress reviews through a special JTF meeting to ensure that quarterly execution reports reflect verified progress based on the detailed work plan; and

- Adaptive management decisions are taken and the work plan for the next quarterly period accordingly modified whenever necessary.
70. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation. The ETR does point out though that, given there was a facilitator for the two-day planning workshop, producing outputs in two different formats is unhelpful, either in Excel or Word, neither of which lend themselves to active project progress monitoring.
71. Indeed, it was clear that these plans served to focus all participants' attention and create a framework for proper planning. These plans did not enable easy updating and, indeed, individual plans by project do not appear to have been updated. In other words it seems to have been a one-off exercise to trigger extra momentum in the Project activities rather than as a basis for an active and continual activity planning and progress tool.
72. The ETR also notes that, of wider significance, the backstopping function had played a key role in the project to date yet was "on request". Other donors simply rely on the competence and track record of the contracted consultancy. Given the "project manager" of CAMCO was remote also, and the ITA who would have day-to-day project management responsibilities was also intermittent, it is hardly surprising that the Project experienced severe difficulties in accomplishing its tasks.

#### ***Climate Change Department (formerly, Unit)***

73. Despite the heavy constraints that the limited staff members are under, the MTR noted that it was absolutely necessary that CCD assumed a more active role in the project management, through participation in the JTF. In addition, the CCD coordinator should ensure, at least, active participation in the key quarterly monitoring meetings which review quarterly progress and re-define future planning.
74. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation, though the JTF minutes do record apparent difficulty with its implementing partner, CCD, being tardy in effecting CCD actions.

#### ***Trainees***

75. The MTR noted that it was imperative that the trainees assumed an active role in the participatory planning, and in the implementation of the work plan by ensuring the plan captured their individual training schedules including:
- Specific responsibilities for tasks and outputs assigned to each of the nine projects;
  - Establish collaborative arrangements with the project developers, including whenever possible, periods of physical presence in the project-developer teams with emphasis on clear outputs as defined in the revised work plan; and
  - Make the corresponding contributions to project monitoring and reporting.
76. The ETR concurs with the above and notes that the above has had a substantial positive effect upon Project implementation. However, the trainees would have benefitted from formal project management training and other professional training.

#### ***BTC Brussels***

77. Recognising the important contributions made by the backstopping missions, the MTR noted that recommendations arising from those backstopping missions were not often followed up by appropriate actions because of the lack of operational decision making. It was expected that following the general re-structuring of the Project, the backstopping could revert to its original intention that it should focus more on technical aspects of the Project.
78. The ETR concurs with the above in general though notes that the original intention of "backstopping" as referred to in the *TFF* and the *Specifications* (the *Formulation Report* does not mention it) was not really described.

79. In development cooperation there is a general assumption that the provision of “backstopping” is more usually for technical purposes. This is illustrated by the referral to “backstopping” in the *Specifications* being undertaken by the ITA. Separately, also in the *Specifications*, backstopping is to be additionally organised by BTC Headquarters “... to monitor project’s achievements and difficulties” which implies more than a technical focus. BTC Uganda did state that “backstopping” was requested on a needs-basis and for “decision-taking”. In fact the Moore Stephens audit (January 2014) noted that “backstopping” even extended to approvals for payment, to CAMCO.
80. If possible, the MTR noted that backstopping missions should coincide with the participatory planning workshop and with the quarterly review and monitoring meetings in order to give technical advice aligned with decision-making processes.
81. The ETR concurs with alignment of the backstopping missions with Project milestones so it is disappointing to note that only one backstopping mission coincided with a PSC meeting. More frequent alignment could have been beneficial, particularly if the backstopping was not simply of a technical nature.
82. The MTR noted that future technical assistance should reflect that:
- Project management skills are central to performance;
  - Technical skills should be balanced by management skills even to the point of justifying that the key technical staff have more of a management profile than a precise technical one; specialised skills should be procured as a complement to key management skills;
  - Contracts should include clear and transparent monitoring mechanisms. Even if the payment mode is lump sum, with timesheets to verify actual inputs, and payment should be linked at least partially to delivery of outputs; and
  - Backstopping does not replace adequate day-to-day monitoring.
83. The ETR entirely concurs with the above reflection.
84. The Project was designed to be hosted at CCD though had not considered a consistent institutional strengthening approach, and there needed to be a balancing of other institutional involvement, as the initial formulation had proposed. There was a lack of a consistent approach towards strengthening of CCD. The MTR noted lack of capacities and availability of CCD staff to participate more actively threatening its sustainability. Indeed, in reviewing the actions required and actions achieved, documented in the backstopping reports, CCD appeared singularly unable to effect its designated actions.
85. The ETR naturally agrees with the above and notes a serious mis-match in the aspirations of the *Formulation*, *TFF* and *Specifications* with regard both to institutional strengthening and sustainability of Project benefits. It was a Project design flaw that assumed that some CCD institutional strengthening would result when taking trainees nominally from outside CCD. That three trainees now reside within CCD is due more to good luck than design since two of those trainees only came into the Project because two others had left prematurely.
86. Having said that, the *Formulation*, *TFF* and *Specifications* clearly articulated that the trainees should become “CDM consultants” and therefore be able to continue to develop CDM projects after the Project. For that to happen, the trainees should be existing consultants and be attending the training to acquire new skills (the *Formulation*, *TFF* and *Specifications* certainly give the impression that was the intention) or that trainees would be given specific consultant training.
87. In both cases it is hard to see how this would benefit CCD. On the one hand, the existing consultants suitably attired with new skills would revert to their original consultancy practices (good for the country, though not for CCD) or, on the other, the trainees suitably trained would join CCD which would remove them from being “consultants”.



## 4 Implementation and Achievements

### 4.1 Result 1

88. From the *Specifications*, the Expected Result 1 was that the capacity of the main stakeholders on CDM project formulation would be strengthened. To that end, four Activities were envisaged and are indicated in the table below, together with the MTR appreciation of their adequacy of formulation:

Activity	Adequacy of Activity Formulation
1. Support capacity building on all stages of the CDM project cycle in the CCU, UIA, financial institutions and at project proponents and Ugandan CDM consultants through contracting of business oriented managerial/financial ITA	<u>Partly adequate</u> This activity has translated into only one specific output which are the workshops. There is no specification of the actual strengthening to be provided to CCU, UIA and other stakeholders
2. Support program management and all stages of CDM project development through own and short term inputs as well as managing other consultancy services provided by the Project	<u>Partly adequate</u> If it refers to the BTC project management (and the progress reports refer to it) it should not be an activity in the logframe; if it refers to support to the CDM project cycle it should specify the target group; the "CDM Hub" concept developed by the team might be mentioned here. In any case the Project has been reporting on the same process under this activity and under 3.2 so that this activity in its formulation is redundant
3. Create <i>de facto</i> CDM "School" through capacity development of Ugandan experts to be involved in drafting of PINs and PDDs and participating in ERPA negotiations and a potential for expanding activities to other East African countries as potential market	<u>Adequate</u> The CDM "school" is a key activity. The link with the support to CDM project cycle in Result 3 is not explicit in the logframe.
4. Include monitoring capacity development for existing and new CDM projects in Uganda to increase CER value and enhance subsidy basis for developed experts over/beyond PDD writing and create confidence among buyers that monitoring will be according to requirements	This should address the area of coordination with other projects in the Climate Change/ Carbon subsector and might have been better formulated

89. The MTR noted that the activities under this Result area have progressed rather poorly (partial progress for Activities 1 and 3. Other activities have been largely delayed: Studies (2) and monitoring capacity development (4). The lack of any milestone for progress is stressed in the 2012 report, with "N.A." indicated as target for the year under each activity. Thus progress is only assessed in reports with regard to the final target.

90. On a relatively minor note, the ETR notes that in Activity (4, above) description when referring to: "*Include monitoring capacity development for existing and new CDM projects in Uganda to increase CER value...*" refers to "*...enhancing subsidy basis for the Ugandan CDM consultants, who have received capacity building...*". The Project Team was unclear on the meaning, yet this phrase had gone through a tender process, an award of contract by BTC, many progress and backstopping reports, been exposed to meetings of the PSC, JTF and others.

Activity	Progress by the time of the MTR
1. Support capacity building on all stages of the CDM project cycle in the CCU, UIA, financial institutions and at project proponents and Ugandan CDM consultants through contracting of business oriented managerial/financial ITA	<ul style="list-style-type: none"> <li>• One workshop (two-day training workshop 14-15 November 2012) feedback positive</li> <li>• Second workshop postponed by BTC due to late planning</li> <li>• Two or three to be planned</li> <li>• No CDM-Hub Associates as yet; each selected project developer will elect a representative</li> </ul>
2. Support programme management and all stages of CDM project development through own and short term inputs as well as managing other consultancy services provided by the Project	<ul style="list-style-type: none"> <li>• All outputs delayed to 2013</li> <li>• Screening Report on CDM in Uganda (began in 2011; in draft by June 2013)</li> <li>• Short Term Consultancy on "Legal Aspects of PoA Participation Agreements" completed in March 2013 to support the PoA based project approved for UECCC.</li> </ul>

Activity	Progress by the time of the MTR
3. Create <i>de facto</i> CDM "School" through capacity development of Ugandan experts to be involved in drafting of PINs and PDDs and participating in ERPA negotiations and a potential for expanding activities to other East African countries as potential market	<ul style="list-style-type: none"> <li>• Six trainees were selected after a call for applications was launched by BTC in April 2012 and received 186 applications</li> <li>• In June applicants were selected and started integrating in Project in September</li> <li>• Training has been ongoing since but limited hands-on training</li> <li>• Trainees have participated in project visits, prepared drafts PINs, reviewed methodologies, participated in World Bank e-training and received training on Standardised Baselines (UNDP)</li> </ul>
4. Include monitoring capacity development for existing and new CDM projects in Uganda to increase CER value and enhance subsidy basis for developed experts over/beyond PDD writing and create confidence among buyers that monitoring will be according to requirements	All outputs have been delayed until the CDM projects cycle starts.

## Final Achievements

91. Following the recommendations of the MTR, the logframe was revised. The revised logframe was used to judge the final achievements. From the *Draft Final Report* of the Project, the following are the final results achieved or about to be achieved for Result 1.

Indicators	Targets
CCD staff able to promote CDM in Uganda and provide necessary information to the public	<ul style="list-style-type: none"> <li>• CCD start to provide information on the following:</li> <li>• CDM opportunities,</li> <li>• Eligibility criteria for obtaining LoA, Sustainability criteria template</li> <li>• Information to assist CDM project development process e.g. GEF</li> <li>• Second National Communication</li> <li>• Screening Report on CDM opportunities</li> </ul>
Public, private and civil society stakeholders engaged in identification of potential CDM projects Public, private and civil society stakeholders engaged in drafting PINs, PDDs, ERPAs and monitoring reports.	<ul style="list-style-type: none"> <li>• UIA able to provide adequate information and linkages to potential investors on carbon market opportunities</li> <li>• Other relevant institutional staff able to promote CDM</li> <li>• At least five Ugandan experts adequately trained in CDM project cycle including –ERPA negotiations, PDD/PIN writing and ERPA negotiations through theoretical training and involvement in support to beneficiary CDM projects (Result 3)</li> <li>• At least five training courses for CDM stakeholders</li> <li>• At least two CDM Hub Associates trained in CDM project cycle and project development</li> </ul>
<b>FINAL ACHIEVEMENT</b>	
<p>CCD staff are now able to promote CDM in Uganda and provide necessary information to the public, much of it available on the web site</p> <p>The current CDM Technical Advisor at the UIA is a former trainee of the CDM School and is sufficiently knowledgeable to assist UIA to achieve this objective. This should help UIA improve its capacity to promote CDM and provide the relevant information to potential investors</p> <p>The building of CDM capacity of key institutions including CCD, UIA, MAAIF and NEMA has been further accomplished via workshops, tailored to the needs of the given stakeholder e.g. UIA and NEMA. Further, staff from these institutions were supported to attend international events such as Africa Carbon Forum (2013/2014, 2015), Carbon Expo (2013, 2014) and the COP 20 and COP 21 (planned)</p> <p>Trainees were trained in drafting of PINs. 14 PINs were completed. Each trainee wrote at least one PIN. Also trainees who left prematurely were already trained in PIN writing. In addition the trainees were involved in PDD writing and received formal training in the preparation of ERPAs and the key legal aspects of ERPA negotiations. Trainees were involved in DOE sourcing, validation, verification exercise and more recently post-registration changes</p> <p>Trainees also had the opportunity to gain hands-on experience on Gold Standard Procedures by supporting the verification of the UpEnergy project and attending Gold Standard workshops</p> <p>Nine CDM training and dissemination workshops for stakeholders were conducted</p> <p>Supported projects included those in energy efficiency, waste (solid and wastewater), and agricultural efficiency. Actual projects supported included: cook stoves, hydro, water purification, wastewater and solid waste methane recovery/avoidance and methane avoidance from animal husbandry</p> <p>Six CDM Hub Associates underwent training during their supported projects: NEMA (two persons) NWSC (one person) Whave (one person) UECCC (one person) UpEnergy (one person) and Hydromax (one person)</p>	

## Lessons Learned

92. The ETR agrees that CCD staff members are now able to promote CDM in Uganda and provide necessary information to the public. However these staff are not in position to be CDM consultants (as was originally envisaged) since their current jobs are not conducive to that. Also, they have not received the appropriate training.

### Key Lesson: Ensure that institutional strengthening is actively planned

93. Whilst there is more information on the web site, it is clear that the web site requires updating and despite several persons being trained in CCD to be able to update the web site, the site is not up to date (at the time of the ETR).

### Key Lesson: Ensure that web sites are updated

94. Whilst CDM Hub Associates underwent training during their supported projects the concept of the "Hub" was that there should be some concerted effort to facilitate the associates to engage with each other, other than by chance association at external events. There seemed to be little formal, systematic networking between project developers to share their practice.

### Key Lesson: Ensure that concepts are thoroughly thought through and implemented

95. The ETR considers that **Result 1 has a good outcome** though its sustainability as originally envisaged is less certain.

## 4.2 Result 2

96. From the *Specifications*, the Expected Result 2 was that accessibility and quality of information on CDM possibilities and procedures in Uganda would be improved. The MTR considered that this result area was largely adequate.

Activity	Adequacy of Activity Formulation
1. Establish web site on the Designated National Authority as a sub page of the website of the Ministry of Water and Environment with state-of-the-art front [sic] page and links	<u>Adequate</u>
2. Describe and upload information on national institutional setup, procedures and eligibility criteria for issuing of Letters of No Objection and Letters of Approval to inform buyers and project developers	<u>Adequate</u>
3. Uploading Second National Communication of Uganda to the UNFCCC on emissions of greenhouse gases to supplement the present communication which is based on figures	<u>Adequate</u> Not dependent on the Project
4. Uploading of Screening Report on CDM potential in Uganda	<u>Adequate</u>
5. Uploading of latest GEF for the Ugandan National Power Grid	<u>Adequate</u>
6. Support participation by project staff, CCU staff and UIA staff in Carbon Expo and/or other international carbon market exhibitions/conferences with a national stand for Uganda	<u>Adequate</u>

97. The MTR considered that this Result area demonstrated the best overall progress. The CCU web site had been upgraded by a specialised company and is operating. So far only general information on CDM has been uploaded, as the specific outputs to be produced by the Project (e.g. *Screening Report*, standardised baseline, etc) or by other stakeholders (2<sup>nd</sup> *National Communication*) were still in process.

Activity	Progress by the time of the MTR
1. Establish web site on the Designated National Authority as a sub page of the website of the Ministry of Water and Environment with state-of-the-art front page and links	<ul style="list-style-type: none"> <li>Contract awarded in March 2012 to upgrade the web site and optimise with domain name transfer, improved compatibility, links, blog function etc.</li> <li>There were difficulties in gathering the information to upload on the web site which has brief presentations on mitigation, adaptation, outreach, a detailed presentation on CDM project cycle and procedures, presentation of CDM and other projects, and a few publications and information on events</li> <li>Training of 10 CCU and project staff was carried out during three days on how to publish, upload and or maintain the web site</li> <li>ToRs for further support for email hosting, web site hosting and maintenance advertised</li> </ul>
2. Describe and upload information on national institutional setup, procedures and eligibility criteria for issuing of Letters of No Objection and Letters of Approval to inform buyers and project developers	<ul style="list-style-type: none"> <li>Existing procedures have been uploaded on the web site</li> <li>Initially planned activity to adapt these procedures has been halted as CCU is working with the South African DNA with support from GIZ to improve DNA procedures and performance</li> </ul>
3. Uploading Second National Communication of Uganda to the UNFCCC on emissions of greenhouse gases to supplement the present communication which is based on figures	Delayed to 2014
4. Uploading of Screening Report on CDM potential in Uganda	Draft report only recently completed after delays reported since inception in 2011
5. Uploading of latest GEF for the Ugandan National Power Grid	Study awarded in February 2013 and ongoing, awaiting validation
6. Support participation by project staff, CCU staff and UIA staff in Carbon Expo and/or other international carbon market exhibitions/conferences with a national stand for Uganda.	<ul style="list-style-type: none"> <li>One CCU staff supported to participate in Carbon Expo (Barcelona) and the African Carbon Forum (Abidjan)</li> <li>Some trainees will also attend/ have attended</li> </ul>

## Final Achievements

98. Following the recommendations of the MTR the logframe was revised. The revised logframe was used to judge the final achievements. From the *Draft Final Report* of the Project, the following are the final results achieved or about to be achieved for Result 2.

Indicators	Targets
Web site established with uptime above 90% Website used (number of hits)	A functional CCD website established, with at least 90% up time and with an increasing number of visits (hits)
Key Information readily available on the CCD website, and easy to access	Key information uploaded including: <ul style="list-style-type: none"> <li>Screening Report of potential projects in Uganda</li> <li>LoA/LNO eligibility criteria</li> <li>DNA sustainable development criteria</li> <li>Updated GEF for Uganda</li> <li>Procedures for LoA/LNO application</li> <li>Second National Communication</li> <li>Standardised baselines developed</li> </ul>
Staff able to design, update and maintain a website	Website actively used by CCD to link stakeholders and to promote CDM and other carbon finance alternatives
Interested stakeholders use website to communicate	Interested stakeholders have a provision on the CCD website to communicate or make inquiries, etc
Website positively evaluated during ATR [sic]	
<b>FINAL ACHIEVEMENT</b>	
<p>Hits were monitored periodically in order to monitor the improvement in the web site visits  There was improvement in the quality and quantity of information available on the CCD web site. Information includes:</p> <ul style="list-style-type: none"> <li>LoA/LNO eligibility criteria</li> <li>DNA sustainable development criteria</li> <li>Updated GEF Factor for Uganda Report</li> <li>Procedures for LoA/LNO application</li> <li>Screening Report</li> </ul> <p>Still limited website activity by CCD  Facility provided though communication through the web site is still very limited</p>	

## Lessons Learned

99. Whilst there is more information on the web site, it is clear that the web site requires updating and despite several being trained to be able to update the web site, the site is not up to date.

### Key Lesson: Ensure that web site is updated

100. The ETR considers that **Result 2 has a good outcome** though this will degrade rapidly unless the web site is actively maintained with interesting and current content.

## 4.3 Result 3

101. From the *Specifications*, the Expected Result 3 was that the process for registration by the UNFCCC CDM Executive Board of Ugandan CDM projects has been supported. The MTR noted that this Result area concentrates on the direct support to the CDM proposals. Activity 3.4 is the core one; its formulation is unclear and redundant with activity 1.2. Since the corresponding budget is under this result, it makes sense to concentrate CDM support under this result.

Activity	Adequacy of Activity Formulation
1. Screening Report on CDM potential in Uganda	<u>Adequate</u> The question is, why was this report not identified as the prime source for identification of potential projects to be supported as envisioned in the formulation?
2. Develop a national GEF for the Ugandan national power grid.	<u>Adequate</u>
3. Establish funding mechanism for CDM project support (capacity issues, all stages of transaction + other capacity)	<u>Partly adequate</u>
4. Funding of all steps of CDM project development (PIN, PDD, validation, support to ERPA negotiations and monitoring)	<u>Partly adequate</u> If what is referred to is funding the proposals directly supported by, as is the case according to reports in this activity, then the formulation creates confusion with the previous one and should be clarified It is not necessary to have two activities if 3 and 4 the same

102. The MTR considered that this Result area showed progress on activities 1, 2 and 4. The core activity 3 (CDM project) has been facing accumulating delays since the start-up of the project selection process in April 2012. Most MoUs to start the projects have only been signed at the time of the MTR in June 2013.

Activity	Progress by the time of the MTR
1. Screening Report on CDM potential in Uganda	Final draft report only recently completed [sic] after delays reported updating of successive draft since inception in 2011
2. Develop a national GEF for the Ugandan national power grid.	The study was awarded by tender in February 2013 and ongoing. Validation planned for Q 2 2013 now to be delayed.
3. Establish funding mechanism for CDM project support (capacity issues, all stages of transaction + other capacity)	A consultant will be contracted to develop a financing mechanism for CDM project support
4. Funding of all steps of CDM project development (PIN, PDD, validation, support to ERPA negotiations and monitoring)	<ul style="list-style-type: none"> <li>• First Call selection in April 2012 identified three potential projects, no decision taken until October PSC meeting.</li> <li>• Second Call launched on 21 December 2012, with a proactive approach of identification prescribed by PSC</li> <li>• Project Selection Committee consisting of CCU, BTC and UIA reviewed proposals in March 2013</li> <li>• Eight projects selected including re-submissions of two projects from 1<sup>st</sup> Call</li> <li>• Protracted discussions (3 months) on the format of MoU and its submission to BTC HQ legal department (made difficult because contrary to a normal MoU, transfer of funds to the applicants had been planned), all MoUs have been finalised and one has been signed by BTC during the MTR</li> </ul>

## Final Achievements

103. Following the recommendations of the MTR the logframe was revised. The revised logframe was used to judge the final achievements. From the *Draft Final Report* of the Project, the following are the final results achieved or about to be achieved for Result 3.

Indicators	Targets
<ul style="list-style-type: none"> <li>• A number of potential CDM projects in Uganda identified</li> <li>• Number of PINs, PDDs, ERPAs on CDM projects supported</li> <li>• Number of CDM projects registered</li> <li>• Number of ERPAs signed with buyers</li> <li>• Number of monitoring reports verified by DOEs</li> <li>• Number of Certified Emission Reductions (CER) issued</li> <li>• Number of projects that have received financial advisory services from the project</li> <li>• Updated National GEF Standardised baselines developed under the Project.</li> </ul>	<p>At least 8 potential CDM projects in Uganda supported by the project, involving consultants of the "CDM School" working on different stages of CDM project development, up to registration and ERPA negotiation stages.</p> <p>The supported projects should be at various stages including:</p> <ul style="list-style-type: none"> <li>• 20 projects identified and 15 PINs developed</li> <li>• At least two feasibility studies conducted and reports prepared</li> <li>• At least one methodology development supported</li> <li>• Six PDDs of Project activities prepared</li> <li>• Six Project activities validated or included</li> <li>• At least two projects supported in monitoring, including one PoA.</li> <li>• At least two projects to be supported in ERPAs.</li> <li>• At least two projects supported</li> </ul> <p>National GEF factor updated by Q 4 2013 Standardised baselines (SB) developed for three sub sectors Development of a funding mechanism for CDM project support</p>
FINAL ACHIEVEMENT	
<ul style="list-style-type: none"> <li>• KJS Ltd (PIN)</li> <li>• MoICT (PIN)</li> <li>• Eco Stoves (PIN)</li> <li>• NWSC (registration)</li> <li>• Whave (registration)</li> </ul>	<ul style="list-style-type: none"> <li>• Nutrimix (registration)</li> <li>• NEMA (inclusion)</li> <li>• UpEnergy CDM (inclusion)</li> <li>• UpEnergy GS (verification)</li> <li>• Hydromax (verification)</li> </ul>
<ul style="list-style-type: none"> <li>• 14 PINs or Quick Assessments (QAs) were prepared.</li> <li>• Seven PDDs were developed including one PDD for NWSC project for validation, three CPA-DDs for the NEMA project sites for inclusion into the PoA and one PoA-DD for Whave together with its CPA-DD for validation. Also prepared was one PoA-DD and one CPA-DDs for the Nutrimix PoA.</li> <li>• Due to the erosion of the CER prices on the carbon market, currently averaging at € 0.4, and less than € 0.5 for the whole of 2013, ERPAs were not an attractive venture. However, a manual was produced on CER commercialization to help Project developers identify premium CER buyers, which is considered more beneficial given the prevailing market conditions</li> <li>• Three validations (Whave, NWSC and Nutrimix) and two inclusions involving four CPAs were completed successfully</li> <li>• Two PoAs were supported in monitoring including NEMA, Up Energy (GS) cook stoves PoA</li> <li>• Two projects received financial advisory services (Nutrimix and Eco-Group Ltd) provided at their request</li> <li>• The update of the Uganda GEF and its Validation were completed and the GEF SBL was approved by the CDM EB and published on the UNFCCC web site</li> <li>• The methane recovery from waste water SBL tender has had the first two phases completed i.e. inception and feasibility. Draft SBL forms are ready and DOE for assessment of the SBL is under evaluation</li> <li>• A consultancy was successfully executed with a dissemination workshop and a stakeholder consultation workshop concerning the development of a funding mechanism for CDM project support</li> </ul>	

## Lessons Learned

104. The ETR agrees that the Results area 3 has been successful following the re-planning recommended by the MTR. The process of setting up the work with the project developers seems to have been unnecessarily tortuous though, and the delays experienced need not have occurred.

**Key Lesson: Think critically about institutional inertia and be intolerant to unnecessary time wasting**

105. The ETR considers that **Result 3 has a good outcome** though its sustainability as originally envisaged is less certain since there are no effective CDM consultants in the marketplace.

**Key Lesson: Build into the project design a clear strategy for sustainability**



## 5 Generic Evaluation

### 5.1 Basic Criteria

106. The evaluation matrix was constructed in accordance with the ToR with the key elements for review being relevance, effectiveness, efficiency, sustainability and impact. The matrix, expanded from the ToR, is attached as Annex 4. The extent to which the questions have been answered allows a general assessment of the strengths, weaknesses, opportunities and threats to project delivery which have then been evaluated in terms of lessons learned and a way forward in the form of recommendations

#### 5.1.1 Relevance

107. Relevance assesses the extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors.

##### ***Relevance to the problems, needs and priorities of target beneficiaries***

108. The rationale behind the CDM is that emission reductions would be achievable at a lower cost in developing countries and that a market mechanism based on individual projects monitored by a UN institution and governed by the Meeting of the Parties would create a global market for carbon credits with the developing countries benefiting through transfer of technology and the developed countries benefiting from complying with their commitments at a lower price per ton CO<sub>2</sub>-e.

109. However, the most developed economies among the developing countries such as countries of south east Asia, China and India have attracted 80 % of all CDM projects, while Africa counts for only 2.5 %. By the time of project formulation, Uganda accounted for two registered CDM projects out of a total of 2000+ projects.

110. Capacity building, particularly in developing countries, has been recognised as a key element for effective implementation of the UNFCCC and its Kyoto Protocol and has been a standing agenda of the CoP to the UNFCCC as well as the subsidiary body for implementation.

111. Uganda has fulfilled the mandatory obligations/roles for participating in CDM: (i) signing the Kyoto Protocol (ii) Establishing the DNA and (iii) Issue LoAs that a given project meets the national sustainability criteria. However, GoU still has challenges with regard to the voluntary roles in the CDM development process in order to enable project owners to sell CDM credits.

Key among these challenges are:

- Providing on-line transparent information on procedures and eligibility criteria for issuing LoAs to sellers and buyers;
- Lack of guidelines for preparing a PIN and yet PINs are important for stimulating buyers' interest in a CDM project;
- Limited capacity to facilitate and promote development of CDM project proposals;
- Limited capacity to facilitate project financing of CDM projects that call for the need to develop mechanisms for identifying innovative financing sources;
- Potential project developers generally lack the resources to support the CDM process including resources for PIN, PDD, Validation, Registration and Monitoring;
- Providing on-line information on CDM project opportunities in Uganda to interested buyers;
- Developing an on-line GEF for the national grid to facilitate attraction of interest from potential buyers;
- Limited awareness among potential CDM project developers; and
- Promoting "a window to the world" for project developers in international relations through participation in CDM-related events such as Carbon Expo, Africa Carbon Forum and CoP meetings.

112. On the other hand, most of the potential project developers in Uganda have not yet adequately played their roles in terms of:

- Identification of project ideas;
- Undertaking feasibility studies;
- Financing potential projects;
- Attracting CDM financing where a project is eligible for CDM trading; or
- Undertaking CDM project documentation following the entire CDM project cycle.

113. The Project was to strengthen the capacity of Ugandan public and private entities in identifying, developing and implementing Clean Development Mechanism (CDM) projects and/or CDM Programme of Activities (PoA) that will contribute to enhanced sustainability of economic development of Uganda. The Project was to include capacity building in terms of hands-on training in all stages of CDM project development.

***Relevance of CDM project to environment and sustainable development objectives***

114. Uganda's development objectives are articulated in the *National Development Plan (2010/11 – 2014/15)*. The plan recognises that sustainable economic and social development of Uganda largely depends on exploitation of its environmental and natural resources, including climate. The NDP also identifies that one of the constraints to the performance of the Climate Change Sector is the critical shortage of requisite expertise.

115. The plan lists key objectives, strategies and interventions under the climate change sector among them:

- Develop national capacity for coordination and implementation of climate change adaptation and mitigation activities in support of social welfare and national development through addressing legal and institutional frameworks necessary for the implementation of the UNFCCC;
- Promote low carbon economic development path by providing and promoting incentives for clean development including intensifying public education on the role of emissions in global warming and building capacity of private sector to effectively participate in CDM initiatives; and
- Meet Uganda's international obligations by implementing climate change agreements as well as participating in climate change fora.

116. The Uganda *Vision 2040* is conceptualised around strengthening the fundamentals of the economy to harness the abundant opportunities around the country. The National Vision Statement is "*A transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years*".

117. The National Climate Change Policy (NCCP) was approved by the National Environment Policy Committee, and provides a framework for harmonised and coordinated approach towards a climate resilient and sustainable low carbon development plan for the country. The overarching objective of the policy is to ensure that all stakeholders address climate change impacts and their causes through appropriate measures, while promoting sustainable development and a green economy. In line with the CDM project, the NCCP is set to identify and promote mitigation policy responses.

118. Although the carbon market has almost crashed, with prices going below EUR 1, CDM capacity building remains relevant as it provides the necessary skills to address any carbon offset scheme which is likely to be based on similar Monitoring, Reporting and Verification (MRV) principles.

***Relevancy of the CDM project to donor priorities and policies***

119. The Kyoto Protocol strengthens commitments of developed countries parties. Developed countries, which have ratified the Kyoto Protocol, are committed to reduce their GHG emissions by 5.2% on average below the 1990 level by 2012.



120. The Kyoto Protocol, following the ratification of Russia, entered into force on 16 February 2005 and is therefore binding to parties. The Kyoto Protocol defined three mechanisms. The Clean Development Mechanisms (CDM) is one of the mechanisms that was defined to assist developed country parties to comply with their Kyoto Protocol targets. The CDM is now regarded as an instrument of cooperation between developed and developing country parties, which promotes environmental protection and sustainable development in host developing countries. The CDM is viewed as a win-win instrument because of its benefits to both developed and developing country parties.

The Project is assessed as **Relevant**

**Justification:** Although the carbon market has almost crashed, with prices going below EUR 1 the CDM capacity building remains relevant as it provides the necessary skills to address any carbon offset scheme (e.g. NAMAs and INDCs) which is likely to be based on similar Monitoring, Reporting and Verification principles

### 5.1.2 Efficiency

121. The efficiency of the project was assessed by the MTR as highly problematic. The three key issues of concern at that time of the MTR were the delay in the start of the hands-on training programme by nine months affecting the actual support to projects; delay in offering technical and financial support to CDM projects; and delay in implementation of all the short-term consultancies of the Project.

122. The ETR agrees that project implementation was very slow up to mid-term (2013) which affected the timely delivery of outputs and project expenditure and has led to Project extension to November 2015. Significant delays in implementation of Project activities have pushed many expected results/impacts into the final stages of the Project. For example, the first potential CDM projects were expected to be identified within three months from Project start. However, the *1<sup>st</sup> Call for Proposals* was not issued until April 2012 six months after Project start (24 October, 2011). At the end of 2012, only six projects had signed memoranda of understanding (MoU) for technical and financial support from the Project.

123. Recruitment of young professionals (trainees) to work alongside CAMCO to become experienced as CDM developers on actual CDM projects from different sectors and at different stages of development was a good strategy. However, the recruitment of trainees was delayed and the actual hands-on training did not begin until 2013 due to the delayed signing of the MoUs with the CDM project developers and other matters related to enrolling the trainees into the Project. Actually, only three of the five trainees that completed the training and were awarded certificates attended all two years of the training duration. It is difficult to say that the remaining two trainees achieved the same level of acquaintance with the different aspects of CDM development processes. A number of trainees left before completion of the course.

124. The ETR understands that although it was anticipated that trainees were meant to sign a bonding agreement with MWE, after receiving the offer, this was never done. Provided trainees gave a month's notice they were allowed to leave (although one simply left).

125. Interestingly, the first tranche of trainees was enrolled on a CDM e-course organised by the World Bank. The course started at the beginning of October and ended 28 October 2012. Apparently, trainees were required to pass the course and obtain a certificate. Yet, subsequent trainees who were also awarded the end-of training Project certificate (June 2015) did not have to attend the e-course (indeed could not) in order to be awarded the overall Project certificate. This provides further evidence of the somewhat serendipitous nature of the earlier part of the training programme.

126. Even the end-of-Project "certificate" merely says "attended" with no indication of level attained or competences acquired, after two years of training in some cases.

127. Among other operational reasons, the delays are attributed to the design of the Project. For example the Project provides for the presence of the ITA during 29 months over a 38 months project period though not on a permanent basis, yet does not put in controls to ensure that the ITA support is implemented in an efficient manner.
128. At the start, the Project lacked a project administrator who could handle the administrative and finance issues of the Project causing delays in procurement and other administrative activities. The Finance and Administration Manual that was meant to provide the basic administrative, procurement, financial and institutional planning framework for activities undertaken by the national BTC staff and CDM trainees of the Project was only ready in April 2013.
129. With the changes arising out of the MTR recommendations that saw the coming into existence of the Joint Task Force (JTF) the Project has made substantial progress since then. Notably, the Project managed to have three MoUs with CDM project developers (Nutrimix: Baseline survey support; UpEnergy: Monitoring Support and Hydromax: Verification support) signed, very quickly, in one month, from the notification of the award.
130. To date, six Ugandan CDM PoA appear on the [www.unfccc.int](http://www.unfccc.int) as registered CDM projects including those that have been supported by the Project (Whave Solutions Ltd PoA, three NEMA CPAs, and UpEnergy CDM CPA) two NWSC projects of which one has been included while the other has been submitted for registration. The Nutrimix Animal Feeds PoA is under validation.
131. Overall, a lack of a rigorously-defined contract with clear deliverables and milestones that could be monitored and enforced by BTC and CCD, for CAMCO has substantially contributed to the implementation inefficiencies of the Project.

***Partners' contribution and involvement***

132. Involvement of stakeholders in CDM project design appears comprehensive such that the Project supports Uganda in benefitting from CDM. The Project is housed within the Climate Change Department. The MWE is the chair of the Project Steering Committee. The Head of CCD, the UNFCCC Focal Person is also the Project focal point. The Project team comprising the NTA (and assistant) the trainers, Finance and Administrative Assistant and two project officers all sit in CCD.
133. Although the *TFF* specifies that GoU will contribute in kind to the Project including that key personal will be participating in the implementation of the Project, CCD noted that they did not have full control over the Project. The Department considered that it should have had a contract to supervise the contracted company that was in charge of the technical aspects of the Project.
134. The MWE has played a substantial role as far as issuing LoAs that projects meets the national sustainability criteria. There are seven PoAs registered with the UNFCCC CDM Executive Board since 2010, to date. These include:
- Uganda Municipal Waste Compost Programme by NEMA registered 12 April 2010;
  - PoA for the reduction of emissions from non-renewable fuel from cooking at household level for 21 countries including Uganda registered 30 November 2012;
  - International Water Purification Programme for 14 countries including Uganda registered November 2012;
  - Improved Cook Stoves for East Africa registered 17 August 2012;
  - Impact Carbon Global Safe Water PoA registered 1 May 2014;
  - Up Energy Improved Cook Stove Programme, Uganda registered 22 July 2014; and
  - Secure Safe Water in Developing Countries registered 19 December 2014.
135. MWE provided the training facility for the CDM project trainees in form of a boardroom for six trainees at a time, with tables and chairs. Although the location of the training facility should mean that trainees would take advantage of the CCD staff to interact and share

experience and issues arising, this was never the case. There was no interaction of the trainees with CCD staff even when trainees had issues with the trainers.

136. As a result of an MTR recommendation, MWE provided a focal person as part of the Joint Task Force of the Project to fast-track Project activities, follow up on responsibilities and set targets. It is at this point that CCD felt it was contributing to the implementation of the Project.

***Efficiency of execution modalities***

137. The Project is implemented under "BTC management" (in Belgian cooperation terms called "Régie") with BTC taking full responsibility for the management of Project funds. Technically the Project is implemented by CCD and CAMCO. The MTR considered that some of delay in Project implementation was due to the BTC procurement process that seems to be long and bureaucratic.
138. The MTR noted that project management and organisation set up was inadequate for effective performance due to insufficient definition of roles in a management structure that was by design, a joint endeavour.
139. It was expected during Project design that the ITA and the Coordinator of the CCD were to form the project management team and project management decisions would be taken in consensus.
140. However, there was no mechanism embedded in the *TFF* to ensure that this was achieved in practical terms. CCD participation was mainly at PSC level and not on the day-to-day implementation of the Project. It is not surprising therefore that CCD considered that they had little or no control on project implementation. Indeed it is only after the institution of the JTF that CCD appears to be taking part in the decision-making process of Project implementation.
141. It is not clear to the ETR to what extent BTC and MWE-CCD regularly communicated to avoid potential misunderstandings and to solve issues that were arising during Project implementation.

Efficiency is rated: ***Problems***

**Justification:** The project has had issues of delay in the execution of activities caused in part by unclear roles and responsibilities that led to institutional inertia. Significant delays in implementation of project activities have pushed many expected results/impacts into the final stages of the Project.

### 5.1.3 Effectiveness

***Progress towards overall intervention outcome***

142. The Project was intended to strengthen the capacity of the main stakeholders on CDM project formulation; improve accessibility and quality of information on CDM possibilities and procedures in Uganda and support the process for registration, by the UNFCCC CDM EB, of Ugandan CDM projects.
143. The *TFF* indicates that the success of the interventions under the Project relies completely on the ability of the Project to identify potential CDM projects in Uganda and have them taken through the CDM cycle, so that they would mature into registered CDM projects having CERs issued.
144. In terms of progress towards the overall intervention outcome, "*To strengthen technical capacity on CDM project formulation and create awareness of investment opportunities under the CDM among governmental institutions, project developers, including financing institutions*", real CDM projects at different stages of development were enlisted to receive technical and financial support from the project through call for proposals.

145. CDM trainees worked with CDM developers and benefited from hands-on training experience in CDM development processes.
146. Information on procedures and eligibility criteria on CDM is established on the CCD web site. The web site is operational and receives a registered number of visitors. The ETR notes that accessibility and quality of information on CDM possibilities and procedures in Uganda has improved.
147. Potential CDM project developers have been supported along the CDM project cycle to have the projects registered. A total of 11 projects have been supported.
148. The support (technical/ financial) provided varied according to what stage a project was at in the CDM project cycle. The support included developing PIN, PDDs, CPA inclusion, payment for validation and verification/ auditing. The trainees through the hand-on approach together with trainers provided much of the technical support.
149. A number of stakeholder capacity-building workshops (9) were held between 2013-2015 geared towards promoting development of CDM project proposals in Uganda and increase awareness on CDM among potential CDM developers were organised.
150. Project developers whose projects are supported by the Project appreciated the support provided, especially for those who had difficulty in finding resources to undertake the activities. For example, Up Energy had failed to get resources to undertake verification, CPA inclusion and validation citing that the project was not financially viable. The Project supported verification for issuance of VERs and inclusion of 2nd CPA into the PoA. The trainees assisted UpEnergy in obtaining the LoA.
151. Out of the 186 applicants for the CDM project training, the Project trained and issued certificates to five trainees although a number of trainees did not complete the training due to various reasons. It is the opinion of the Project team that the knowledge and skills gained by the two of three trainees who left prior to completion cannot be under-estimated.
152. The ETR established that of the trainees who went through the “CDM School” all are involved in climate change related activities. Two are currently project officers on the BTC-CDM project though their contracts are ending end of July 2015. MWE-CCD had indicated that they will be taken on under contract arrangement until they are submitted to the Public Service Commission for consideration on a long term basis. One trainee is working with the UIA in charge of the CDM programme supported by GIZ. Another trainee has been recruited by CCD in charge of the GHG inventory. The fifth, who left the training early, is a climate change advisor on another donor project.
153. Trainees were attached to the CDM projects in order to gain practical skills in CDM project development cycle. Trainees indeed appreciate the value added through the hands-on training on real projects in the CDM development process.
154. The *Specifications* outlines the capacity gaps/needs at government level though failed to bring the need for capacity building among the CCD staff (especially those in charge of mitigation activities) in the CDM project development process. It is not surprising that at some stage CCD felt the need for their staff to be part of training which was brought to attention of BTC and the PSC. It was then that one CCD staff was recommended for training.
155. The MTR considered that the trainees’ profiles were adequate in terms of their background and motivation and the trainees are confident that they have gained required knowledge and skills in the CDM development process. However, it is the feeling of the ETR that the Project could have trained more people in the four years of the Project life time mainly from government institutions that support key sectors relevant for CDM development, such as Energy, Works and Transport, Water and Environment, Agriculture, Investment and the Uganda Electricity Company. In addition, the profiles do not match the aspiration of the original formulation for CDM consultants.

156. It is difficult to establish the extent to which the implementation process is “owned” by the MWE (CCD) and assisted by technical assistance (international and national) as proposed in the *Specifications*, since during most part of Project implementation, CCD felt that they had no control over the Project. However, some modest “ownership” of the implementation process can be seen through the submission to and approval of the annual work plans by the PSC.
157. In terms of planning, a participatory planning process where relevant ministries and institutions participate in the Project planning was anticipated at Project design. However, for the most part of Project implementation (prior to MTR), planning was undertaken by CAMCO alone, led by the ITA. Annual work plans and budgets were then submitted to and approved by the PSC. CCD participation was limited to the PSC level.
158. Although the *Specifications* recommended Project implementation through a highly collaborative arrangement involving all relevant staff members at the targeted institutions/ministries, this did not happen until after the constitution of the JTF, as recommended by the MTR. Until that point there was no clear communication strategy to allow for sharing of information and ensure participation in the planning and implementation of the Project.
159. There has been some collaboration with some donor initiatives in the field of climate change mitigation, although this collaboration has been limited to consultations, sharing concept notes, representation at stakeholders workshops and making presentations. Notable among these was the GIZ programme (2012-2014). The new GIZ programme (2015-2018) focusing on supporting East African member states/ governments and the public towards participation in the carbon market, and the UNFCCC-RCC programme to build capacity and provide technical support to governments, project developers, consultants and others may assist in future sustainability. In order to ensure sustainability in terms of support of the outputs after Project closure, an *Exit Strategy* and closing meeting that brings out the status of the Project and gaps for engagement should be put place. This will also ensure that the CDM project initiatives feed into other climate change initiatives.
160. Potential CDM projects were identified through the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Calls<sup>13</sup> for proposals. Eleven proposals were approved and supported to date. Support provided varied from project to project depending on the stage of the project along the CDM project cycle. In summary the projects have received support as follows: PINs (3), PDDs (2), verification (2), validation (3), CPA inclusion (2), methodology development (1), post registration change (1) and registration (3). Only two projects supported can be seen on the UNFCCC website as registered CDM projects: Up Energy Improved Cook Stove Programme, Uganda registered 22 July 2014 and Secure Safe Water in Developing Countries registered 19 December 2014.
161. The Nakivubo Wastewater Treatment Plant Methane recovery and utilisation project for NWSC, is submitted for registration with the UNFCCC CDM Executive Board. Only one project (UpEnergy) supported with verification for issuance of CERs expects verification next year. No ERPA's have been signed with the buyers. The national GEF study was completed and two more SBLs are under development for methane recovery from the wastewater sector (one SBL for methane recovery from municipal wastewater and the other for methane recovery from industrial wastewater (sugar) sector). The draft reports for the methane recovery SBLs are already prepared. The SBLs are undergoing DOE assessment, with a site visit planned for August 2015, after which they will be submitted to the Executive Board for approval.
162. The review of the *TFF* showed that no project risk assessment was documented. Without an initial risk analysis, there is, naturally, a risk that the programme management will not initiate mitigation actions in time to avoid deviations from the Project plan. One critical risk that was not taken into account was the delay in the procurement procedures.

---

<sup>13</sup> 1<sup>st</sup> Call: 16<sup>th</sup> April 2012, deadline 16 May 2012; 2<sup>nd</sup> Call: 21<sup>st</sup> December 2012, deadline 1 Feb 2013; 3<sup>rd</sup> Call: 24<sup>th</sup> July 2014, deadline 31/08/2014

163. This risk was also identified by the Moore Stephens *Financial and Systems Audit* of the Project (January 2014) though it appears to be an oversight as the *TFF* should have prepared an initial risk analysis which then could have been updated during the course of the Project.
164. The MTR recommended changes in the Logical Framework without affecting the overall relevance and coherence of the intervention. The Project team effected the changes.
165. With the institution of the JTF, the Project has progressed substantially towards its outcome, realising more outputs in a limited time frame. Effectiveness can be measured adequate at this level.

Effectiveness is rated: **Good**

**Justification:** The project partners (BTC Uganda, CCD, CAMCO and trainees) heed to the advice in form of recommendations by the MTR and the Project has seen real progress towards the project outcome. All Project results are likely to be attained by the end of Project (November 2015). Best practices include good selection process for the trainees and CDM projects. The technical training is considered good to very good.

#### 5.1.4 Sustainability

166. The MTR noted that sustainability of the intervention was not considered explicitly in the formulation. Therefore it was assumed implicitly that capacity building would be of a transitory nature and that the sustainability of the Project would be ensured by mainstreaming of capacities transferred. The MTR considered that insufficient consideration had been given to sustainability and the exit strategy of the Project. It is disappointing therefore that the Project still lacks a coherent *Exit Strategy*, the lodging of three trainees within the CCD, only one of whom has a permanent status does not constitute institutional sustainability. CCD opines that the *Exit Strategy* will need to be integrated with the Public Service and CCD activities. This means that the longevity of at least two trainees with CCD is not guaranteed.
167. The notion of accreditation, with respect to the training programme, to give it some sort of credibility and authority and as a means to add to longer term Project benefits was mentioned by CCD and the PSC early on in the Project. Although it was not foreseen in the *Formulation*, *TFF*, *Specifications* or *CAMCO Offer*, it was noted very early on by the PSC that the duration of the Project should allow accreditation (which is a long process in Uganda) to be procured. Despite some discussion within the Ministry, the idea seemed to have been quietly dropped.
168. In terms of enabling environment, the intervention is aligned with the strategic framework of Uganda including the *National Development Plan (2010/11-2014/15)*, the *Uganda Vision 2040* and the *National Climate Change Policy (2013)*.
169. This intervention is implemented by the Climate Change Department of the MWE which is the Designated National Authority. The intervention therefore satisfies the requirements of the local ownership in relation to the Kyoto Protocol.
170. The financial and economic viability of the Project interventions are highly insecure as a result of the issues surrounding the carbon market. The continued erosion of the CER prices and the long and very costly CDM procedures make the intervention economically unviable. There is also uncertainty on whether CDM will be included in future protocols under the UNFCCC.
171. In light of the above, the Project team has instituted some measures towards ensuring long-term sustainability of the intervention.

172. The Project team has produced a manual on CER commercialisation that identifies CER buyers in the market, specifically focusing on public purchase programmes offering a CER price above the average current market price and diversification of carbon finance sources.
173. However, the ETR notes the Project has not put in place an explicit *Exit Strategy* that should include among other things how CCD will continue to engage with the supported Project developers, and also retain its three trainees.

Sustainability is rated: **Problems**

**Justification:** the uncertainty surrounding the carbon market; continued erosion of the CER prices; how the CDM will be included in future UNFCCC protocols together with lengthy and very costly CDM procedures threatens the sustainability of the intervention. In addition to which there is almost a complete absence of trainees in the market place as consultants

### 5.1.6 Coherence

174. The Climate Change Unit of the MWE has been upgraded to a Department (CCD). It is expected that this will raise the institutional profile of the climate change sub-sector. It is hoped that the sector will institute strong coordination mechanism and see improvement in harmonisation of donors and their activities.
175. Although there is a donor thematic group on climate change that sits monthly to review climate change related issues, there are no specific linkages between the various climate change activities of different donors.
176. The ETR hopes that the *Exit Strategy* of the Project will emphasise the scope for CCD in raising its profile which, in turn, could assist in securing Project benefits in the longer term.

### 5.1.7 Impact

177. The *Specifications* indicate that in the short to medium term the Project will only be considered successful if tangible results, in the form of having CDM projects registered and having CERs issued, are reached. They will be the main benefit for Uganda from the Clean Development Mechanism.
178. In terms of progress towards the impact indicator "*Uganda benefits from the Clean Development Mechanism of the Kyoto Protocol*", 11 CDM projects that were identified through a call for proposal, have been supported through the CDM cycle<sup>14</sup>. At the time of the ETR, only two of those projects had been registered by the CDM Executive Board. There is no indication of how soon the CERs will be issued.
179. Considering that the intervention was also aimed at a longer term development of Uganda's capacity for development of CDM projects, capacity has been built potentially for CDM consultants and CDM project developers in the CDM Project and this capacity could be utilised after the Project has ended. Assuming that CDM mechanism or similar will be included in future protocols under the UNFCCC. This capacity will help Uganda see more CDM projects being developed, registered and CERs issued though this does depend explicitly on the trained CDM consultants being out in the marketplace to assist project developers.
180. However, with the current issues surrounding the carbon market, the continued erosion of the CER prices, the long and very costly CDM procedures that make the intervention economically unviable and the uncertainty on whether the CDM mechanism will be included in future protocols under the UNFCCC, threatens or jeopardises the potential contribution of the Project intervention to enable Uganda benefit from the CDM.

<sup>14</sup> Some that received support (such as for inclusion of additional CPAs, for verification ...) were already registered with the EB.  
BTC, Belgian Development Agency  
End-Term Review Report



Impact is rated: **Problems**

**Justification:** There are clear gains in capacity building for CDM trainees and project developers. Although the carbon market has almost crashed, with prices going below EUR 1, the CDM capacity building remains relevant as it provides the necessary skills to address any carbon offset scheme which is likely to be based on similar Monitoring, Reporting and Verification (MRV) principles. However, impact in the long term relies on the trainees operating as CDM Consultants, which is unlikely.

## 5.2 Transversal Themes

181. The primary cross-cutting issues to be considered during any development cooperation are, typically: democracy and human rights, environmental sustainability, gender equality and HIV/AIDS. Possible future additions to the list of cross-cutting themes are: Disability, Culture, Conflict Prevention and Decent Work.
182. Since disaster management, environment and climate change are inextricably linked the following are typically addressed: gender, HIV/AIDS and vulnerable groups (which include disabled people, children, older people, and ethnic minorities). However the BTC template only calls for Gender and Environment.

### Gender

183. Uganda adopted in 1997 a National Gender Strategy followed by a National Action Plan on Women. This action plan was updated in 2007 with the revision of the National Gender Policy. The overall goal is to achieve gender equality and women's empowerment as an integral part of Uganda's socio-economic development. As the main natural resource users and managers in rural Uganda, the adverse effects of climate change are likely to be felt disproportionately by women. However, as vulnerability to climate change depends on control of financial, physical, natural, human and social capital, and because women typically have less access to, and control over, these resources than men, they are likely to have lower adaptive capacities as the impact of global warming intensifies.
184. Biomass energy is known to be the biggest contributor to total energy used in Uganda. About 91% of the total energy used in the country is derived from biomass. Biomass resources include firewood, charcoal, forest, and agricultural crop waste and agro-industrial residues. Whereas these resources are widely used for energy generation, most of the traditional biomass energy technologies which include wood and charcoal stoves, ovens and kilns are inefficient. The development of energy efficient cook stoves for use by rural and urban women may not only contribute to a significant reduction of deforestation in the country, but will also improve family health due to reduced smoke inhalation. Claims of increased populations of mosquitoes as a result of reduced smoke in households that use more efficient cook stoves have not been proven. There is need for urgent research to verify this claim.
185. Although gender was not a consideration in the *Formulation or Specifications* it was mentioned in the *TFF* that since monitoring of the sustainability effects of implemented CDM projects was outside the scope of the present intervention, monitoring of any such effects regarding gender issues will likewise be outside the scope of the present intervention. It then stated that it “.... *will be a very relevant topic for an ex-post evaluation of the intervention*”.
186. The ETR observes that if it was already appreciated that “gender” was absent yet should be considered during the ETR, then it was quite clear before the Project began that a gender



perspective should have been included. The ETR considers that the *Specifications* should have included this aspect and its absence is an omission.

## Environment

187. The MTR noted that the main impact of the Project on the environment could likely be twofold:

- Direct positive impact through contribution to reduction of emissions (not likely to be very significant given the scope of the Project); and
- Indirect positive impact through capacity building at national level, potentially more relevant if the Project is effective.

188. The ETR also notes that about 20 computers and their accessories are powered by the solar PV mounted on the roof of the CCD, funded by the Project.

189. The ETR suggests two further impacts of an adverse nature:

- Direct negative impact due to an increase in emissions arising from the flights for the various Project personnel and backstopping activities; and
- Excess paper usage.

190. It should be noted that a potential trainee applicant noted the documentation burden of the Call (for trainees) and considered the prospect not to be worthwhile.

## 5.3 Horizontal Aspects

### Result-oriented Steering

191. The *Formulation*, the *TFF* and *Specifications* were all silent on the management practice of result-oriented steering (ROS). The BTC guide to *Monitoring and Reviewing Results* (MoRe Results) has more to say on the subject and notes that it is the MTR that should have a stronger focus on the steering objective while the ETR will have a specific focus on drawing useful lessons for other interventions or for new policies, strategies and programmes. This is self-evident since the MTR has an opportunity to steer a project mid-term in order to ensure the intended results are acquired. An ETR has no chance of that since it is “*after the fact*”.

192. The MTR noted that the Project had not practised results-oriented management and confirmed the observation made several times by the backstopping missions, of poor follow-up to recommendations and delayed decision making for addressing challenges and issues. Despite the MTR noting: “*This has greatly contributed to the piling up of delays*”, there seemed to be no attempt to introduce corrective practices for the remainder of the Project.

193. The general intention of ROS<sup>15</sup> is to assist interventions and the relevant “steering committees” to focus “*...their dialogue on results and take timely “evidence-based” decisions in order to re-orient interventions....*”

194. To achieve maximum results based on clear and measurable agreements made upfront with the Project, the following are required:

- Personnel clearly know what is expected of them;
- Personnel are involved in establishing these expectations, are allowed to determine themselves how they are going to meet these expectations and obtain feedback about their performance; and
- A manager sets goals and determines priorities and makes resources available that are needed: time money and capacity. The team member provides their time, knowledge and abilities and indicates under which conditions they can deliver the

---

<sup>15</sup> MoRe Guidelines (BTC)  
BTC, Belgian Development Agency  
End-Term Review Report

required results. In doing so, they takes a personal responsibility for achieving those results.

195. Results-Oriented Management is a management system that works with “results orientated agreements” so all parties have the same expectations about their targets and can approach each other on results. All agreements must be SMART<sup>16</sup> within the boundaries of the agreements.

196. The process is preferably top-down and bottom-up and consists of the following steps:

- Target setting;
- Project goals;
- Translating Project goals into personal targets;
- Result orientated agreements about goals;
- Implementation, self-steering and management reporting; and
- Periodic appraisals, progress control and adjustments.

197. The *Formulation*, the *TFF* and *Specifications* were all silent on the management practice of result-oriented steering (ROS). The general intention of ROS is to assist interventions and the relevant “steering committees” to focus “...their dialogue on results and take timely “evidence-based” decisions in order to re-orient interventions...” It was not until the institution of the JTF, as recommended by the MTR, that the Project started to undertake quarterly progress reviews through a special JTF meeting to ensure that quarterly execution reports reflect verified progress based on the detailed work plan and clearly this approach has yielded substantial results in form of progress towards the outcome.

198. Both the MTR and the backstopping missions noted the lack of result oriented management by the Project team leading to poor follow-up to recommendations and delayed decision making for addressing challenges and issues. Project actions identified by backstopping frequently were frequently ignored by the Project.

199. The Project team reports to the Steering Committee after every six months. The time lapse between each PSC meeting is too long to make corrective decisions in case of any need to re-orient interventions at the strategic level. The Project saw laxity in decision making at PSC level to address challenges including the high rate of labour turnover among the Project. Even when the PSC resolved that CDM training accreditation be followed up, the Project team did not follow it up. It is not surprising that the MTR recommended to the PSC to meet as soon as possible and approve the updated work plan (based on the MTR) and to monitor project progress more closely, particularly the quarterly progress milestones.

200. It is quite clear that:

- **BTC Headquarters** was receiving backstopping mission reports that contained sufficient points of alarm that should have triggered sufficient timely action to bring the Project back on course;
- **BTC Uganda** did not have the resources, initially, to undertake its obligations under the Project and did not take sufficient timely action to bring the Project back on course;
- **Project Steering Committee** could have intervened earlier to correct the course of the Project (as the MTR did). With infrequent meetings (during the period when the Project was largely ineffective) the PSC missed several opportunities to intervene. Even after the MTR, it seemed not to appreciate its role and responsibility;
- **Climate Change Department** seems not to recognise its obligations when the Ministry signed the agreement with BTC and did not take sufficient timely action to bring the Project back on course;
- **Project Team** until after the MTR appeared to have no understanding of the situation in which it found itself nor the necessary experience to turn around the Project.

---

<sup>16</sup> Specific Measurable Accepted Relevant Traceable  
BTC, Belgian Development Agency  
End-Term Review Report

## Monitoring

201. Monitoring is the systematic collection of data on specified indicators to provide management, and the main stakeholders of an ongoing development intervention, with indications of the extent of progress and achievement of objectives, activities and progress in the use of allocated funds.
202. BTC understands that this (monitoring) is carried out by internal stakeholders at pre-identified moments that measures, and also analyses, progress made towards the achievement of intended results and, ultimately, the outcomes.
203. The ETR finds it intensely disappointing that this basic project management tool had no traction within the Project despite considerable guidance by BTC<sup>17</sup>. Many of the classic project management errors could have been avoided very early on in the Project by recognising, through monitoring, that there was poor implementation between the nominally cooperating parties (CCD, BTC Uganda and the Project delivery team).
204. Even without systematic monitoring it must have been self-evident (even just by reading the backstopping mission reports) that personnel resignations, extended delays over relatively simple deliverables, the repeated requests for actions already committed to, and the general lack of measurable progress on activities was contributing to the overall lack of progress of the Project, and that increasingly urgent corrective action was necessary.
205. Although there were progress reports (quarterly and annual) they clearly were not being read or, if they were read then those reading them had not had the necessary training to recognise the implications of the messages contained therein.
206. The point of “monitoring” is to understand if a Project is making progress as intended and to therefore to assist in adjustments, as required. Sadly all those with some responsibility for monitoring in some form (BTC Headquarters, BTC Uganda, MWE, PSC, CCD and the Project Team) missed the opportunities that were open to them, to effect the appropriate changes. However, it is not just monitoring, some or all the basic tenets of project management seem to have eluded some or all of the Project partners at some time or another.
207. It is clear in the *TFF* that a baseline was not complete for most of the result areas on which to base the targets set. Actually the *TFF* indicated “...it is at this stage too difficult to set up a specific target number of registered projects or number of issued CERs to be used as an indicator of success for the project.” This should have called for an inception phase of the Project at which stage project baseline would be established and targets modified in line with the baseline. This was not done.
208. The MTR recommended revision of the results framework to address the existing key weaknesses; lack of adequate indicators and milestones to measure progress, and a better vertical logic between results and specific objective; and ensure that it is used for reporting overall progress at results level. The Results Framework was revised, however, the reporting was still problematic with too many reporting templates sometimes giving different information and difficult to synthesise.
209. The Project monitoring tool had no traction within the Project despite considerable guidance by BTC. Many of the classic project management errors could have been avoided very early on in the Project by recognising, through monitoring, that there was poor implementation between the nominally cooperating parties (CCD, BTC Uganda and the Project delivery team).
210. The **lesson to be learned** here is that project management is a competence which has to be acquired either through formal training or on-the-job training, preferably both.

---

<sup>17</sup> BTC MoRe Guidelines  
BTC, Belgian Development Agency  
End-Term Review Report

## 6 Specific Evaluation Questions

211. Several specific evaluation questions are required to be addressed by the ToR of the ETR:

*To what extent has this hands-on training approach actually contributed better (or not as good as) than another approach could have done, in terms of the achievement of the overall objective of the project?*

212. The ETR considers that the hands-on training was successful in the end. To be really effective though, requires a well-structured programme with a formal curriculum; objectives, mode of learning clearly thought through, detailed course content (with each course/module having description, objectives, learning outcomes identified), crosscutting issues such as gender, sustainability and so on embedded. Detailed timetables including allotted times, basic reading list/references or other materials.

213. At times, the training provided seemed to have a sense of serendipity, indeed some trainees considered that at times the trainer was learning at the same time, or that they had just dreamed up some task to fill some time. There is a difference between an international technical advisor and an international trainer; the two are not necessarily the same. Merely being a technical expert is not necessarily sufficient to impart learning. The project would have benefitted from having a professional trainer to design and structure the training.

214. When the ETR asked about the training needs analysis (given that each trainees was from a different educational and professional background) the ETR was advised that this was not necessary because “...the request for capacity building (training) came from the Ministry addressed to BTC for support”. Indeed, the ETR was advised to refer to the TFF (page 6 of the Executive summary, paragraph 4; page 12 - under findings of the Formulation mission, bullet 3 and 7, and page 13 paragraphs 2 and 3) to justify this position. This demonstrates that the Project had no idea about the basic principles of training and building capacity.

215. That the training was considered to be “good to very good” reflects more on the ability and desire of the trainees to learn than on any professional training provided.

*What are the lessons that can be drawn from this hands-on approach for other capacity building projects to be implemented by GoU and/or BTC?*

216. The ETR considers that there is a significant difference between a capacity-building programme, and hands-on training on a specific set of topics. When designing capacity-building it is far more than delivery of some training. Currently, the “capacity” resides in the individuals trained. There are no guarantees that the trainees will stay in the institutions in which they currently sit. Indeed, only one has a staff position. There are currently no mechanisms in place to transfer the individual knowledge into the institutional memory. This could/should be one of the aspects to be codified in the Project *Exit Strategy*, which at the time of the ETR was not available (even in draft) despite several requests.

217. CCD had to table a complaint to the PSC that CCD has not yet benefitted much from the Project as far as the objective of building the CCD capacity was concerned.

218. The Project was not designed to build capacity in institutions. To do that would assume that individuals from a specific institution would be trained and then released back into the institution. That was never really the case because the design talked about CDM consultants being able to continue to provide consultancy to project developers in the future. The key lesson here is that the design had two mutually exclusive aims.

219. On the one hand, CCD required strengthening whilst on the other, individuals were trained initially with no connection with the CCD. The MTR did question the wisdom of hiring full-time trainees with no allegiance to any institution when other donors (e.g. GIZ) used the more obvious paid-secondment approach. The ETR believes that this was a design flaw.

220. Whilst the notion of a *de facto* CDM School may have had merits, the way in which it was implemented did not. Insufficient thought was given to the implication of requiring trainees to invest two years of their time without any guarantees of future employment. The *TFF* anticipated using existing consultants yet also expected this to build institutional strength. Unless that was appropriately planned it is highly unlikely this would ever happen. The training programme lacked rigour. An earlier idea that there would be tender for quality assurance of the outputs of the “School” was proposed but later thought not to be necessary to have an external firm to do that. In the end, it was cancelled and in-house quality checks were made. An external quality check may have highlighted earlier some of the shortfalls of the *de facto* CDM School approach.
221. Even the letter of engagement (of the trainees into the training) was found to be lacking in many aspects and could not be considered contractual. Consequently, it was necessary to prepare a Finance and Administration Manual for the Project, to which the trainees were required to countersign; and together with the appointment letter formed a contract.
222. The PSC did not appear to have approved the training programme (a key building block of the entire Project) and the overall supervision of the *de facto* CDM School and its outputs seems to be lacking. Even when trainees began to leave this did not seem to trigger anything other than finding some replacements.
223. Interestingly, the concept of “Hub” is not in the *Formulation*, the *TFF*, the *Specifications*, the *CAMCO Offer* or the first backstopping report (October 11). Yet by the time of the Annual Report 2011 (the first project progress report) it is being mooted as an expansion of the *de facto* CDM School. It seems that whereas the *de facto* CDM School is for the trainees *per se*, the Hub includes the project developers.
224. Trainees had the opportunity to attend various events outside Uganda such as the Africa Carbon Forum in Namibia. It seems that although a condition of this was that each trainee should write a short visit report, only one did (which was reviewed by a backstopping mission) yet even this one was not finalised. At times the Project seems to have little traction with its core task ~ training of trainees.
225. The modalities of implementation of this Project (technically implemented by CCD and a private consultancy company but financially managed by BTC under the own-management modality) are rather specific compared to the traditional BTC modality of co-management (*cogestion*):

*What are the advantages and disadvantages of such a modality set up? What would be gained if replicated?*

226. In principle, this should not even be a real question. Donors contract (private) contractors to implement their projects every day of the week and all over the world. It is the usual *modus operandi*. The modality of this Project was nothing special. However, there were several problems with this particular Project which meant that this otherwise straightforward method of working was so fraught with challenges.
227. There are three serious flaws in the overall approach adopted:
- Within the *Specifications*, the *TFF* is the technical reference. The *Specifications* state “...the full contract consists of a public contract awarded by BTC ....in conformity with ...*Specifications and the annexes, the tender and all its annexes, the registered letter of notification and ...any later other documents accepted and signed by both parties.*”

The ETR was advised that the technical part of “contract” consists of three documents: the *Specifications*, the *CAMCO Offer* and the *BTC Letter of Award*.

Yet, the *Specifications* and the *CAMCO Offer* are not identical and there is no document that bridges all the relevant documents since the *Specifications*’ requirement was for the simple presentation of two persons (perhaps supplemented

if necessary) a long-term International Technical Advisor (ITA) and a long term national (National Technical Adviser, NTA) CDM/Carbon Market Specialist/Expert (also called an *Adviser* in the TFF and an *Expert* in the CAMCO Offer).

The CAMCO Offer contains some items (e.g. SWOT Analysis) un-required by the *Specifications* yet became part of the “contract” (and not delivered). The ETR understands that there was a general agreement that tasks were as defined in the *TFF* and others e.g. SWOT were therefore excluded. A further example of the need for an authoritative and defining single contract document.

The MTR also commented on the contradictions between the *Specifications* and the *TFF*, and the resulting different views between BTC Uganda and the Project Team.

**Lesson:**

If there are multiple documents, always have a single document that ties all other documents together with unequivocal definitions and commitments of all parties

- The *Specifications* clearly call for:
  - Long-term International Technical Advisor (29 months during the Project lifetime of 38 months) to provide, among several technical inputs, day-to-day project management “*when present in the country*”
  - Long term national (NTA) CDM CDM/Carbon Market Specialist/Expert who will handle, in addition to technical tasks, the day-to-day project management “*in the absence of the ITA*”

Interestingly, CCD expressed surprise that CAMCO was in charge of the recruiting the ITA and the NTA, yet this was the request of BTC and the crux of the whole tender.

The above requirements are quite clear yet within three months began to unravel with the ITA being in country for merely one week or so every month (or sometimes every 1-3 months) whilst the NTA provided was therefore tasked with most of the day-to-day project management. Whereas the ITA had to have “*advanced project management skills*” no project management skills were required at all of the NTA. This was, the ETR assumes, because most of the project management was originally assumed to be undertaken by the ITA (who would be in-country at least 75% of the time).

In the CAMCO Offer, the primary ITA was going to be supported by a sub-ITA who appeared to have even less training experience and who left the Project almost immediately)

**Lesson:**

At this point, the implementation was clearly moving away from the formulated Project design

- In the CAMCO Offer, the proposed ITA was already “*...managing four professionals working on twelve different projects*” (this is the person who is going to provide *day-to-day project management* on a complex capacity-building project, involving many different project partners, trainees and project developers).

Surprisingly, the ITA had only limited training project experience and the supporting ITA had even less.

The first NTA had no project management experience and no training experience and so had little background in understanding the likely challenges that this Project would present, and therefore in how to deal with them.

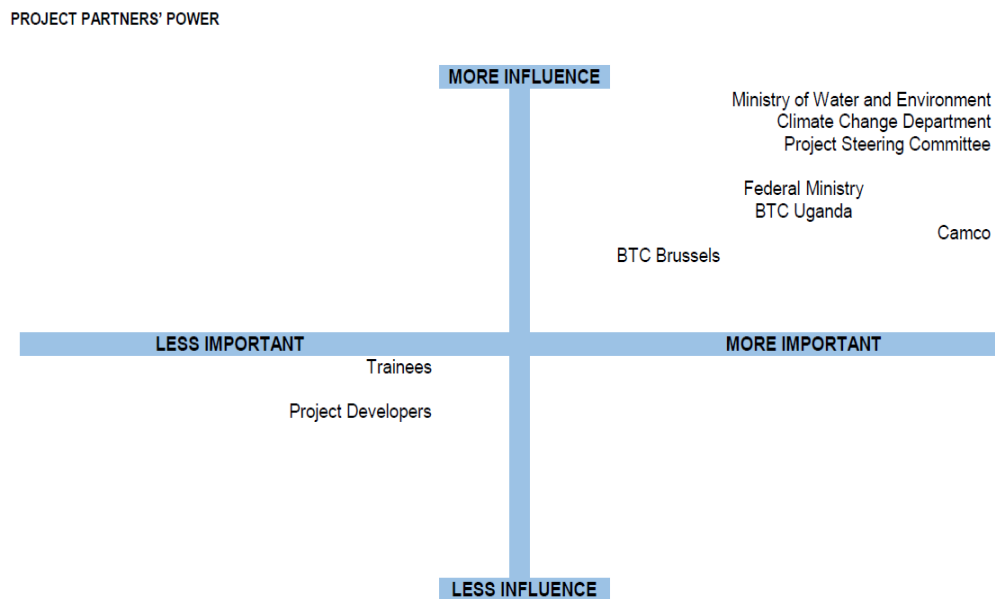
**Lesson:**

It is clear that the Project was beginning with a sub-optimum Project Team. There are gaps in the Project memory as a result of this. For instance, only some of the documentation relating to the initial orientation of the trainees is now available.

228. In the background to the above was an apparent long-running mis-alignment between the main Project partners (BTC Uganda and MWE/CCD). Although the ETR could not verify directly with the appropriate high-level personnel in the Embassy of Belgium and in the Ministry, there seems to have been a fundamental disagreement concerning whether or not the Project should ever be approved since there was a mis-match between what each party considered to be “implementation”.

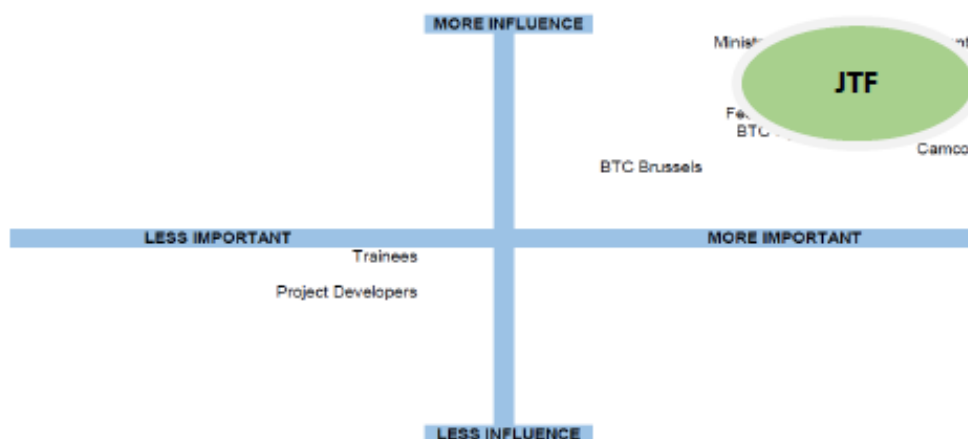
229. Although each party is clear on what “implementation” means for them, each party seems to have a different view from the other. It seems that the Project was encouraged into existence, leaving legacy issues between the two parties that were reflected in day-to-day matters such as lack of cooperation, institutional delays and so on.

230. The diagram below indicates the ETR impression of the power relationships between the Project partners at Project start-up.



231. The challenge with the above is that three parties BTC Uganda, MWE/CCD and the Project Team should be cooperative (and they should all be in the same place on the diagram). That they were not, leads to challenges in making decisions and general cooperative behaviour which manifested itself as a root cause for the resulting lack of almost any significant progress by the time of the MTR.

232. One of the primary recommendations by the MTR was to form a Joint Task Force which, in essence, forced the three parties to cooperate (see diagram below).



233. It is likely that this lack of cooperative behaviour led to Project Team turnover which had a clear effect on Project implementation and progress.

**Lesson:**

Any one of the three Project partners could, and should, have recognised this; with two of the Project partners (MWE/CCD and BTC) able to effect change. Instead it was left for months until the MTR made the necessary changes.

*Was the choice to continue the intervention after the Carbon market's implosion, relevant (with hindsight) considering the outcome (specific objective) of the intervention?*

234. The Project was part of the Indicative Cooperation Programme between Belgium and Uganda, signed on 7 November, 2009. Formulation began in May 2010. By then, the carbon market was already crashing. Despite that, the *TFF* (dated 12 October 2010) was silent on the potential challenge to the Project from the falling price of carbon. The Specifications dated May 2011 was also silent.
235. The CAMCO Offer noted as its first comment on the ToR (in the *Specifications*) that the first phase of the Kyoto Protocol (on which this Project is predicated) was coming to an end in 2012 with associated uncertainty for the CDM. Following the Paris negotiations later this year (2015), a new financing mechanism may arise and may use some or all of the same CDM templates, processes and methodologies. Based on that, it is supposed that the training of the trainees will not have been wasted. None of this is certain.
236. Given the challenges with Project implementation, it would be easy, taking into account the issue of the carbon market, to opine that the Project had less relevance than it could have had. However, that is in hindsight, and knowing now about the delays and inertia of the Project. It would be more pertinent to reflect that when a Project has such a difficult passage for mere approval in the first instance, despite its agreed inclusion in the Indicative Cooperation Programme, that that should have provided more cause for pause and reflection.
237. The immediate overall Project outcomes are more or less fine, though they took too long to emerge and probably cost more than they should through Project inefficiency. The lack of a Project *Exit Strategy*, the lack of sustainability in the Project design and the change in the international context probably means that **the Project benefits will be short-lived**.
238. So, taking all that into account, with hindsight, the decision to continue with a Project in which the main Project partners found it difficult to cooperate, from the beginning, in which the Project Team found it difficult to deliver, from the beginning, and in which there were clear signals that the international context was no longer really appropriate, would seem to be highly questionable.



## 7 Lessons Learned

### 7.1 For the intervention

239. In future, when there are several components to a “contract” especially when the Terms of Reference (*Specifications*) and the contractor’s offer are not aligned it is advisable to have a single bridging document that ties all other documents together with unequivocal definitions and commitments of all parties.

240. In future, when there are unique concepts such as a “*de facto* CDM School” or a “*CDM Hub Associates*”, it is advisable to ensure that concepts are thoroughly thought through prior to implementation. For instance, half a dozen small tables pushed together to make one larger one in a small room does not constitute a good learning environment, *de facto* or otherwise.

241. In future, when there is a clear aspiration in the *Formulation*, *TFF* and the *Specifications*, such as “CDM consultants” who are intended to go out into the marketplace, as part of the Project benefits and sustainability, it is advisable to ensure that this is not changed through oversight. The open *Call for Trainees* immediately weakened the prospects for Project sustainability.

242. Right from the beginning of the Project implementation there were documented instances (catalogued by the MTR) within one or more of the Project Partners:

- Under-performance in decision-making;
- Confusion of roles and responsibilities;
- Inadequate capacity in and/or knowledge of project management;
- Inadequate capacity in and/or knowledge of administrative requirements within a project management context;
- Lack of communication; and
- Poor operational planning and monitoring.

243. In future, all partners must have proven project management capability.

244. In future, build in sustainability in the Project design. Even now there is no *Exit Strategy*.

### 7.2 For a future intervention in the same sector

245. It is understood that there is to be no further intervention of this nature.

246. If there were, then the following topics (as elaborated throughout this ETR) should be recalled:

- Project design as a point of departure for the exit strategy thinking;
- Genuine sign-off of project scope by all project partners;
- Single or over-arching contract document;
- Rigorous selection of the implementing contractor;
- Excellent project management skills in all project partners;
- Commitment to communicate fully and in a timely way;
- Detailed operational planning; and
- Regular monitoring.

### 7.3 For the partner institution

247. For various reasons, the Climate Change Department appeared not to be a willing partner until after the MTR. Whilst some CCD staff members are now able to promote CDM and provide necessary information to the public, the full potential benefit of the Project to the CCD has not been realised.

248. Whilst it is disappointing that the CCD has not been strengthened to an optimum level, it is also clear that deficits within the Department were not adequately appreciated by the Project early on and remedied e.g. project management training.
249. Simple tasks such as keeping the web site up to date were not done despite several CCD staff being trained to be able to update the web site. CCD has to learn to deliver its part and take responsibility.

#### 7.4 For the Project Steering Committee

250. The PSC was responsible for steering the Project. It needs to take ownership of its own commitments and deliver. It seems too comfortable with institutional inertia and delay and then wonders why the Project is not delivering. It should think critically about institutional inertia and be intolerant to unnecessary time-wasting.
251. Even after the MTR, the PSC, initially, was only going to meet every six months (5<sup>th</sup> PSC Minutes of Meeting). The ETR notes that the frequency of the meetings improved in 2014 and 2015 to be three- or four-month intervals.
252. Its meetings need to begin promptly, have the appropriate people attending and take decisions efficiently.

#### 7.5 For the BTC Representation

253. There was a well-known (by BTC Uganda) mis-alignment between the main Project partners (BTC Uganda and MWE/CCD). BTC Uganda was clear on the underlying problem. It is quite clear that the Project was forced into existence, leaving legacy issues between the two parties that were reflected in day-to-day matters such as lack of cooperation, institutional delays and so on. BTC Uganda, as part of the implementation troika, should not have been satisfied with knowing why the problem existed, it should have recognised its responsibility and communicated this to those who had the power to correct the problem.
254. In the CAMCO Offer, the proposed ITA was already “...*managing four professionals working on twelve different projects*” (this is the person who is going to provide *day-to-day project management* on a complex capacity-building project, involving many different project partners, trainees and project developers). The ITA had some limited training experience. The supporting ITA had even less training experience. The first NTA had no project management experience and no training experience and so had little background in understanding the likely challenges that this Project would present.
255. It is clear that the Project was beginning with a sub-optimum Project Team and it is questionable whether or not they should have been appointed in the first place.
256. Given that, there were many warning signs of a Project under-performing, BTC Uganda either thought it was not their responsibility to effect change, or did not know how. BTC Uganda requires training in project management.
257. Even now, BTC Uganda should be concerned with the lack of a Project *Exit Strategy*.
258. The MTR commented on the shortfall of the BTC provision to the Project financial and administrative management. The ETR concurs and notes that this should be addressed in any future project by BTC Uganda, assuming the role as defined in the relevant TFF.

#### 7.6 For BTC Brussels

259. The modality of this Project was not the typical BTC modality. It is recognised that BTC typically uses co-management. There were several problems with this particular Project which meant that the chosen method of working was fraught with challenges.

260. Within three months the Project design began to unravel with the ITA being absent far more than the design envisaged supported by an NTA with almost no project management skill or experience. Even in the CAMCO Offer, the primary ITA was going to be supported by a sub-ITA who appeared to have little training experience. It was clear, that the implementation was already moving away from the formulated Project design.

261. It was clear from the backstopping mission reports that all was not well with the Project. It was clear that there was lack of cooperation and this was leading to challenges in making decisions and significant progress by the time of the MTR.

There was even some reliance on the backstopping missions to approve payments to CAMCO which is, conventionally, outside the scope of backstopping.

262. There were many warning signs of a Project under-performing yet BTC Brussels either thought it was not their responsibility to effect change, or did not know how. Indeed, even when it was recognised that the Project had been delayed and progress minimal such that the one-year audit (as required by the *TFF*) did not take place, it was argued that this was because of the audit costs involved would be too high relative to perceived Project progress (on which to base the audit). The Moore Stephen audit (January 2014) commented that having had an audit during the first year may have highlighted the Project difficulties earlier, allowing earlier corrective action than waiting for the MTR. The ETR concurs with this view.

263. Even now, BTC Brussels should be concerned with the lack of a Project *Exit Strategy*.

264. The MTR analysed the original logframe and found much to be concerned about. The ETR notes that BTC Brussels should ensure that project designers understand logframes and design projects in accordance with best practice, current at the time.

## 7.7 For the Donor

265. The Project was part of the Indicative Cooperation Programme between Belgium and Uganda, signed on 7 November, 2009. The identification file for the Project had been elaborated in 2008. Formulation began in May 2010 and the *TFF* emerged in mid-October 2010. Despite this, there were months of delay in having the project approved.

266. When a beneficiary is fighting against a project before it is even approved, there is a message. Ignoring that particular message led to a stalled Project and a lot of disappointed and frustrated partners. The Government of Belgium should have given this ownership issue more reflection before pushing for, or demanding, approval.

## 8 CONCLUSIONS

### 8.1 Main Findings

#### Relevance

267. The CDM capacity-building project addresses Uganda's need to benefit from the UNFCCC Clean Development Mechanism as well as the larger climate change financing opportunities. The CDM capacity-building intervention is in line with National Development objectives of Uganda and the National Climate Change Policy. The Belgium Government, as part of the international community under the UNFCCC is committed within the framework of "...*common but differentiated*" responsibility where all countries are concerned and must unite their efforts to save the climate, though on a *pro rata* basis of their historical responsibility and their possibilities.

#### Efficiency

268. The various inputs have not been managed efficiently with key personnel (ITA and support ITA) leaving the Project, due to difficulties in execution. There have been substantial delays in the execution of the Project activities that have led to a no-cost Project extension for one year. The Project that was officially to end on 23 November 2014 will end 23 November 2015. Although the outputs have been largely achieved, the web site still requires updating.

269. After the MTR, CCD began implementing the Project proactively together with CAMCO and BTC. Previous lack of clear roles and responsibilities among the implementing partners had led to some institution inertia leaving CCD feeling no control over the Project.

270. The modalities of implementation of this Project (technically implemented by CCD and CAMCO and financially managed by BTC under the own-management modality) are rather specific compared to the traditional BTC modality of co-management (cogestion). However, there were some flaws in the overall approach adopted, particularly regarding the roles and responsibilities which meant that the execution modality did not foster an efficient conversion of inputs into outputs.

#### Effectiveness

271. After the MTR, the Project was back on track and began to deliver the required outputs, leading to overall outcomes required. With the institution of the JTF, the Project has progressed substantially towards its outcome, realising more outputs in a limited time frame.

#### Impact

272. There are clear gains in capacity building for CDM trainees and project developers. Assuming that CDM mechanism will be included in future protocols under the UNFCCC, this capacity could help Uganda see more CDM projects being developed, registered and CERs issued.

273. However, the original intention was to develop consultants who would be able to go into the marketplace to assist future project developers. This has little prospect of happening.

274. Although the carbon market has almost crashed, with prices going below EUR1, the CDM capacity building remains relevant as it provides the necessary skills to address any carbon offset scheme which is likely to be based on similar monitoring, reporting and verification principles. Currently, there is little evidence of market recovery.

## **Sustainability**

275. The uncertainty surrounding the carbon market; continued erosion of the CER prices, whether the CDM mechanism will be included in future UNFCCC protocols together with lengthy and very costly CDM procedures threaten the sustainability of the intervention. In addition, the trainees are not operating as “CDM consultants” either they are in other donor projects, other non-consulting professions or are working for CCD.
276. Key stakeholder (CCD) involvement and participation in the planning and implementation process was critically limited prior MTR with participation only limited at PSC level. However, with the institution of the Joint Task Force (BTC Uganda, CCD and Project Team) CCD involvement and participation increased and the Project saw real progress in terms of realisation of results and potential longer term capacity-building benefits to CCD.
277. In terms of enabling environment, the intervention is well embedded in the strategic framework of Uganda including the National Development Plan (2010/11-2014/15), the Uganda Vision 2040 and the National Climate Change Policy. The intervention is implemented by the Climate Change Department of the MWE which is the Designated National Authority. The intervention therefore satisfies the requirements of the local ownership in relation to the Kyoto Protocol.
278. With the upgrading of CCU to CCD, it is expected that this will raise the institutional profile of the climate change sub-sector. It is hoped that the sector will institute strong coordination mechanism and see improvement in harmonisation of donors and their activities.
279. Although the selection process of the trainees and CDM Hub Associates (CDM project developers) was transparent, the training was not based on an explicit capacity needs assessment and it lacked a structured programme that trainees and other beneficiaries could refer back to after the end of the Project. There is also the question of the trainees not being the CDM consultants as originally envisaged. Also there is no formal or official recognition of the training to give confidence and authority of the training in the labour market.
280. The intervention was aligned originally with local perception of needs and of ways of producing and sharing benefits. This was increasingly questioned though as the carbon market crashed. Initially, the beneficiary participation was lacking. After the MTR, this relationship improved when parties began to cooperate within the Joint Task Force.

## **Other assessment criteria**

### ***Gender***

281. Apart from the mention of the National Gender Strategy and National Action Plan for Women, neither the Formulation Report nor the TFF adequately analyse the gender dimensions of the Project so that they could be taken into consideration in the logframe. Project results are not reported on in a gender-focused manner possibly because the logframe did not explicitly set gender disaggregated targets and indicators.
282. The criteria for recruitment of CDM trainees did not give special attention to gender consideration. The advertised criteria include: Ugandan nationality, University qualification, English-speaking, Computer skills, good communication skills, be interested in climate change and reducing emissions, and an interest in sustainability.

### ***Environment***

283. The CDM capacity building Project in itself is contributes to environmental sustainability through reduction of emissions (not likely to be very significant given the scope of the Project). In the short term, the Project could have some negative effects, though not significant, such as an increase in emissions due to the flights for the various Project personnel and backstopping activities; and excess paper usage. Through support of projects to meet CDM requirements, the Project contributes to sustainable environment management. Examples include pollution control from waste water, solid waste from landfills and inefficient cook stoves.

## 8.2 Recommendations

### Regarding the period until the end of Project

284. An exit from the Project should have been designed at project formulation so that it seamlessly evolves rather than, a few months out from the Project end date, realising that something needs to be done to assist the Project benefits to survive and consequently bolting-on some statements of intent without a formulated strategy.
285. There are several small Project activities to take to completion. These should be documented as part of the overall *Exit Strategy* together with an appropriate work plan for each:
- Hydromax verification;
  - NWSC methane capture project;
  - Validation for Nutrimix or Afro-Mix Feeds Ltd Project; and
  - Development of SBLs for methane recovery from wastewater (which is currently waiting for DOE assessment).
286. The ETR understands that BTC Uganda views the Exit Strategy as **supporting the Climate Change Department to be in a better position in terms of operations, human and technical resources (including the web site, ability to apply new policies and so on)**.
287. Of course, one of the key components of the Project was that CDM Consultants should be trained and be able to go out into the marketplace to advise prospective project managers on CDM (or a post-CDM mechanism potentially). In essence, that prospect has been abandoned and any capacity built will gradually degrade, over time, due to changing external circumstances and no definite future support codified by the Project.
288. Another dimension sees the continued funding by another donor (GIZ) of one of the trainees (in the UIA). Again, this simply relies on external funding and has no element of sustainability. To have a chance of sustainability the intention should have been that the UIA would take on the funding (with the trainee position as full-time). Further donor-dependency has been created which is exactly the opposite of what capacity-building is supposed to be about. The UNFCCC Regional Collaboration Centre is well-established and offers potential support that could assist Project benefits to remain relevant. That has arisen without the Project, though is to be welcomed.
289. So, realistically, some intention to support the Climate Change Department is about all that could be reasonably expected. However, this has to be done proactively if it is to deliver this ambition.
290. An exit strategy needs well-managed exit processes, some investment (human, technical and financial), to respond to the current needs, and have a system in place that allows, in this case, BTC Uganda (and BTC Headquarters) to learn. The strategy also needs to optimise the value of sharing and to ensure (any) good practice from the Project could be built on by others.
291. The ETR recommends the following questions be addressed to guide the formulation of the *Exit Strategy*:
- What should the strategy achieve? (What are the objectives?)
  - What strategy do you propose for the exit of this Project?
  - What will be the overall criteria and indicators for exiting?
  - What exit activities (as different from Project activities) need to be implemented to meet the exit criteria of the *Exit Strategy* and to achieve the objectives?
  - Specify who (identify partners, stakeholders....) should do what exit activity and when
  - What are benchmarks for measuring the implementation and results of each exit activity?

- Decide who should monitor each benchmark and when to monitor them
- Develop the budget for the *Exit Strategy* (and include the costs for each exit activity, and for monitoring; and
- Document all the above in a coherent *Exit Strategy*, anchored in the Project and its benefits.

292. The following template may be useful.

EXIT ACTIVITY	WHO WILL DO THIS?	WHEN WILL THIS BE DONE?	HOW WILL IT BE MONITORED?	WHO WILL DO MONITORING AND WHEN?	WHAT IS THE COST OF THIS ACTIVITY?

#### Regarding the period after the end of Project

293. If an *Exit Strategy* is developed it should be monitored, where possible, by BTC Uganda to ensure that those Project benefits that could be retained are given the best chance to emerge.
294. The *Exit Strategy*, with clear responsibilities to implement the strategy identified needs to be signed off by BTC Uganda, the PSC and CCD.
295. The ETR understands that by the end of June 2015, EUR 1,752,703.94 (79%) of the budget had been absorbed. The balance is EUR 468,423.06. The forecasting is being finalised for the period to the end of the Project. The balance could be in the range of EUR 100,000. By the end of September or beginning of October, an end session of the PSC will be convened to decide or propose what should be done with the remaining funds. A request has been made for CCD to have an option, with clear activities, to be supported with the remaining funds. Should this not transpire, the Partner Committee (Ministry of Finance, BTC, and Embassy) is able to decide the fate of the remaining funds during their meeting at the end of the year.

#### Regarding a possible further phase

296. There should be no further phase.
297. **The role of technical backstopping can be very useful** if there are insufficient skills within a project. Conventionally, such support is used only when the necessary skills cannot be found in the experts assigned to the project.
298. It is necessary to make a clear distinction between the two types of backstopping:
- Administrative backstopping; and
  - Technical backstopping.
299. The first type typically involves support from a central administration of the contractor and usually concerns adherence to the procedures and contractual obligations. The second kind of backstopping is relatively rare and unnecessary if a suitable contractor has been selected.
300. Ideally, a project should not wait for a mid-term review to adjust its strategy or to re-orient it. Regular backstopping from the donor is able to assure this. To achieve this, the role of backstopping should be settled in a far more formal manner and it should be framed in an institutional manner from the outset of the project identification and, clearly, as a fundamental aspect of the technical assistance selection process.
301. In this sense a terms of reference should foresee the need to provide the profile responsible for backstopping and, on the other, this role should be recognised in the budget in terms of person/days allocated.

302. So, relating the above to the Project:

- It was not clear in the *Specifications* whether the backstopping was to be administrative, technical or both;
- Some of the backstopping was more related to project management, which is not usually necessary; and
- Some of the technical backstopping indicated basic shortfalls in Project capacity.

303. In the future:

- Only administrative backstopping should be provided by the donor (or its proxy);
- If project management support is needed then the appropriate parties require immediate training and or guidance; and
- It is the role of the contractor to provide technical backstopping.

**304. In the event that future capacity-building initiatives should be considered either by UoG or BTC, the following may be helpful.**

305. Capacity building is the process of developing and strengthening the skills, instincts, abilities, processes and resources that organisations and individuals need to adapt, and thrive in the sector or context in which they must function effectively. Should the Government of Uganda or BTC wish to undertake a capacity-building project in the future, the following may be helpful. Capacity building is much more than training and includes the following:

- **Human resource development**, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively;
- **Organisational development**, the elaboration of management structures, processes and procedures, not only within organisations but also the management of relationships between the different organisations and sectors (public, private); and
- **Institutional and legal framework development**, making legal and regulatory changes to enable organisations, institutions and agencies at all levels and in all sectors to enhance their capacities.

If a project does not have these elements embedded ~ STOP and re-design.

306. The following steps may be helpful:

- Identify the opportunity for improvement;
- Evaluate the effectiveness of the alternatives;
- Select an option to be pursued;
- Develop criteria and apply to proposed capacity building initiative;
- Assign who is in charge;
- Establish accountability (always a single person) and responsibilities (can be more than one person);
- Develop a plan; and
- Monitor the initiative and re-adjust as required.

307. The key is **active participation and managing** (driving) the process. This means:

- The initiative should be rigorously tested as viable and relevant;
- All alternatives should be explored before deciding on which to pursue;
- All parties should own the initiative;
- Critical success factors should be identified and applied;
- **A person should be put in charge** (not an organisation) and agreed by all parties with the following key skills:



- Proven track record of project management
  - Strong skills in administration and organisation
  - Powerful ability to train, communicate and, most of all, motivate
  - Relevant technical knowledge and experience
- Responsibilities should be assigned and agreed;
  - Relevant parties should agree on accountability;
  - A work plan should be developed that is realistic and should reflect:
    - Objectives to be achieved
    - Targets by which to measure progress
    - Required human resources and how they will be deployed
    - Technical resources and how they will be deployed
  - Regular monitoring of the drawdown of resources and tasks accomplished (as a rule this should be weekly during the first three months, and monthly thereafter); and
  - Every three months there should be critical evaluation of progress against targets.

**Do not be afraid to stop and re-configure if:**

- The circumstances for the original initiative have changed;
- All parties are not cooperating or there is organisational/individual resistance in the benefiting party (-ies);
- Those charged with delivery are not delivering; and
- The resources (human, technical, financial) are insufficient.

## ANNEXES

1. Terms of Reference of the End-Term Review
2. End-Term Review Team Members
3. Methodology of the End-Term Review
4. Generic Evaluation Part A and Part B
5. Checklist 'Lessons Learned'
6. Logical Framework
7. Mission Itinerary
8. List of Stakeholders Engaged
9. Minutes of Meetings
10. Bibliography