

2019

Project Implementation Review (PIR)

**South Africa Wind Energy Project (Phase II)**

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# Basic Data

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| **Project Information** | |
| UNDP PIMS ID | 5256 |
| GEF ID | 5341 |
| Title | South Africa Wind Energy Project (SAWEP  Phase II) |
| Country(ies) | South Africa, South Africa |
| UNDP-GEF Technical Team | Energy, Infrastructure, Transport and Technology |
| Project Implementing Partner | Government |
| Joint Agencies | *(not set or not applicable)* |
| Project Type | Full Size |

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| **Project Description** |
| SAWEP Phase II will continue to build on the innovation and market-based approach that was pioneered by SAWEP Phase I. It is illustrative of and modeled on the approach presented in the new UNDP and GEF publication Transforming On-Grid Renewable Energy Markets (2012) in that it proposes a combination of policy de-risking instruments to lower transactions costs and improve strategic planning of grid-fed wind energy. |

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| Other Partners | *(not set or not applicable)* |

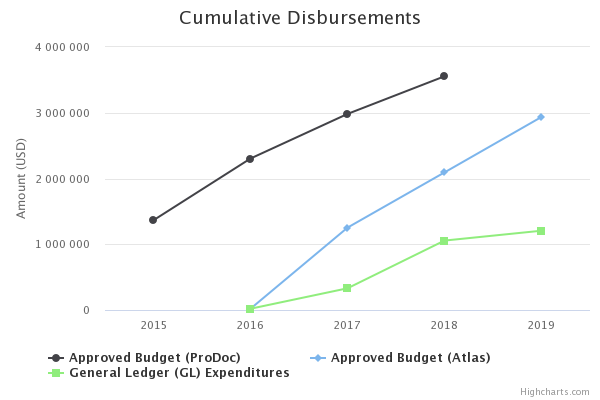
# Overall Ratings

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| --- | --- |
| Overall DO Rating | Moderately Satisfactory |
| Overall IP Rating | Moderately Unsatisfactory |
| Overall Risk Rating | Moderate |

# Development Progress

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| **Description** | | | | | | |
| **Objective**  **To assist the Government and industry stakeholders overcome strategic barriers to the successful attainment of South Africa’s Integrated Resource Plan target of 3,320 MW of wind power generation online by 2018/19.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| Generation from wind farms (GWh) - produced or contracted by Year 4 of project implementation. | 1,983 MW from W1 to W3 of REIPPPP. | *(not set or not applicable)* | 1,367 GWh cumulative by end-2018. | Lastest official stats  3,357 MW procured out of 6,360 MW determined with 1,468 MW operational by end June 2017 (14,672 GWh cumulative May 2018)    (sources  (https://ipp-projects.co.za/Publications/GetPublicationFile?fileid=504eb591-e449-e711-946d-2c59e59ac9cd&fileName=20170601\_IPP%20Office%20Q4\_2016-17%20Overview.pdf , http://redis.energy.gov.za/power-production/) | 1 980 MW March 2019 with 20 753 GWh cumulative by April 2019  (Dept of Energy (DoE): Production and Operating Capacity  http://redis.energy.gov.za/power-production /  DoE IPP Office  https://www.ipp-projects.co.za/Publications/GetPublicationFile?fileid=b9781ba8-6588-e911-94aa-2c59e59ac9cd&fileName=20190522\_IPP%20Office%20Q4\_2018-19%20Overview.pdf.pdf) |
| Number of individuals benefiting from wind-generated electricity by Year 4 of project implementation. | 980,990 individuals benefit per year from wind-generated electricity installed under W1-W3 of REIPPPP.[1] | *(not set or not applicable)* | 74,230 individuals will benefit annually from project-supported new wind-generated electricity.[2] | 726,220 [1,468 MW operational by end June 2017 @ 26% capacity factor and average elec consump/person/year 4,604kWh] | 979,507 [1 980 MW operational by March 2019 @ 26% capacity factor and average electricity consump/person/year 4,604kWh] |
| Incremental tonnes of CO2 emissions reduction due to wind energy capacity contracted by Year 4. | 102,423,216 tCO2 over 20 years, as at 2017 | *(not set or not applicable)* | Direct greenhouse gas reductions of 70,378 tCO2 cumulative by end-2018 (using a conservative 5% project causality factor). | May 2018 cummulative 14,672 GWh produced at 1.03 tCO2/MWh gives cummulative by May 2018 15,112,160 tCO2  (source http://redis.energy.gov.za/power-production/) | April 2019 cummulative  20 753 GWh produced at 1.03 tCO2/MWh gives cummulative by April 2019 21,375,590 tCO2 |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 1**  **Mechanisms in place for objective, evidence-based assessment and verification of progress in implementing localisation initiatives, taking into account any correlations between local content requirements, investment metrics (e.g. generation capacity, financial returns, costs, prices, etc) and socio-economic development (e.g. employment creation).** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| 1.1 Enhanced, technology-enabled capability among Government and industry stakeholders to monitor and verify implementation of local content requirements | 1.1 GIZ-supported reporting system in place at DoE IPP Unit. Quarterly reports filed by IPPs but no verification. No systematic review and consolidation of lessons learned. | *(not set or not applicable)* | 1.1 M&V system and supporting business processes defined, developed and implemented at the DoE (IPP Unit) by end-2015. | ToR 1.1 Titled: Assessment and Analysis of the Impact of the REIPPPP on the South African Economic Development was approved at the 3rd SAWEP 2 PSC meeting 15 August 2017 subject to final comments within a week. Comments from DEA were incorporated, ToR was updated and RFP posted 28 Sept 2017, deadline 15 Oct 2017.  The contract, following UNDP procurement and contracting processes, was awarded to Dr Jackie Crafford (JC), Prime Africa (R398 020). Duration 22 Nov 2017 to 31 March 2018. Inception meeting 30 Nov 2017 : DTI emphasised that the overall objective and recommendations should be to Optimise the Economic Impact of the REIPPPP. Inception report submitted 6 Dec 2017 commented, updated and paid. Progress report submitted 16 Feb 2018 commented, updated and paid. Draft report submitted 6 March 2018. Progress meeting 23 March 2018 (DTI, DoE, PM, JC), DTI not happy with the draft report & recommendations. PM informed JC to reconsider, update where necessary his recommendations and back up with quantification from his economic model. PM requested extension of JC contract to June 2018 that was processed by UNDP.  JC submit updated Draft report 29 May 2018. The updated Draft report (v2) was well received at meeting on 31 May 2018 (DTI, DoE IPP Office, PM, JC) and the meeting recommended JC further fine tune his draft with comments from the meeting.  PM briefed DoE Acting DDG on 12 June 2018 on progress with SAWEP 2 Projects and she recognised the importance of JC Draft report as DoE not always getting objective review of REIPPPP progress and impact.  JC submitted updated Draft report (v3) (uploaded) 13 June 2018 that was circulated to the SAWEP 2 PSC on 18 June 2018 with workshop scheduled for 29 June 2018 after which JC to submit final report and final payment R79.604 in July 2018.  Pending the outcome and recommendations of the Workshop a Project 2.1 that is provided for on the AWP 2018 maybe initiated. | Project 1.1. An assessment and analyses of the impact of the RE IPPPP on the South African Economic Development    The draft final report and economic model, following the workshop on 29 June 2018, were well received by officials of the DoE IPP Office (23 July 2018) and DoE (27 July 2018) that could not attend the workshop. The final report and updated economic model were submitted with final payment in Aug 2018 R79,604.    Key findings, recommendations from the final report:  • Alignment of the Renewable Energy Independent Power Producer Procurement Program (REIPPPP) Economic Development (ED) element REIPPPP ED with Broad Based Black Economic Empowerment (BBBEE) generic codes suited to the unique characteristics of the REIPPPP industry with the Economic Enterprise Development (EnD) criterion receives greater impact and weighting and that a Skills Development criterion be added.  • A strategic and institutionalised focus on EnD e.g. promote pooled supplier contracts to support enterprises supported through EnD initiatives  • Adoption of mechanisms for implementing equalised annuity income dividend repayment  • 2nd generation ED monitoring system that includes additional measures of effectiveness of spend of SED and EnD    The 4th PSC meeting 5 Oct 2018 debated that although these reports are primarily aimed at informing Government, it contains valuable information that the public by large and other donor/support organisations such as the GIZ, Danish can benefit from and avoid potential duplication of efforts. Also it profiles the work of SAWEP 2 and partners that is important also in view of future support. Concern was raised having the reports public available can be mistaken that all these recommendations have been adopted by Government. It was agreed that relevant DoE officials up to the Minister to be informed via submission on the findings and recommendations of the final reports with extracts to be approved that can be made public.  The submission to the Minister and extract for the public on SAWEP 2 completed reports and current projects e.g. Comp 3 UB Minigrid Wind Component to be actioned with the new Administration and new Dept Mineral Resources and Energy that came in after the elections in May 2019.    At the time of the 5th PSC meeting 11 Dec 2018 no new activities to be funded for Comp 1, 2019 which may change through 2019 and the AWP 2019 to be updated accordingly. |
| 1.2 Enhanced capacity among Government wind industry stakeholders to objectively monitor and verify factors related to the success or failure of project sponsors to meet local content requirements and socio-economic development commitments | 1.2 Implementation of a Climate Change Mitigation M&E system by DEA, expected to become operation mid-July 2015[1]. | *(not set or not applicable)* | 1.2 Twelve quarterly reports on localisation and socio-economic development (SED) published and 6 workshops convened by 2018[2]. | DoE IPP Office quaterly reports since 2015, including quaterly provincial reports see https://www.ipp-projects.co.za/Publications | DoE IPP Office quarterly reports since 2015, including quarterly provincial reports see https://ipp-projects.co.za/Publications |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 2**  **Expanded verified wind atlas (WASA Phase II) completed for additional provinces in support of future wind power project development and procurement mechanisms.**  **Strategic wind corridors/areas identified and formally approved for all WASA Phase II sites.**  **Fully capable policy-makers, regulators and local authorities efficiently dealing with grid connections at all WASA sites.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| 2.1 Geographical extension of verified Wind Atlas developed for Northern Cape. | 2.1 The installation of 5 masts and related equipment and systems required for the DANIDA-sponsored phase two of WASA (WASA II) underway from mid-2014. Focus on Eastern Cape, KZN and Free State provinces. | *(not set or not applicable)* | 2.1 4 masts and related equipment installed in the Northern Cape for SAWEP II-sponsored phase two of WASA (or WASA II) – by 2016 | The DoE Acting DG signed letters (4 Aug 2017) to:  SANEDI in which he confirmed retaining SANEDI to manage, coordinate and contract with the WASA Implementation Partners  and  UNDP in which he permit UNDP to allow SANEDI to manage, coordinate and contract with the WASA Implementation Partners    The WASA 3 Project Document that was annexed to the WASA 3 SANEDI/WASA Implementation Partners Agreement and to serve as terms of reference for WASA 3 was presented at the 3rd PSC meeting 15 Aug 2017 and recommended subject to minor updates and with ToR for Fast Track High Resolution Wind Resource map for All South Africa that was requested by DEA.    The duration of WASA 3 to allow for at least 2 full years of wind measurements with commencement date 1 Sept 2017, will extend (no additional cost) into 2020 with completion by July/August 2020.    UNDP Resident Representative signed (18 Aug 2017) letter of no objection to the content of the Dept. of Energy, Acting DG letter    SANEDI signed (28 Aug 2017) letters to respectively CSIR to start, while the WASA 3 SANEDI/WASA Implementation Partners Agreement was being finalized for signature, with the site selection activity with the target to have the hardware tenders (4x wind met masts and instruments) published before year end and DTU to start with the Fast Track High Resolution Wind Resource Map covering all of SA that it wil be available by Oct 2017.    The WASA 3 Agreement (total budget R22.2 mill) was signed by all the parties in Dec 2017 : SANEDI, CSIR, UCT, SAWS, DTU Wind Energy and the advance payment invoices, total R2,488,185.16 were submitted for payment and processed by UNDP.    Dec 2017. 4 x WASA 3 wind measurements masts sites selected http://www.wasaproject.info/docs/SAWEP2\_WASA\_3\_Site\_Selection\_Rapid\_EIA\_Report Application submitted for SACAA certificates of approval and Rapid EIA Screening study completed with the drafting of tenders that commenced.    The WASA 3 instrumentation and infrastructure (masts, installation etc) RFPs were published on 29/03/2018 (masts) and 27/03/2018 (instrumentation)    Bids were received, evaluated and awarded by the CSIR to  Campbell Scientific Africa to supply the instrumentation R1 215 741.77 and Obelisk to design, construct and install the four masts R3 110 891.44. The contract with CS Africa was finalised and signed on 15 June 2018. The contract negiotations with Obelisk is in process and it is expected that the contract will be signed in July 2018. The bid prices are withing the WASA 3 Hardware budget R5 314 000 (WASA masts, installation, instruments & spares) with R987 367 "saving" to be used as a hardware contracts reserve, secondary contingency.    Estimated contract duration - 3 months (90 days) with the target all 4 masts with instruments installed and operational beginning of Oct 2018, 2 months behind the WASA 3 Work plan 30 July 2018. (necassary procurement and approval processes in CSIR took longer that planned and further complicated with restructuring of WASA that was transferred during this period from CSIR Built Environment to CSIR Energy Centre with only WASA 2 wind measurement work package WP22 that stays with CSIR Buildt Environment). The SACAA approved certificates for all 4 masts and agreements for the installation and accessing the 4 masts were concluded with the site owners.    1st WASA 3 progress payment invoices for June 2018 being submitted  CSIR R665 744.20, DTU R460 000, UCT R248 837.92, SAWS R80 544.87 | The DoE in a letter dated 22/8/2018 indicated that the 9 WASA 1 (funded through SAWEP 1 and operational since Sept 2010) and 5 WASA 2 masts (funded by the Danish Government and in operation since Nov 2015) are still in operational condition and valuable asset for South Africa (long term wind data bank for South Africa, wind power forecasting, seasonal and climate change impact studies etc) to operate alongside WASA 3 masts. There is then no reason to demobilize these masts by end of Dec 2018. The upgrading of the WASA 1 and WASA 2 masts from the balance of the Danish RE EE Program R2,684,394.49 and WASA 2 demobilisation funds R798,261 were completed by the CSIR alongside the installation and commission of the 4 WASA 3 masts Nov 2018 (total tender completed and paid: masts R3,577,525.16 and instruments R1,183,786.35, online graphs http://wasa.csir.co.za/web/welcome.aspx ). The CSIR, to start building a national capability around “Energy Meteorology”, are interested to take over the WASA masts and undertook a Life Extension Business Case study that identified potential sources of long term support of the WASA masts with SANEDI that budgeted some contingency funds to support WASA 1 and WASA 2 masts for 2019 while the Business Case study is "tested" for support with the target to submit to DoE, DST etc before year end for a decision of WASA masts support from 2020.    The significance for WASA 3 project having the WASA 1 and WASA 2 masts operating concurrently with WASA 3 masts, total 18 masts, across 5 provinces spanning 75% of South Africa land area is that the statistics are also good for those provinces with no wasa masts (yet). The result that the WASA 3 main results: Wind Atlas, database and Wind Resource map can now span ALL 9 provinces (originally WASA 3 to only complete the Northern Cape province) with the launch of the WASA Large Scale High Resolution Wind Resource map, which for the 1st time, cover all 9 provinces of South Africa at the WASA 2 Final/WASA 3 mid term workshop (WASA Seminar) 10 April 2019 (see wasaproject.info, Final Seminar April 2019 : Programme with Presentations, DoE DG keynote address)    The WASA 3 partners Dec 2018 progress payments were processed bringing the total progress payment 2018 to R2,981,583.13 (R1,455,126.99 (June 2018) + R1,526,456.14 (Dec 2018)    The June 2019 progress payments total R1,107,563.21 are in progress and to be completed in July 2019    The WASA 3 Q&A checked wind measurements data are available up to June 2019 on the wasa download site http://wasadata.csir.co.za/wasa1/WASAData    Following on from the WASA Seminar is to update the WASA book and to plan an information event with key Northern Cape Province officials with the WASA 3 masts site description visit in Sept/Oct 2018 |
| 2.2: Preliminary and final WASA II data processed for use in definition of RE Development Zones (REDZs) in WASA II sites. | 2.2 DEA, CSIR and Eskom scheduled to complete development of WASA I (REDZs) during second half of 2014. | *(not set or not applicable)* | 2.2.1 Preliminary REDZs around DANIDA-sponsored WASA II sites in the Eastern Cape, Free State and KwaZulu Natal provinces defined – by end-2016.  2.2.2 Final REDZs around all SAWEP II-sponsored sites in the Northern Cape province defined – by end-2018. | PM informed/alerted DEA SEA team in July 2017 on the danger of using the CSIR Wind Power Map that is based on the WASA wind time series data instead of the full WASA wind resource map that is based on the "clean up" and downscaled (topography incorporated) and fine tuned WASA wind time series data and representative of the local wind resource. The WASA team, on request of the DEA, then developed a ToR that was approved by the DEA and incorporated into the WASA 3 Project document as part of SAWEP 2 support of DEA SEA project.    The Fast Track High Resolution Wind Resource map and database for South Africa was completed in Nov 217 (report uploaded), discussed and data presented to the DEA CSIR SEA Phase 2 team and presented at Windaba 2017 with banner.    The WASA Fast Track High Resolution Wind Resource map and data now forming the basis (email communication 19 June 2018 from Paul Lochner, CSIR Manager: CSIR Environmental Management Services) to identify Wind Technical Areas that inform the Phase 2 Strategic Environmental Assessment for wind and solar energy (see https://redzs.csir.co.za/ and Communication impact) for All of South Africa | Dept Environmental Affairs : Phase 2 of the Wind and Solar PV Strategic Environmental Assessment for the Efficient and Effective Rollout of Wind and Solar PV Energy in South Africa, using WASA info, see  http://www.wasaproject.info/temp/Phase%202%20Wind%20and%20Solar%20PV%20SEA\_ERGPSC%2019092018\_.pdf p8 and 12 |
| 2.3 Enhanced capacity within Government[1] to use wind atlas data for energy planning at policy and strategic levels. | 2.3 REDZs in WASA I sites defined, on the basis of WASA I data. | *(not set or not applicable)* | 2.3 REDZs in WASA II sites defined, on the basis of WASA II data. | see 2.2 | WASA used in Integrated Resource Plan (IRP) and REIPPPP:  IRP Update Draft Report 2018 see http://www.energy.gov.za/IRP/irp-update-draft-report2018/EPRI-Report-2017.pdf p 3-24    DoE REIPPPP see  https://www.ipp-projects.co.za/Publications/GetPublicationFile?fileid=9b922d81-663a-e911-949d-2c59e59ac9cd&fileName=20190215\_IPP%20Office%20Q3\_2018-19%20Overview.pdf p23 |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 3**  **Capacity developed among relevant stakeholders on technical, financial, regulatory and socio-economic aspects of small-scale wind projects.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| 3.1 Establishment of small-scale wind demonstration project | 3.1 No small-scale wind farms installed. | *(not set or not applicable)* | 3.1 1.8 MW small-scale wind farm demonstration project –developed. | Project 3.1 : Status and Specification Small Scale Wind Energy Pilot Project, following UNDP procurement and contracting processes, was awarded to Mr Carsten Laugesen (CL) (IES Systems) (R880 000). Duration 1 Oct 2017 to 31 Jan 2018. Inception meeting 6 Oct 2017. CL submitted Inception report 13 Oct 2017. SAWEP 2 PCU commented and PM requested improvements. CL summited improved Inception report 21 Oct 2017 that was accepted and paid. CL submitted draft progress report on 22 Nov 2017. The basis of CL's draft progress preport for SAWEP 2 to create a demand for small scale wind turbines (sswt's) through several pilot projects and to support the manufacturing of sswt's to supply the demand. Through several follow up commenting, meetings with e.g. DST, SANEDI etc, it was agreed and in view of that there are already 2 local manufacturers that already export sswt's for a number of years and serving, albeit small, the local market, that it is the absence of more exposure (application/configuration and sustainability) to the potential consumers, Gov etc what is possible with sswt stand alone and in combination with other RE e.g. PV, gensets (hybrid configurations, mini-grids.) that is the challenge for sswt growth in SA. Getting it right, expose, "open up" sswt application possibilities to a wider SA audience could create/stimulate a growing demand for sswt's to the point that industry will jump in e.g. with more sswt manufacturing companies coming on the market (market knows best to read the “signs” and when to invest). Also it became clear that one sswt pilot will not be enough in creating this exposure and that several, strategic selected sswt configurations/applications (pilot projects) targeting different markets segments/partners will be necassary for SAWEP 2 support to have the best change of measurebale sucess in the support for the development of small-scale wind sector.  CL's contract was subsequnely extended to June 2018 as the focus moved from one to several sswt's for SAWEP 2 support to be sucessful and sustainable long after SAWEP 2 came to and end.  During this time the PM became aware of the Eastern Cape mini-grid (PV, battery, genset) pilot project that is driven by the Eastern Cape Dept Economic Development Environmental Affairs and Tourism (DEDEAT) officials and suggested that CL follow up with DEDEAT. DEDEAT also expressed their interest in collaboration with SAWEP 2 in exploring sswt's to save on the mini-grid battery life and diesel. CL then became aware of several Eastern Cape Government and related entities with different configurations/applications for sswt pilot projects spanning from not only electricity but also to wind water pumping. DEDEAT then facilitated a SAWEP 2 workshop meeting on 13 March 2018 at the ELIDZ Science Park in East London were SAWEP PCU and CL informed interested EC Gov and organisations on SAWEP 2 objectives for sswt support and invited those who are interested to send letters of their interest and collaboration potential with SAWEP 2. CL applied sswt pilot site selection criteria comprising of Wind resource, Provincial / municipal capacity, Manufacturing / localization potential, Existing manufacturing presence, Job creation / poverty reduction importance, Customer base Wind power supply (electricity), Customer base Wind power supply (water), to SA provinces with the Eastern Cape that came out tops. Cl then updated his draft final report accordingly : recommending that the SAWEP 2 support of the small scale wind energy sector through several (not one) sswt pilot projects be anchored in the Eastern Cape, with a number of national, provincial and municipal key stakeholders that have expressed an interest (letters) to be partners in the implementation. The implementation period to span the remaining of the SAWEP 2 period (July 2018 -) with an estimated budget (Technical assistance with sswt's (electricity & water pumping) R9.9 mill (USD733,333)    The draft final report (uploaded) was further presented and discussed with DoE RE Director and UNDP Programm Manager that expressed their support. Subsequently letters were received from BCMM (green tariff for sswt's), EC Dept Public works (sswt water supply at schools and clinics), ELIDZ (sswt manufacturing, artisan), Fort Hare (sswt capacity building in EC tertiary institutions), including letter from the Head DEDEAT to the DoE DG confirming areas of interest for collaboration, coordination and technical assistance.  The DoE Acting DDG was also briefed.  The Draft report with the letters was circulated to the SAWEP 2 PSC on 18 June 2018 and presented at a workshop on 29 June 2018 with the service provider to submit the final report and final payment R88,000 in July 2018    AWP 2018 activity 3.3 ToR : Feasibility study to determine market potential and viability to establish a medium wind turbine refurbishment industry in South Africa was drafted and to be submitted for review and approval at the the next SAWEP 2 PSC meeting. The ToR came about the gap that was identified between sswt's typical up to 100 kW and the REIPPPP 2 MW WTs and higher. e.g. medium wind turbines and the DTI getting requests for allowing 2nd hand medium sized wind turbines into SA for e.g. fisheries where the sswt's are to small, uneconomical and the big MW wt's to costly. | Project 3.1 Status and Specification Small Scale Wind Energy Pilot Project was completed with:  Key findings, recommendations:  • Already, albeit small, local and export market for small scale wind turbines (sswts)  • Absence of more exposure, guidance (application/configuration and sustainability, procurement) to the potential consumers, Gov etc what is possible with sswt stand alone and in combination with other RE e.g. PV, gensets (hybrid configurations, mini-grids.) is the challenge for sswt growth in SA  • One sswt pilot will not be enough in creating this exposure and that several, strategic selected sswt configurations/applications (pilot projects) targeting different markets segments/partners will be necessary for SAWEP 2 support to have the best change of a measurable success.  • Make EC Province anchor for small scale wind pilot projects.  • Water supply in rural off-grid areas is still the largest market in South Africa for sswt.    Of the proposed small scale wind pilot projects proposed in the report 3.1, the Small Wind Power Integration in the Upper Blinkwater Minigrid project is priority as the main, basis project (75 kW PV with 20 kW genset hybrid system) is already advanced by the Eastern Cape DEDEAT in collaboration with Germany Lower Saxony State with GIZ and DLR TA.    The CSIR compiled UB Minigrid Wind Component proposal with key deliverables:  • Local (CSIR)-to-local (EC communities) wind resource assessment knowledge transfer and participation  • Technical support in the analysis and sizing of the local wind energy resources, followed by the sourcing, installation and integration of small wind turbines (sswt) with the existing solar-diesel based minigrid system for reliable and affordable power supply to off grid community (Upper Blinkwater)  was submitted at the 4th PSC 4 Oct 2018 meeting for approval.    The PSC supported:  making the Eastern Cape Province the anchor for the implementation of small scale wind pilot projects with indicated EC partners that will result in national spin offs.    The PSC approved:  The CSIR based Small Wind Power Integration in the Upper Blinkwater Mini-grid proposal est R2.6 million (with min 26% CSIR co-funding, including discounted LIDAR cost)  • Est R2.3 mill be set aside for est R1.8 million (sswt EPC contract including procurement, delivery, installation, integration and commissioning of 6x sswts) and est R0.5 mill M&E equipment    Following a meeting, the UNDP Country Office informed most appropriate legal instrument to use is a Responsible Party Agreement (RPA) where any organization that is legally constituted, including government institutions and duly registered may become a responsible party for a UNDP project where UNDP is the implementing partner or providing country office support as in the case of SAWEP 2 to the implementing partner DoE. The applicable RPA is through a Standard letter of agreement (LOA) that is applicable for Government institutions such as the CSIR.    A submission to the DoE DG to inform on the UB Minigrid and PSC recommendation was then drafted with a letter from the UNDP Country Office expressing its support    A LoA that included the CSIR UB Minigrid Wind Component Project document R2,235,155 (SAWEP contributing R1,665,012 with CSIR co funding R580,143 students, local capacity building) was signed respectively by the UNDP and CSIR on 29 Dec 2018 and 25 January 2019    The implementation of the CSIR, UNDP LoA UB Minigrid Wind Component document commenced with the implementation workshop which took place on 13 February 2019. The SAWEP 2 support of the wind component was introduced and supported by the UB Community at a UB Community meeting which took place on 20 March 2019 and with the LIDAR installation and start of wind measurements in April 2019.  The LIDAR wind measurements are ongoing (total 6 months) and together with the WASA data and small scale wind turbines specs, a possible location for the sswts have been identified with a preliminary sswt spec to be confirmed with integration of the wind component with the DLR DigSilent and HOMER minigrid models and wind measurements. While an EIA assessment is not necessary, a draft EIA report was submitted to DEDEAT (EC EIA Authority) for any potential land use issues and will be finalised in Q3 taking into account any aviation issues. Also to be finalised in Q3 is the location, sswt spec and number of sswts with EPC contract functional specs, Owners Engineer and O&M contractor specs.    The DoE DG in a letter to the Eastern Cape, DEDEAT, Head of Department, approved on 20 Feb 2019 the report recommendation and collaboration between SAWEP 2 and Eastern Cape province, led by DEDEAT, with the Eastern Cape Province the anchor for the implementation of small scale wind pilot projects.    This opened discussions, and meetings are being coordinated through DEDEAT to activate, besides the UB Minigrid Wind Component other small scale wind TA and pilot projects supported by the SAWEP 2 PSC such as TA and implementation utilising sswts for electricity/water pumping at schools, "Green" tariff study with sswt for Buffalo City Metro and sswt market survey and REIPPPP demand study.  The SAWEP 2 approach in view of budget (sufficient to support these strategic sswt TA and pilot projects) and time constraints is to identify and partner with strategic partners and programs that are already established with some track record that can benefit from SAWEP 2 support and vice versa. Important that the collaboration will add value to both parties with the recipient communities and local structures benefitting and to be capacitated to enable long term sustainability of the interventions with results that can be used for or to inform policy making etc. |
| 3.2 Enhanced capacity of project sponsors to develop small-scale wind energy projects. | 3.2 GIZ support for SALGA and AMEU[1] towards integration of small-scale solar PV in municipal distribution systems, as well as DTI’s study on small-scale RE. | *(not set or not applicable)* | 3.2 Publicly available Monitoring and Evaluation (M&E) Report on demonstration small-scale wind farm project. | see 3.1. To finalise, following DoE DG approval (target Aug/Sept 2018), the pilot project specifications, necassary implementation arrangements and agreements with the pilot project partners, M&E framework (AWP 2018, 3.2.1) for implementation to commence AWP 2018, 3.2.2. | Most relevant here would be the envisaged SAWEP 2 support of Buffalo City Metro (BCM) that are interested in investigating a "green" tariff that includes small scale wind turbines. Many similar GIZ etc supported studies but mostly about PV. Meeting scheduled to scope the potential SAWEP 2 support with BCM for Friday 12 July 2019 at East London. |
| **The progress of the objective can be described as:** | | **On track** | | | | |
| **Outcome 4**  **Enhanced local stakeholders’ capacity to manage, operate and maintain wind farms in a given area based on best practice models developed in other countries.**  **Enhanced skills of local stakeholders to manufacture and/or assemble wind energy components based on the Government of South Africa’s localization strategy, taking into account international best practices.** | | | | | | |
| **Description of Indicator** | **Baseline Level** | **Midterm target level** | **End of project target level** | **Level at 30 June 2018** | **Cumulative progress since project start** |
| 4.1 Increased number of Technical and Vocational Education and Training (TVET) colleges participating in wind energy vocational apprenticeship programme. | 4.1 TVET college actively pursuing participation in wind energy vocational skills development. | *(not set or not applicable)* | 4.1 Number of TVETs = maximum 5. | Project 4.1 : Status and Analysis Wind Energy Training Education Skills and Capacity development, following UNDP procurement and contracting processes, was awarded to Mr Sean Gibson (SG) (Altgen) (R314 200). Duration 11 Sept 2017 to 15 Des 2017. Inception meeting 27 Sept 2017. SG submitted, after comments, inputs from the PCU, his Inception report on 27 Oct 2017. An extension to SG's contract to June 2018 was approved in view of the ongoing unresolved REIPPPP Bid 3.5, 4 Eskom, IPP impasse that impacted on the completion of the project e.g. BWR4 went ahead, then there was a definite reason to pursue further wind turbine technician engagements as well as communities and trusts etc, but if it did not, then needed to consider focussing on downstream (O&M) work. SG submitted progress report 2 Dec 2017 with Workshop Invitation List. Workshop took place on 17 Jan 2018 (see Communication impact) and the Workshop report was submitted on 31 Jan 2018 - basically  - Confirming an overemphasis on formal NQF5 WTST training and over estimation of jobs/MW as high as 1.3 vs coming out now 0.11 technicians/MW that is based on operational wind farms  - Also mismatch/delink with industry needs - Wind Industry (IPPs) cannot wait for SARETEC 6 months WTST graduates while there are less formal trained, technical enclined (''informal" artisans) human resources available that they can quickly train up for their needs.  - Need to focus on human capacity development (HCD), SMME and Enterprise development (End) and supporting a clear training, education and capacity building path from the lowest skilled individuals to NQF 5.  SARETEC that is a national assest and supported by Gov (DHET) to be enhanced/restructured to provide and or through networking with other service providers these trainings as well to serve the needs of the industry and thereby stay relevant and useful.  SG, accompanied by Masechaba Mabilu, a wind industry capacity building espert, presented his draft final report at a meeting with DoE Director RE and the PCU on 16 March 2018. "However, it is apparent in the current state of play, that any skills development, training and other HCD supported by SAWEP II will essentially be taking place in a social vacuum and these redefined focal areas are therefore not recommended for support until the lack of a broader enabling environment for HCD in the wind energy industry is addressed." While the DoE Director RE and PCU agreed with the social importance, they also emphasised that it is beyond the scope, time and budget of SAWEP 2 to address to broader social landscape that is defined and impacted by elements e.g. Gov, Trade Unions, Industry issues, political aspirations, job losses etc beyond the reach of SAWEP 2 and should SAWEP 2 focus on what it can do within the current time and budget to its disposal. SG then updated his draft report and submitted his final report on 19 April 2018 (uploaded) recommending:  - Support reskilling of conventional energy workers due to job lossed in e.g. coal mining due to increasing RE focus [coal mines concentrated in Mpumalanga province with some wind resources but will take time to develop while already other established RE such as biomass projects on the go in that area]  - Restructuring/enhancing SARETEC to focus on human capacity development (HCD), SMME and Enterprise development (End) and supporting a clear training, education and capacity building path from the lowest skilled individuals to SAQA Accredited BTT & BST training and formal NQF% WTST training  - Training support for effective REIPPPP SED and EnD Monitoring and Evaluation and  - Focus on women (wind energy industry one of the worst performing industries in South Africa when it comes to empowering women). | Implementation Project 4.1 : Status and Analysis Wind Energy Training Education Skills and Capacity development (completed) recommendation:  - Restructuring/enhancing SARETEC to focus on human capacity development (HCD), SMME and Enterprise development (End) and supporting a clear training, education and capacity building path from the lowest skilled individuals to SAQA Accredited BTT & BST training and formal NQF5 WTST training    A proposal, in support of SARETEC focusing on ongoing NQF5 WTST training based on real demand 0.1 WTST/MW numbers from operating wind farms - targeting 24 qualifying (minimum NQF4) and GWO BTT, BST training targeting 40 qualifying (minimum grade 10) needy individuals from REIPPPP bid 4 and surrounding communities, was submitted at the 4th PSC meeting.    SAWEA CEO informed that there is no interest from the OEMs in support, internship of BTT, BST students. The demand for these individuals is not with the OEM’s but with the IPP’s – the wind farm owners who have the REIPPPP community development commitments. The OEM’s do not own the wind farms and hence have no community development drive. The viewpoint is shared by the DoE IPP Office that recommended direct engagement with the SED, EnD service providers and IPPs.    The PSC meeting:    Approved  • In principle SARETEC proposal (R6,194,840) with the condition that the BTT and BST training (R2.5 mill) only be activated on confirmation of internship and co-funding of internship stipend.    Support  • The DoE to officially engage, communicate with the bid 4 IPPs, OEMS on the aims of the SAWEP 2 GWO BTT, BST training in an effort to solicit a sufficient number in support of internships.    The Cape Peninsula University of Technology (CPUT) is the legal entity for SARETEC and it was proposed to use, similar with UB Minigrid project, a LoA between UNDP and CPUT with the SARETEC Project document that would expedite implementation. However it was found out that SARETEC is not QCTO accredited as a training organization for the SAQA Accredited WTST Qualification. Up till now SARETEC WTST students, supported by the GIZ and Danish, “graduating” from SARETEC with only a SARETEC Certificate of Attendance of the WTST course that costs R78,000 (R78,000 for an attendance certificate make no sense ) The importance of SARETEC a QCTO accredited training institution for the SAQA Accredited WTST Qualification:  • Wind industry: the knowledge that a certain standard has been set and adhered to by the training provider  • Graduate students: knowing their training will be recognised throughout South Africa and internationally and also position them better for the job market and not only limited to the wind industry..    The PM took up the issue of QCTO accreditation with SARETEC, DoE and DHET representative on the SAWEP PSC. The SARETEC Director introduced bi-weekly tele conference with key SARETEC staff members, MerSeta, QCTO, DHET, SAWEP PM, DoE representatives to address the issue of QCTO Accreditation that is holding up the release of the SAWEP 2 support for 24 needy individuals to undergo SARETEC WTST training.    The efforts bear fruit in that the QCTO CEO in a letter dated 25 April 2019 acknowledged receipt of SARETEC application for QCTO WTST accreditation and indicated that the QCTO aims to complete all accreditation applications within 90 working days of receipt of the application.    This is the 1st official correspondence of QCTO confirming that the SARETEC WTST accreditation in progress. The SARETEC proposal was then updated with the QCTO letter and incorporated into a draft SARETEC UNDP LoA (R3.4 mill) that was submitted to the DoE and UNDP officials for finalisation and to initiate signature of the LoA by UNDP and thereafter CPUT with SAWEP 2 support of the 1st 12 selected candidates for SARETEC WTST training to start ASAP, July 2019    Regarding SAWEP support of BTT, BST training:  DoE to officially engage, communicate with the bid 4 IPPs, OEMS on the aims of the SAWEP 2 GWO BTT, BST training, to be incorporated with the submission to the new Dept Mineral Resources and Energy Ministry. |
| 4.2 National Artisan Development (NAD) programme extended to include wind energy training. | 4.2 The NSF has a financial support mechanism targeted at developing artisans in support of national capacity-development programmes (e.g. the DPE’s CSDP[1]). | *(not set or not applicable)* | 4.2 Number of apprentice artisans trained by end-2018 = 20; percentage of women participating in training programme – by end-2018 = 30%. | From project 4.1 final report. Wind Artisan development very much depended on the wind industry demand that in turn is dependent for the forseeable future on the REIPPP bid windows with current still no local wind turbine blade manufacturer that would give the signal for local manufacturing and the demand for wind artisans to increase. The small scale wind industry is however expected to grow where the demand will increase from two sswt turbines per week, as seen today, to 25 SSW turbines per week in 2025, especially with the advent of factors such as increased grid electricity prices, reduced sswt turbine cost and nett metering. The opportunities exist but they are too far down the line to substantiate SAWEP artisan training support now. Including the extend to which SAWEP 2 Comp 3 support (2018 to 2019) could stimulate a local sswt demand that will most likely only be known after SAWEP 2 end. | NSF etc already through REIPPP bids 1 to 4 support wind energy training at SARETEC etc. Projecting, planning beyond REIPPPP bid 4 is not clear at this stage as the IRP, that sets the energy source and supply targets from wind etc and that was tabled for public comment in August 2018 and an updated version was issued in March 2019, is still not finalised. |
| **The progress of the objective can be described as:** | | **On track** | | | | |

# Implementation Progress



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| Cumulative GL delivery against total approved amount (in prodoc): | 33.93% |
| Cumulative GL delivery against expected delivery as of this year: | 33.93% |
| Cumulative disbursement as of 30 June (note: amount to be updated in late August): | 1,205,843 |

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| **Key Financing Amounts** | |
| PPG Amount | 100,000 |
| GEF Grant Amount | 3,554,250 |
| Co-financing | 35,667,936 |

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| **Key Project Dates** | |
| PIF Approval Date | Jun 20, 2013 |
| CEO Endorsement Date | May 8, 2015 |
| Project Document Signature Date (project start date): | Dec 18, 2015 |
| Date of Inception Workshop | Oct 7, 2016 |
| Expected Date of Mid-term Review | Jun 30, 2019 |
| Actual Date of Mid-term Review | *(not set or not applicable)* |
| Expected Date of Terminal Evaluation | Dec 18, 2019 |
| Original Planned Closing Date | Dec 31, 2019 |
| Revised Planned Closing Date | *(not set or not applicable)* |

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| **Dates of Project Steering Committee/Board Meetings during reporting period (30 June 2018 to 1 July 2019)** |
| 2018-10-05 |
| 2018-12-11 |

# Critical Risk Management

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| Current Types of Critical Risks | Critical risk management measures undertaken this reporting period |

# Adjustments

**Comments on delays in key project milestones**

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| **Project Manager: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| MTR review. The MTR ToR was advertised 13 Feb 2019. The ToR was re advertised in March 2019 as not all the candidates adhered to the ToR requirements and this time responsive bids were received. Following a lengthy review process of the 7 bids received, with the PM (one of the technical evaluators) 3 times updated his comments to adhere to the UNDP Procurement rules, a contract was sent to the sucessful candidate Mr Jan van den Akker 19 June 2019. |

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| **Country Office: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| The MTR is delayed and is now currently underway. The consultant is available for in-country MTR work at the end of September. Once concluded, the Management Response will be provided. |

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| **UNDP-GEF Technical Adviser: please provide comments on delays this reporting period in achieving any of the following key project milestones: inception workshop, mid-term review, terminal evaluation and/or project closure. If there are no delays please indicate not applicable.** |
| Delays related to the commissioning of the MTR were procedural in nature, and a reflection of limited procurement capacity. Part of the delay was also caused by the need to re-advertize following receipt of ineligible bids. It seems that part of the delays is due to lack of familiarity with UNDP procurement rules. It is suggested that the CO strengthens its capacity in this area through dedicated training. CO participated in a training workshop organized by the Regional Hub in Addis earlier this year and hopefully this will lead to smoother procurement processes in the future. |

# Ratings and Overall Assessments

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| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Project Manager/Coordinator** | Moderately Satisfactory | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | Outcome 1: On track Project 1.1 Project 1.1. An assessment and analyses of the impact of the RE IPPPP on the South African Economic Development was satisfactorily completed and well received by the SAWEP 2 PSC: “..it contains valuable information that the public by large and other donor/support organisations such as the GIZ, Danish can benefit from and avoid potential duplication of efforts. Also it profiles the work of SAWEP 2 and partners that is important also in view of future support.” Left to do is a submission to the new Minister, once the new Dept Minerals Resource and Energy has settled in, on the findings and recommendations of the final reports with extracts to be approved that can be made public.    Outcome 2: On track: Achievement: “The result that the WASA 3 main results: Wind Atlas, database and Wind Resource map can now span ALL 9 provinces (originally WASA 3 to only complete the Northern Cape province) with the launch of the WASA Large Scale High Resolution Wind Resource map, which for the 1st time, cover all 9 provinces of South Africa at the WASA 2 Final/WASA 3 midterm workshop (WASA Seminar) 10 April 2019 (see wasaproject.info, Final Seminar April 2019 : Programme with Presentations, DoE DG keynote address)”  DoE acknowledged the value of the WASA masts and efforts are underway e.g. Life Extension Business Case study with the CSIR, DoE and SANEDI to secure the long term sustainability and use of the WASA masts e.g. CSIR, to start building a national capability around “Energy Meteorology”.    Outcome 3: On track: Biggest budget allocation in the AWP 2019 with the potential, through several strategic TA and pilot projects support anchored in the Eastern Cape Province (least develop of the nine SA provinces) e.g. UB Minigrid Wind Component (underway), schools water/electricity supply, BCM “green” tariff pilot study with small scale wind turbines, to “expose” the potential of small scale wind turbines thereby stimulating the market and growth for small scale wind development with national spin offs. These TA and pilot projects will take time to set up with expenditure to follow to ensure the recipient communities and authority structures are adequately capacitated to sustain these projects long after SAWEP 2 come to an end. SAWEP 2 approach is to identify and to partner with strategic partners, projects, programs e.g. UB Minigrid (DEDEAT, Germany Lower Saxony State, GIZ, DLR) that are already established and can add value and assist in SAWEP 2 achieving its objectives.    Outcome 4: On track with the implementation of Project 4.1 : Status and Analysis Wind Energy Training Education Skills and Capacity development recommendations: SARETEC WTST training support with QCTO accreditation that was official acknowledged that can now “push” for signature of the SARETEC UNDP LoA . Activities left to initiate: inform, through submission, the new Dept Mineral Resources and Energy on the need for DoE direct engage with the SED, EnD service providers and IPPs in support of and contribution to HCD, BST and BTT training.    My overall assessment (MS) Moderately Satisfactory is based on sufficient time to properly set up and complete the activities for the best chance of success and long term sustainability (long after the photo sessions and smiles) with the expenditure that will follow. I am very much aware of the potential, perceived lack of project performance, progress measured solely against the expenditure to date. We work here with people, structures, all tiers of government, very fluid energy environment and politics which money, expenditure alone cannot fix, instead will only create more white elephants, failed pilots, desolated communities if not based on proper planning and set up for long term sustainability and spin off.    Budget status June 2019. Please see attached excel SAWEP 2 Budget status June 2019 and the Notes explaining the columns  The target is to have all the remaining uncommitted funds estimated  R6 578 957 with the bulk Comp 3 Small Scale Wind Development R5 132 914\* committed by 2019 year end (meaning funds that are allocated in AWP 2019 but not yet committed through signed Agreements, LoA’s) with actual expenditure in 2020).    2020 then becomes a “big” actual expenditure year of which the bulk comprise of final expenditure of multiyear projects (WASA 3 (R8 567 612), UB Minigrid (R652 293), SARETEC WTST training (R2 536 000), Comm, Event (R894 885) and committed by end of 2019 which is basically remaining Comp 3 Small Scale Wind R5 132 914\*    (\*R5 132 914 for UB Minigrid Wind Component EPC, O&M, Owners Engineer contracts, M&E, rural schools energy/water supply through small scale wind turbines etc)  Summary  Comp 3 with the 2nd smallest budget in the SAWEP 2 (2013/14 designed) Product doc USD197 114, becoming, as reported through previous PIRs, after Comp 2 mainly WASA 3 (USD738 214), the biggest current reality budget USD636 330 (USD197 114 + USD439 216, UB Minigrid, schools etc) – not one but several pilot projects to expose and to awake the small scale wind potential in SA. This then also shifts SAWEP 2 implementation dynamics from “desktop” to “field” work which takes more time, more parties (communities, municipalities, ngo’s, private sector, tiers of government etc) to negotiate, consult as the implications of success or failure are directly impacting people’s livelihood and futures long after SAWEP 2 came to an end. The potential of Comp 3 becoming SAWEP 2’s long lasting legacy.    Implementation status of AWP 2018    The implementation of AWP 2018 activity 3.2 Small Scale WT Pilot Project(s) supported, 3.2.1 and 3.2.2 was carried over to AWP 2019 activities 3.2.1 and 3.2.2 as Project 3.1 Status and Specification Small Scale Wind Energy Pilot Project proposed projects were supported at the 4th PSC meeting 5th October 2019 and DoE DG on 20 Feb 2019. The UB Minigrid LoA started the implementation of the projects with the signature of the UB Minigrid Wind Component LoA respectively by UNDP and CSIR on 29 Dec 2018 and 25 Jan 2019    AWP 2018 activity 3.3 3.3 ToR Feasibility study to determine market potential and viability to establish a wind turbine refurbishment industry in South Africa was approved at the 4th PSC meeting 5 Oct 2019 and advertised 4 Dec 2018 with the implementation carried over to AWP 2019, activity 3.3    AWP 2018 activities 4.2.1 Financing Scheme (course fee and stipend) for est 12 Students (TVET, SARETEC)  and 4.2.2 Workplace Placement and Support for Students at RE Companies to provide them with “On-the-Job” Training Opportunities was carried over to AWP 2019, activity 4.2.1 and with the AWP 2019 budget increased R3.4 mill in support of 24 qualified individuals to undergo SARETEC WTST training. As explained in Outcome 4 SARETEC was not QCTO accredited with the QCTO accreditation now officially happening and we can now “push” for signature of the SARETEC UNDP LoA with implementation and expenditure to commence.    AWP 2018 4.5 Affected REIPPPP (wind) communities, local gov & IPPs trained and capacitated in Enterprise and SED sustainable investments was carried over to AWP 2019 4.2.2 REI4P bid 4 communities HCD needs assessment, analysis and opportunities. This activity connects with Comp 1 Project 1.1. An assessment and analyses of the impact of the RE IPPPP on the South African Economic Development key finding: A strategic and institutionalised focus on EnD e.g. promote pooled supplier contracts to support enterprises supported through EnD initiatives as well as Comp 4 4.2.1 “…25 BTT, BST students at SARETEC with Workplace Placement at RE Companies to provide them with “On-the-Job” Training” and is dependent as explained in Outcome 4 on the support of the IPPs that is investing their required SED and EnD funds in the recipient communities. The implementation of AWP 2019 Activity 4.2.2 REI4P bid 4 communities HCD needs assessment, analysis and opportunities …that is dependent on IPP support with the manner, emphasis of the REIPPP under the new Dept Mineral Resources and Energy not clear yet and with mounting industry pressure to finalise the long outstanding IRP that gives direction to the REIPPPP implementation. https://www.engineeringnews.co.za/article/sawea-calls-for-urgent-finalisation-of-the-irp-2019-07-04  In the meantime the findings of Project 1.1. An assessment and analyses of the impact of the RE IPPPP on the South African Economic Development, as indicated in Outcome 1, and need for engagement with the IPPs in support of HCD in recipient communities to be communicated through submission to the new Dept Mineral Resources and Energy Ministry that could expedite engagement with the IPPs and the implementation of AWP 2019 Activity 4.2.2 REI4P bid 4 communities HCD needs assessment, analysis and opportunities. | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **UNDP Country Office Programme Officer** | Moderately Satisfactory | Moderately Satisfactory |
| Overall Assessment | The project may fall short in implementing the annual work plan 2019. This will be addressed on 15 September 2019 where CO and the PMU will do a budget deep dive and if needed, undertake a 2019 budget revision (downgrade). What will largely dictate the budget revision, is finalisation of highly technical Terms of Reference for engineering procurements centred in the Eastern Cape. This activity is being supported by engagement with industry and external advisory in order to ensure that the PMU makes well-informed decisions on the UB Minigrid pilot which is by far the most challenging aspect of SAWEP 2. Overall, the project is on track to achieve its end-of-project targets by project closure with minor shortcomings only, and is hence , assigned Moderately Satisfactory which concurs with the Project Manager’s rating. CO would like to commend the excellent effort of the Project Manager, in particular the high degree of involvement and strong relationships with the project stakeholders. I have no doubt that this project will grow in success, and what is being witnessed are complexities associated with highly technical and very unusual specifications for which there are limited benchmarks. | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **GEF Operational Focal point** | *(not set or not applicable)* | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | *(not set or not applicable)* | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Project Implementing Partner** | *(not set or not applicable)* | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | *(not set or not applicable)* | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **Other Partners** | *(not set or not applicable)* | *- IP Rating provided by UNDP-GEF Technical Adviser and UNDP Country Office only -* |
| Overall Assessment | *(not set or not applicable)* | |
| **Role** | **2019 Development Objective Progress Rating** | **2019 Implementation Progress Rating** |
| **UNDP-GEF Technical Adviser** | Moderately Satisfactory | Moderately Unsatisfactory |
| Overall Assessment | I would like to point out that the project has an exceptional project manager, highly motivated, very well informed about the wind energy sector in South Africa and highly competent. His drive and enthusiasm and commitment are critical in steering this project towards success. Based on an assessment of the status of project objective and outcomes, the project is making steady progress and is likely to eventually meet its objective or at least for the most part. Important progress has been made on all component, but in particular in component 1 and 2. The WASA coverage (in comp 2) has been very much extended and now covers all 9 provinces, more than the initial target to just extend it to the Northern Cape. Component 1 has seen important progress in putting key mechanisms in place and undertake critical assessments that can be of use to others. In component 4 there continue to be problems related to SARETEC and in particular the lack of appropriate accreditation. That is now being addressed and will hopefully be fully resolved by the next PIR. The biggest and most complex component is the third one, aiming to undertake a couple of pilot mini grids using small scale wind turbines. This component has now clearly established a focus on the Eastern Cape, the least developed province. Enough progress has been made on the UB minigrid pilot to expect a breakthrough in 2020. All the groundwork has been done and initial stage of implementation of the pilot are now underway. Because of this rather slow progress I have rated the overall DO as moderately satisfactory, as the overall success of the project hinges upon successful completion of a number of pilots. As long as this component fails to fully deliver, it will cast a shadow on the potential for achieving overall impact by the project. Also, because most of the budget is allocated to this component, the slow rate of disbursement creates the overall impression of inadequate implementation progress (IP). This is however somewhat misleading, as the rating of MU of IP (now several years in a row) is based exclusively on disbursement figures, which doesn't tell the whole story. The activities that the project has focused on and on which good progress has been made, simply cost a lot less and consume less budget, hence show low disbursement numbers. Once the mini grids start being rolled out in 2020, the disbursement will likely rise rapidly, bringing the cumulative numbers closer to where they were expected to be. Another factor to consider here is the exchange rate, with the Rand continuing to be very soft vis a vis the US $. Most expenses are incurred in local currency. Procurement related delays are nevertheless a key issue in this project (and not just this one). My recommendation would be to strengthen the CO capacity in this area through targeted training. This has already started to be provided by the Regional Hub in Addis and needs to be sustained. I recommend further that we put the project in touch with our new regional mini-grids project in Africa (to be submitted for GEF funding in the fall Council of 2019), covering about 10 countries and focusing on sustainable RE-based mini grids using an approach of cost reduction as a way to attract private investment. The planned solar-wind hybrid mini-grid pilot in this project would make an excellent additional site for the regional project. The SAWEP project would also benefit from the technical assistance and knowledge that would be provided through the regional project. | |

# Gender

**Progress in Advancing Gender Equality and Women's Empowerment**

This information is used in the UNDP-GEF Annual Performance Report, UNDP-GEF Annual Gender Report, reporting to the UNDP Gender Steering and Implementation Committee and for other internal and external communications and learning.  The Project Manager and/or Project Gender Officer should complete this section with support from the UNDP Country Office.

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| **Gender Analysis and Action Plan:** *not available* |
| **Please review the project's Gender Analysis and Action Plan. If the document is not attached or an updated Gender Analysis and/or Gender Action Plan is available please upload the document below or send to the Regional Programme Associate to upload in PIMS+. Please note that all projects approved since 1 July 2014 are required to carry out a gender analysis and all projects approved since 1 July 2018 are required to have a gender analysis and action plan.** |
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| **Please indicate in which results areas the project is contributing to gender equality (you may select more than one results area, or select not applicable):** |
| Contributing to closing gender gaps in access to and control over resources: No |
| Improving the participation and decision-making of women in natural resource governance: No |
| Targeting socio-economic benefits and services for women: No |
| Not applicable: Yes |

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| **Atlas Gender Marker Rating** |
| **GEN1:** some contribution to gender equality |

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| **Please describe any experiences or linkages (direct or indirect) between project activities and gender-based violence (GBV). This information is for UNDP use only and will not be shared with GEF Secretariat.** |
| None |

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| **Please specify results achieved this reporting period that focus on increasing gender equality and the empowerment of women.**    **Please explain how the results reported addressed the different needs of men or women, changed norms, values, and power structures, and/or contributed to transforming or challenging gender inequalities and discrimination.** |
| Component 4 Wind Energy Training  Women , especially students benefited from attendance and participation at the WASA 2 Mid term workshop 20 June 2018, SAWEP 2 support of WindAc 2018 (25 students), WASA 2 Final Seminar/WASA 3 midterm workshop 10 April 2019 (71 attendees)    WindAc 2018 (5-6 Nov 2018, CTICC, Cape Town)  WindAc is a collaborative networking environment in which a dialogue between experienced researchers, motivated students and members of the wind industry is actively facilitated through and coincide with the South African Wind Energy Association (SAWEA) annual Wind Energy Industry Conference and Exhibition Windaba 7-8 Nov 2018.  39 students (18 female 46%, 21 male 54%) attending with 25 sponsored by SAWEP 2. Program, detail breakdown and profile of students see WindAc 2018 report ao  SAWEP 2 supported the SAWEA EnergyDRIVE educational road trip which took place in August 2018. 24 High Schools, 9 wind farms and approximately 2000 learners were visited  The visit started with a briefing session on safety at the site. Wind energy harvesting process explanations were presented to student by the lead technician and site manager. The community engagement role was presented as well as benefit for learners in terms of scholarship and career guidance. A guided tour to the different parts of the site was done. Learners also had the opportunity to go inside the wind turbines for practical learnings. Details map of the tour, schools visited, industry involvement, program see WindAc 2018 report ao    SARETEC WTST training  The South African Renewable Energy Technology Centre (SARETEC) is a specialised wind training facility that is an initiative of the Department of Higher Education & Training (DHET) implemented through the National Skills Fund (NSF) and is based at the Cape Peninsula University of Technology (CPUT) Bellville campus.  Of the 12 successful candidates that qualified for SARETEC WTST program 5 training, 4 out of 6 who applied are women.    Comp 3, Small Scale Wind Development, UB Minigrid project has a well women represented Community UB Minigrid Project Steering Committee (some images uploaded at Communicating impact) and a very capable women social facilitator that is key for the successful implementation of the SAWEP 2 supported UB Minigrid Wind Component. |

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| **Please describe how work to advance gender equality and women's empowerment enhanced the project's environmental and/or resilience outcomes.** |
| As indicated above. E.g. Comp 3, Small Scale Wind Development, UB Minigrid project has a well women represented Community UB Minigrid Project Steering Committee (some images uploaded at Communicating impact) and a very capable women social facilitator that is key for the sucessful implementation of the SAWEP 2 supported UB Minigrid Wind Component. |

# Social and Environmental Standards

**Social and Environmental Standards (Safeguards)**

The Project Manager and/or the project’s Safeguards Officer should complete this section of the PIR with support from the UNDP Country Office. The UNDP-GEF RTA should review to ensure it is complete and accurate.

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| **1) Have any new social and/or environmental risks been identified during project implementation?** |
| No |

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| **If any new social and/or environmental risks have been identified during project implementation please describe the new risk(s) and the response to it.** |
| N/A |

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| **2) Have any existing social and/or environmental risks been escalated during the reporting period? For example, when a low risk increased to moderate, or a moderate risk increased to high.** |
| No |

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| **If any existing social and/or environmental risks have been escalated during implementation please describe the change(s) and the response to it.** |
| N/A |

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| **SESP:** [PIMS 5256\_ESSP\_v1.doc](https://undpgefpims.org/attachments/5256/213977/1686111/1686407/PIMS%205256_ESSP_v1.doc)  **Environmental and Social Management Plan/Framework:** *not available* |
| **For reference, please find below the project's safeguards screening (Social and Environmental Screening Procedure (SESP) or the old ESSP tool); management plans (if any); and its SESP categorization above. Please note that the SESP categorization might have been corrected during a centralized review.** |
| *(not set or not applicable)* |

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| **3) Have any required social and environmental assessments and/or management plans been prepared in the reporting period? For example, an updated Stakeholder Engagement Plan, Environmental and Social Impact Assessment (ESIA) or Indigenous Peoples Plan.** |
| Yes |

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| **If yes, please upload the document(s) above. If no, please explain when the required documents will be prepared.** |
| Comp 3, Small Scale Wind Development, UB Minigrid Wind Component project. The objective to develop specs, procure, install and integrated a small scale wind turbine(s) with the PV and diesel genset minigrid (developed, procured through GIZ and DLR) with operation and maintenance, community capacity building and monitor and evaluate impact on the minigrid in terms of diesel, system (battery life) etc saving & blue print for other similar projects. An Environmental Authorisation report, in terms of small scale wind turbine(s) to be installed, was compiled by the CSIR and submitted to the Eastern Cape EIA authority DEDEAT:  • After checking the proposed positions against the relevant national databases the sites do not seem to be located in an area of concern in terms of environmental features (e.g. Critical Biodiversity Area) or be a Civil Aviation Authority (CAA) risk.  • Furthermore, they are close to but not in protected areas. They are located within an Important Bird Area but this does not trigger the need for an Environmental Authorisation.  • Since the total generation capacity is below 10 MW and future electrical infrastructure is below 33 kV there is no need for an EA.  • In terms of bush clearing, since only 600 m2 is envisaged, this is well below the 20ha that can be cleared without needing an EA. It should be noted that Department of Agriculture, Forestry and Fisheries (DAFF) authorisation may be necessary if the land is deemed agricultural.    MINIGRID ENVIRONMENTAL IMPACT (GIZ, DLR)  • Environmental license: not necessary as the activity falls below the thresholds requiring an environmental impact assessment.  • Water use license: license to put 2 low voltage wooden poles (support distribution line) in the wetlands of Upper Blinkwater. Application has been submitted to Department of Water and Sanitation and is currently in process. The department has already visited the site and there were no objections.  -  MINIGRID SOCIAL IMPACT (GIZ, DLR)  • Land claim: currently there is a land claim ongoing for the site at Upper Blinkwater. The land where the minigrid is constructed, is claimed by Mr. Swartbooi but is currently state owned land. Land claim commission is aware of the situation. However, as the minigrid is seen as development, the area is designated for the minigrid, and land claim commission will compensate Mr. Swartbooi for this.  • Social facilitation: through the social facilitator and the councillor, all social risks are logged and mitigated that occur on site, and they will train the community how to properly use electricity  o Electricity and safety  o Free basic electricity and how to use it  o Prepayment system |

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| **4) Has the project received complaints related to social and/or environmental impacts (actual or potential )?** |
| No |

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| **If yes, please describe the complaint(s) or grievance(s) in detail including the status, significance, who was involved and what action was taken.** |
| N/A |

# Communicating Impact

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| **Tell us the story of the project focusing on how the project has helped to improve people’s lives.**  **(This text will be used for UNDP corporate communications, the UNDP-GEF website, and/or other internal and external knowledge and learning efforts.)** |
| WindAc 2018 (5-6 Nov 2018) students support    SAWEP 2 Comp 4 specifically focuses on wind energy training and capacity building and sponsored 25 students to attend and participated at WindAc 2018 conference (5-6 Nov 2018).    The story as told by students attending WindAc 2018 (5-6 Nov 2018)    Voices of students  “Renewable energy is just more sustainable over the long term and that is why I think that SAWEA did an exceptional job by starting the WindAc programme/initiative and actually involving students. I was so delighted to meet amazing young minds and women within the energy sector. Thank you to the SAWEA Team, all the sponsors and everyone who made the WindAc 2018 Conference a success. Every day was an amazing experience, I was truly inspired!” Akhona Mazingisa, Nelson Mandela University.    “I would like to express my thanks to the SAWEA team and all the sponsorships which had made it possible for us to attend the WindAc and Windaba conferences. From my side I had 0% knowledge about wind energy or renewable energy as whole, me attending the conferences I've learned a lot about renewable energy. And beside you guys being good, kind and us [me] learning and gaining knowledge about energy I would love to add by saying It was my very first time flying to cape town which had made it more and more exciting.” Nsuku Baloyi, Tshwane South College.    “The conference was indeed informative, and I cannot stop thanking the organizers and the selectors, for choosing me as one of the participants. The number of students sponsored to the programme is a right proof that South Africa is really ready for the paradigm shift from conventional energy source to renewables; wind and solar most importantly.” Akintola Ayooluwa Tomiwa, University of Johannesburg.    More students testimonials and video clips here http://www.wasaproject.info/temp/WindAc\_2018    WASA Large Scale High Resolution Wind Resource map covering all nine provinces of South Africa    Another SAWEP success story for this period and come full circle since WASA started in 2008 with SAWEP 1 and a highlight of the WASA 2 Final Wind Seminar/WASA 3 mid term workshop (WASA Seminar) 10 April 2019, was the launch with the Dept of Energy Director General keynote address that was delivered by the Acting DG Mr Ompi Aphani of the WASA Large Scale High Resolution Wind Resource map for South Africa, which for the 1st time, cover all nine provinces and validated with wind measurements from 18 WASA wind measurement stations operating across 5 provinces. The development of the resource map since WASA 1 also came with a number of “1sts” e.g. 1st Numerical Wind Atlas and Large Scale High Resolution Wind Resource map in the world created with Weather Research Forecasting (WRF) model customised through WASA for wind resource assessment. Seminar Program with presentations please see:  http://www.wasaproject.info/temp/WSeminarpresentations/02%20WASA%20Overview%20-%20Final%20Seminar%20WASA%202%2010%20Apr2019%20Programme.pdf  In a nutshell, the WASA Large Scale High Resolution Wind Resource map, depicts the local surface wind climate (mean wind speed, mean wind power density etc) which a wind turbine or wind farm would operate in. It also provides statistics that enable predictions, such as annual energy production of a wind turbine and expected capacity factor i.e. predicting the bankability of the project with physical wind measurements only to be undertaken for bankable projects to confirm the predictions, thereby saving time and money. I.e. the map levels the playing field for both small and large scale investors to identify potential wind development areas and estimate potential income without 1st have to invest in costly and time-consuming wind measurements which may turn out not a viable wind site. The map is then also used in the Dept of Environmental Affairs Strategic Environmental Impact (SEA) Project in the identification of potential wind development zones and also DoE IPP Office and IRP publications.    Institutionalisation of WASA in South African Organs of State  Important to note originally WASA 3 only to cover the remaining areas of the Northern Cape Province not covered in WASA 1 and 2. However with the WASA 1 (9 masts) and WASA 2 (5 masts) operating concurrently with WASA 3, 4 masts, total 18 masts, across 5 provinces spanning 75% of South Africa land area, the statistics are also good for those provinces with no wasa masts (yet). The result that the WASA 3 main results: Wind Atlas, database and Wind Resource map now span ALL 9 provinces (originally WASA 3 to only complete the Northern Cape province). Having the same team since WASA 1 further contributed to this milestone that coincide with skills and knowledge transfer from the Technical University of Denmark Wind Energy Group (DTU Wind Energy) and the institutionalization of WASA at South African organs of state (Council Scientific Industrial Research (CSIR), South African Weather Service (SAWS) and the University of Cape Town (Climate Systems Analysis Group) (UCT CSAG)  E.g. CSIR Energy Centre applying its wind resource assessment skills obtained through WASA and now transferring those wind resource skills, capacity to local institutions by (funding) capacity building of Fort Hare University (Eastern Cape) students through the UB Minigrid Wind Component project.  Several local and international post grad students at the UCT and Technical University of Denmark benefitting and contributing to WASA development, see http://www.wasaproject.info/temp/WSeminarpresentations/09%20WASA%20Education%20and%20Applied%20Research%20-%2010Apr2019.pdf how WASA is used in teaching locally and international |

**Knowledge Management, Project Links and Social Media**

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| **Please describe knowledge activities / products as outlined in knowledge management approved at CEO Endorsement /Approval.**    **Please also include: project's website, project page on the UNDP website, blogs, photos stories (e.g. Exposure), Facebook, Twitter, Flickr, YouTube, as well as hyperlinks to any media coverage of the project, for example, stories written by an outside source. Please upload any supporting files, including photos, videos, stories, and other documents using the 'file lirbary' button in the top right of the PIR.** |
| SAWEP 2 support again WindAc and Windaba 2018 respectively R501 830 and R92 000  WindAc 2018 support R501,830 comprise of:  EnergyDrive Educational Tour, Sponsoring of 25 students and Sponsoring of 20 local speakers  Outcome reported at H Gender: Progress in Advancing Gender Equality and Women's Empowerment and see WindAc 2018 report.    Some media clips here:  http://www.za.undp.org/content/south\_africa/en/home/ourwork/environmentandenergy/successstories/enhancing%20the%20voice%20off%20young%20people/  http://www.wasaproject.info/temp/WindAc\_2018/UNDP%20SA%20Newsletter%20Vol%203%20Issue%202%20Dec%202018%20p10.pdf    WASA 2 Final Wind Seminar/WASA 3 Midterm Workshop 10 April 2019 (East London ICC)  Litha Communications http://lithacommunications.co.za was appointed in Feb 2019 as the SAWEP 2 Communications Management and Event Organiser. One of their 1st tasks was to establish SAWEP 2's logo (see  http://www.wasaproject.info/temp/SAWEP\_2\_Comm\_Event) and online presence:  www.sawep.co.za, https://twitter.com/SAWEP\_2, https://www.facebook.com/SAWEP2/ and to organise the WASA 2 Final Wind Seminar/WASA 3 midterm workshop which took place on 10 April 2019 at the East London ICC. The significance of this event was not only to share the achievements of Wind Atlas development in South Africa but also to celebrate the coming to an end of a decade of Danish support and to commemorate a decade of GEF support of WASA. The WASA Seminar program with presentations, DoE press release and final reports can be accessed on www.wasaproject.info. The WASA Seminar with 71 attendees received good media coverage with an industry standard advertising value AVE of R815,802.31 (see PR and SM report uploaded). Some pictures uploaded.    SAWEP supporting UB Minigrid Wind Component  The SAWEP 2 support of the UB Minigrid Wind Component (see Outcome 3) was introduced and supported by the UB Community at a UB Community meeting which took place on 20 March 2019 with the LIDAR wind measurements that started in April 2019. It was agreed at a CSIR progress meeting to postpone the communications event regarding the participation of SAWEP 2 and profiling of all the key parties involved with the UB Minigrid project: DEDEAT, Germany Lower Saxony State, GIZ, DLR, DoE, UNDP, CSIR once the new Minister and Dept Mineral Resources and Energy has settled in. |

# Partnerships

**Partnerships & Stakeholder Engagment**

Please select yes or no whether the project is working with any of the following partners. Please also provide an update on stakeholder engagement. This information is used by the GEF and UNDP for reporting and is therefore very important!  All sections must be completed by the Project Manager and reviewed by the CO and RTA.

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| **Does the project work with any Civil Society Organisations and/or NGOs?** |
| Yes |

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| **Does the project work with any Indigenous Peoples?** |
| No |

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| **Does the project work with the Private Sector?** |
| Yes |

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| **Does the project work with the GEF Small Grants Programme?** |
| No |

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| **Does the project work with UN Volunteers?** |
| No |

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| **Did the project support South-South Cooperation and/or Triangular Cooperation efforts in the reporting year?** |
| No |

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| **CEO Endorsement Request:** [RESUBMISSION\_PIMS 5256 - CCM - South Africa - SAWEP II - CEO Endorsement\_5March2015.doc](https://undpgefpims.org/attachments/5256/213977/1686133/1686414/RESUBMISSION_PIMS%205256%20-%20CCM%20-%20South%20Africa%20-%20SAWEP%20II%20-%20CEO%20Endorsement_5March2015.doc) |
| **Provide an update on progress, challenges and outcomes related to stakeholder engagement based on the description of the Stakeholder Engagement Plan as documented at CEO endorsement/approval (see document below). If any surveys have been conducted please upload all survey documents to the PIR file library.** |
| SAWEP 2 key stakeholders and Partners, June 2019:  SAWEP 2 Project Steering Committee (PSC) comprising of DoE (chair), UNDP, SANEDI, DEA, DST, DHET, DTI, PCU  Comp 2 : WASA : Danish Government, DTU, CSIR, UCT, SAWS  Comp 3: Small Scale Wind Development, Upper Blinkwater Minigrid project: DEDEAT, Germany Lower Saxony State, GIZ, DLR  Comp 4: Wind Energy Training, SARETEC, SAWEA |

# Annex - Ratings Definitions

**Development Objective Progress Ratings Definitions**

(HS) Highly Satisfactory: Project is on track to exceed its end-of-project targets, and is likely to achieve transformational change by project closure. The project can be presented as 'outstanding practice'.

(S) Satisfactory: Project is on track to fully achieve its end-of-project targets by project closure. The project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Project is on track to achieve its end-of-project targets by project closure with minor shortcomings only.

(MU) Moderately Unsatisfactory: Project is off track and is expected to partially achieve its end-of-project targets by project closure with significant shortcomings. Project results might be fully achieved by project closure if adaptive management is undertaken immediately.

(U) Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets by project closure. Project results might be partially achieved by project closure if major adaptive management is undertaken immediately.

(HU) Highly Unsatisfactory: Project is off track and is not expected to achieve its end-of-project targets without major restructuring.

**Implementation Progress Ratings Definitions**

(HS) Highly Satisfactory: Implementation is exceeding expectations. Cumulative financial delivery, timing of key implementation milestones, and risk management are fully on track. The project is managed extremely efficiently and effectively. The implementation of the project can be presented as 'outstanding practice'.

(S) Satisfactory: Implementation is proceeding as planned. Cumulative financial delivery, timing of key implementation milestones, and risk management are on track. The project is managed efficiently and effectively. The implementation of the project can be presented as 'good practice'.

(MS) Moderately Satisfactory: Implementation is proceeding as planned with minor deviations. Cumulative financial delivery and management of risks are mostly on track, with minor delays. The project is managed well.

(MU) Moderately Unsatisfactory: Implementation is not proceeding as planned and faces significant implementation issues. Implementation progress could be improved if adaptive management is undertaken immediately. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are significantly off track. The project is not fully or well supported.

(U) Unsatisfactory: Implementation is not proceeding as planned and faces major implementation issues and restructuring may be necessary. Cumulative financial delivery, timing of key implementation milestones, and/or management of critical risks are off track with major issues and/or concerns. The project is not fully or well supported.

(HU) Highly Unsatisfactory: Implementation is seriously under performing and major restructuring is required. Cumulative financial delivery, timing of key implementation milestones (e.g. start of activities), and management of critical risks are severely off track with severe issues and/or concerns. The project is not effectively or efficiently supported.