



2013 Annual Project Review (APR)

Project Implementation Review (PIR) OF UNDP Supported GEF Financed Projects

PIMS 5279 - Project Title: Solar Water Heating Market Transformation and Strengthening Initiative

Focal Area	Climate Change - Mitigation
Lead RTA	
Lead Country(ies)	(ALB) Albania(ALB) Albania(NHE) New Hebrides(NYC) New York
Revised Planned Closing Date	14-Feb-2015
Overall Risk rating	Low
Overall DO rating	Highly Satisfactory
Overall IP rating	Satisfactory
GEF grant amount disbursed so far	969,953

Project Summary

UNDP-GEF Technical Advisor's Comments

Explanation for change to Overall DO Rating or Overall IP Rating:

Is this the terminal PIR that will serve as the final project report? No

If the mid-term review (MTR) OR the terminal evaluation (TE) was started but not completed this reporting period, please explain how these are progressing and note if any delays are expected:

If the mid-term review (MTR) OR the terminal evaluation (TE) was completed this reporting period, or if this is the final APR/PIR, please address the following points here:

UNDP Country Office's Comments

If the mid-term review (MTR) OR the terminal evaluation (TE) was started but not completed this reporting period, please explain how these are progressing and note if any delays are expected:

If the mid-term review (MTR) OR the terminal evaluation (TE) was completed this reporting period, or if this is the final APR/PIR, please address the following points here:

Dates of Project Steering Committee/Board meetings during reporting period:

June 2013

PROGRESS TOWARD DEVELOPMENT OBJECTIVES

Description	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2009	Level at 30 June 2010	Level at 30 June 2011	Level at 30 June 2012	Level at 30 June 2013
Acceleration of the global commercialization and market development of SWH in residential, private service sector, and public buildings and, when applicable, industrial applications.	The amount of installed SWH systems in participating countries (m2). The annual market growth rate in the participating countries in terms of newly installed m2 (%). Level of customer satisfaction with the SWH systems installed.	As per the initial country-specific market assessments and baseline analyses.	An additional 1 million m2 of installed SWH capacity compared to the expected baseline development. Sustainable market growth of at least 20% in average in the participating countries by the end of the project.					
	Albania	33,000 m2 of installed collector area in 2005 with 7,000 m2 of new SWH capacity installed in 2005 with the expected 5% annual growth. Mixed customer satisfaction.	At least 75,000 m2 of new installed collector area during the project, and an annual sale of 20,000 m2 reached with expected continuing growth to reach the set target of 520,000 m2 of installed SWH capacity by 2020. Positive experience for over 80% of the clients who have purchased a SWH system on the basis of problem-free good quality products and after-sale services.					At mid-term, the installation of nearly 40,000 m2 of new SWH capacity has been installed, which accounts for more than 50% of the expected final impact (direct post-project and indirect) within the project timeframe; At the end of June, 2013 the cumulative SWH systems area is 122,165 m2, with 20,845 m2 new installed area within the reporting period;The law on Renewable Energy Sources is approved by the Albanian parliament on 02 May,

								2013 with a whole chapter promoting solar thermal systems, while secondary regulations are already drafted in this regard; More than 350 participants are trained over the last 3 years and the GEF project provided TA to commercial energy end-users and finally the project carried out the annual survey to follow up on the market transformation and the performance of installed equipment.
	Chile	Current baseline expansion of installed capacity shows an annual growth, relative to approximately 6,000 m2 of installed capacity in 2006. At this growth, total installed capacity will reach 11,000 m2 by 2011.	Accelerate and ensure sustainable growth rate of 45%-50% for the SWH market in Chile to reach a target of 35,700 m2. The growth rate in the residential sector will be proportionately faster. Residential systems will account for 80% of the total expansion in capacity.					
	India	Estimated 2 m2 in India per 1000 inhabitants by the end of the project following the current baseline development. Growth of annual sales rate at 6 % in India, being lower than previous years as a result of market mistrust.	2 million m2 market acceleration contributing to (10 million m2 per 1 billion inhabitants). A steady, average growth rate of >30 % in India reached by the end of the project and continuing growth toward the expected saturation point of					

		Mixed customer satisfaction.	140 m2 per 1,000 inhabitants towards 2025. Over 90% customer satisfaction on new installations on the basis of problem free good quality products and installation services.					
	Lebanon	Estimated 26 m2 in Lebanon per 1000 inhabitants in year 2005 i.e 106,817 m2 total installed collectors with 16,000 m2 of new SWH capacity installed by year 2005. Average Annual Growth: 10-15 % in Lebanon as evidenced over the past 5 years with significant risks of not being able to sustain the continuing, steady growth . Mixed customer satisfaction.	At least 190,000 m2 of new installed collector area during the project, and an annual sale of 50,000 m2 reached with expected continuing growth to reach the set target of 1,050,000 m2 of installed SWH capacity by 2020. 55-75 m2 per 1,000 inhabitants with a steady, average growth rate of 15-20% reached by the end of the project and continuation until the expected saturation point of 55-75 m2 per 1,000 inhabitants and 200-225 m2 per 1000 inhabitants by year 2020. Positive experience by over 80% of the clients who have purchased a SWH system on the basis of problem-free good quality products and after-sale services.					
	Mexico	Current baseline expansion of installed capacity shows 14% annual growth, relative to approximately 743,000 m2 of installed capacity in 2005. At this rate, total installed capacity will reach 1,500,000	Accelerate and ensure sustainable growth rate of 25-30% (in total installed capacity) for the SWH market in Mexico to reach a target of 2,500,000 m2. The growth rate in the residential sector will be proportionately faster.					

		m2 by 2011.	Residential systems made to account for 14% of the total installed capacity.					
	Number of new countries proposing similar activities for GEF funding as a stand-alone SWH project which is a part of the broader global networking of the overall initiative.	UNEP	Interest in and start-up of replication of similar activities in other countries.					
Effective initiation and coordination of the country-specific support needs and improved access of national experts to state-of-the-art information, technical backstopping, training, and international experiences and lessons learnt.	The number of countries with SWH market transformation and strengthening activities initiated.	0 (under this initiative or linked to it).	At least 16 (UNEP).					
	Availability of timely and cost-effective technical backstopping responding to the needs (to be evaluated on the basis of surveys conducted with the participating countries).	UNEP	UNEP					
	Albania							
	Chile							
	India							
	Lebanon							
	Mexico							
The specific SWH market	The success in meeting the	The basic conditions for	A supportive legal and					

transformation targets of the first 6 participating countries reached by the end of the project, conducive to the overall global market transformation goals of the project.	country-specific targets in the initial 6 countries (as per the sub-components listed below, corresponding to the specific country project outcomes).	accelerated and sustainable SWH market development in most GEF program countries still missing. As per the initial country specific market assessments and baseline analysis.	regulatory framework in 6 participating countries adopted (including an applicable quality assurance, certification, and labeling scheme). The level of awareness of the targeted end users. The capacity of the key local stakeholders built as per the targets of individual country components. Access to suitable financing to cover the higher up-front costs of SWH systems. The SWH penetration rate and the annual growth rate as per the stated country-specific targets.					
An enabling institutional, legal and regulatory framework to promote a sustainable SWH market.	The adoption and effective enforcement of SWH-related laws and regulations (incl. possible financial and fiscal incentives) to promote sustainable SWH market development. The level of implementation (e.g. an amount of systems, whose installation has been facilitated by the new regulation, share of targeted buildings respecting a new building code, etc.) - to be based on periodical surveys still to be introduced by each national project and as such not likely to be available for the first PIR).	N/A	N/A					
	Albania	No specific building regulations, fiscal, or public	The recommended amendments of the legal and					Law No. 138/2013 on Renewable Energy

		<p>financial incentives in place to promote sustainable SWH market . No specific regulations for SWH standards, certification or quality control mechanisms in place.</p>	<p>regulatory framework to promote sustainable SWH market adopted and effectively enforced, including:</p> <ul style="list-style-type: none"> - setting of specific targets for heat produced by renewable energy by 2020; - required amendments to the building code and building law to encourage the installation of SWH into new buildings and in those going through a major renovation; - sustainable financial incentive mechanisms in place by using the resources of the Energy Efficiency Fund or other public resources; - required fiscal incentives, such as exempting the imported SWH equipment and materials from import duties and related taxes with associated safeguard mechanisms to prevent their illegal use; - a decree to set up a SWH quality control system corresponding (to the extent feasible) to the relevant EU regulations and systems in place. 					<p>Sources is adopted on 2 May 2013, promoting Solar Energy by establishing: (i) Minimum objectives on using solar energy; (ii) Mandatory installation of SWH systems; (iii) Certification and labeling of SWH systems; and (iv) Tax exemption from the custom duties and VAT for SWH systems. The law, looking that public buildings indicate a primary role, starting the installation of solar panels from 2013, charges the Council of Ministers within 6-12 months to issue the following Governmental Decrees to: 1) adopt specific criteria for calculation of solar energy used for hot water either separately or as part of energy building code; 2) determine the economy sectors and categories of buildings, the minimum surface area or the capacity of SWH systems to be installed, the technical requirements and the specific procedures and criteria to be followed</p>
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									<p>for better enforcement of these obligations and their monitoring by the responsible institutions; 3) approve certifying schemes or equivalent qualifying schemes for installers of solar panel systems, developed by the National Agency of Natural Resources. Such certificates shall also be required from installers of SWH systems installed to satisfy the indicators in force and from those that benefit from the public incentive schemes; and 4) approve the rules and procedures on the reimbursement of custom duties paid for imported raw materials for the production or installation of SWH systems. The Ministry of Economy, Trade and Energy got assisted for finalization of National Renewable Energy Action Plan, while the new feed-in tariffs implied by the RES Law is a key mechanism in helping Albania with its commitment to meeting a 38% percent</p>
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								RES target (excluding large hydro) by 2020 which is consistent with Albania's commitments as a member of the Energy Community Treaty of the EU.
Enhanced awareness and capacity of the targeted end users and building sector professionals to consider and integrate SWH systems into different types of buildings (or into other promising new market segments/applications).	List and/or a brief description of the results of awareness raising, marketing, and training activities implemented (qualitative) and demand for additional information, as measured by market surveys (quantitative). The share of new and renovated buildings in different market segments adopting SWH into their design (quantitative, if available).	N/A	N/A					
	Albania	According to an initial market survey, more than 50% responded not having made a positive decision yet, because of the lack of information and > 90% said they would like to have more information for final judgement.	Over 80% of the end users and designers participating in the market survey indicate that they have had enough information about SWH systems to make their decision. For all new and renovated buildings suitable for the integration of SWH systems, SWH has been considered as an option and over 20% from each group of these buildings is integrating SWH into their final design.					One-year monitoring is accomplished with relevant data on consumption of hot water/electricity used in 20 families according to three climatic zones to better determine the financial parameters of SWH collectors used in the country. 3 complete sets of monitoring equipment are installed (by Hotel Theranda, Daycare centre No. 17 and Orphans House in

								<p>Tirana). Following the cooperation with Italian association CeLIM, 3 other didactic sets are provided in Vocational Training Centers which develop specific courses for solar energy (in Shkodra, Vlora and Korca) and for high school "Karl Gega" in Tirana. Harry Fultz Institute has started a specific course for solar installers in September, 2012. Following the installation of three SWH systems by tourist area of Thethi and training seminar for media representatives, a promotional event is organized in Thethi for public awareness on solar energy used in relatively isolated areas and touristic places (20-21 July 2012) with 30 participants from line ministries, UN bodies, NGOs and a great number of written and visual medias. A SWH system is installed by "Orphans House" in Tirana in cooperation with the State Social Service, the launching event of which (12</p>
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								<p>March 2013) was well attended by 35 representatives from line ministries, State Social Service, solar related businesses, media, etc. In frame of collaboration with Ministry of Labour, Social Issues and Equal Opportunities different social institutions/public buildings are evaluated for their feasibility/technical specifications of SWH systems' installations: the Project is looking forward to enter into a MoU with the Ministry of Labour for joint implementations of pilot projects.</p> <p>"Business to Business" meetings on "innovative technologies" are organized jointly with "Unioncamere Puglia" in Tirana (12-14 November 2012) with participation of 16 Italian companies and 30 domestic ones, involving ones operating with solar energy.</p>
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Increased demand for SWH systems based on availability of attractive end user financing mechanisms and/or other delivery models.	Description of the available financing mechanisms to support SWH investments (qualitative) and amount of financing leveraged by the mechanisms for SWH investments (quantitative) and amount of financing leveraged by the mechanisms for SWH investments (quantitative).	N/A	N/A					
	Albania	No specific longer-term financing and new delivery mechanisms offered and marketed for the SWH purchase.	The agreed financial support mechanisms (such as specific purpose bank loans, vendor financing, SESCOs, etc.) and new delivery models in operation with a cumulative target of USD 15 million leveraged by them for SWH financing by the end of the project.					A one-year MoU with Tirana Municipality is signed (10 March 2013) to cooperate in the following areas: i) Technical and legal assistance for drafting and implementation of “Standards of the MoT for Renewable Energy Sources and Energy Efficiency on public buildings including the Mandatory installation of SWH systems by all new buildings and those going through a major renovation ii) Piloting solar thermal installations by Day-care centers No. 30, No. 50, and High schools “Eqerem Çabej”, “Ahmet Gashi” in Tirana iii) Training of the municipal staff to support project design and monitoring of the SWH systems installed

								<p>iv) Support with SWH demonstration systems of the Center “Promotion, Demonstration, and Education on RES” v) Feasibility study and a suitable financial mechanism for installation of SWH systems and energy efficiency measures in a concrete existing multi-apartment in Tirana, in partnership with inhabitants, MoT and/or interested Banks; and vi) Joint public awareness raising campaigns. Following the MoU, international/national experts started design and determination of the technical specifications for the pilot projects, and technical/legal assistance to be given to MoT. Following the recommendations of the MTE report for pilot projects and the collaboration with the National Agency for Natural Resources (NANR), a solar thermal system is installed and put into function for the main building of</p>
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									NANR, which has demonstrative purpose as well, since NANR is the state institution in charge with RES policy; Following the cooperation with the State Social Service, the SWH system for the Elderly House in Tirana and for the Clinics in Petrela and Preza are procured/installed. The cooperation with Lezha Municipality is finalized, followed by the technical specifications for the joint implementation of pilot projects by the dormitory of the professional school "Kolin Gjoka" and by the Day-Care Centre "Beselidhja" to cover their demand for hot water.
	Chile	The cost of SWH is currently prohibitively high for the majority of the residential sector and the financial sector (banks, mortgage institutions) lacks adequate support mechanisms.	Generation of demand for SWH through applicable consumer financing and, as applicable, financial support schemes with the objective of adding an increment of approximately 29,000 m2 of additional SWH capacity, and meeting set target of 35,700m2 of total installed SWH capacity. This equates to a target of leveraging USD 15-						

			20 million (including both bank lending and cash contributions) to attain the set target.					
	India	No specific longer term financing and new delivery mechanisms offered and marketed for the SWH purchase.	The agreed financial support mechanisms and new delivery models in operation to meet the announced MNRE target to reach 10 m2 of installed SWH capacity by 2020.					
	Lebanon	No specific longer-term financing and new delivery mechanisms offered and marketed for SWH purchases.	The agreed financial support mechanisms and new delivery models in operation with a cumulative target of USD 20 million (about 40-50% of the total investment needs) leveraged by them for SWH financing.					
	Mexico	Generally, the cost of SWH systems is too high for majority of residential sector and the financial sector (banks, mortgage institutions) lacks adequate support mechanisms.	Generation of demand for SWH through applicable consumer financing and, as applicable, financial support schemes with the objective of adding an increment of approximately 900,000 m2 of additional SWH capacity by 2011, and meeting set target of 2.5 million m2 of total installed SWH capacity by that year. This equates to an objective of leveraging at least USD 100 million (10% of total investment needs) to attain the set target.					
A certification and quality control scheme applicable for the	Description of the quality assurance system in use	N/A	N/A					

<p>respective national conditions adopted and enhanced capacity of the supply chain to offer good quality products and services promoting a sustainable SWH market.</p>	<p>(qualitative) and estimated market share of sold products adhering to the proposed quality control schemes (quantitative). Level of customer satisfaction on the SWH systems installed (to be based on periodical surveys still to be introduced by each CP and as such not likely to be available for the first PIR).</p>						
	<p>Albania</p>	<p>Lack of adequate incentives for and, in some cases, lack of capacity of the supply side to offer equipment and associated services at the required level to sustain the market growth.</p>	<p>Adoption of a voluntary quality control, certification, and labelling scheme for the SWH equipment and installation services by the majority of the SWH equipment and service providers with a market share of over 80% at the end of the project. Over 90% of customer satisfaction on the certified equipment and services provided.</p>				<p>Following the outcomes of the Int./national experts on testing and certifications, a tailored training on testing centre placed by "Harry Fultz" Institute in Tirana is organized (20 October 2012), with participation of 23 instructors, manufacturers, importers, other interested engineers and students. Upon provision of the certification and labeling scheme for SWH collectors, a round table is organized with 13 representatives from Ministry of Economy, Trade and Energy (METE), Ministry of Public Works and</p>

								<p>Transport, General Directorate of Accreditation, General Directorate of Standardization, and manufacturers: certification scheme proposed by the Project is widely discussed and approved by participants on 24 October 2012. Following METE's suggestion to collaborate with other projects to support Albanian SWH manufacturers regarding testing and certification of their products and quality management according to European certification "Solar Keymark", meetings are organized with BAS (Business Advisory Services) Project of EBRD and AIDA (Albanian Investment Development Agency). Following, a round table is organized (30 April 2013) jointly with AIDA with participation of 8 Albanian SWH manufacturers on the possibilities of co-</p>
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								<p>financing their efforts for testing/certification of solar panels, qualified as innovative technology.</p> <p>\\\\\\\\\\\\\\\\"Regional workshop and B2B meetings for the Transformation and Strengthening of the SWH Market in the Mediterranean region\\\\\\\\\\\\\\\\" is successfully organized in Tirana (20-21 March 2013) in the frame of the GEF/UNDP/UNEP/ICA Global Initiative for the SWH Market Transformation with participation of 50 representatives from Albania and the Mediterranean region, from Albanian line ministries, UNDP Albania, Bratislava and New York, UNEP Paris, etc. The workshop was positively evaluated and created a network of collaboration among the policy-makers, experts and local businesses with their homologues in the Mediterranean region, operating in the area of</p>
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									SWH.
	Chile	Lack of adequate incentives for and lack of capacity of the supply side to offer equipment and services at the required level to sustain market growth.	Implementation of capacity building initiatives to raise product quality and services provided by local SWH manufacturers. Adoption of a voluntary quality control and certification scheme for SWH equipment and installation services adhered to by the majority (over 80%) of SWH equipment and service providers in Chile.						
	India	Generally, the supply side capacity is not up to the required level of professionalism.	Enhanced capacity of the supply chain to respond to the growing demand with good quality services sustaining the market growth.						
	Lebanon	Lack of adequate incentives for and, in some cases, lack of capacity of the supply side to offer equipment and associated services at the required level to sustain the market growth.	Adoption of a voluntary quality control, certification, and labelling schemes for the SWH equipment and installation services by the majority of the SWH equipment and service providers with a market share of over 80%. Over 90% of customer satisfaction on the certified equipment and services provided.						
	Mexico	Lack of adequate incentives for and some lack of capacity of the supply side to offer equipment and services at required level to sustain	Adoption of a voluntary quality control and certification scheme for SWH equipment and installation services adhered to by the						

		market growth.	majority (over 80%) of SWH equipment and service providers in Mexico.					
The provided support institutionalized and the results, experiences, and lesson learnt documented and disseminated (including monitoring, learning, evaluation, and other feedback for adaptive management).	Description of the available sustainable institutional support for SWH development (e.g. specific government entities, information points, SWH industry associations, etc.) that will provide continuing support for SWH market development beyond the end of the project and access to project-related information by national and international experts.	N/A	N/A					
	Albania	No sustainability of the required market support. No results and experiences documented and disseminated.	Local institution(s) continuing to promote the SWH market after the end of the project. The reports and other public material from the project can be easily found and accessed.					The forecasts for the penetration of solar panels for hot water are realized also for the industry sector following the updating of the relevant analysis for the residential and service sectors. The Albanian Public Television (TVSH) is preparing a short movie on the Project's achievements and the best experience of pilot solar thermal systems performed in the public/private sectors (to be launched via the programmes of TVSH on September, 2013). The mid-term

								<p>evaluation is accomplished according to the procedures of GEF: The overall rating is "satisfactory", with many "highly satisfactory" ones for different Project's components, coming up with three main recommendations for its further implementation until the end of the Project, opening in the same time the possibility for its extension for another year, in support of drafting the secondary legislation for the implementation of the RES Law; piloting projects in the public buildings based on the local contribution of the Albanian Government, and feasibility studies/a financing scheme for private hotelier industry in the country; Following, the Response Management Strategy is prepared/under implementation. The financial audit is carried out for 2012, with excellent results.</p>
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								Representatives of the project have actively participated in activities related specially to solar energy, RES, Energy Efficiency and Climate Change in general. Different reports are prepared as per requests of UNDP, METE, MMPAU and other institutions in the country: The activities and the reports are published in the webpage of the UNDP Climate Change Programme (www.ccalb.org) under the SWH Project.
	Chile	No sustainability of the required market support. No results and experiences documented and disseminated.	Local institutions continuing to promote the SWH market beyond the duration of the project.					
	India	No results and experiences documented and disseminated.	The reports and other public material from the project can be easily found and accessed.					
	Lebanon	No sustainability of the required market support. No results and experiences documented and disseminated.	Local institution(s) continuing to promote the SWH market after the end of the project. The reports and other public material from the project can be easily found and accessed.					

	Mexico	No sustainability of the required market support. No results and experiences documented and disseminated.	Local institutions continuing to promote the SWH market beyond the duration of the project.					
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RATINGS OF PROGRESS TOWARD MEETING DEVELOPMENT OBJECTIVES

DO Rating: Please review the Development Objective Progress page of this APR/PIR and then answer the questions below. A DO rating will be generated based on your answers.	
1	Please rate the cumulative progress being made toward achieving the end-of-project targets as reported in the project results framework in the DO page of this APR/PIR
2	Please rate the likelihood that the project will deliver environmental and social benefits for an extended period after project completion?
3	Please rate the likelihood that social or political risks may threaten the sustainability of project outcomes
Project Manager/Coordinator: Is the person managing the day to day operations of the project.	
MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country or regional projects where appropriate.	
Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.	
1.	Explain why you gave a specific rating.
2.	Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3.	Fully explain the critical risks that have affected progress.
4.	Outline action plan to address projects with DO rating of HU, U or MU.
Overall 2009 Rating	
Overall 2010 Rating	
Overall 2011 Rating	
Overall 2012 Rating	
2013 Rating	Highly Satisfactory
Comments	<p>Following the detailed Annual Work Plans for 2012 and 2013, the project managed to achieve most of its outcomes at a highly satisfactory level.</p> <p>Regarding enabling institutional, legal and regulatory framework to promote a sustainable SWH market, the approval of the Renewable Energy Sources Law on the 2-nd of May 2013 by the Albanian Parliament is a guarantee for further promotion of solar energy in the country, requests specially that the public building show their main role, starting to install SWH systems from 2013 on. The law considers all the suggestions given by the project and establishes: (i) Minimum objectives on using solar energy; (ii) Mandatory installation of solar water heating systems; (iii) Certification and labelling of solar water heating systems; and, (iv) Tax exemption from the custom duties and VAT for SWH systems. On the other hand the RES Action Plan supported by the Project, upon request of Ministry of Economy, Trade and Energy, is endorsed by the Energy Community Treaty's Secretariat, setting the RES target for Albania of approximately 38% taking into account all sources of renewable energy, with a 12.1% target for thermal energy produced by RES and 1.23 % target for</p>

thermal energy produced by Solar Energy. Very good progress is done in terms of enhanced awareness and capacity of the targeted end users and building sector professionals to consider and integrate SWH systems into different types of buildings: Accomplishing the one-year monitoring programme on the consumption of hot water/electricity used in 20 families according to three climatic zones in Albania and installing the monitoring equipment for large solar thermal systems in three different sites in Tirana. Each and every Vocational Training Centres (6) in the country and several Professional Schools deliver qualitative courses for “Installers and repairmen of SWH systems” based on a new endorsed curricula by the Ministry of Labour, Social Affairs and Equal Opportunities, due didactic sets of SWH systems, a unified training manual and trained instructors: in the meantime, new courses have started by the Harry Fults Institute in Tirana. A very good cooperation is established with Tirana (Memorandum of Understanding signed on 10 march, 2013) and Lezha municipalities, based on which a number of public buildings will be jointly supported to install SWH systems, while a wide technical/legal expertise is foreseen for drafting and implementation of the “Municipal Standards for Renewable Energy Sources (RES) and Energy Efficiency (EE) on public buildings including the Mandatory installation of SWH systems by all new buildings by those going through a major renovation under the municipal administration”. A good cooperation is also established with the State Social Service/Ministry of Labour, Social Affairs and Equal Opportunities to jointly implement pilot projects in several feasible social buildings throughout Albania with high hot water consumption/demand. As part of the awareness raising strategy of the Project, a number of launching events of pilot projects, like the ones in Thethi and by the Orphans House in Tirana were very well received by the visual and written media and gave excellent results on public awareness of local and central governments as well as for the participants from businesses, NGOs, academia, etc. The same positive results/new established networks are taken from the “Business to Business” meetings organized after the cooperation with (i) the “Unioncamere Puglia Selia Tirana”, involving Italian and Albanian businesses (60 participants/November, 2012) and (ii) UNEP DTIE in the frame of the “Regional workshop and B2B meetings for the Transformation and Strengthening of the Solar Water Heating Market in the Mediterranean region\” jointly organized in Tirana on March, 2013 with around 50 participants, involving Albanian and Mediterranean businesses. Further development of the testing/certification scheme is achieved, making different collector tests by the Testing Centre in Tirana, training some 23 engineers and students on the use of the testing centre placed by “Harry Fultz” Institute and reaching a consensus with regards to the proposed certification and labelling scheme for SWH collectors in a round table event (October, 2012), with participation of representatives from METE, MPPT, General Directorate of Accreditation, General Directorate of Standardization, manufactures/importers, etc. Contact are established with the BAS (Business Advisory Services) Project of EBRD, as well as with the AIDA (Albanian Investment Development Agency) Agency to check/enable the assistance needed from the domestic producers on quality control of their products/management system qualified under “innovative technologies”; The MTE exercise was successfully finalized (between June – October, 2012): the overall rating is “satisfactory”, with many “highly satisfactory” ones for different Project’s components, coming up with three main recommendations for its further implementation until the end of the Project, opening in the same time the possibility for its extension for another year, in support of drafting the secondary legislation for the implementation of the RES Law; piloting projects in the public buildings based on the local contribution of the Albanian Government, and feasibility studies/a financing scheme for private

	<p>hotelier industry in the country; Following, the Response Management Strategy is prepared/under implementation. The financial audit is carried out for 2012, with excellent results. The co-financing from the part of the Ministry of Economy, Trade and Energy has continued to be an issue, while the other partner, the Ministry of Environment, Forestry and Water Administration has transferred their local contribution regularly and as planned. The Project's Steering Committee gathered on 20th of June, 2013 promised to solve this issue as soon and within July, 2013, based on the Governmental Decree in place for the local contribution for the SWH project. On the other hand, recognizing the Project's achievements, greeting the endorsement of the Renewable Energy Sources Law by the Albanian Parliament on 02nd of May, 2013, and evidencing the GoA's need for further support by the Project, the SC meeting recommended to ask GEF for the one year no-cost extension of Project, as per the recommendations of the Mid-term Evaluation to enable the implementation of its three recommendations. The updated report on the market analysis shows that the installed cumulative area up to the end of June 2013 is 122,165 m2 and the new installed area for the period June 2012 – June 2013 declared by a list of 37 manufacturers and importers is 20,845 m2, reaching again the objective of the project for an annual sale of 20,000 m2 of SWH by the end of its lifetime. As per the mentioned aspects, there is a good potential to meeting the development objective of the project.</p>
<p><u>UNDP Country Office Programme Officer: Is the UNDP programme officer in the UNDP country office who provides oversight and supervision support to the project.</u></p>	
<p>MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country. Not necessary for regional or global projects.</p>	
<p>Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.</p>	
1.	Explain why you gave a specific rating, for example, if your rating differs from the rating provided by the project manager please explain why.
2.	Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3.	Fully explain the critical risks that have affected progress.
4.	Outline action plan to address projects with DO rating of HU, U or MU.
Overall 2009 Rating	
Overall 2010 Rating	
Overall 2011 Rating	
Overall 2012 Rating	
2013 Rating	(HS) Highly Satisfactory
Comments	<p>The long-term goal of the project is to accelerate the sustainable market development of solar water heating in Albania and the project is contributing in that direction through major policy interventions, technical assistance at central and local level, targeted capacity building and awareness activities tailored for various stakeholders and strategic partnerships and synergies with a large array of national and international partners. The new law, on Renewable Energy in Albania supported by the project was endorsed by the Albanian parliament and entered into force in 14 May 2013. The solar chapter provided</p>

	<p>in this law provides for mandatory installation of SWH systems; certification and labelling of SWH systems; and tax exemption (custom duties and value added tax). All these provisions are being further supported by UNDP through secondary legislation and enforcement of the National Action Plan on Renewable Energies 2012-2020. All above mentioned policy interventions are expected to boost the penetration of solar water heating in Albania over the upcoming years. The public/municipal sector is further benefiting from the technical and legal assistance for the establishment of the “Standards for Renewable Energy Sources (RES) on public buildings” including the adoption of solar thermal obligations/standards for the new public buildings and for those going through a major renovation to anticipate the provisions of the new law that will start with obligations for public buildings. The project will continue to support and upscale enforcement efforts. The work with public/municipal sector is focusing in boosting the installation of SWH in the most hot water-intensive public/municipal facilities, among others: health centers; social centers/shelters through a co-financing small grants schema to showcase how energy costs can be reduced and reallocated to improve the quality of the services offered by those institutions in the best interest of their citizens. The figures to date of market penetration (122,165m2 cumulative to date since the start and 20,845 m2 under the PIR reporting timetable) show that the project is progressing in good pace towards achievement of the long term goal. Based on the support provided so far in promotion of solar energy and UNDP prior involvement in establishment of an environment fund in Albania, the government has further requested project support in establishment of a financing support mechanism for renewable energy in the country solar included. Another major achievement of this project is marked in bringing together various line ministries such as Ministry of Economy, Trade and Energy, Ministry of Environment, Forests and Water Administration, Ministry of Labor, Social Affairs and Equal Opportunities, Ministry of Public Works and Transport and the Ministry of Finance in various roundtable discussions not only in development of various outputs but also in coherent cross-sector decision making processes.</p>
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Project Implementing Partner: Is the representative of the executing agency (in GEF terminology). This would be Government (for NEX/NIM execution) or NGO (for CSO Execution) or an official from the Executing Agency (for example UNOPS).

RECOMMENDED but NOT MANDATORY for projects under implementation in one country and regional projects.

Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.

- | | |
|----|---|
| 1. | Explain why you gave a specific rating. |
| 2. | Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet. |
| 3. | Provide recommendations for next steps. |

GEF Operational Focal point: Is the government representative in the country designed as the GEF operation focal point.

HIGHLY RECOMMENDED but NOT mandatory for projects under implementation in one country. Not necessary for regional or global projects.

Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.

1.	Explain why you gave a specific rating.
2.	Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3.	Provide recommendations for next steps.
<u>Other Partners: For jointly implemented projects, a representative of the other Agency working with UNDP on project implementation (for example UNEP or the World Bank).</u>	
RECOMMENDED but NOT MANDATORY for jointly implemented projects.	
Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.	
1.	Explain why you gave a specific rating.
2.	Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3.	Provide recommendations for next steps.
<u>UNDP Technical Adviser: Is the UNDP-GEF Technical Adviser.</u>	
MANDATORY RATING MUST BE PROVIDED for all projects.	
Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.	
1.	Explain why you gave a specific rating (do not repeat the project objective).
2.	Note trends, both positive and negative, in achievement of outcomes as per the updated indicators provided in the DO sheet.
3.	Fully explain the critical risks that have affected progress.
4.	Outline action plan to address projects with DO rating of HU, U or MU.
<u>UNDP-GEF Technical Adviser</u>	
Overall 2009 Rating	
Overall 2010 Rating	
Overall 2011 Rating	
Overall 2012 Rating	

2013 Rating	(HS) Highly Satisfactory
Comments	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as 'good practice'.
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

IMPLEMENTATION PROGRESS RATING

IP rating: Please review the Implementation Progress page of this APR/PIR and then answer the questions below. An overall IP rating will be generated based on your answers.	
1 Please rate the progress in delivery of outputs. For example, do the annual outputs represent sufficient progress in order to achieve the project outcomes (see DO page of this APR/PIR)?	
2 Please rate the efficiency in delivery of outputs. For example, in this reporting period are budget resources being spent as planned? (i.e. is project delivery on target?)	
3 Please rate the quality of risk management. For example, in this reporting period were project risks managed effectively?	
4 Please rate the quality of adaptive management. For example, in this reporting period were actions taken to address implementation issue identified in the APR/PIR last year?	
5 Please rate the quality of monitoring and evaluation. For example, in this reporting period were sufficient financial resources allocated to project monitoring and evaluation	
<u>Project Manager/Coordinator: Is the person managing the day to day operations of the project.</u>	
MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country or regional projects where appropriate.	
Please justify your rating and address the following points in your comments. Please keep word count between 500 words minimum and 1200 words maximum.	
1.	Explain why you gave a specific rating.
2.	Summarize annual progress and address timelines of project output/activity completion in relation to annual workplans.
3.	Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation.
Overall 2009 Rating	(-) No rating submitted or requested for this year
Overall 2010 Rating	(-) No rating submitted or requested for this year
Overall 2011 Rating	(-) No rating submitted or requested for this year
Overall 2012 Rating	(-) No rating submitted or requested for this year
2013 Rating	(S) Satisfactory
Comments	The project effectively implemented as per the layout of the expected activities of the annual work plans: a full list of reports produced by the technical experts on time and in line with the respective ToRs. A series of consultations are organized in each and every area the project is working with: legal issues concluded with the endorsement by the Albanian Parliament of the Law No. 138/2013 on Renewable Energy

	<p>Sources (RES); financial issues; supply side chain related issues; market analysis and scenarios; monitoring and the availability of data from resource institutions and private sector; education and media. A very good training on the use of Testing Centre was organized and the certification and labeling scheme was consulted with the main stakeholders of the field. Several other awareness raising activities have been performed as planned, combined very well with the launching events of the pilot projects implemented during this period. Consultations with the Tirana Municipality resulted to a Memorandum of Understanding (MoU) for pilot projects, legal and technical assistance, training of the municipal staff, etc.; The project expects to enter into a similar MoU also with the Ministry of Labour, Social Affairs and Equal Opportunities for the implementation of pilot projects in social institutions under the jurisdiction of this Ministry. As per the agreement with the Italian NGO CeLIM, three other didactic sets of equipment are delivered by the Vocational Training Centres of Vlora, Korca and Shkodra, as well as by the professional school “Karl Gega” in Tirana. The project is well represented in a series of activities related to Climate Change and Energy Efficiency. The project has been in close contact with UNDP CO in terms of activities and the budget delivery. The disbursement rate of the GEF and UNDP funding is at the level of 69% and 45% respectively by the end of June, 2013. With the aim of rationalizing its expenses, the project has continued to share several project’s costs with the other Climate Change projects like the communication officer, the running costs of the office, etc. The management arrangements seem appropriate and efficient. Again, the disbursement of the local contribution from the Ministry of Environment, Forestry and Water Administration is done as planned, while the one from the Ministry of Economy, Trade and Energy has been at a low level (17%). As a result, the project has not proceed fast with the simple grants to support the installations of solar thermal systems in pilot new and innovative markets like hotels, after the technical assistance given to them in terms of feasibility studies/detailed projects. The Project will continue with the financing scheme upon solving of the co-financing issue as promised by the last Project’s Steering Committee meeting of 20th of June, 2013, which also recommended its no-cost one year extension.</p>
<p><u>UNDP Country Office Programme Officer: Is the UNDP programme officer in the UNDP country office who provides oversight and supervision support to the project.</u></p>	
<p>MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country. Not necessary for regional or global projects.</p>	
<p>Please justify your rating and address the following points in your comments. The QORs and delivery data in the ERBM portfolio project monitoring report should inform your rating. Please keep word count between 500 words minimum and 1200 words maximum.</p>	
<p>1.</p>	<p>Explain why you gave a specific rating. If your rating differs from the rating provided by the project manager please explain why.</p>
<p>2.</p>	<p>Summarize annual progress and address timeliness of project output/activity completion in relation to annual workplans.</p>

3.	Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation.
Overall 2009 Rating	(-) No rating submitted or requested for this year
Overall 2010 Rating	(-) No rating submitted or requested for this year
Overall 2011 Rating	(-) No rating submitted or requested for this year
Overall 2012 Rating	(-) No rating submitted or requested for this year
2013 Rating	(S) Satisfactory
Comments	<p>The activities under the reporting period are implemented according to the endorsed work plan and timelines. The result of the midterm evaluation conducted in July – August 2012 was satisfactory noting that the major activities related to the project implementation process, financial management and level of achievement towards the objectives were satisfactory. During the period under evaluation the project was subject of an external audit and the results were satisfactory (the highest evaluation level) and there were no high or medium risks identified. The project has delivered overall very good results and major achievements related to the legal framework and policy interventions, as well as capacity building and advocacy. The regulatory framework is a key component of the project and a major achievement is the promulgation of new Law on Renewable Energy Sources. In this context further support is being provided to develop provisions for promoting the systems to further boost the solar water heating in Albania. Besides consolidation of ongoing partnerships with various entities, new ones are being concluded with Tirana and Lezha Municipality. At the municipal level the support is tailored on establishment and application of the “Standards for Renewable Energy Sources (RES) on public buildings” including the adoption of solar thermal obligations/standards for the new public buildings and for those going through a major renovation under the respective municipalities jurisdiction. These interventions are crucial in paving the way to law enforcement starting with public buildings. The project is continuing implementation of the Investment Cost-sharing Small Grants scheme supported by national co-financing in social and public target government buildings and is providing the Feasibility Studies/Technical Support to the private sector in order to ensure the sustainability of project results in long term. The figures to date estimate at low risk the achievement of most of the objectives and successful completion of the project and the sustainability of the market transformation of the solar water heating technology in Albania. Despite the progress there is a need to focus for more impact of few outcomes and implementation issues linked to Government co financing, which has not been transferred in accordance with the planning. The co-financing coming from the Ministry of Environment has been disbursed accordingly, while the one from the Ministry of Economy is being disbursed rather slowly. This issue is being raised at various levels and various ministers (due</p>

	to continuous reshuffles in the Ministry of Economy, Trade and Energy). In the last steering committee meeting the Ministry of Economy acknowledged their internal problems and committed to address shortcomings. The project midterm evaluation and the steering committee in its last meeting in June 2013 have requested a one year no cost extension for the project. This extension will serve the project to better assist with the secondary legislation and further enforcement of the new law and development of financial instruments to boost the interventions in renewable energy (solar included) in the country as well as to continue the piloting and law enforcement support at Municipal level, which is considered as key in ensuring compliance with the new law on public and non-public buildings.
GEF Operational Focal point: Is the government representative in the country designed as the GEF operation focal point.	
MANDATORY RATING MUST BE PROVIDED for projects under implementation in one country. Not necessary for regional or global projects.	
Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.	
1.	Explain why you gave a specific rating.
2.	Note trends, both positive and negative.
3.	Provide recommendations for next steps.
Other Partners: For jointly implemented projects, a representative of the other Agency working with UNDP on project implementation (for example UNEP or the World Bank).	
RECOMMENDED but NOT mandatory for jointly implemented projects.	
Please justify your rating and address the following points in your comments. Please keep word count between 200 words minimum and 500 words maximum.	
1.	Explain why you gave a specific rating.
2.	Note trends, both positive and negative.
3.	Provide recommendations for next steps.
UNDP Technical Adviser: Is the UNDP-GEF Technical Adviser.	
MANDATORY RATING MUST BE PROVIDED for ALL projects.	
Please justify your rating and address the following points in your comments. The QORs and delivery data in the ERBM portfolio project monitoring report should inform your rating. Please keep word count between 500 words minimum and 1200 words maximum.	
1.	Explain why you gave a specific rating. If your rating differs from the rating provided by the UNDP Country Office Programme Officer and/or the Project Manager please explain why.

2.	Summarize annual progress and address timelines of project output/activity completion in relation to annual workplans.
3.	Outline the general status of project expenditures in relation to annual budgets, the effectiveness of project management units in guiding project implementation, and the responsiveness of the project board in overseeing project implementation.
UNDP Technical Adviser	
Overall 2009 Rating	(-) No rating submitted or requested for this year
Overall 2010 Rating	(-) No rating submitted or requested for this year
Overall 2011 Rating	(-) No rating submitted or requested for this year
Overall 2012 Rating	(-) No rating submitted or requested for this year
2013 Rating	(MS) Moderately Satisfactory
Comments	
Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as 'good practice'.
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action.
Moderately Satisfactory (MS)	Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.
Moderately Unsatisfactory (MU)	Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan.
Highly Unsatisfactory (HU)	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

PROGRESS IN PROJECT IMPLEMENTATION

Global Outcome 1- Key Outputs this Reporting Period: Effective initiation and coordination of the country-specific support needs and improved access of national experts to state-of-the-art information, technical backstopping, training, and international experiences and lessons learnt.

Global Outcome 2:- Key Outputs this Reporting Period: The specific SWH market transformation targets of the first 6 participating countries reached by the end of the project, conducive to the overall global market transformation goals of the project.

Outcome 2.1.- Key Outputs this Reporting Period: An enabling institutional, legal and regulatory framework to promote a sustainable SWH market.

1. Following the drafting/discussions of solar energy chapter/secondary legislation for the promotion of solar energy, Law No. 138/2013 for Renewable Energy Sources is adopted from the Albanian Parliament on the 2-nd of May 2013, paving a way for preparation of secondary legislation for its implementation. The law establishes: (i) Minimum objectives on using solar energy; (ii) Mandatory installation of solar water heating systems; (iii) Certification and labeling of solar water heating systems; and, (iv) Tax exemption from the custom duties and VAT for SWH systems. The law charges the Council of Ministers that within 6-12 months after entering into force of this law, to issue the secondary laws for the implementation of chapter no. 5 on the "Promotion of solar water heating systems", looking especially that public buildings indicate a primary role, starting the installation of solar panels from 2013 and onwards; 2. It is assisted the Ministry of Economy, Trade and Energy (METE) for the finalization of the National Renewable Energy Action Plan and drafting of the secondary law for its approval following the Law No. 138/2013 for Renewable Energy Sources. The plan (approved by the Energy Treaty) sets a target for Albania of approximately 38% taking into account all sources of renewable energy, with specific targets for solar water heating: the draft involves technical and legislative measures for the country until 2020, in line with the respective EU directives, the obligations to the Energy Treaty and the National Energy Strategy's objectives.

Outcome 2.2.- Key Outputs this Reporting Period: Enhanced awareness and capacity of the targeted end users and building sector professionals to consider and integrate SWH systems into different types of buildings (or into other promising new market segments/applications).

1. One-year monitoring programme is accomplished (May 2013) with data on consumption of hot water/electricity used in 20 families in 3 climatic zones: data will serve for better determination of financial parameters of SWH collectors used in Albania; 2. Monitoring equipment for SWH Systems are installed and data collected (Hotel Theranda, Daycare centre No. 17 and Orphans House in Tirana); 3. Following cooperation with Italian association CeLIM, 3 other didactic sets (same as solar panels/tools already provided from SWH project for Tirana, Durres and Fier) are provided for 3 Vocational Training Centres which develop specific courses for solar energy (in Shkodra, Vlora and Korca) and

for professional high school "Karl Gega" in Tirana. Harry Fultz Institute has started a specific course for solar installers in September 2012; 4. After installation of 3 solar thermal systems, in cooperation with GIZ and GEF SGP, a promotional event is organized in Thethi (July 2012) for public awareness on use of solar energy in relatively isolated areas and tourist places, with representatives of different public institutions; 5. In frame of collaboration with Ministry of Labour/State Social Service for implementation of pilot projects, following public buildings are selected for SWH systems: Development Centre in Berat, Elderly House in Fier, Polyfunctional Centre for Social Services in Tirana, Daily Centre for Children and two Orphans Houses in Durres, Children House, Orphans Houses, Elderly House and Development Centre in Shkodra. Technical expertise is producing the design and technical specifications for SWH systems of above mentioned buildings. 6. Collaboration with Lezha Municipality is formalized for technical assistance and SWH pilot projects; Technical expertise is provided and systems will be in place by fall, 2013 by dormitory of professional school "Kolin Gjoka" and Day-Care Centre "Beselidhja"; 7. "B2B" meetings for Albanian businesses on solar energy are organized with Italian businesses in collaboration with "Unioncamere Puglia Selia Tirana".

Outcome 2.3:- Key Outputs this Reporting Period: Increased demand for SWH systems based on availability of attractive end user financing mechanisms and/or other delivery models.

1. A Memorandum of Understanding with the Municipality of Tirana is signed to cooperate in the following areas: i. Technical and legal assistance for drafting and implementation of the "Standards of the MoT for Renewable Energy Sources (RES) and Energy Efficiency (EE) on public buildings including the Mandatory installation of SWH systems by all new buildings by those going through a major renovation under the administration of the Tirana Municipality; ii. Piloting solar thermal installations Day-care centres No. 30, and No. 50, High schools "Eqerem Çabej", and "Ahmet Gashi", in Tirana; iii. Training of the municipal staff to support project design and monitoring of the SWH systems installed; iv. Support with SWH demonstration systems of the Centre "Promotion, Demonstration, and Education on RES" (planned to be established by the MoT); v. Feasibility study and proposal of a suitable financial mechanism for the installation of the SWH systems and implementation of Energy Efficiency measures, in partnership with inhabitants, MoT and/or interested Banks for a concrete existing multi-apartment in Tirana; vi. Joint public awareness raising campaigns. 2. Following the MoU, it is hired the expert for the design and determination of the technical specifications for the pilot projects and the ToRs for hiring an international consultant for technical assistance for the MoT are prepared. 3. It is installed and put into function the SWH system by the "Orphans House" in Tirana; 4. Following the collaboration with the National Agency for Natural Resources (NANR) it is installed and put into function the solar thermal system for the main building of NANR; 5. It is procured the SWH systems for the Elderly House in Tirana and for the Clinics in Petrela and Preza.

Outcome 2.4:- Key Outputs this Reporting Period: A certification and quality control scheme applicable for the respective national conditions adopted and enhanced capacity of the supply chain to offer good quality products and services promoting a sustainable SWH market.

1 Communication with the International expert on testing and certifications continued with the training (October, 2012) on testing centre procedures, organized for students, instructors, manufacturers and others interested; Testing of different solar collectors by the Solar Testing Centre has continued; 2 A round table on proposed certification and labelling scheme for SWH collectors is organized with representatives of METE, Ministry of Public Works and Transport, General Directorate of Accreditation, General Directorate of Standardization, etc. The proposed certification scheme is widely discussed and approved by the participants on 24 October 2012; 3 Fruitful meetings are organized with BAS (Business Advisory Services) Project of EBRD and AIDA (Albanian Investment Development Agency) to put manufacturers in contact with and

enable for their support to testing and certification of solar panels; A joint round table with AIDA is organized on 30 April 2013, for Albanian SWH manufacturers on the co-financing of their efforts for testing/certification of solar panels, qualified as innovative technology; 4 The needed preparation are done and it is successfully organized in Tirana, during 20-21 of March 2013, the \"Regional workshop and B2B meetings for the Transformation and Strengthening of the Solar Water Heating Market in the Mediterranean region\" in the frame of the Global Initiative for the SWH Market Transformation. In this workshop participated more than 50 representatives from Albania and the Mediterranean region, as well as representatives from the Ministry of Environment, Forest and Water Administration, UNDP Albania, Bratislava and New York, UNEP Paris, etc; The workshop was positively evaluated and created the possibility of collaboration among the policy-makers, experts and local businesses with their homologue in the region of Mediterranean operating in the area of SWH.

Outcome 2.5:- Key Outputs this Reporting Period: The provided support institutionalized and the results, experiences, and lesson learnt documented and disseminated (including monitoring, learning, evaluation, and other feedback for adaptive management).

1. The forecasts for the penetration of solar panels for hot water are realized also for the industry sector following the updating of the relevant analysis for the residential and service sectors; 2. In collaboration with METE and Ministry of Public Works and Transport, it has been worked for the support of a new initiative, focusing on the Energy Efficiency norms in the buildings related to solar energy and in line with the best European practices/ European Directives; 3. The Albanian Public Television (TVSH) is contracted for the preparation of a short movie on the achievements of the Project and the best experience of pilot solar thermal systems performed in the public/private sectors: the film is expected to finish and be launched via the programmes of TVSH in September, 2013; 4. The ToRs are drafted, the international expert is hired and the mid-term evaluation is accomplished according to the procedures of GEF: The evaluation is for the main components of the Project positive and comes with three main recommendations for its further implementation until the end of the Project, opening in the same time the possibility for the its extension for another year, in support of drafting the secondary legislation for the implementation of the RES Law and piloting projects in the public buildings based on the local contribution of the Albanian Government; Following it is prepared from the Project the strategy in response to the recommendations of the Evaluation Report; 5. The financial audit is carried out for 2012, with excellent results; 6. Representatives of the project have actively participated in activities related specially to solar energy, Energy Efficiency and Climate Change in general; 7.

Different reports are prepared as per requests of UNDP, METE, MMPAU and other institutions in the country: The activities and the reports are reflected/published in the webpage of the UNDP Climate Change Programme (www.ccalb.org) under the SWH Project;

Adjustments

Adjustments to Project Milestones, Project Strategy and Risk Management.

Key Project Milestones

Have significant delays occurred in the project start, inception workshop, Mid-term Review, Terminal Evaluation or project duration?

Yes

If yes, were these changes reported in a previous APR/PIR?

Yes

Key project milestone	Scope of delay (in months)	Briefly describe change or reason for change	Briefly describe the implications or consequences this has had on project implementation
Project Start (i.e. project document signature date)			
Inception Workshop			
Mid-term Review			
Terminal Evaluation			
Project Duration (i.e. project extension)	12	One year extension of the project is recommended as per the MTE report and the Steering Committee meeting of 20 June, 2013.	The Law on Renewable Energy Sources got endorsed only on 02 May, 2013, delaying the endorsement of the secondary legislation which will further contribute to the SWH market boosting due to legal/financial incentives foreseen in the frame law.

Adjustments to Project Strategy

Has the project made any changes to its strategy (i.e. logframe/results framework) since the Project Document was signed?

No

If yes, were these changes reported in a previous APR/PIR?

Change Made to	Yes/No	Briefly describe the change and the reason for that change

Project Objective		
Project Outcomes		
Project Outputs/Activities		

Risk Management

List number of critical risks as noted in the ATLAS risk log and briefly describe actions undertaken this reporting period to address each critical risk.

# of Critical Risks (type/description)	Risk management measures undertaken this reporting period
	N/a

Adjustments general comments:

Finance: cumulative from project start to June 30 2013

DISBURSEMENT OF GEF GRANT FUNDS

How much of the total GEF grant as noted in Project Document plus any project preparation grant has been spent so far? (e.g. PPG + MSP or FSP amount. Do not break down by PPG or project budget.)

Estimated cumulative total disbursement as of 30 June 2013. (i.e.CDR information up to 20 June 2013)	969953.00
Add any comments on GEF Grant Funds	280,000 USD are spent for the project preparation grant and 689,953 USD are the total GEF grant as noted in the Project Document spent as of 30 June, 2013.

DISBURSEMENT OF CO-FINANCING

How much of the total Co-financing as noted in Project Document has been spent so far? Co-financing is the amount committed in the project document for which co-financing letters are available

Estimated cumulative total co-financing disbursed as of 30 June this year. Please breakdown by	847628.00
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donor.	
Add any comments on co-financing including other types and amounts of additional co-financing such as in-kind, private sector, grants, credits and loans.	The cumulative co-financing of 847628 USD disbursed as of 30 June 2013 is spread as per following lines: (i) the UNDP TRAC co-financing is 66399 USD; (ii) the cash contribution of the Albanian Government is 173229 USD; (iii) the in kind contribution from the Albanian Government and the Harry Fultz Institute is 37.000 USD; (iv) the ADA parallel financing, spent before the project start is 440.000 USD; and (v) the Swiss Government parallel financing disbursed is 131.000 USD. The Italian Government parallel financing via UNEP of 1000000 USD for the financing mechanism of the SWH in Albanian are not disbursed as of 30 June, 2013.

ADDITIONAL LEVERAGED RESOURCES

These additional resources can be from the same donors or new donors.

Estimated cumulative leveraged resources as of 30 June 2013	
Add any comments on Leveraged Resources.	

Other Financial Instruments

Does the project provide funds to other Financial Instruments?	
If yes, please discuss developments that occurred this reporting period only.	

Communications and KM

Tell the Story of Your Project and What has been Achieved this Reporting Period

Efforts during mid 2012 – mid 2013 have been focused on supporting the final draft of the Law on Renewable Energy Sources, endorsed by the Albanian Parliament on 02 May, 2013 with a full chapter on Solar Water Heating, establishing: (i) Minimum objectives on using solar energy; (ii) Mandatory installation of solar water heating systems; (iii) Certification and labelling of solar water heating systems; and, (iv) Tax exemption from the custom duties and VAT for SWH systems; Capacity building of engineers, instructors, interested students, installers and manufacturers on the solar collectors' testing centres and their operation; moving forward with the proposed temporary certification/labelling scheme of SWH system/components, which is now widely accepted from different actors while efforts are done to support the interested manufacturers to perform testing of their products by well –known European testing institutes; completion of all Vocational Training Centres with didactic equipment, training manual and trained instructors to develop specific training courses for solar thermal installers and repairers based on new approved specific curricula; formalization of the agreement with the Tirana Municipality for them to play an exemplar role with

the SWH systems obligation as per the RES law; 2012); awareness raising based on the co-financed SWH systems installed by the Orphan House in Tirana, three “Guest-houses” by the alpine area of Thethi; the National Agency for Natural Resources; the Elderly House in Tirana and the Medical Clinics in Petrela and Preza; formalization of other agreements with the Social State Service and Lezha Municipality to build public capacities and cost-share the feasibility studies/installation of SWH systems in a number of identified public buildings; SWH related knowledge sharing and networks establishment amongst key experts from both the public and private sectors in the Mediterranean region through the Regional workshop and B2B meetings organized in Tirana on 20 – 21 March 2013; During the reported period different promotion materials such as leaflets, fast facts, posters, 2013 wall calendar are prepared and distributed: A short documentary film on the best experience of pilot solar thermal systems installed in public/private sectors is under preparation to be launched on September, 2013; Efforts have continued to find synergies with other donors contributing to the promotion of solar water heating in Albania; The project webpage (www.ccalb.org) and Facebook page (<https://www.facebook.com/undpccp.albania>) are updated on regularly bases. All the awareness raising activities organised during this period are presented in different visual and printed media. A special chronic on SWH installed in Thethi village broadcast in the National Public TV in Albania. Also regular articles are written and published to several newspapers and magazines such as Panorama, Shekulli, Monitor Magazine, etc.

Adaptive Management this Reporting Period

Following the Mid-Term Evaluation recommendations, the Project came out with the Adaptive/Management Response Strategy and is implementing the following: (i) Design of a Financial Support delivery mechanism (as an example, the Investment Cost-sharing Small Grants scheme to be supported by national co-financing) to provide the needed financing support for SWH systems to target government/public facilities; (ii) Implement demo projects to boost the installation of SWH in the most hot water-intensive public/municipal facilities, among others: hospitals, kindergartens, cafeterias and laundries; (iii) Design/implementation of an Investment Cost-Sharing Small Grants scheme and additional Technical Assistance (e.g.: feasibility studies) to energy-intensive end-users in the tourism sectors; (iv) Technical assistance to be given to the MoETE to draft the regulation related to the “EE/RE Investment Fund” required to advance the enforcement of the RE Regulation and boost investments in RE/EE; and (v) Work out a thorough methodology to determine the direct and post-project direct impacts as well as the indirect impacts of SWH projects to strengthen the monitoring and reporting on energy savings, GHG emissions reduction, baseline and database related to those projects.

Lessons Learned

The entering into Memorandum of Understanding with public entities like the Tirana Municipality, ensured cooperation not only with regards to the technical-legal assistance on local standards to involve solar obligations and capacity building of their staff in charge with policy making/projects design, but also ensured from the beginning the cost-sharing of selected pilot projects, qualified as direct impact of the Project in terms of the overall area installed and GHG emissions reduced. Besides, enlarging the scope of the assistance in the area of energy efficiency measures in buildings with SWH systems one of them, made the Project more interesting in the eyes of the Project’s local partners. The organization of awareness raising/inauguration events after the installation of SWH pilot projects helped increase the public awareness starting with the high-level policy-makers of the central institutions, owners of the pioneer public buildings with SWH systems, who in turn may wish

to replicate this initiative everywhere they could impact the sectoral strategies/policies or other public buildings under their jurisdiction (positive examples with the Ministry of Labor, Social Affairs and Equal Opportunities/State Social Service). The participation in those events of representatives of donors community not only increase the visibility of the Project, but open a large window for others to co-participate or start similar initiatives in the country. Inspection of existing installations (almost 70% of the inspected large installations came out as non-corrects ones) brought before the Project the following issues: the bad image non-correct installations play as not able to demonstrate at all the benefits of the SWH technology (this is especially true for the hotels alongside the coast); the urgent need for installers training and proper education; the difficulty to confront the installers with their clients and with each other; at the end the urgent need for certified installers in the market. The Project tried to address the above-mentioned one by one, putting more emphasis than in the Project document on this particular issue.

PARTNERSHIPS

Civil Society Organisations/NGOs

The Project has continued maintaining the good relations established with the associations of Tourism, Architects, Constructors, Banks, etc., by attracting their opinion on, inviting them in each and every event organized to promote Solar Water Heating in the country, and/or support every proposal by them with regards to further training, participation in others related events, etc. The relations with media have been also very good, having them correctly addressing Solar Water Heating events in the visual and written media, with the Public TV channel (TVSH) as the one cooperating closely with us to produce a short film on the benefits of Solar Thermal systems in Albania based on the interviews with the beneficiaries and the best implemented pilot projects. The Universities, as part of the academia are also close to us with many students participating in the related trainings and different open classes on solar energy, other renewable energy and energy efficiency, climate change mitigation etc.

Indigenous Peoples

N/A

Private Sector

The training of a considerable number (137) of architects, building engineers, other professionals in the building sector, hotel owners, SWH installers, etc. was conducted. Fifteen hotels were visited together with the designers, installers, out of which 8 have already taken into consideration the given recommendations on the installation of SWH systems or on improving their existing ones. The increased rate of the annual sales of SWH systems (4,600 m² in 2009 while 21,200 m² in 2012) is a good indication for the consideration of SWH systems in new buildings and/or ones under renovation.

GEF Small Grants Programme

To promote the technology of solar systems, the Ministry of Economy, Trade and Energy, with the support of UNDP Climate Change Programme, GEF Small Grants Programme (SGP) and in collaboration with the German Society for International (GIZ) and Procredit Bank organized on July, 2012 the launching event of the solar water heating and photovoltaic systems installed in the remote village of Thethi as a sustainable model for fighting poverty in low-income communities in the

Northern Albania. During 2012 only, both, the GEF Small Grants Programme and GEF/UNDP Solar Water Heating project have provided 11 guest-houses with Solar Water Heaters that provide hot water for showers and other domestic use. 10 guest-houses and the local infirmary have been equipped with scalable photovoltaic systems that provide electricity supply for lighting purposes. The beneficiaries have co-financed the cost of installation. These interventions aim to improve the lives of people in Thethi by invigorating the local economy through establishment of sustainable eco-tourism. During fall, 2013 an increased cooperation is expected between the Project and the GEF Small Grants Programme towards TA and joint co-financing of several pilot SWH systems.

Other Partners

There has been mutual interest to extend the good collaboration of mid 2011 – mid 2012 with the Swiss consortium INFRAS/SWISSOLAR/SPF to implement activities in Albania in line with the objectives of Outcome 4 of our Project: a visit is paid in Tirana by a representative of REPIC (SWISS Renewable Energy Promotion in International Cooperation) and several ideas are initiated, subject of further revision/endorsement by REPIC. There has been interest shown by Turkish TIKA and Swedish SIDA to also start activities in line with the objectives of the Project (still to be decided). On the other hand, due to the established cooperation with the Italian project called "Albania tomorrow", implemented by the Italian NGO CeLIM, three other Vocational Training Centers (VTCs) which develop specific courses for solar energy (in Shkodra, Vlora and Korca) and the professional high school "Karl Gega" in Tirana, are equipped with the same set of solar panels/tools as it is already provided by the SWH project for Tirana, Durrës and Fier, thus closing all the training cycle of VTCs.

PROGRESS IN ADDRESSING GENDER EQUALITY

Has a gender or social needs assessment been carried out?

No

If a gender or social assessment has been carried out what were the findings?

Does this project specifically target women or girls as direct beneficiaries?

No

Have there been any changes in specifically targeting women or girls as direct beneficiaries this reporting period?

No

If yes, please explain:

Please discuss any of the points above further or provide any other information on the project's work on gender equality undertaken this reporting period

Some points to consider: impact of project on daily workload of women, # of jobs created for women, impact of project on time spent by women in household activities, impact of project on primary school enrolment for girls/boys, increase in women's income etc. Be as specific as possible and provide real numbers (e.g. 100 women farmers participating in sustainable livelihoods programme).

By targeting the social public institutions like kindergartens, medical clinics, elderly and orphans houses to co-finance the installations of solar thermal systems and demonstrate the benefits of this technology with energy savings and climate change mitigation, due to the fact that the majority of those public institutions' staff are women (both, management and common ones), a lot is done during the reporting period to increase their awareness and consider their particular needs and suggestions: women appeared very interested in and had clear voices in support to solar energy. Good examples come from the Orphan House in Tirana and the Medical Clinic of Petrela with their female directors who strongly impacted the decision making in favor of investments of SWH systems in their institutions. The Project has also come up with the feasibility study for the piloting of solar thermal systems in the Multidisciplinary Center for Social Services in Tirana, addressing around 36 violated women/children for which there is also a mutual interest from another UNDP project to participate.

ENVIRONMENTAL OR SOCIAL GRIEVANCE

What environmental or social issue was the grievance related to?

What is the current status of the grievance?

How would you rate the significance of the grievance?

Please describe the on-going or resolved grievance noting who was involved, what action was taken to resolve the grievance, how much time it took, and what you learned from managing the grievance process (maximum 500 words). If more than one grievance was addressed this reporting period, please explain the other grievance (s) here: