GGGI Thailand Country Program Evaluation

March 2018

Introduction

GGGI's Impact and Evaluation Unit commissioned an independent evaluation of the Thailand Country Program, whose focus is on the promotion of energy efficiency in the industrial sector. The evaluation was conducted from December 2017 to March 2018 and covered activities from 2014 – 2017.

The evaluation objective was to:

1. Assess the performance of GGGI's Thailand Country Program, including its impacts to date and the robustness of its theory of change; and

2. Make actionable recommendations to further improve its current and future delivery approach and impact.
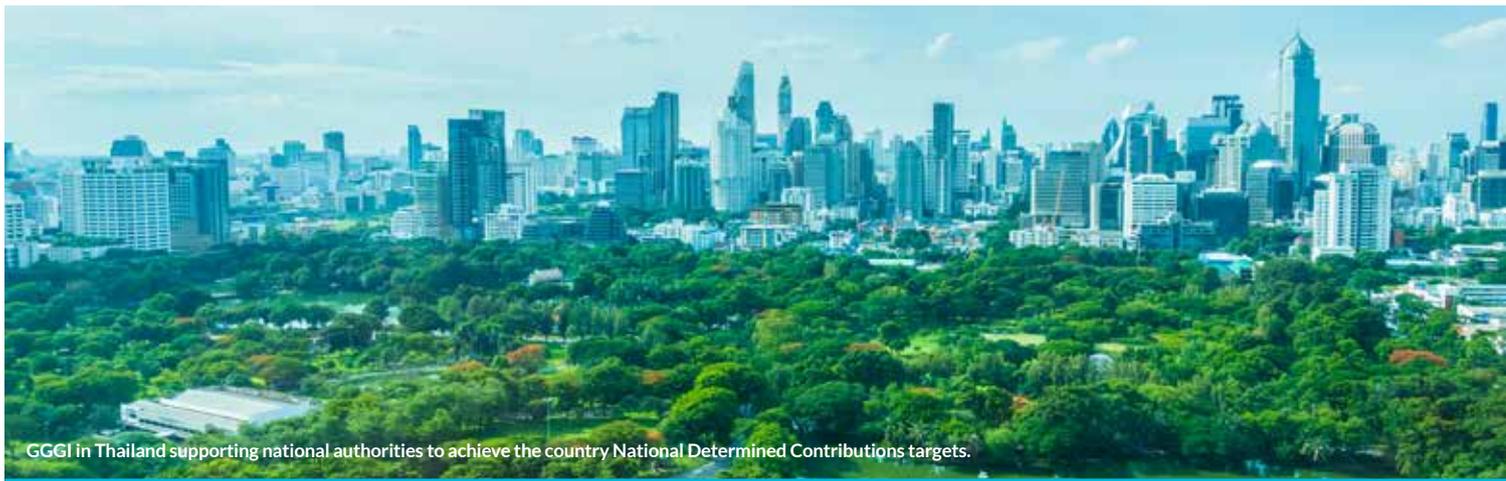
GGGI in Thailand supporting national authorities to achieve the country National Determined Contributions targets.

Overview of GGGI's Thailand Country Program

This evaluation sought to address a wide range of issues for a multi-pronged program. In addition to broader process issues, the evaluation had three Focus Areas:

- Focus Area 1: "Industry GHG Reduction to Support the Implementation of Thailand's Climate Change Master Plan" (GHG Roadmap). The objective was to assist the implementation of Thailand's Climate Change Master Plan by developing a clear roadmap for GHG reduction in selected industry sub-sectors of the Thai economy (palm oil, frozen seafood, and automotive parts industries).

- Focus Area 2: "Accelerating the Nationally Determined Contributions (NDC)" seeks to enhance the Government of Thailand's ability to implement its NDC. The first phase of this project is complete and resulted in an NDC Action Plan for the Industrial Sector. The second phase, which includes capacity enhancement activities (e.g. workshops with industry) and demonstration of green project development (2 projects anticipated) is still in progress with activities planned for both capacity building and project demonstration for 2018.

- Focus Area 3: "Thai Auto Parts Supply Chain Development through Energy Efficiency" (TAPEE) which is intended to be a comprehensive energy efficiency (EE) finance program to address multiple barriers to EE investment for SME auto parts manufacturers. The project objectives are to (A) design an investment structure (B) create a risk-sharing facility (C) develop an on-bill financing (OBF) mechanism through a local utility and (D) develop a pipeline of bankable projects resulting in 1-2 successful projects during TAPEE itself.

GGGI in Thailand supporting GHG emissions reductions through industry specific interventions.

Lessons Learned

The following lessons learned are drawn from both the successes and challenges faced by GGGI's Thailand program. The lessons are organized by the OECD Development Assistance Committee (DAC) criteria used to organize the evaluation questions: Relevance, Effectiveness, Efficiency, Impact, and Sustainability.

Lessons learned - Relevance, including project selection and positioning within the country

- **Activities in Thailand provide a good fit with both the Royal Thai Government's requests and GGGI's mission and objectives overall.** Thailand's commitment to climate change is well-documented. However, there is uncertainty regarding the current government's longevity and, therefore, long-term commitment to current project priorities.

- **Thailand engaged with GGGI partially to increase access to the Republic of Korea (RoK), as GGGI is based in the RoK.** Government representatives were also interested in GGGI's perceived technical and economic expertise, international network, potential to access financing.

- **The choice of counterpart is important, and the most appropriate entity may change over time.** As the planning agency and focal point for international climate change activities, Office of Natural Resources and Environmental Policy and Planning (ONEP) was a reasonable counterpart for the original planning outputs, though other agencies more focused on implementation would also have been reasonable. As activities switch to implementation, these other government entities may be more relevant as a counterpart instead of, or in addition to, ONEP for a specific project, depending on the project context and goals.

- **Having offices at (or near) the counterpart helps facilitate relationships.** The GGGI team is in the same building as their direct counterpart, as are other entities.

- **GGGI is the 'new kid on the block' with limited credibility established so far and the Country Team must continuously prove themselves** in terms of technical quality as well as demonstrating respect building appropriate stakeholder relationships and navigating in-country dynamics. This results in a high-pressure environment, particularly when the Country Team is being pulled in different directions and having to prioritize.

- **Project selection and ongoing support can be influenced by activities and behaviors of other donors and initiatives** active in the country in addition to formal criteria. For example, the counterpart may defer to the preferences of other initiatives that have substantially more presence in the country than GGGI. If these soft factors are not taken into account sufficiently a project may struggle to gain traction.

Lessons learned - Effectiveness, including internal processes as well as project reach

- **Ensuring relevance is insufficient to ensure uptake.** To date, GGGI's activities in Thailand are highly relevant, but uptake is more limited than expected. This is due to addressable issues with project design as well as lack of a clear long-term ownership path for the outputs within the Royal Thai Government.

- **Project implementation, as well as impacts and long-term sustainability are influenced by institutional dynamics within the Country.** Most projects require ongoing cooperation, such as through sharing data from one or more government entities and/or private sector groups who are not the same as the country counterpart.

- **Stakeholder relations are complex.** It is a delicate balancing act between keeping stakeholders informed, allowing them to have a voice in project development, and expressing a clear vision that inspires confidence and trust. Also, different stakeholder groups have different preference for the approach to engagement (e.g. personal meetings, email updates, or teleconferences), which must be managed.

- **Budget challenges and limitations can harm credibility.** While there does need to be a mechanism for discontinuing nonviable projects, the degree of the ongoing budget challenges within GGGI, and with the Thailand Country Program in particular, have created uncertainty within the country counterpart. For example, earmarked funding anticipated for 2017 did not materialize. This has led to concerns that GGGI can actually deliver in the future, harming the Country Team's efforts to build credibility and increase visibility.

- **Small country teams may not be able to cover all desired skillsets internally**, and should not be expected to do so. The Country Team consists of 3 people doing all tasks from very high level to technical to very basic administrative and office tasks, and increasingly resource mobilization as well.

- **Data quality/availability is an important component of many projects.** Data quality and availability relating to industrial GHG emissions has hindered both the GHG Roadmap and the NDC Action Plan development in ways that were not fully anticipated during project planning.

- **It is important that stakeholders feel their time is valued.** This is particularly the case for skeptical groups, like the private sector. This is most effective when GGGI staff strike a balance between openness to stakeholder feedback and demonstrating a clear vision that inspires trust. Stakeholder relationships have been facilitated when there is a clear understanding of what is in it for the stakeholder, the objectives of the meeting are clear, and when they have been approached in the expected way demonstrating respect. When a new meeting is requested stakeholders want to know why new interaction is also/still relevant for them.

- **Project concepts need to be framed in ways the stakeholders will sufficiently understand and be willing to own long term.** More support and openness has been possible when stakeholders clearly understand what is being proposed. The implication for GGGI is to approach stakeholders using the terminology and concepts familiar to the stakeholder, even if that requires extra work/reframing.

- **Multiple stakeholders do not yet fully understand and are skeptical of TAPEE.** There appear to be several reasons for this including the involvement of 'outsiders' from other countries, the perceived complexity of the proposed credit risk guarantee mechanism, the involvement of an Energy Services Company (ESCO) market that is perceived as nonviable in Thailand, and lack of clear understanding by stakeholders of how it will all come together into a coherent package.

Lessons learned - Efficiency, including internal processes as well as facilitating stakeholder ownership

- **It is difficult to assess efficiency, especially due to changing budgets and priorities.** This phase includes establishment of the Country Program, which included: substantial stakeholder engagement, its evolution from one project to multiple independent projects to more recently coalescing into a more coherent program of activities focused on capacity building and facilitating bankable projects. In addition to the regular planning and budgeting cycles, there have been four significant budgetary disruptions, resulting in uncertainty and sometimes cuts. Also, the budgets do not clearly separate project and administrative labor.

- **It takes long and consistent effort to establish credibility in a country.** The extent of initial, as well as ongoing, stakeholder engagement that is needed to establish and maintain relationships and build credibility is time-consuming and not necessarily related to a specific project-budget line item. However, when there are issues (as is currently the case for TAPEE) it undermines not only the current projects, but overall trust and possibilities of success in the country long term.

- **Stakeholders may have suspicion/bias against foreign consultants that can inhibit local engagement and ownership.** Both cases where international consultants were used was noted and met with skepticism by some stakeholders. It is likely that any faux pas or perceived lack of understanding of the Thai context or 'way of doing things' contributes to distrust and/or hesitancy to engage.

- **Country timeframes do not necessarily match GGGI timeframes.** Project design as well as timeframes need to be realistic and tailored to the country context from the outset to be useful and effective as well as to ensure appropriate long-term ownership. External deadlines that are out-of-sync relative to local stakeholder needs that put unwelcome pressure on stakeholders will undermine the entire project, i.e. there is a need to ensure stakeholders are sufficiently on board before proceeding to the next step.

- **It is challenging to assess if a gap is there because the idea is a ripe opportunity rather than not ready.** This can result in lost time/effort. GGGI seeks a niche of providing effective support that does not duplicate other efforts. In the case of targeting energy efficiency in industrial SMEs in Thailand, all stakeholders agree this is an unmet need, yet one of the reasons no one else is focusing on it is that there is no clear government agency owner, which can undermine project effectiveness.

- **With only 3, the Country Team spends too much time on internal GGGI matters.** The proportion of time necessary to address internal GGGI planning, reporting and other needs places a high burden on a team of this size, undermining project delivery. Up to 1.5 full-time equivalent (FTE) is being spent on internal GGGI matters, which leaves only 1.5 FTE for direct project work and broader stakeholder engagement. Most of this internal work appears to be set, so the more staff a country team has, the lower percentage spent on internal matters. They would need more resources to become more efficient and to gain better traction in the country.

- **GGGI internal processes, e.g. lengthy contracting, can slow implementation.** TAPEE, in particular, experienced significant delays due to both external and internal issues, such as a slow contracting process, which exacerbated challenges of meeting the project timeline.

GGGI in Thailand facilitating investment flows to green projects.

Lessons Learned - Impacts and Sustainability

- **Stakeholder engagement from the GHG Roadmap is most significant impact so far.** Most stakeholders expressed a positive perception of GGGI and a willingness to engage with them in the future. Multiple stakeholders were impressed that Country Team engaged the industrial sector in ways not normally seen in Thailand during the GHG Roadmap process.

- **There needs to be sufficient consistent activity to gain traction in a country.** With such a small presence and budget, the burden is high on the Country Team to engage in high-visibility activity to maintain stakeholder interest as well as provide formal and informal reminders of project outputs. However, this type of ongoing stakeholder awareness building is not typically included in budgets.

- **If sustainability mechanisms are not built into the project, they are very unlikely to be pursued** after the deliverables are completed and project funding is depleted. Currently, there is no mechanism, in terms of expectation, protocol, logframe indicator, or budget, to follow up on the adoption/uptake of completed projects, e.g. the GHG Roadmap.

- **The project logframes miss the mark.** The logframes for the three projects considered do not make sufficient links between outputs and outcomes and impacts. They do not sufficiently address 'prerequisites' for sustainability, such as having a clear government/in-country owner or dissemination/follow up plan. They also miss including meaningful indicators of quality and reach in addition to quantity, e.g. using 'number of workshop attendees' only does not address whether the most appropriate stakeholders attended or reported receiving relevant and useful information.

GGGI in Thailand committed to support the country to achieve its Sustainable Development Goals.

Recommendations

Externally focused: Country engagement

- **It is important for the Country Representative to coordinate all stakeholders engagement**, due to sensitivities. Even when ideas or initiatives are spearheaded from other units or offices, the Country Representative should be responsible for, and deferred to when necessary, all communication and stakeholder engagement as they are responsible for building and maintaining long-term relationships in the country. Stakeholder interactions need to be tailored to cultural and individual preferences, and the Country Representative is responsible for this understanding.

- **Periodically review the appropriateness of the counterpart agency.** This review should include discussions with the current and any proposed new counterpart. The frequency will depend on the rapidity of change within the country, e.g. as priorities and duties between agencies evolve, as well as for each new GGGI project. For example, this counterpart function could be transferred from ONEP or temporarily delegated when focusing on implementation projects, depending on expectations regarding project characteristics in the long-term. Regardless, ONEP remains designated coordinator for international climate change-related activities for the Royal Thai Government.

Externally focused: Project selection and design

- **Consider ability to increase visibility when selecting and designing projects.** Make significant stakeholder engagement a cornerstone of projects, especially in the early stages of GGGI's country presence to help establish long term relationships and credibility.

- **Seek a vetting process with key stakeholders for new project concepts** before committing significant resources. The degree of cooperation and long-term ownership of all key stakeholders should be assessed in the early stages of the project. This vetting process should go beyond the direct counterpart and include stakeholders critical to the success of the project (e.g. for providing inputs or long-term ownership). To facilitate this, develop awareness/educational materials (e.g. for financial concepts) from the perspective of, and tailored to, different stakeholder audiences that minimizes jargon. This vetting process may also include discussions with other major donors with similar projects, as appropriate. Relevant project concepts may need to be postponed or declined if the long-term pathway to success is not (yet) sufficiently clear.

- **Assess the inputs critical for project success** before committing significant resources. For example, this could include data quality/availability, participation of specific stakeholders as discussed above as well as alignment with other projects/outputs. Where weaknesses are identified, a remedy should be built into the project design.

- **Consider selecting projects that can show concrete results within a year**, using a staged or incremental approach as needed. This will increase attractiveness for skeptical stakeholders or those with a very short-term perspective as well as help build creditability longer term. GGGI's expectations regarding project scope and timeframes will need to be consistent with the counterpart's appetite to facilitate long-term sustainability. This means progress may be slower than GGGI originally anticipated.

- **Ensure there is a clear path of follow up and long-term ownership built into the design.** All outputs should have identification of clear owner(s) for the next phase built into the project design and logframe KPIs. The type of owner would depend on the expected outcomes and next steps anticipated for each deliverable; it could be GGGI staff, a government body or specific official, or a third party such as private sector or civil society stakeholder(s). This is especially relevant for planning outputs where no long-term impact is possible without follow up after the immediate project. Other prerequisites for long-term sustainability should also be incorporated into the project design and logframe as appropriate. The logframe may need to be updated with more specific information at specified intervals to address this issue.

- **Seek using in-country resources to the extent feasible** to help build credibility as well as build capacity. Consider the profile of potential subcontractors from other locations in the context of and country perceptions relative to value, and whether a local partner is also appropriate. This could be done for example through informal conversations with stakeholders critical for success. In some cases, regional resources may be seen as sufficiently local and consultants with strong international reputations for that specialty may be seen as sufficiently trustworthy.

- **All key outputs should (also) be in the local language to facilitate use by targeted stakeholders.** This means the need for translation for key project outputs as well as public minutes should be assessed and should be factored into project budgets from the outset or be a separate line item in general budgets. While there are clear benefits for deliverables being accessible internationally by being provided in a language such as English, to be effective they first need to be accessible within the targeted country to achieve their primary purpose.

Internal Processes: Planning

- **Ensure the priorities of different units within GGGI are sufficiently aligned** and that there is a clear and safe communication channel to clarify any issues/confusion.

- **GGGI should clarify its risk tolerance** in terms of innovation and flexibility relative to ensuring specific outcomes. GGGI's own priorities and risk tolerance underpin the project selection process addressed above. There appears to be inconsistent messaging between the expectation for innovation and exploring untapped markets while also seeking significant outcomes and impacts in relatively short timeframes.

- **Restructure the Country Planning Framework (CPF) process to be more time efficient and usable** and ensure it is aligned to the Country Work Program and Budget as well as the Country Business Plan. The portion of the CPF that is relevant for in-country work is the identification of themes that can serve to prioritize the work. The remainder appears to primarily be for an external donor audience. For example, the use of outcome estimates that are quite time-intensive to produce yet are of questionable accuracy should be reviewed.

- **Ensure new requests or shifts in direction from GGGI Headquarters are adequately explained and appropriate support provided.** This is to minimize disruption and maximize the likelihood of buy-in and compliance. This will also increase perceptions of camaraderie and 'all operating on the same team' toward the same overall goal.

- **Ensure GGGI's planning approach is flexible enough to accommodate shifts** in circumstances and priorities within the country. Any shifts in budget determined to be appropriate should be done in consultation with the Country Team, and potentially the direct counterpart for that project. In general, projects benefit from a stable plan and budget with a long enough horizon to complete the necessary tasks. However, as circumstances shift, a project may become less relevant or appropriate midstream and may best be postponed or abandoned if the circumstances have changed dramatically.

- **Ensure sufficient resources have been put into existing projects before starting new projects.** This will substantially increase efficiency and minimize lost or stranded opportunities.

Internal Processes: Budgeting

- **Ensure there is a stable general budget medium-term as well as for the duration of projects.** This is to minimize disruptions and reputational risk and increase efficiency and staff morale as well as credibility with country stakeholders. This should not be seen as inconsistent with reccomendation: 'Ensure GGGI's planning approach is flexible enough to accommodate shifts', which focuses on recognizing when a project is no longer viable, rather this focuses on ensuring enough certainty, so that projects can be implemented without interruption or distortions.

- **Ensure there is sufficient and stable budget for all regular costs that are not project specific.** This includes ongoing stakeholder relations, internal planning and coordination, monitoring and evaluation, learning, and office administration. This may also include translation of corporate/international documents into the local language.

GGGI in Thailand supporting SMEs to increase their energy efficiency.

Internal Processes: Staffing and organization

- **Increase resources available to the Thailand Country Team.** In addition to the possibility of additional staff (ad hoc or full-time) or additional support from GGGI HQ, explore the possibility of regional teams or affinity groups to enhance synergies, pool resources, increase flexibility and build organizational cooperation and knowledge sharing.

Project Specific

- GHG Roadmap-1: **Develop a plan with budget to increase uptake and ownership of the Roadmap.** This could include, for example, seeking adaptation of the calculation approach for other sectors by GGGI, another initiative and/or an appropriate government entity, and/or another GGGI country. It could also include work to simulate the development of industry agreements, new capacity building/industry engagement activities to increase usage and/or brainstorming sessions on other activities that can build upon the material provided in the GHG Roadmap. Develop an updated logframe reflecting this phase of activities focused on increasing impact and long-term sustainability/transformational change.

- NDC Implementation-1: **Develop a plan with budget to increase uptake and ownership of the NDC Action Plan.** As with the GHG Roadmap this could, for example, include work to simulate the development of industry agreements. It could also include new capacity building/industry engagement activities beyond the limited activities currently planned to increase usage and/or brainstorming sessions on activities that can build upon the NDC Action Plan.

- NDC Implementation-2: **Develop factsheets or case studies with project examples** (real if possible, hypothetical if necessary) targeted to industrial SMEs. This will not only help to solicit participants but will extend the reach of the outcomes achieved.

- TAPEE-1: **Monitor progress carefully to see if TAPEE gains more traction.** TAPEE is currently at a somewhat fragile state with some positive progress, yet also significant stakeholder concerns. Therefore, it should be closely monitored to see if it increases in viability, stakeholder support and achieves successful design of instruments and implementation of projects using the instruments as intended.

- TAPEE-2: **More deeply engage Country Team for help liaising with stakeholders**. As multiple projects are being implemented, it is important that long-term stakeholder relationships are maintained. A loss of trust or credibility in one project may significantly impact the likelihood success of other current and future projects.