

PROJECT IMPLEMENTATION REPORT (PIR) FY 2021

GEF - IDB
PIR # 7

IMPORTANT: The reporting period is GEF Fiscal Year (July 1st, 2020, to June 30th, 2021)

PROJECT GENERAL INFORMATION

Project Name:	Rural Electrification with Renewable Energies in Isolated Areas of Ecuador				
Project's GEF ID:	5029	Project's IDB ID:	EC-G1001	Overall Stage:	Disbursing (From eligibility until all the Operations are closed)
Country/ies:	Ecuador				
GEF Focal Area:	Climate Change				
Executing Agency:	MINISTERIO DE ELECTRICIDAD Y ENERGIA RENOVABLE				
Project Finance:	Total disbursements of GEF Grant resources as of end of June 30th, 2021 (cumulative)				US\$909,089.00
Project Dates:	Date of First Disbursement				11/12/2014
	Agency Approval Date				4/17/2013
	Effectiveness (Start) Date				11/4/2013
	Original Last Disbursement Expiration Date ¹ (OED)				3/4/2018
	Current CED				3/4/2020
	Estimated Operational Close Date ² (EOC)				6/2/2020
	Actual Date of EOC, if applicable				
Project Evaluation:	Mid-term Date (Expected)				N/A
	Terminal evaluation Date (Expected)				12/30/2021

¹ For the GEF, this is equivalent to the project's "Expected Completion Date".

² For the GEF, this is equivalent to the project's "Expected Financial Closure Date".

DEVELOPMENT OBJECTIVE RATING (DO) & ASSESSMENT

Make an overall assessment and provide a rating³ of “likelihood of achieving project objective” during the period (2020-2021). Describe any significant environmental or other changes attributable to project implementation.

Project Objective: The project aims to increase the impact of the FERUM 2011 program, throughout the financing projects of rural electrification in isolated areas to the electrical network. These projects, to be implemented in remote regions with low-electrical power coverage, will benefit vulnerable communities with low incomes that in today’s world only have access to polluting and inefficient energy systems (kerosene, diesel, candles, etc.) In more accurate terms, this project is in line with the GEF Climate Change strategic objectives no. 3: (i) to promote the increased capacity installed of unconventional renewable energies (ERNC); (ii) to expand the access of energy to isolated populations with low-income; and (iii) to support the increased capacities for the management of local or community projects decentralized energy generation.

OVERALL ASSESSMENT (DO)	RATING
For 2020-2021 the objectives of the operation were achieved. However, in this period, there were delays in the final resource’s justification delivered to the MERNNR as advancement of funds (US\$500K), thus the final evaluation was postponed. Other delays, during 2020-2021 were due to the COVID-19 pandemic. The final evaluation is scheduled for the end of the December 2021.	S

PROJECT STATUS UPDATE

The project is finished, and all the products were completed in 2020. However, the final evaluation is still pending due to the COVID-19 pandemic which partly affected the way we operate. The Executing Agency Ministry of Energy and Non-Renewable Natural Resources (MERNNR) received technical advice remotely, and we were able to fulfill our supervisory duty following Bank standards. The final evaluation is scheduled for the end of December 2021.

Additionally, there were setbacks in the preparation of the final evaluation of the Project, due to difficulties faced to in justifying the resources delivered to the MERNNR. The Bank is currently carrying out continuous monitoring for the justification of resources.

The following activities have been carried out:

- In 2020, the Ambato Electric Company carried out projects in LOROCACHI and BOVERAS, two communities located in the Pastaza province.
- In 2019, the Centrosur Electric Company installed remote monitoring equipment in seven Communities of Morona Santiago. The installation manual of the remote monitoring equipment was checked and the terms of reference for contracting the development of the graphical interface were prepared.

³ See Annex 1: Definition of Ratings.

- In 2019, the graphic interface was developed in coordination with National Electricity Operator (CENACE) and the Power Distribution Undersecretariat.
- In 2019, a tentative schedule for the installation of remote monitoring equipment was coordinated with Centrosur Electric Company.
- In 2020, the servers were installed at the Ministry of Energy facilities.
- In 2020, the process of installing remote monitoring equipment in the seven communities of Morona Santiago (Wasakentza, Jikiamat, Siriatiak, Muruntsa, Nasees, Waruints, and Wasurak process was declared void.

IMPLEMENTATION PROGRESS RATING (IP) & ASSESSMENT

Insert here an assessment and provide ratings⁴ of overall Implementation Progress, including information on progress, challenges, and outcomes on project implementation activities from July 1st, 2020, until June 30th, 2021. **As applicable, please include information on issues and solutions related to COVID-19.**

OVERALL ASSESSMENT (IP)	RATING
<p>For 2020-2021 all the outputs of the operation were completed. The following activities have been carried out:</p> <ul style="list-style-type: none"> - In 2020, the Ambato Electric Company carried out projects in LOROCACHI and BOVERAS, two communities located in the Pastaza province. - In 2019, the Centrosur Electric Company installed remote monitoring equipment in seven Communities of Morona Santiago in 2019. The installation manual of the remote monitoring equipment was checked and the terms of reference for contracting the development of the graphical interface were prepared. - In 2019, the graphic interface was developed in coordination with CENACE and the Power Distribution Undersecretariat. - In 2019, a tentative schedule for the installation of remote monitoring equipment was coordinated with Centrosur Electric Company. - In 2020, the servers were installed at the Ministry of Energy facilities. - In 2020, the process of installing remote monitoring equipment in the seven communities of Morona Santiago ended, following the declaration of the process as void. 	S

⁴ See Annex 1: Definition of Ratings.

RISK RATING & ASSESSMENT

Make any adjustments necessary to the assessment ratings⁵ of overall Project Risk⁶ that you provided in the last PIR (2019-2020). Please include details and remedial measures for High and Substantial Risks, specifying who will be responsible for these measures.

OVERALL ASSESSMENT (RISK)	RATING
<p>The objectives have been achieved, however there is a Substantial Risk due to the maintenance of the installed projects. Maintaining equipment is a real challenge as the communities do not have easy access. Maintenance is carried out every six months because the area can only be entered by plane, generating high costs and thus, high risks.</p> <p>The Executing Agency must guarantee the timely maintenance of the equipment, as well as the social contribution so that the communities have a quality service. Additionally, The Remote Monitoring System is at risk because it requires constant monitoring and maintenance. The Executing Agency must guarantee the maintenance of the remote monitoring system to obtain the expected results.</p>	S

STAKEHOLDER ENGAGEMENT

Please add information on any progress, challenges, and outcomes with regards to stakeholder engagement, based on the project's activities during its implementation through the 2020-2021 GEF Fiscal Year. **As applicable, please include information on issues and solutions related to COVID-19.**

Several meetings have been held with the Executing Agencies and the beneficiaries. The Bank's specialist traveled to the Amazonian Forest to meet with different community members to get the seven communities involved in the process regarding the monitoring system.

Maintaining equipment is a real challenge as the communities do not have easy access. Maintenance is carried out every six months because the area can only be entered by plane, generating high costs. The Executing Agency must guarantee the timely maintenance of the equipment, as well as the social contribution so that the communities have a quality service.

GENDER

Please add information on any progress, challenges, and outcomes with regards to any and all gender-responsive measures that were undertaken in the project's activities during the 2020-2021 GEF Fiscal Year. Also: Were indicators on gender equality and women's empowerment incorporated in the project's results framework? (Yes/No). If applicable, include the indicator with its baseline, target, and current value (2020-2021).

Although it is true that the project in its original design did not contemplate gender issues, it is important to point out that women beneficiaries were present in various interventions, particularly relevant was their participation in the photovoltaic training processes. It is also important to point out the fact that women in the remote areas of the Amazon, have seen salient improvements in the quality of their lives by replacing candles and kerosene with electricity.

⁵ See Annex 1: Definition of Ratings.

⁶ These should include risks identified at CEO Endorsement AND any new risks identified during implementation.

KNOWLEDGE

Please add information on knowledge activities and products developed in relation to the project (with GEF or non-GEF resources), with special emphasis on activities carried out during the 2020-2021 GEF Fiscal Year. **As applicable, please include information on issues and solutions related to COVID-19.**

The Remote Monitoring system, the first in the region was implemented. Several technicians from the Ministry of Energy participated in the implementation and received adequate training. The Executing Agency must guarantee the maintenance of the remote monitoring system to obtain the expected results.

PROJECT MODIFICATIONS

Please report any significant modifications made to the project design since July 1st, 2020. (The basis for comparison is the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.) This should be based on the Project Results Framework Matrix included in the original Request for CEO Endorsement Document.

CATEGORY	YES/NO	APPROVED BY	DESCRIPTION OF CHANGE AND EXPLANATION
Objective	No		
Outcome	No		
Output/Activities	No		
Other	No		

EXTENSIONS OR OTHER MODIFICATIONS

Has the project been granted any extension or other modification covered by the OA-420 from July 1st, 2020, until June 30th, 2021? If yes, please explain below. **As applicable, please include information on issues and solutions related to COVID-19.**

None.

LESSONS LEARNED / BEST PRACTICES

If the project generated any lessons learned or best practices during the 2020-2021 GEF Fiscal Year, please provide a short description. **As applicable, please include information on issues and solutions related to COVID-19.**

Findings:

Beyond the technical problems related to the resilience of the projects carried out, the COVID-19 pandemic has added an important hindrance to how these infrastructures continue to operate in these critical adverse conditions.

Recommendations:

- The MERNNR must work in a coordinated manner with the Electric Institutions and provide greater support in the maintenance of the projects, supporting them directly with technical and environmental advice.

Challenges:

- In this Project, Governance is a complex issue. To implement each activity, the Executing Agency must first verify and confirm internally in the Ministry of Energy (MEER) and the Regulatory and Control Energy Agency (ARCONEL), that all areas are coordinated. Once the coordination process takes place, Electricity Companies will begin the implementation stage (electricity companies are responsible for the implementation of works and services). The initial phase of the SFV implementation consist of a workshop. The main objective is training in the processes and preventive maintenance for SFV technical users.
 - As a lesson learned from the workshops, it is required to make contact prior to the training. Electricity companies should contact grassroots organizations and community boards in advance to obtain permission, and to check availability and locations for this purpose through an agreement with the communities.
 - Once the training intention agreement has been obtained by the community, the schedules should be agreed between the community board and the Electricity companies. Workshops during the implementation stage have provided valuable information about the development of SFV project.
 - As a result of these workshops, knowledge has been created, and this process of knowledge gathering is being considered in other sector operations where the service is focused.
 - Currently, the socialization workshops follow a process that has being successful by giving access to the indigenous communities. This process has helped with the assessment of the supplies and materials requirements and with the money needed to implement the activities in an appropriate manner.
 - Likewise, an information survey is being carried out with the appropriate planning phases with three main objectives: (i) to document the difficulties in the field; (ii) to perform planning adjustments for future interventions; and (iii) to obtain additional information about the challenges for the implementation of solar PV systems in indigenous communities, many of which have been solved by the experience of early interventions.
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- Overall, the implementation of these workshops has been successful. It is important to highlight two aspects:
 - a. The technical segment which consists of an applied methodology with the conformation of a multidisciplinary team, a technician, and a sociologist. The technician defines the technical contents that must be taught; while the sociologist translates the technical content into an appropriate language so that the information is understood by the audience to which the training is developed.
 - b. The social aspect that offers knowledge of the indigenous communities, their practices, and their behavior (particularly where the group is integrated by women only, by men only, and bisexual members) has been crucial in defining how the workshops are taught. After the first implementation phase of the workshops, information that was not available before was produced in the region. The inputs obtained from the first phase of workshops have contributed to the elaboration of terms of reference for the implementation of SFV and information gathering in the Amazonian region of Ecuador.

- Due to the characteristics of the Amazon region of Ecuador, where the project is located, it is very difficult to achieve communication with the monitoring equipment. Currently only three of seven teams are able to communicate. Therefore, the challenge is still to get all these equipment online and reporting the data.
- The installation of all the equipment represents a great challenge, in the first place the entry is made by air and the communities are far from each other, complicating the transport and installation of the equipment.
- Due to the COVID-19 pandemic, there was a delay in the final evaluation of the Project. This also caused the technical and environmental supervision activities to be carried out remotely.

ANNEX 1. DEFINITION OF RATINGS

Development Objective Ratings

1. **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”.
2. **Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
3. **Marginally 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.
4. **Marginally Unsatisfactory (MU):** Project is expected to achieve **some** of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.
5. **Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.
6. **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 Ratings

1. **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”.
2. **Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action.
3. **Marginally Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.
4. **Marginally Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.
5. **Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.
6. **Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Risk ratings

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

1. **High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
2. **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
3. **Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.
4. **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.