

# ESMAP MANAGEMENT RESPONSE TO THE EXTERNAL EVALUATION REPORT

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We very much welcome and appreciate many valuable insights and useful recommendations in the external evaluation report. This evaluation has also afforded ESMAP management and staff with a chance to take stock and a broader perspective about ESMAP's mission and objectives, and how best to achieve them. The report has helped us identify areas where ESMAP's operations and program management may need to be strengthened.

This Management Response is structured around the report's key recommendations along the five categories of evaluation. A separate note addressing specific issues/questions in the report will be prepared and shared with the Consultant, the CG, and TAG. We welcome the opportunity to discuss this further at the CG Meeting, and to benefit from the CG's guidance on recommendations going forward.

## GENERAL COMMENTS

The report appears to conflate ESMAP's overarching goal of reducing poverty with one of the three thematic objectives of the program: reducing energy poverty. We would like to note that each of the three objectives—energy security, energy access, energy poverty—are inter-related and both energy security and access have important direct and indirect linkages to reducing poverty. Increased energy security helps reduce poverty in the long run, although it is difficult to identify the linkages upfront. Similarly, efforts to promote energy access contribute to reduced energy poverty. ESMAP has launched a program to address energy poverty issues head-on, through improved energy access, which has the potential to impact on both energy poverty and energy security at the same time.

**Fulfillment of ESMAP's strategic role.** In this regard, the report states that ESMAP's operational leveraging role has shown more impacts than its knowledge clearinghouse function, attributing this mainly to the annual block grant (ABG) program and inadequate dissemination. While we agree with the recommendation to enhance our outreach and dissemination work, it is important to recognize that a large chunk of the ABGs focus on intermediating knowledge.

The report places significant emphasis on the lending leveraging effect of ESMAP resources. While leveraging is an important facet of our work, it is important also to note that this is but one facet, perhaps the most easily measurable one. In the broader development context, leveraging includes not just World Bank lending, but also leveraging of policy and institutional change, which are harder to attribute and measure. We acknowledge the difficulty of measuring the policy or capacity building/knowledge transfer impacts of our work, but will continue to seek improvements in portfolio monitoring and evaluation in this area.

Below is ESMAP's Management Response to the 11 specific recommendations discussed in the report.

## I. RELEVANCE

1. **While continuing to adapt to changing global and regional concerns (e.g., steady high oil prices, new opportunities offered by natural gas, gender issues), ESMAP should maintain a clear and well delineated area of concentration in order to avoid an over-extension of resources, including funding and expertise. ESMAP should reinforce its position in those areas with greatest gain relative to need and its comparative advantage, such as with global cross-sectoral work and well-targeted innovative tools and models.**

**ESMAP RESPONSE:** Agreed.

2. **In order to keep a stronger orientation on strategic level focus, ESMAP program objectives should be more clearly and systematically referred to in project planning documents and products/outputs. Clarity and consistency is especially important to integrating new programs into the business plan, in particular through relevant wording in the names of the new programs and well-identified positioning within the program and results framework.**

**ESMAP RESPONSE:** Agreed. Since 2010, all new ESMAP activities are required to have statements of outcomes that are linked to program objectives as well as indicators to measure results.

3. **ESMAP should pursue and reinforce efforts to mainstream gender and social aspects into project planning and implementation, e.g., by integrating social and gender issues in project templates ... and implementing the follow-on recommendations from the workshop(s) under the Gender & Energy Development Strategies Program. M&E reporting should include gender disaggregated and social indicators at project level, in order to monitor actual results.**

**ESMAP Response:** ESMAP management concurs with the recommendation to further mainstream gender and social aspects into ESMAP activities. These recommendations appear to be based on a 2008 Gender and Energy Horizon Scanning and Planning Workshop Report. We should like to note that the workshop's recommendations were the foundation for ESMAP's Gender and Energy Development Strategies (GEDS) Program developed in 2008 and further detailed in the Project Concept Note (PCN) for the on-going AFREA Gender and Program. The components of the Gender and Energy Program—just in time assistance, developing a SWAT team of gender and energy experts, integrating gender into M&E, project planning and implementation—are all part of the recommendations coming from the 2008 workshop report. These activities have been supporting the mainstreaming of gender into energy operations through a "learn-by-doing approach" by providing World Bank energy teams and governments just in time technical assistance targeted at developing project components, activities and actions that can be integrated into existing and future operations and programs. Based on these efforts in 5 countries (Mali, Senegal, Benin, Tanzania, and Kenya), toolkits, case studies and knowledge materials are being developed to support the energy sector in further mainstreaming gender.

As the Bank acts on the 2012 World Development Report on Gender and Development, ESMAP is well-positioned to support the energy practice based on the knowledge, activities, and team of experts it has recently mobilized.

## II. EFFECTIVENESS

4. **ESMAP continues to need a comprehensive communications and knowledge management plan and dissemination protocol for papers, reports and other activities. Implementation of such a plan will not only improve visibility but it will also advance the reach of outputs and outcomes by engaging a wider audience.**

**ESMAP RESPONSE:** ESMAP management recognizes that, as its portfolio grows and demand increases for its resources and knowledge products, it faces substantially greater needs for communication and dissemination support. In FY12, ESMAP hired a Communications Officer, developed new communication and publication strategies, and put in place an integrated communication, publication, and online team as part of the core ESMAP unit. During this period, ESMAP management has already addressed some of the specific issues relating to communications and dissemination raised in the evaluation, including: (i) development of a comprehensive communications plan and a new plan for production of knowledge products; (ii) putting in place a new dissemination protocol; (iii) better defining ESMAP's role, scope and objectives for external audiences; (iv) ensuring ESMAP branding is on all knowledge reports produced by the Bank regions through increased cooperation between the ESMAP communications team and regional ESMAP coordinators; and (v) establishing a new budget mechanism for funding dissemination of knowledge products to begin in FY13.

5. **In order to account for and track progress along key ESMAP high-level objectives, management must either devote further resources to identifying a standard methodology for assessing the quality and potential of upstream activities and products, or increase the depth and frequency of impact-assessments of follow-on results long after project closing, or both.**

**ESMAP RESPONSE:** Agreed. While noting the inherent difficulty of attributing the policy and investment impacts to ESMAP's analytical and advisory activities, ESMAP continues to strengthen its monitoring and evaluation system, through an annual portfolio review that systematically assesses outcomes along high-level objectives and the introduction of a results-based, on-line monitoring system. Seeking out experiences from other international programs is a key part of the effort to improve M&E systems. Furthermore, ESMAP plans to update its existing logframe and incorporate more details on specific indicators to better reflect impacts (or goals) at a global level. An early draft logframe is currently under development and will be presented to the CG in the context of the next business plan for ESMAP.

## III. EFFICIENCY

6. **In order to collect and assess meaningful results on efficiency of ESMAP operations and management, ESMAP should improve project-level reporting on outputs, costs, and outcomes and link this improved reporting to expected and actual cost data.**

**ESMAP RESPONSE:** We agree with evaluation team's emphasis on tracking value for money indicators, but would seek further elaboration from the evaluation team on where further improvements in project level reporting are recommended. Institutional systems already provide for project level reporting on outputs, costs, and outcomes. ESMAP's M&E system establishes linkages between the cost of activities

and outcomes. Furthermore, the new M&E portal, recently introduced by ESMAP, will help to improve tracking and reporting of outputs, measurement of outcomes, cost allocation, and actual expenses.

#### **IV. INSTITUTIONAL ARRANGEMENTS AND MANAGEMENT**

7. **Building on the work that has already been done over the current Business Plan period to streamline and ensure a more coordinated approach to business and work planning, the CG meeting structure and agenda should be adjusted. It should accommodate the need for more donor interaction to discuss strategic issues amongst donors themselves as a first step during meetings, and to allow for a consolidated discussion of such issues with ESMAP management as a second step.**
8. **ESMAP should expand the representation on its CG, not only to emerging donors, but also integrate recipient country representation. This would ensure their views are directly carried into the strategic level discussions and decisions on the future of the program and into an enhanced North-South dialogue framework. Furthermore, it urges ESMAP to consider the need to continue to integrate recipient country perspectives from different categories of stakeholders directly in TAG assessments and provide the TAG with the resources required to ensure this.**
9. **The evaluation team echoes concerns already expressed by the TAG in 2011 and recommends that a more predictable pledging and contribution system by donors under a multiyear framework be instituted. It would go a long way in making human resources, business, and activity planning more in line with evolving and emerging needs in the Energy sector.**

**ESMAP RESPONSE:** We welcome the recommendations related to the CG meeting structure, TAG's engagement with stakeholders, and predictability of the pledging and contribution system. With respect to expanding representation on the CG, we look forward to the feedback from the CG, particularly on the role of the Knowledge Exchange Forum in providing recipient country representatives and donors an opportunity to share views on the program, as well as on the need to ensure efficiency in decision-making.

#### **V. SUSTAINABILITY**

10. **ESMAP should strengthen its process of risk identification and management through its new M&E system.**

**ESMAP RESPONSE:** Agreed. We would also note that ESMAP's results framework and supporting M&E system incorporate potential risks and mitigation measures. The new results-based monitoring system will strengthen the assessment of activities at-risk by flagging them for management action.

11. **Two key areas are identified for broadening the beneficiary group. One is to increase and improve on the dissemination and knowledge sharing activities of ESMAP at country and regional levels, and secondly to improve the knowledge sharing with the donor group. Improvements can be made by ESMAP through making more information publicly available, through translations into local languages, through South-South exchange, through extending the reach of dissemination workshops and, finally, by promoting ESMAP's website. Knowledge**

**sharing with the donors could include regular workshops and advice provision to provide more dynamism to the donor knowledge sharing platform.**

**ESMAP RESPONSE:** Agreed. We further note that efforts are already underway to streamline and strengthen ESMAP’s communications and knowledge dissemination activities at both country and regional levels, to reach donors, clients, partners, and other stakeholders (academia, service providers, private sector, etc.). More specifically, ESMAP is currently working on addressing issues raised in the evaluation, such as: (i) promoting more South-South exchanges and knowledge exchange with clients by proposing an expansion of its Knowledge Exchange Forum to include greater participation of clients and reserving funds for the dissemination of “flagship” knowledge products; (ii) building greater awareness of ESMAP work outside of specific country contexts; (iii) increased funding for wide distribution of regionally-produced publications with global implications; (iv) expanded support for regional and cross-regional knowledge forums through ESMAP initiatives such as SIDS-DOCK and EECl.

During FY12, ESMAP has proactively sought to include donors to ESMAP workshops, especially those taking place in donor and client countries, and to promote knowledge partnership with appropriate donors on ESMAP activities.