

Final Evaluation and Learning Exercise of the Project Colombia Refrigeration Management Response

November 2024



Mitigation Action
Facility

On behalf of

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Management Response Content

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Disclaimer

The results and analysis included in the ELE report are based on an external and independent evaluation conducted by the consortium AMBERO-OPM. The conclusions drawn in the report do not necessarily reflect the official views of the Mitigation Action Facility and/or of the project under evaluation.

The response to the recommendations aimed at the project under evaluation and/or project partners is based on the views of the project and/or project partners. It does not necessarily reflect the official views of the Mitigation Action Facility.

1 Background

In 2024, the - project “Colombian NAMA for the Domestic Refrigeration Sector “, formerly known as “NAMA Support Project (NSP) for the Domestic Refrigeration Sector”. was subject to an independent final ELE conducted by an evaluation team led by AMBERO Consulting for the Mitigation Action Facility.

The project team and Technical Support Unit (TSU) responded to the recommendations made by the evaluation team as follows.

2 Recommendations to the project partners for sustaining the project’s legacy

The project team has provided the response to the recommendations as presented below. This response has been complemented by the Directorate of Climate Change and Risk Management of MinAmbiente, the Ozone Technical Unit of MinAmbiente, Red Verde and Bancoldex.

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: Conduct a comprehensive review of the incentives and tools used to increase the number of refrigerators taken to WEEE disposal facilities for appropriate processing.</p> <p>This review should consider feedback, and lessons learned from this and other projects and propose new incentives and actions to improve the success potential of the programme.</p>	<p>Recommendation rejected</p> <p>The project does not agree with the recommendation put forward by the consultants in the report, although the recommendation, when taken out of context is sound.</p> <p>Regarding the ability of the project to timely adjust the set of financial incentives, documentation shows the exact opposite. Since 2019, the project proactively worked with its implementation partners and the TSU to improve the impact and flexibility of the set of financial incentives. Since the first official communication to the TSU as part of the 2019 annual report, the project adjusted the financial mechanism based on feedback from the beneficiaries and implementation partners. The official documentation and communication were sent in January of 2020 (annex to the annual report 2019), followed by a second in March of 2020 (technical support for the results-based bonus), a third on September of 2021 (technical support to broaden the technical criteria for the substitution programme) and a fourth on April of 2023 (proposed amendment request for the project,</p>	Project team (GIZ)	N/A

Recommendations	Activities	Responsible Entity	Timeline
	<p>which included changes to the financial mechanism and project extension).</p> <p>In terms of a continuous and comprehensive review of the incentives and tools used to increase the number of refrigerators taken to WEEE disposal facilities for appropriate processing, the ELE Report fails to acknowledge a number of aspects: Firstly, the project was originally formulated based on technical studies, interviews and workshops that were conducted with all stakeholders and approved by all of them. Additionally, local stakeholders such as producers, WEEE managers, financing companies, MinAmbiente, MinEnergia, UPME, Bancoldex, ANDI and Red Verde signed letters of support for the project’s concept, which provides evidence that they saw their input reflected. These initial assumptions formulated before the project started in 2019 were not wrong as inferred by the consultants throughout the ELE report, but the local market conditions changed over time, demanding continuous adjustments. Due to this crucial aspect, the project always made channels of discussion available for its partners, to continuously propose adjustments to the substitution programme and incentives. All the ideas were developed based on feedback received from the project’s partners and stakeholders and were validated by the steering committee. The established channels of discussion allowed to design and propose adjustments based on up-to-date feedback from the beneficiaries that considered the changing implementation context of the project.</p> <p>This particular steering structure was the corner stone of a framework condition that developed enough trust and solid communication channels to enable all project partners to continue cooperating on the analysis and adjustment of the incentives and the overall substitution programme beyond the project lifetime. This was further strengthened by the project through capacity development, e.g. of Red Verde, supporting the development of a successful domestic refrigerators’ substitution programme that generated growth in the number of substitutions and showing promising results for future upscaling. Additionally, the project</p>		

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	<p>developed a software capable of monitoring the substitution of domestic refrigerators and other appliances in the framework of the applicable norm (SYSRAEE). Bancoldex on the other side was supported with the development of new credit blending and results-based instruments that has and will strengthen their internal portfolio of services further. The bank changed internal processes and developed internal capabilities to activate the agreed incentives.</p> <p>The steering structure mentioned above was enabled to continuously monitor the substitution programme and payment of the incentives, for which Bancoldex and Red Verde signed operational agreements that allowed the optimal functioning of the programme. This, mainly to review the incentives and tools used to increase the number of refrigerators taken to WEEE disposal facilities for appropriate processing and to allow necessary adjustments. To support this specific aspect further, the project established a “substitution working group”, that included MinAmbiente, Andi, Red Verde and Bancoldex and its main task was to coordinate strategies for the design and implementation of the substitution programme and its financial instruments. As a result, this working group developed a joint amendment proposal for the incentives that was presented to the project’s donors in April of 2023 (approved in May of 2023) to change the financial mechanism of the project in order to include more budget for credit facilities and results-based bonuses to foment the substitution of domestic refrigerators. This led to a joined decision in the last steering committee, where all partners agreed to continue supporting the operation of the project’s substitution programme and financial mechanism to continue achieving substitutions in the future until at least 2028.</p> <p>Finally, the ELE links the low substitution numbers directly to the project’s assumed inability to incorporate the feedback from its partners and formulate changes to the incentives, neglecting all communication between the project and the donors. This neglect is reflected in particularly in lessons learnt 1 “It is important to listen to</p>		

Recommendations	Activities	Responsible Entity	Timeline
	<p>feedback coming from key project stakeholders and make the appropriate corrections: for this project, there is strong evidence that suggests that the customers and retailers do not respond to the proposed incentives in the way that was assumed during project preparation”, lesson learnt 2 “Goals arising from complex projects will only be really achieved if there is a deliberate multistakeholder coordination and collaboration effort”.</p> <p>The above stated lessons learnt go in complete contradiction to lesson learnt 1 of the mid-term ELE which stated “The NSP’s flexibility to adapt to changing context conditions has been crucial in keeping it relevant and, to some extent, efficient and effective” and the fact that the project presented a project change to the project’s donors – approved in May 2023 – that proposed a new set of financial incentives for the substitution programme that had been backed by retailers, producers, financing companies, MinAmbiente, MinEnergia, UPME, ANDI, Red Verde and Bancoldex, as supported by letters of support and minutes of meetings from the project’s steering committees.</p>		
<p>Recommendation 2: Multistakeholder working, discussion, or steering groups need to be created and consolidated around the substitution and WEEE disposal efforts. Those goals will not be achieved without coordination</p>	<p>Recommendation rejected</p> <p>The project does not agree with the recommendation since the ELE Report fails, again, to include vital information into their arguments put forward. As mentioned before, the project established a working steering structure from the beginning, consisting of different committees and working groups, each with own responsibilities and communication channels. While the technical and financial committees acted primarily as technical instances of articulation and discussion to refine workplans, as well as to agree on recommendations to be forwarded to the steering committee for approval, the project’s steering committee acted as the instance to approve interinstitutional agreements and to lead the discussion on project priorities. This overarching structure allowed the project’s stakeholders and beneficiaries to gather key feedback on proposed workplans in order to codesign activities of the project. All relevant proposals were always validated by the members</p>	<p>Project team (GIZ)</p>	<p>N/A</p>

Recommendations	Activities	Responsible Entity	Timeline
	<p>of the technical, financial and steering committees, as supported by minutes of meetings and other evidence.</p> <p>The technical committee was comprised by representatives from the three domestic refrigerators’ producers (Challenger, Mabe, HACEB), WEEE managers (CI Metales, GAIA, Lito, OCADE), MinAmbiente, MinEnergia, UPME, ANDI, Red Verde and GIZ; the financial committee by MinAmbiente, Bancoldex, Andi, MinEnergia, Red Verde and GIZ; the steering committee by MinAmbiente, MinEnergia, UPME, Bancoldex, GIZ, ANDI and Red Verde. In relation to MinAmbiente, the steering committees have always been attended by the director of the Climate Change and Risk Management directorate and on one occasion, in the 2021 steering committee, the Viceminister of Environmental Ordering of the Territory, Mr Nicolas Galarza, attended.</p> <p>The most significant agreement reached in the project steering committee was related to the approval of the project amendment and extension proposal devised by the members of the financial committee in early 2023. The proposal included a significant change in the budget and the financial mechanism of the project and proposed a project extension from August of 2023 to June of 2024.</p> <p>The above explanation goes in contradiction to the lesson learnt 2 stated in the ELE report “Goals arising from complex projects will only be really achieved if there is a deliberate multistakeholder coordination and collaboration effort”, which in the report is derived from direct suggestions that the project did not organize instances to promote multistakeholder groups to listen and devise coordinated activities with the project’s partners from the private and public sector.</p>		
<p>Recommendation 3: High-level policy- or decision-makers (Minister or Viceminister level) need to be involved in these working groups.</p>	<p>Recommendation rejected.</p> <p>A higher level of involvement from decision makers at the Ministries of Environment and Energy of Colombia is without a doubt a strong leverage in order to promote the agenda of the NAMA for the domestic refrigeration sector (as included in the country’s NDC), or any other cooperation project</p>	<p>Project team (GIZ)</p>	<p>N/A</p>

Recommendations	Activities	Responsible Entity	Timeline
	<p>active in the country. Nevertheless, the project does not agree with the recommendation on the basis that it's unrealistic for a single international cooperation project to count on the involvement of Ministers or Viceministers in the project's technical and financial committees or any working groups per se. On the steering committee's level, this recommendation is also not applicable, as the technical and financial committees at some point need to have a feedback loop with the members of the steering committee which, in this case, where the directors of the different ministerial units. Accessing a Minister to brief him/her on specific aspects of the project is a responsibility that goes beyond the technical/financial committees. Furthermore, fixing the interministerial governance of the country is a challenge that is out of the scope of what the project could have achieved during implementation, given that interministerial coordination is a challenge to most countries in the world. Finally, taking into consideration the number of international cooperation projects working in Colombia, suggesting that a Minister or even Vice Minister needs to be part of a committee is farfetched, as there is no leverage or mechanism to secure such a participation.</p> <p>The ELE report fails to highlight that the project has in fact successfully formed working technical, financial, and steering committees that have always been attended by members from MinAmbiente, MinEnergia, UPME, as well as from Bancoldex, ANDI, Red Verde, domestic refrigerators' producers and WEEE managers. In relation to MinAmbiente, the director of the Climate Change and Risk Management Directorate has always attended the steering committees and in 2021, the Viceminister of Environmental ordering of the territory, Mr Nicolas Galarza, attended the steering committee. The committees have always been operated in line with the rules and procedures established in the project's operational manual, which was approved by the project's steering committee.</p> <p>Additionally, the compromise at directive level of MinAmbiente has been maintained, up to the project's closure. As part of this compromise, the national government developed and approved a</p>		

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	VAT reduction incentive for the substitution of domestic refrigerators. Furthermore, in 2021 MinAmbiente’s minister presented the substitution programme in national TV through a programme called “Boletin del consumidor” and MinAmbiente has supported through publications in its institutional channels the project’s substitution programme.		

3 Response to the recommendations to the Mitigation Action Facility for the review, approval and management of future interventions

The TSU has responded to the recommendations as presented below.

Recommendations	Activities	Responsible Entity	Timeline
<p>Recommendation 1: The Mitigation Action Facility should create a specialised section within its Knowledge & Learning Hub to share lessons from its projects and other general advice on how to design and manage tools or incentives for large and diverse groups like micro or small enterprises or private consumers</p>	<p>Recommendation accepted.</p> <p>The Mitigation Action Facility is working on the set up of a learning hub for projects that includes lessons learnt from implementation as well as to recommendations from other implementers on the design of implementation interventions including financial mechanisms.</p> <p>Sectoral and thematic exchanges have also been established since 2020 to foster sharing of knowledge and expertise across the different projects in the Portfolio.</p>	TSU	2025 Onwards
<p>Recommendation 2: To improve project risk management, it is suggested that projects should establish checkpoints or milestones which are associated with intermediate outcomes and final outcomes beyond the traditional "outputs". This will help the TSU and the project team to better</p>	<p>Recommendation partially accepted.</p> <p>The Mitigation Action Facility already monitors as part of its Annual Report cycle the risks associated to each project’s implementation and their impact on the project likelihood to achieving its outcomes, furthermore since the 4th Call for Projects introduced a two-stage implementation structure that requires for projects to achieve certain key milestones before continuing with its implementation plans.</p>	TSU	2025 Onwards

Recommendations	Activities	Responsible Entity	Timeline
understand the likelihood of the project achieving its outcomes and impact	Nevertheless, establishing milestones associated to intermediate outcomes would aid tracking the progress of each project towards its goals, and of the Mitigation Action Facility as a whole as well. The achievement of these milestones will be covered and monitored as part of the Annual Report cycle.		
Recommendation 3: Implement regular in-country visits as a means to raise and maintain high-level officials' awareness of and commitment to Mitigation Action Facility projects	Recommendation accepted In-country visits to monitor project progress as well as to raise awareness and commitment from political stakeholders are to be carried out particularly in the event of change of Governments	TSU	Ongoing

Donor Acknowledgement

The Mitigation Action Facility is a joint initiative of the German Federal Ministry for the Economic Affairs and Climate Action (BMWK), the UK's Department for Energy Security & Net Zero, the Danish Ministry of Climate, Energy and Utilities (KEFM), the Danish Ministry of Foreign Affairs (MFA), the European Union and the Children's Investment Fund Foundation (CIFF).

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