

## Executive summary

This document presents the findings of the **mid-term Evaluation and Learning Exercise (ELE) of the Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP)**. The ELE was undertaken during the period January-May 2025. In accordance with its Terms of Reference, this ELE sought to address the following questions:

- Is the Project achieving its planned results?
- Is the Project starting to trigger transformational change?
- What can be learnt from the Project so far?

More information about the focus of this ELE and the methodology followed can be found in Section 1.2 and Section 2, respectively. The rest of the executive summary provides the highlights of the ELE's findings and key lessons. Please refer to Section 3 and 4 for the detailed findings and conclusions, and Section 5 for the full lessons and recommendations.

**EEPBIP aims to empower national, provincial, and municipal authorities to develop and implement bankable energy-efficiency projects in public buildings.** The project strategically combines a Technical Cooperation (TC) Component with a Financial Cooperation (FC) Component to mobilise essential technical expertise and investment.

The Department of Mineral Resources and Energy (DMRE)<sup>1</sup> serves as the principal national implementing partner, executing day-to-day activities through its technical agency, the South African National Energy Development Institute (SANEDI), which receives implementation support from the project team at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

**The primary objective of EEPBIP is to enhance energy performance and reduce greenhouse gas (GHG) emissions within public buildings and infrastructure across South Africa.** To achieve this, the project focuses on promoting, identifying, and implementing energy efficiency (EE) measures within various public sector entities, including municipalities, provincial and national government bodies, and State-Owned Entities. The overall intention is to significantly decrease energy consumption in these buildings and infrastructure while also actively leveraging both public and private sector investment to foster the growth and maturity of the Energy Service Company (ESCO) market.

**Through EEPBIP, public sector institutions would gain the capacity to identify, develop, and implement large-scale EE projects throughout their buildings and infrastructure, primarily utilising the energy performance contracting model (EnPCs).** This approach empowers municipalities and ESCOs to access and utilise technical expertise via SANEDI and financing through the Industrial Development Corporation (IDC), enabling them to scale up their EE programmes, accelerate the reduction of energy consumption and related expenditures, and further decrease GHG emissions. To facilitate this investment, a partial credit guarantee has been established at the IDC, specifically designed to support ESCO investment in EE measures within public sector buildings and infrastructure.

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<sup>1</sup> As of April 2025, the Department is now the Department of Electricity and Energy (DEE). For the purposes of this report it will remain DMRE as the Evaluation's baseline was March 2025

Ultimately, EEPBIP aims to assist public sector entities in developing high-quality, bankable EE projects.

### **Key findings**

The mid-term evaluation of EEPBIP highlights its **relevance and strategic alignment** with national energy and climate change priorities, underscoring the significant potential for energy efficiency within the public sector. The project's strategic framework appropriately addresses key structural, financial, and institutional barriers to sustainable development and resource efficiency, aligning with the mandates of DMRE and supported by the insights of evaluation exercises.

**Support for enabling policy frameworks** has been a notable strength, with the project contributing to a range of conducive EE policies and strategies. Working collaboratively with government partners, including the DMRE, and supported by organisations like SANEDI and GIZ, the project has facilitated the implementation of policies that promote EE investments, such as the Electricity Regulation Amendment Act (2024), the Municipal Energy Efficiency and Demand Side Management (EEDSM) Programme, the General Budget Support Programme (GBS), and the approved regulations for the mandatory display of energy performance certificates. In addition, in January 2025, a competitive wholesale energy market was introduced to diversify energy supply, enhance efficiency and encourage private sector participation. However, challenges arising from the **complex multi-partner implementation structure**, involving numerous stakeholders and intricate institutional arrangements among various government levels and implementing partners, have led to a lack of clarity in roles and responsibilities, complicating coordination and potentially impeding efficiency at the operational level.

The project benefits from **strong political backing** from the Minister of the DMRE and the Presidency, which is crucial for ensuring policy coherence and sustained government support. Furthermore, the project has shown **progress toward improved energy efficiency and behavioural change** within select public sector bodies. Robust data collection, while challenging for municipalities, is yielding evidence suggesting a positive trajectory towards achieving project core objectives, including the development of EE projects and promoting energy-efficient practices within institutions supported by EEPBIP.

The evaluation has demonstrated clear evidence of **capacity development and increased awareness and capacity within institutions** as a result of the project, with the involvement of partners like SANEDI and GIZ. Recognising the initially low baseline capacity in municipalities, the project has directed targeted support, including capacity-building efforts focused on financial aspects, such as developing business cases for loans and addressing challenges related to municipal energy baselines and balance sheets, in collaboration with the IDC. The **integration of Gender Equality and Social Inclusion (GESI)** has been given significant consideration, with the project incorporating principles and developing frameworks for mainstreaming GESI, with potential for further enhancement in procurement and policy design.

However, the project has experienced **significant implementation delays**, notably the protracted finalisation of the Intergovernmental Project Agreement (IPA) between the South African and German Governments. At this interim assessment, there has been no physical project implementation of the Financial Cooperation Component, and whilst capacity has been developed under the Technical

Cooperation Component, as yet, no projects are up and running, and no contracts have been tendered to ESCOs. This is a timing issue rather than a result of the robustness of the project design.

The project clearly demonstrates **potential for sustainability and replication**, with stakeholders acknowledging the high quality of advisory services provided by entities like SANEDI, Africa International Advisors (AIA) and National Business Initiative (NBI) – see process map Figure 1. The influence on the development of the broader Public Sector Net-Zero Building Strategy indicates long-term policy and practice leverage **Workshops and consultations** facilitated by EEPBIP have covered crucial topics like supply chain management, project development, and procurement, directly supporting the implementation of EE initiatives. The project has also placed a dedicated **focus on procurement and contracting enhancements** related to energy efficiency, specifically addressing prevailing challenges and promoting improved practices in areas such as EnPCs and social development considerations in contracts. Finally, the **commitment to monitoring, evaluation, and learning** is evident in the mid-term evaluation, which highlights the project's proactive approach to assessing its objectives and identifying areas for adaptive management and learning, ensuring accountability to DMRE and other funding partners.

## Conclusions

**The report identifies significant implementation delays as a primary challenge, notably the protracted finalisation of the Intergovernmental Project Agreement (IPA) between the South African and German Governments.** This delay pre-2023 has stalled the FC Component, preventing project financing and commissioning, while also limiting progress on the EnPCs, which remain unfinalised, unfunded, and untendered. To mitigate these challenges, the Energy Efficiency Project Support Unit (EESU) has focused on providing technical assistance for bankable project development and public sector project preparation. Efforts are underway to expedite progress in the three pilot municipalities, as well as prepare for the FC Component to become fully operational. Furthermore, the design of the Partial Credit Guarantee at IDC is complete, with stress-testing of potential bidders currently in progress.

**The project's intricate structure, involving multiple stakeholders, has contributed to implementation delays due to unclear mandates and overlapping roles.** The establishment of the EESU aims to provide a centralised point of support and coordination. Additionally, efforts are focused on clarifying the roles and mandates of key stakeholders such as SANEDI, NBI, IDC, and the municipalities.

**Capacity limitations within municipalities, which lack the necessary technical expertise, pose another challenge.** The project has responded with capacity development activities, receiving positive feedback on training delivered by SANEDI, NBI, and GIZ, covering essential areas like EnPC drafting, tender formulation, and baseline establishment. Data scarcity within municipalities is also a constraint, addressed by project efforts to construct baselines.

While Gender Equality and Social Inclusion (GESI) has been considered, **the GESI Action Plan requires strengthening** through further awareness campaigns and sensitisation measures.

**In summary, this ELE evaluation highlights substantial implementation obstacles, particularly related to delays and structural complexity. However, it also emphasises the project's proactive**

**measures to address these issues** through technical assistance, capacity development, and institutional strengthening, involving key government entities and project partners.