

ELE Chile Self-Supply Renewable Energy Management Response

Draft Version 11 June 2021

1 Background

In 2020, the Technical Component (TC) of the NAMA Support Project (NSP) Chile Self-Supply Renewable Energy implemented by the Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) was subject to an independent end-of project Evaluation and Learning Exercise (ELE) conducted by an evaluation team led by AMBERO Consulting. The final ELE report is published on the NAMA Facility’s website: nama-facility.org/publications.

It needs to be noted that the ELE was supposed to cover both the Technical and Financial Components that were due to be completed by February 2019. However due to a number of delays, only the NSP’s TC came to an end in 12/2020. The Financial Component (FC) implemented by KfW will run until 12/2024, as of today.

The Technical Support Unit (TSU) is publishing this management response to the recommendations made by the evaluation team in their ELE report.

2 Response to Recommendations

Recommendations	Management Response		
Lesson 1: Maintain flexibility in the project focus to respond to context changes			
Recommendation 1	Activities	Responsible Entity	Timeline
Keep the NSP objectives central by having KfW playing the role of “guardian” of the NSP ToC and the alignment with NAMA Facility ToC, without losing the flexibility and balance to be able to include goals useful to the local implementing partners too.	<u>Ongoing activities:</u> The NAMA Facility offers a high degree of flexibility to the NSPs through its Amendment Policy. The Chilean NSP’s TC is a case in point, with an amendment request being granted to meet the NSP’s need for policy and regulatory framework support (which was not part of the initial project concept). The NSP’s ToC is monitored on a constant basis and NSPs are required to analyse and report on the relevance of their ToC every year.	TSU, NSP	Ongoing
	<u>Additional activities:</u> Given the dynamically changing political and financial landscape, it will be important that KfW as a Delivery Organisation (DO) of the NSP-FC keeps close exchanges with all project	National stakeholders, incl. implementing partners and NSP-FC	During FC implementation

<p>learning from the implementation of the Financial Component and subsequently adapt it.</p>	<p>was approved by the NAMA Facility Board. It was accompanied by a 3-year work plan. One of the Work Packages requires all NSPs entering into DPP to formulate their own knowledge and learning goals. The NAMA Facility aims to encourage and support NSPs to define structured approaches to knowledge creation and sharing. The FC of the NSP will also undergo intermediate and final ELEs which will streamline and support the processes of knowledge creation and learning.</p> <p><u>Additional activities:</u> All NSP's are encouraged to share lessons learnt as part of their reporting duties (Annual and Semi-Annual Reports). The TSU also encourages the sharing of knowledge / lessons learnt through the regular exchanges between the NSPs (virtual format and physical events).</p>	<p>NSP, TSU</p>	<p>Continuously monitored by NSPs starting from the 4th Call. Reported to TSU in Semi-Annual and Annual Report; shared during the designated exchanges between the NSPs</p>
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Lesson 2: Keep technical assistance and capacity building for the financial sector as a high priority

Recommendation 4	Activities	Responsible Entity	Timeline
<p>Keep the coordination and engagement of the financial sector close, especially CORFO with its financial intermediaries, to understand exactly what the banking sector requires. CORFO's knowledge will be very useful in this regard.</p>	<p><u>Past activities:</u> The recommendation was addressed by the NSP-FC to ensure that CORFO's knowledge is properly utilised.</p> <p><u>Additional activities:</u> See additional activities under Recommendation 2.</p>	<p>NSP-FC, TSU</p> <p>National Implementing Partners and NSP-FC</p>	<p>Year 2019, during FC implementation</p> <p>During FC implementation</p>
Recommendation 5	Activities	Responsible Entity	Timeline
<p>Explore the possibility of moving some of the NSP budget to beef up the sub-component "Training and Advisory Services for the FIs" to be used for additional requirements of technical assistance from the Financial Component,</p>	<p><u>Ongoing activities:</u> The NAMA Facility enables NSPs to request budget re-allocation upon appropriate justification and in accordance with the Amendment Policy of the NAMA Facility.</p>	<p>TSU, NSP</p>	<p>Ongoing</p>

<p>including the technical review of project feasibility studies. This could be delivered by ASE in collaboration with CORFO or it could be outsourced.</p>			
Lesson 3: Improve visibility, dissemination and communication			
Recommendation 6	Activities	Responsible Entity	Timeline
<p>Update the material produced by the Technical Component and continue to showcase good practices and current financial opportunities.</p>	<p><u>Past activities:</u> The TC was included in the portfolio of “4e”, the energy and climate programs implemented by GIZ on behalf of the German Government. Using this resource, the TC has updated its website www.4echile.cl/nama which now contains all the updated materials in an online library, in which materials can be searched, viewed and downloaded.</p>	NSP-TC	During TC implementation
Recommendation 7	Activities	Responsible Entity	Timeline
<p>Diversify the media channels used by the NSP dissemination activities, to include also non-digitally educated stakeholders and rural or remote users.</p>	<p>In 2020, the NAMA Facility published its Communication Guidelines aimed at streamlining communication activities around the NSPs. According to the Guidelines, each NSP must develop its own communication strategy based on the OASIS framework.</p> <p>The recommendation was brought to the attention of KfW as a DO for the NSP-FC.</p>	<p>TSU</p> <p>NSP-FC</p>	<p>2020 (ongoing)</p> <p>During FC implementation</p>
Recommendation 8	Activities	Responsible Entity	Timeline
<p>Expand the target audience of the communication material to include a larger number of implementers associations, that can themselves amplify the NSP visibility (e.g. to rural users).</p>	<p>See activities under Recommendation 7.</p>	TSU, NSP-FC	Ongoing, during FC implementation
Recommendation 9	Activities	Responsible Entity	Timeline

<p>Explore working with implementers organisations or directly with SMEs that are already beneficiaries of other public agencies (e.g. CNR, ASE) to reach a wider audience of end-users and implementers.</p>	<p><u>Ongoing activities:</u> The NAMA Facility grants NSPs significant autonomy and flexibility on the condition that NSPs remain additional and delineate from other ongoing initiatives financed by national governments or other donors. The definition of additionality is provided under the Monitoring and Evaluation Framework (M&E Framework) of the NAMA Facility.</p> <p><u>Additional activities:</u> The recommendation was brought to the attention of KfW as a DO for the NSP-FC.</p>	<p>TSU</p> <p>NSP-FC</p>	<p>Ongoing, the latest version of the M&E Framework was published in June 2020.</p> <p>During FC implementation</p>
<p>Recommendation 10</p>	<p>Activities</p>	<p>Responsible Entity</p>	<p>Timeline</p>
<p>Use the activities under sub-component “Grants for Pre-Investment Studies” to provide close follow-ups on companies and bring the SSRE projects to the finish line as well as monitor the outcomes after the installations.</p>	<p><u>Additional activities:</u> The recommendation was brought to the attention of KfW as a DO for the NSP-FC.</p>	<p>NSP-FC</p>	<p>During FC implementation</p>
<p>Recommendation 11</p>	<p>Activities</p>	<p>Responsible Entity</p>	<p>Timeline</p>
<p>Develop an awareness-raising strategy to include, for instance, the win-win concerning the alignment of climate actions with the COVID-19 recovery package.</p>	<p><u>Ongoing activities:</u> Awareness-raising activities constitute an important part of all NSPs. In the guidance provided for Applicants / Applicant Support Partners (ASPs) and DOs (referred to as NAMA Support Organisations (NSOs) from the 4th Call on), NAMA Facility encourages project stakeholders to properly account for the awareness-raising strategies and mechanisms. Considering that this part is usually covered by the TC, this is the rationale to have NSPs which include both TC and FC. In this context, considering the importance of a synergetic implementation of TC</p>	<p>TSU, Applicants / ASPs / NSOs</p>	<p>Ongoing; applicable to the NSPs from the 5th Call onwards</p>

	<p>and FC, starting from the 5th Call, the NAMA Facility differentiates between the two Implementation Phases (1 and 2) requiring the NSPs to have both TC and FC fully operational by the end of the Implementation Phase 1.</p> <p><u>Additional activities:</u> The NSP TC was very active in conducting awareness-raising. For Indicator M2, which refers to the number of people directly benefiting from the NSP, the target of 300 was surpassed, reaching 985 people in total. The TC actively supported almost 40 events in all 16 regions of Chile. To reach the target audience, the project collaborated with business associations and public institutions.</p> <p>The NSP's FC foresees the organisation of launch events for its financial products with a broad media coverage. One such event took place in March 2021 during the launch of the programme "Ponle Energía a tu Empresa", contributing to the NSP's subcomponent II that offers investment grants for SSRE technologies.</p>	<p>NSP-TC, NSP-FC</p>	<p>During TC and FC implementation</p>
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Lesson 4: Broaden the view on coordination with available financial instruments beyond the Financial Component

Recommendation 12	Activities	Responsible Entity	Timeline
<p>Update the infographic created by the Technical Component that maps current financial initiatives related to SSRE and keep this as a live document by regularly monitoring the market developments. This should be done by building on existing resources that the MoE, CORFO or the Ministry of Finance may already have.</p>	<p><u>Past activities:</u> In 2020, the TC developed infographics that provide users with an overview of the benefits of SSRE and publicly financed energy efficiency and renewable energy programs. The Ministry of Energy as well as Regional Ministerial Secretariats and other public institutions will use this infographic to promote EE and RE in various target sectors.</p> <p><u>Additional activities:</u></p>	<p>NSP-TC</p>	<p>During TC implementation</p>

	The recommendation was brought to the attention of KfW as a DO for the NSP-FC.	NSP-FC	During FC implementation
Recommendation 13	Activities	Responsible Entity	Timeline
The map of financial incentives should provide transparent information also on the available budgets and selection criteria behind different financial initiatives.	<u>Ongoing activities:</u> As part of the NSP Outline and subsequently the NSP Proposal development, the TSU requires Applicants / ASPs / NSOs to outline the ongoing initiatives in the (sub-) sector of the intervention and incorporate lessons learnt to ensure maximisation of the synergetic effects, while also guaranteeing additionality of the NSP.	TSU, Applicants / ASPs / NSOs	Ongoing
	<u>Additional activities:</u> KfW was advised to incorporate the recommendations of the TC's ELE in the FC implementation.	NSP-FC	During FC implementation
Recommendation 14	Activities	Responsible Entity	Timeline
Make full use of the NSP Steering Committee to apply the institutional knowledge of CORFO and the MoE to lead and coordinate the Financial Component activities in a complementary way with existing initiatives.	See activities under Recommendation 2.	TSU, NSP, National Implementing Partners	During TC and FC implementation
Recommendation 15	Activities	Responsible Entity	Timeline
Find the right entry points and niches in the SSRE market for the Financial Component's instruments to maximise their impact.	<u>Ongoing activities:</u> The TSU requests Applicants / ASPs / NSOs to conduct a comprehensive market analysis as part of the NSP Proposal development to ensure that the right "entry points" are identified before the NSP enters implementation (upon approval). The NSP Outline template, and in particular Annex 5a, updated before the launch of the Ambition Initiative Call (2020), also assume a preliminary market analysis is conducted to ensure that the	TSU, Applicants / ASPs / NSOs	Ongoing

	<p>NSP proposes adequate financial mechanisms to overcome the existing market barriers and constraints.</p> <p><u>Additional activities:</u> The recommendation was brought to the attention of KfW as a DO for the NSP-FC.</p>	NSP-FC	During FC implementation
Lesson 5: Improve coordination and alignment within the Chilean government			
Recommendation 16	Activities	Responsible Entity	Timeline
<p>Explore the opportunity of reforming the NSP governance to include a high-level political body (NSP Steering Board) and a technical advisory body (NSP Advisory Committee). Moreover, explore ways to include ASE, the Ministry of Finance, the Ministry of Environment, and/or other key government stakeholders in the NSP advisory governance.</p>	<p><u>Ongoing activities:</u> The NAMA Facility offers a high degree of flexibility to the NSPs through its Amendment Policy. At the same time, it is assumed that DOs / NSOs, being closely engaged with the national stakeholders and having deep knowledge of the local context, can define the most appropriate modality of delivering the NSP components.</p> <p>The TSU, and Desk Officers (DEOs) in particular, are always available to accompany NSPs if they consider / need a conceptual, institutional and/or budgetary change.</p>	TSU	Ongoing
Recommendation 17	Activities	Responsible Entity	Timeline
<p>Similarly to what was done for the Technical Component delivery, explore the possibility to build a KfW team to be based in Chile to work in proximity of the national implementing organisations.</p>	<p>See activities under Recommendation 16.</p>	TSU	Ongoing
Recommendation 18	Activities	Responsible Entity	Timeline
<p>Keep GIZ closely involved in the Financial Component's inception phase and potentially have regular exchanges with them later on, to ensure the institutional knowledge from the Technical Component is not lost.</p>	<p><u>Ongoing activities:</u> See activities under Recommendation 16.</p> <p><u>Additional activities:</u> As it is rightfully mentioned in the recommendation, the NAMA Facility does not foresee further support for the NSP's TC, which</p>	NSP-FC, National Implementing Partners	During FC implementation

However, this would depend on the resources provided by GIZ, as the NAMA Facility does not foresee any support in this regard.	was completed in December 2020. Nevertheless, the NSP's FC plans to use synergies with other technical assistance initiatives under Renewable Energy and Energy Efficiency Programmes of the German bilateral Cooperation with Chile financed by CORFO.		
Recommendation 19	Activities	Responsible Entity	Timeline
Facilitate GIZ's knowledge sharing with ASE during the handover process between the Technical and Financial Components. The handover is recommended, as it is not currently planned.	See activities under Recommendation 2 and 16.	TSU, NSP, National Implementing Partners	Ongoing; during TC and FC implementation
Recommendation 20	Activities	Responsible Entity	Timeline
Recommendation 20: Find ways to capitalise from the NSP-facilitated intra-government coordination to push ahead the addressing of the remaining SSRE market barriers, such as policy and regulatory barriers, and the harmonisation and transparency of the financial schemes and mechanisms.	See activities under Recommendation 2 and 16.	TSU, NSP, National Implementing Partners	Ongoing; during TC and FC implementation
Lesson 6: Support the shaping of a sustainable and fair SSRE market in Chile			
Recommendation 21	Activities	Responsible Entity	Timeline
Be present and close to decision-makers to influence and align their agenda with fostering a fairer and more competitive SSRE market.	See activities under Recommendation 2.	TSU, NSP, National Implementing Partners	During TC and FC implementation
Recommendation 22	Activities	Responsible Entity	Timeline
Design the financial instruments supported by the NSP to be inclusive of small and medium implementers and beneficiaries. Get the support of implementers associations and other key	See activities under Recommendation 16 as well as additional activities under Recommendation 11.	TSU, NSP-TC, NSP-FC	Ongoing; during TC and FC implementation

stakeholders to achieve such inclusiveness.			
Recommendation 23	Activities	Responsible Entity	Timeline
Improve the link with the industry sector and work together to strengthen the SSRE market niches through commercial opportunities.	<u>Ongoing activities:</u> NSPs are encouraged to consider all relevant stakeholders and engage actors that are crucial for the NSP's success. The guidance in this respect is provided in multiple NAMA Facility documents such as the General Information Documents (GIDs) for each call, NSP Outline and Proposal templates etc.	TSU, Applicants / ASPs / NSOs	Ongoing
Lesson 7: Exchange learning with other NSPs and initiatives, inside and outside of Chile			
Recommendation 24	Activities	Responsible Entity	Timeline
Be proactive in advocating for further learning exchange opportunities with other NSPs. This could involve one or more of the following: (i) exploring with the NAMA Facility TSU the possibility of additional knowledge-sharing events between multiple NSPs; (ii) discussing with the TSU the appropriateness of creating a knowledge management system to facilitate the sharing of know-how between the NSPs; (iii) directly approaching other relevant NSP teams (e.g. including building up previous exchanges with the Mexico Energy Efficiency NSP).	See activities under Recommendation 3.	NSP, TSU	Ongoing (since the 4 th Call / 6 th Call)
Recommendation 25	Activities	Responsible Entity	Timeline
Within Chile, continue to proactively look for learning exchange opportunities with other relevant initiatives, e.g. UK Embassy on their past and current projects in Chile as well as other global initiatives such as the UKEF Clean Growth Direct Lending Facility,	See activities under Recommendation 3.	NSP, TSU	Ongoing (since the 4 th Call / 6 th Call)

CAMCHAL's environment and energy programme, etc.			
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