



SECO's Successful Approach to Improving Urban Energy-Efficiency

Independent Evaluation of SECO's Activities Relating to Energy-Efficient Cities

Based on its evaluation policy, SECO ensures an impartial assessment of its activities. It conducts independent thematic evaluations of the performance of its target outcomes in accordance with the Message on International Cooperation 2017 – 2020. In 2018, the Technopolis Group France, in cooperation with E4Tech Switzerland and the Fraunhofer Institute Germany, evaluated SECO's activities in the field of energy-efficient cities. By "energy efficiency", SECO understands the production, transmission and use of energy in the most efficient, effective and sustainable way.

General Findings

The evaluation

- confirms the relevance and effectiveness of SECO's energy-efficient cities approach;
- shows a good alignment of the projects' objectives with SECO's general strategy on energy-efficient cities;
- considers SECO to be an important international player in the field of energy-efficient cities;
- confirms that SECO, through its projects, has managed to leverage significant resources, knowledge and expertise across international organisations as well as with local strategic partners.

SECO Strengths

- SECO's energy-efficient cities approach and portfolio are highly relevant and achieve good results.
- SECO is appreciated by partners and beneficiaries as a player in the field of energy-efficient cities and has distinguished itself as a reliable enabler and catalyst.
- SECO has, with its expertise and know-how, promoted Switzerland's visibility abroad.

Identified Challenges

- The complexity and richness of the SECO energy-efficient cities interventions do not appear to be the result of a planned or centrally managed intervention.
- The evaluators found that for the time being, only a limited number of projects were replicated.

Portfolio ratings according to OECD DAC Criteria

Relevance	High	
Effectiveness	High	
Efficiency	Satisfactory	
Sustainability	Partly satisfactory	



Assessment following the OECD DAC Evaluation Criteria

Relevance: The projects in the field of energy-efficient cities are considered to be fully relevant in the light of challenges identified at the country and regional level. The evaluation confirms a high level of consistency between SECO interventions and existing local policy and regulatory frameworks. According to the evaluation, beneficiaries often state that SECO's projects contribute to Nationally Determined Contributions adopted in the framework of the Paris Climate Agreement. SECO's portfolio of energy-efficient cities projects is fully aligned with the Sustainable Development Goals (SDGs), particularly with SDG 7 on Affordable and Clean Energy.

Effectiveness: The evaluation concludes that SECO's activities within the energy-efficient cities portfolio have significantly helped cities to better plan, manage and monitor their energy supply. These features are particularly present where the European Energy Award (EEA) approach has been introduced. The evaluation team did not identify any negative unintended results. In several cases, SECO's projects gave additional impulses for strengthening renewable energy supply markets, e.g. through the development of wood-chip markets. As a donor, SECO also added specific value to projects: aspects of "Swissness" are particularly high in bilateral projects such as in the Ukraine, Serbia and Colombia.

Efficiency: The overall cost-efficiency of the evaluated projects is considered to be satisfactory. Most projects achieved the expected objectives within the initially approved budget. The staff in charge of managing projects and their partners are considered to be efficient. Reported overhead costs for the management of projects are generally within reasonable limits (about 10 percent).

Sustainability: As several projects are still under implementation, the assessors focused on the likelihood of sustainability of results. Identified challenges included long-term financing. In SECO's experience, changes in politics and the lack of capacity can also hamper the sustainability of results. Therefore, SECO is committed to policy dialogue and capacity development. It also contributes to resource mobilisation that, among others, ensures a proper maintenance.

Key Recommendations and Response

- **A more in-depth assessment of the selected technological and methodological approaches**, including their comparative advantage, should be included in the project design phase.
 - SECO agrees with the benefit of such a comparative analysis. The analysis should take into account social, environmental and economic advantages (or disadvantages) compared to alternative solutions. SECO will assess how to integrate this approach systematically in its project design.
- SECO's energy-efficient cities projects should **more systematically strengthen energy demand-side measures**.
 - SECO agrees that demand-side measures (management of electricity demand through energy-efficiency measures) should be strengthened. However, energy supply investments are also considered to be important. Moreover, country situations and priorities must be taken into account.
- SECO should **more rigorously take into account identified success factors for its European Energy Award (EEA) projects** (financial resources, capacity-building, long-term financing mechanism, national organisation, education and training).
 - SECO agrees with this recommendation and implements success factors where feasible. Education and training, more specifically, capacity building, are an integral part of each EEA project. SECO aims to explore how to go beyond the pilot phase towards an institutionalisation of EEA at a national level to ensure sustainability.

Key Facts of the Evaluation

Purpose

Accountability to the Swiss Parliament and the wider public.

Learning for SECO concerning their approach in priority countries and, at an international level, Swissness and the project portfolio.

Methodology

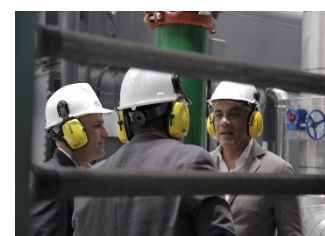
Mixed method approach to data collection and analysis including desk study, online survey to implementing partners and beneficiaries, and field missions.

Scope

The evaluated project portfolio comprises 14 projects covering a SECO contribution of 120 million Swiss francs during the period of 2011-2017. The evaluation assessed energy-efficient cities projects and activities in the field of energy governance, renewable energy and energy efficiency in Colombia, the Ukraine, Serbia and South Africa. It also looked at selected regional and global projects and initiatives.

Cost

CHF 150 575



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