REVISED DRAFT MONITORING AND EVALUATION WORK PROGRAMME FOR THE YEAR 2014 (DECISION 71/27)

Background

1. The draft Monitoring and Evaluation work programme for 2014 is based on suggestions made by Executive Committee members during and after the 71st meeting and further discussions with implementing agencies (IAs) during the Inter-agency coordination meeting held in Montreal from 11 to 13 February 2014 and the Fund Secretariat.

Evaluation activities

Evaluation of HCFC phase-out projects in the foam sector

2. The main objective of the evaluation is to analyse the progress made in the phasing-out of HCFCs in the foam sector in projects funded by the Multilateral Fund. The evaluation will focus on the challenges encountered during the project implementation and will identify lessons learned for stage II of HPMP. The terms of reference for the evaluation are contained in Annex I to the present report.

Final report on evaluation of projects for the conversion of CFC-based metered dose inhalers (MDI) to non-CFC methodologies

3. An intermediary report was presented at the 71st meeting. This final report, which includes two additional countries (India and Pakistan) that could not be visited in 2013, has been submitted to the 72nd meeting.

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1. The Senior Monitoring and Evaluation Officer invited members of the Executive Committee to submit additional suggestions for alternative evaluations, which could be submitted until 15 January 2014 (paragraph 103 of document UNEP/OzL.Pro/Excom71/64).
2. UNEP/OzL.Pro/Excom71/15.
3. In the evaluation as originally approved by the Executive Committee, Egypt was included for a country case-study. However, given the travel constraints, Pakistan was selected as the case-study.
Monitoring activities

4. The following three monitoring activities are proposed for 2014.

Consolidated multi-year agreement (MYA) project completion report (PCR)

5. The Senior Monitoring and Evaluation Officer (SMEO) submitted the consolidated MYA PCR to the 72nd meeting\(^5\) which will provide an overview of the results and lessons learned.

Consolidated PCR

6. The report will provide the Executive Committee with an overview of the results and lessons learned included in the PCRs received during the period under review.

Report on the MYA tables database

7. Pursuant to decision 63/61(e), the SMEO submitted the status report on information contained in the MYA database tables to the 72nd meeting\(^6\).

8. Additional evaluation and/or monitoring activities of interest may arise that may need to be addressed in 2014. A certain degree of flexibility therefore might be allowed in the implementation of the present work programme as well as in the allocation of its budget in order to accommodate any such activities.

Schedule for submission

9. The schedule for submission of evaluation studies and the monitoring work proposed for 2014 is presented in Table 1 below.

Table 1. Schedule for submission of monitoring and evaluation documents in 2014

<table>
<thead>
<tr>
<th>1st meeting (72nd)</th>
<th>2nd meeting (73rd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final report on evaluation of projects for the conversion of CFC-based MDI to non-CFC technologies</td>
<td>Desk study of the evaluation of HCFC phase out projects in the foam sector</td>
</tr>
<tr>
<td>Consolidated MYA PCR</td>
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</tr>
<tr>
<td>Report on MYA tables database</td>
<td></td>
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</tbody>
</table>

Budget

10. Table 2 below presents the budget for the monitoring and evaluation work programme for 2014. The budget includes the fees and travel costs for consultants as well as for the SMEO who will participate in some case studies and attend regional meetings.

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\(^4\) UNEP/OzL.Pro/ExCom/72/9.
\(^5\) UNEP/OzL.Pro/ExCom/72/7.
\(^6\) UNEP/OzL.Pro/ExCom/72/8.
Table 2. Proposed budget for the 2014 monitoring and evaluation work programme

<table>
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<tr>
<th>Description</th>
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<td>- Consultant fee:</td>
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<tr>
<td>- Per diem:</td>
<td>17,150 (7<em>7</em>350)</td>
</tr>
<tr>
<td>- Travel:</td>
<td>42,000 (7*6000)</td>
</tr>
<tr>
<td>Country report writing</td>
<td></td>
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<tr>
<td>Synthesis report</td>
<td>3,000</td>
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<td>Total foam</td>
<td><strong>119,700</strong></td>
</tr>
<tr>
<td>Staff travel</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td>Total 2014</td>
<td><strong>148,700</strong></td>
</tr>
</tbody>
</table>

Action expected from the Executive Committee

11. The Executive Committee may wish to consider approving the proposed 2014 monitoring and evaluation work programme at a budget of US$148,700 as shown in Table 2 of document UNEP/OzL.Pro/ExCom/72/10/Rev.1.
EVALUATION OF HCFC PHASE-OUT PROJECTS IN THE FOAM SECTOR

Background

1. The majority of projects in the foam sector deal with two types of polymeric foams that use HCFCs as blowing agent: Polyurethane (PU) using HCFC-141b and extruded polystyrene (XPS) using HCFC-142b and/or HCFC-22. Several HCFC alternatives are available to replace them, such as HFCs and hydrocarbons (HCs), as well as other technologies based on methylal, methyl formate, HFOs, pre-blended HCs, supercritical CO₂ and modified water blown formulations, which have become more widely used over the last few years.

2. The phase-out process in this sector presents several particularities. Among these are the problems that arise in relation to the adoption of alternatives and emerging new technologies. They are related to lack of availability, know-how or reduced performance in some applications, and cost. Other issues are related to the characteristics of the substances. For example, while HFCs do not contribute to ozone depletion, they have a significant global warming potential (GWP), while HCs are highly flammable.

3. The choice of alternatives also depends on the specific country context in which the phase-out takes place. In some countries there are systems houses and/or chemical companies specialized in bulk pre-blending of foam systems (polyols) for distribution and sale to foam manufacturers. In other countries, for certain applications, companies have to install in-house premixing stations. To avoid the need to invest in an in-house premixing station, small and medium-scale enterprises prefer to purchase already pre-formulated polyols from the systems houses or from chemical suppliers. A large number of enterprises use pre-blended polyols, either locally produced or imported from other countries.

4. As HCFC-141b contained in imported polyols is not counted as consumption under Article 7 of the Montreal protocol in several countries, there could be a potential risk of starting the import of these polyols by enterprises that had been converted to non-HCFC-141b-based technologies if regulations and controls (ban) are not in place and enforced.

Evaluation objective and main issues

5. The main objective of the evaluation is to analyze the progress made in the phasing-out of HCFCs in the foam sector for the projects funded by the Multilateral Fund. The evaluation will focus on the challenges encountered during the project implementation and will identify lessons learned for stage II of HPMPs.

6. The evaluation will focus on the following.

Policies and project preparation

(a) Existing Multilateral Fund (MLF) policies including second stage conversions and policies related to pre-blended polyols.

(i) Project preparation, review and approval. Were there issues raised during the Executive Committee meetings with regards to the project proposal? How were these addressed? How were project costs established? Were allocated funds sufficient? In case co-financing took place, how did the enterprises handle it?
(ii) Are the risks for not having control over the imports of HCFCs, contained in pre-blended polyols, addressed?

(b) Comparison of the various modalities of implementation (for example Memorandum of Agreement (UNDP) as compared to direct implementation by UNIDO). To what extent are these modalities effective and sufficiently flexible related to the context of the projects?

(c) In some cases, stand-alone investment projects were approved before the approval of HPMPs. To what extent did such projects help reaching compliance?

(d) Verification in the field in the case of HPMPs that address a large number of SMEs. These should have been verified before submission of the project proposal, but some flexibility in the procedure permitted the approval of these funds. What were the pros and cons of that flexibility?

(e) Causes of delays in implementation. What caused the delays: late funding, modalities of implementation, availability of technology or other?

Legislation and regulation

- Were the existing ODS policies reviewed to facilitate the phase-out of HCFCs in foams?
- What policy actions were taken in the area of legislation and regulations?
- Are there quotas on consumption control and how are they implemented?
- Where there new enforcement procedures and monitoring tools developed to control HCFC consumption?
- Is the import/export legislation effective?
- Were there implementation delays in adopting legislation? What were the main causes?

Technology replacement

7. The evaluation will examine the national context in which the phase-out takes place. Non-ODS alternatives were already available in some countries, while in others adopting alternatives was challenging. To what extent are delays in project implementation caused by the difficulties in finding suitable technologies? What was the role of the demonstration projects? To what extent have they been useful to facilitate the introduction of technologies in countries?

8. While alternative technologies are not using ozone-depleting substances, there may be other challenges for their introduction, e.g. related to safety and flammability, high GWP, cost and availability. The evaluation will analyze and compare how projects dealt with such issues.

9. The following are questions related to the difficulties encountered in obtaining the HCFC-free technology:

- What were the main technologies chosen and their environmental impact?
- Why was a specific technology chosen, and what were the problems in its adoption?
- What were the challenges in introducing the alternative technology?
- Were there problems with bidding procedures and experiences with supplier companies?
- What were the requirements for additional investments on fire safety equipment and systems?
- What mechanisms were developed and applied to minimize the environmental impact of the alternatives?
Were there installation issues (perhaps not fully addressed in the proposal and that subsequently delayed project completion)?
What was the role of international companies in the introduction of the alternative technology?
What were the contribution, advantages and inconveniences of systems houses and chemical suppliers? What was their responsiveness to the phase-out process?
How can the benefit of a systems house or of chemical suppliers be replicated to a different context?
How small and medium enterprises cope with the challenges of phase-out?
What happens after project completion? Is there an equipment destruction plan?
Are the NOUs monitoring the use of HCFCs by converted enterprises?
Are policies established to make the conversions sustainable?
What are the lessons for stage II that can be learned from this experience?

Training issues

Were the training needs assessed?
What were the main training needs?
Which were the main target audiences?
What were the challenges in organizing trainings?
What measures have been taken to ensure sustainability of training programmes?
Were appropriate handbooks focusing on alternative technologies available?
Was information concerning prevention measures for alternatives presenting a risk of flammability taken into account?

Scope

10. The evaluation will assess projects in both PU and XPS sectors. It will include countries with systems houses, and countries with SME.

Methodology

11. The evaluation will take place in two stages: a desk study and a series of field visits that would yield country reports and a final evaluation report.

Stage I: The desk study

12. The desk study will include an in-depth review of the existing documentation as well as the information gathered from interviews and discussions with members of the Secretariat, implementing agencies and various stakeholders.

13. In addition, information will be gathered from field visits to a small sample of countries. This approach is different from previous desk studies. This modification is proposed because of the current two annual meetings of the Executive Committee. Indeed, the desk study report will be submitted to the Executive Committee at its second meeting (November 2014) and the final evaluation report at its first meeting in 2015. December and a part of January are not appropriate periods for organizing field visits and therefore the number of countries visited may be limited. Starting field visits during the preparation of the desk study will allow an appropriate sample for the evaluation.

14. The documentation review will help elaborate instruments for the data collection such as guidelines for open-ended interviews with stakeholders at the field level. The field visits will help test these questionnaires and improve them for the following visits. This stage will also identify additional issues to be addressed during the field visits as well as possible issues during the data collection.
Stage II: The final report

15. Stage II will include field visits to a larger sample of countries. Each visit will yield a country evaluation report. The sample of countries will be selected according to the following criteria:

- Geographical diversity
- Implementing agency
- Type of project (stand alone, demonstration or HPMP)
- Type of context (e.g., systems houses, non-systems houses)
- Type of technology
- Enterprises size
- Application (refrigeration insulation, panels, spray foam, integral skin, flexible molded, XPS).

16. A synthesis report will summarize findings from both desk study and country evaluation reports and will formulate lessons learned and recommendations for consideration by the Executive Committee at its 74th meeting in spring 2015.

Evaluation organization

17. A team of consultants will be hired to carry on this evaluation. The team leader will draft the desk study and elaborate the questionnaire to be used during field visits. Implementation agencies and NOUs will be involved in identifying the questions as well as in the planning of the evaluation.

18. Each consultant will be in charge of elaborating the country evaluation report. The team leader, in cooperation with the other team members will draft the synthesis report. Implementing agencies will be involved in participating in the evaluation mission and in providing comments on the reports. The synthesis report will be presented at the 74th Executive Committee Meeting.

Sample of countries for the desk study

19. The sample of countries for the desk study includes China, Ecuador, the Islamic Republic of Iran, Malaysia, Mexico, South Africa and Thailand.

Proposed budget

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