



**United Nations
Environment
Programme**



Distr.
Limited

UNEP/OzL.Pro/ExCom/28/16
11 June 1999

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-eighth Meeting
Montreal, 14-16 July 1999

**INTERIM REPORT ON THE IMPLEMENTATION OF THE 1999 WORK
PROGRAMME FOR MONITORING AND EVALUATION**

I Background

1. By the end of 1995 almost all policy guidelines and procedures had been put into place by the Executive Committee. By the end of 1997, most monitoring tools (performance indicators, milestones, formats for progress reports and project completion reports) were established. In 1998, evaluation work started with the elaboration of evaluation guidelines and the adoption of a draft work programme at the 22nd meeting of the Executive Committee. It was intensified since the beginning of 1999 with the recruitment of the Senior Monitoring and Evaluation Officer and the adoption of the 1999 work programme for monitoring and evaluation. This development shows a perceived need for looking back at the results achieved so far in order to draw conclusions for possible fine-tuning of operations in order to help the Article 5 countries to meet the requirements of the 1999 freeze and beyond.
2. The purpose of the present paper is to give the Executive Committee a brief overview of the status of implementation of the 1999 work programme for Monitoring and Evaluation which was approved at the 27th meeting of the Executive Committee (Dec. 27/11).
3. As foreseen in the work programme desk studies have been prepared on refrigeration and institutional strengthening as well as training projects in order to prepare the evaluations. These studies are available on request. In the following, the main evaluation issues identified are described and the methodological approach for the main phase of the evaluations outlined. Moreover, the progress made in collecting project completion reports and preparing revisions of the reporting formats is described. Finally, preliminary results on enhancing the computerized information system in the Secretariat to support monitoring and evaluation are summarized.

II Evaluation of refrigeration sector projects

4. This section identifies evaluation issues and proposes a preliminary work plan for the evaluation of refrigeration projects funded by the Multilateral Fund. It is based on a desk study by the Senior Monitoring and Evaluation officer who reviewed databases of the Multilateral Fund Secretariat, analysed progress reports and project completion reports, visited the Implementing Agencies and discussed with technical experts. The desk study is available upon request.
5. A brief overview of refrigeration projects from the beginning of the Fund's operations until the end of 1998 is followed by a presentation of the main evaluation issues and an outline of the evaluation methodology to be used in the main phase of the evaluation.

(a) Overview of the refrigeration sector

6. Since the beginning of the Fund's operations until the end of 1998, 388 refrigeration projects were approved, 47% of the projects are implemented by the World Bank, 27% by UNDP and 25% by UNIDO which started relatively late. There are only five bilateral projects in this sector as at the end of 1998. Total funding approved for these projects amounted to

US \$345,960,173 with peaks in the years 1994 and 1997. This represents 55.7 % of the total funding approved for investment projects until the end of 1998.

7. The largest number of projects has been approved for domestic refrigeration (159 or 41 %) followed by commercial refrigeration (142 or 37 %), compressors (42) and MAC (17). In most of the cases (290), CFC-12 was or is to be replaced by HFC-134a while other substitutes play a limited role only (isobutane in 17 projects, various other substitutes in 13 cases as either first or second ODS replacement. CFC-11 is replaced by HCFC-141b in 194 projects, in 118 projects by cyclopentane and in 2 projects by HCFC-123.

8. 145 projects or 37% of the approved projects were completed by the end of 1998, of these projects 62 were completed by the World Bank, 34 by UNDP, 48 by UNIDO and one was completed by Germany. Total expenditure (including counterpart funding whose purpose is not specified in the PCRs) amounted to US \$86,117,556, 16% more than the approved funding of US \$74,341,577. Expenditures for incremental capital costs were US \$58,243,261 (an increase of 6% of what was approved) while expenditures for operating costs were US \$22,655,438 thus bypassing the approved amount by 55 % (again including non-documented counterpart funding).

9. In terms of geographical distribution the World Bank focussed on the larger countries mainly in Asia (41 projects) followed by Latin America (17 projects). UNDP and UNIDO implemented the majority of their projects in these regions also, in addition to a number of projects in Africa.

10. In terms of funds approved per project, 29 of 145 completed refrigeration projects had funding levels between US \$1,000,000-\$2,000,000 while 16 projects had a level of funding of more than US \$2,000,000. The other projects are almost evenly spread in the different strata between US \$100,000-\$1,000,000 with the average project funding becoming increasingly smaller during the last years. The World Bank and UNIDO had a relatively larger portion of large scale projects.

11. Only a minority of refrigeration sector projects were implemented within the project duration planned while for the large majority substantial delays occurred. This is particularly true for early projects and concerned the World Bank more than the other agencies. At the 22nd meeting of the Executive Committee the agencies were allowed to present up-dated planned dates for completing the old projects which improved the picture. Nevertheless, still 37 % of the projects completed had a delay of more than 6 months, 22 % of more than a year and 4 % of more than two years .

12. Total ODP phase out achieved for the 61 projects for which PCRs are available reached 6,141 tonnes which is slightly less than the target figure approved (6,230 tonnes). The shortfall occurred particularly in the category of projects with a funding level between US \$500,000-\$1,000,000 and affected mainly UNIDO projects while the World Bank phased out more ODS than planned and UNDP realized the planned amount.

(b) Main evaluation issues:

13. The evaluation will analyse the following aspects (detailed evaluation issues were elaborated in the desk review):

- project identification and preparation
- project review and approval process
- choice of technology
- institutional arrangements
- bidding procedures and experiences with supplier companies
- implementation delays
- project costs
- results and effectiveness in terms of ODS phase out
- sustainable impact in terms of non-reversible conversion of technology
- project monitoring, reporting and evaluation.

(c) Evaluation methodology

14. The methodology will consist of the following steps:

- An in-depth desk review in the Multilateral Fund Secretariat by the team leader and the technical expert(s). This will essentially consist of a review of project documents, project completion reports and various databases in the Secretariat.
- Elaborating guidelines for structured interviews to be conducted with enterprises' personnel, testing them in two or three projects, refining the data collection approach, selecting the final sample of projects to be visited and preparing the travel schedules.
- Visits to the selected sample of projects in all regions. Each visit will result in a project case study.
- Synthesis report which summarizes the findings of the different case studies and presents recommendations for consideration by the Executive Committee.

(d) Proposed evaluation team

- Evaluation team leader: The team leader should have extensive evaluation experience, in addition to experience with industrial projects and their economics, and be familiar with environmental issues and the functioning of the UN system.
- External technical expert: This expert should have demonstrated experience with conversion from CFC-based production in refrigeration projects to non-ODS substitutes, and should not have been directly involved in the preparation or implementation of projects financed by the Multilateral Fund.

- Representatives of each country in which evaluation activities take place: These experts should also be neutral in the sense of not having been directly involved in preparation or implementation of projects financed by the Multilateral Fund.
- Representative of the Implementing Agencies: It would be appropriate to include one representative of the implementing agency responsible for the project to be evaluated as resource person.
- Representative of the Multilateral Fund Secretariat: The Senior Monitoring and Evaluation Officer and/or the responsible project officer should participate in the field visits, particularly in the early stages, in order to supervise the work of the evaluation team and to act as a resource person for fine-tuning the evaluation approach for further project visits.

Depending on the number of projects to be visited and the time schedule for the field visits there could be a second team proceeding to further visits in parallel to the first team.

(e) Sample of projects to be visited

15. A reasonable sample would include about 20 projects of the 145 refrigeration projects completed as of December 1998. The sample should be composed using the following criteria:

- The Implementing Agencies should be covered in proportion to the volume of their activities, i.e. the sample could include 8 World Bank projects, 6 projects implemented by UNIDO, 5 by UNDP and one by the bilateral donor, Germany.
- The geographical regions should be covered in terms of number of projects implemented, that means that there should be 8 projects in Asia and the Pacific, (of which 2 each in China and India), 6 in Latin America and the Caribbean, 2 in Sub-Saharan Africa, 3 in Northern Africa and the Middle East and 1 in Europe.
- The different technological options for substitute products should be presented, and the sample should include projects of all sizes in terms of funding corresponding to their share in the number of projects completed.
- Moreover, in terms of implementation modalities, there should be a number of retroactively financed projects included as well as some projects with a large or majority ownership of multinational companies.
- It would be desirable, for reasons of comparison, to visit some companies where the conversion and phase-out have been realized without assistance from the Multilateral Fund.
- The sample will also include, as pertinent, a few projects with long implementation delays in order to better understand their specific problems.

16. The final selection of the project sample should be left to the evaluation team leader in cooperation with the technical expert(s) and the Senior Monitoring and Evaluation Officer of the Multilateral Fund Secretariat in order to guarantee an independent and neutral choice of projects to be evaluated. Of course, the Executive Committee and the Monitoring, Evaluation and Finance Sub-Committee could request to include specific projects in the evaluation.

17. After the choice of projects to be evaluated has been made, the countries concerned will be contacted to obtain the agreement of the Government authorities and the companies concerned.

18. The visits in the countries will be co-ordinated with the parallel evaluation of institutional strengthening projects. The refrigeration sector evaluation team will analyze the support received by the national ozone units for project implementation and transfer this information to the institutional strengthening evaluation team.

(f) Volume of consultants work

19. It is anticipated that the evaluation will require up to 50 person-days for the team leader and 40 days for the technical expert(s). The detailed work plan will be established once the project sample has been selected.

20. A request for proposals will be sent to a selected list of international consultants asking for detailed proposals concerning the implementation of this evaluation. The most appropriate offer in terms of methodology, experts and budget will be selected.

III Evaluation of Institutional Strengthening (IS) projects

21. This section identifies evaluation issues and proposes a preliminary work plan for the evaluation of Institutional Strengthening (IS) projects funded by the Multilateral Fund. It is based on a desk study by consultants who reviewed databases of the Multilateral Fund Secretariat, analysed progress reports and project completion reports, and had discussions at the Multilateral Fund Secretariat. The desk study is available on request.

22. A brief overview of the institutional strengthening projects from the beginning of the Fund's operations until the end of 1998 is followed by a presentation of the main evaluation issues and an outline of the evaluation methodology and to be used in the main phase of the evaluation.

a) Overview of Institutional Strengthening Projects

23. Presently National Ozone Units (NOUs) in 97 countries are supported by the Multilateral Fund, 63 of them through UNEP (all of them are LVCs), 22 through UNDP, 6 through the World Bank and 5 through UNIDO and one by France (for Mauritania).

24. As several National Ozone Units have entered into their second and some into their third extension phase the overall number of projects approved is higher than the number of existing National Ozone Units. According to progress report data, 134 institutional strengthening projects

were approved by the end of 1998 for the four Implementing Agencies: 10 projects to be implemented by the World Bank (5 completed), 44 projects by UNDP (22 completed), 6 projects by UNIDO (1 completed), and 74 projects by UNEP (11 completed).

25. The total amount of funds approved was US \$19,090,445 of which US \$10,897,796 or 57% has been disbursed.

26. For the 39 projects that have been completed, the average funding approved was US \$206,517 and the average amount disbursed was US \$190,596 (for a duration of 3 years).

27. To date, 50% of approved projects are in Africa, 29% in Latin America and the Caribbean, 16% in Asia and 5% in Europe.

b) Main Evaluation Issues

- To what extent are institutional strengthening project documents linked to the country programmes? What could be done to ensure a greater link between these two documents?
- Are standard templates used for project renewals and are there standard Terms of Reference across Implementing Agencies for National Ozone Units? If so, to what extent are these useful in clarifying objectives, responsibilities and accountability? What is the process and who has the responsibility for writing renewal requests?
- Is the funding level proportionate to the level of activities undertaken by the National Ozone Units?
- Are the resources provided by the Multilateral Fund for institutional strengthening fully dedicated to activities related to elimination of ODS? Do National Ozone Units need more flexibility in managing funds instead of detailed planning of results and activities?
- Do National Ozone Units have adequate influence and credibility within the National Governments in order to carry out their task effectively? What can be done to enhance their influence? How effective have National Ozone Units been in transmitting and explaining Executive Committee and Parties decisions to stakeholders in their country hereby promoting compliance with the Montreal Protocol?
- Does the monitoring and control system of National Ozone Units allow them to measure progress made towards elimination of ODS in the country (including data by sub-sector)? Do they have access to appropriate national statistics? Are industries cooperating in providing information? How would the cooperation of industry change under a freeze on ODS consumption and the enforcement of penalties?
- What is the role of the National Ozone Units as interface between the Implementing Agencies and local enterprises? Do the enterprises find National Ozone Units a useful

intermediary between them and the Implementing Agency? To what extent do Implementing Agencies coordinate and collaborate with National Ozone Units in planning and implementing investment and non-investment projects? How does funding through one implementing agency affect the relationship with the other implementing agencies?

- Are National Ozone Units subject to internal audits by the respective authorities in their countries? Are they audited by Implementing Agency audits (as projects)?
- How does the contractual agreement with implementing agencies influence continuity and stability of Ozone Offices? What about the contractual status of Ozone officers in their Ministry? How can National Ozone Units ensure continued staffing with skilled ozone officers? How should National Ozone Units be staffed and organized in order to face the increasing demands for monitoring, reporting and support for project implementation?
- What benefits do the National Ozone Units get from participating in regional network meetings and training seminars and what do they contribute to the networks in terms of sharing information and experiences? Do ozone officers of more advanced National Ozone Units in the region train officers in less developed countries?

c) Evaluation Methodology

- Data will be collected
 - through an in-depth desk review,
 - through interviews with staff from Multilateral Fund Secretariat and Implementing Agency and any others judged pertinent by the evaluation team,
 - through field visits to selected National Ozone Units.
- Data analysis will be conducted on results as defined for each National Ozone Unit as well as on a comparative basis to identify trends and differences amongst the selected sample.
- The evaluation team will submit individual case studies for each National Ozone Unit visited. Each case study will include a profile of the National Ozone Unit, a performance assessment, and will describe causes for gaps in terms of achieving the results foreseen.
- The evaluation team will submit a synthesis report that summarizes the key findings from the case studies, identifies main lessons learned and provides recommendations for discussion in the Executive Committee.

d) Evaluation Team

28. The Evaluation Team will consist of experts who are knowledgeable about institutional strengthening and familiar with evaluation methodologies in an international context. The team will include:

- Team Leader – responsible for the overall quality of the evaluation, liaison with the Multilateral Fund Secretariat, and ensuring that the evaluation is conducted according to the agreed terms. The team leader would collect and analyze data.
- Team Consultant (optional) – Depending on the number of countries the team leader is able to visit, a second consultant will reinforce the team to collect data, write case studies and prepare parts of the synthesis report.
- Local/Regional Consultants – In each of the field visits, the Team Leader or Consultant will work with a Local or Regional Consultant identified prior to the visit. The role and responsibilities may vary depending on availability and skills, but the notion would be that the Local or Regional Consultant would provide logistic support, identify discussion partners, and collect some types of data.
- As needs emerge and based upon availability, the team will benefit of the participation of Multilateral Fund Secretariat staff and Implementing Agency staff as resource persons.

e) Sample of projects to be visited

29. The sample will include 10-15 National Ozone Units which will be selected from:

- all geographic regions;
- large, medium and low-volume ODS consuming countries;
- projects in different phases of implementation;
- projects with more and less convincing reporting;
- projects implemented by different agencies.

(f) Volume of consultants work

30. It is anticipated that the evaluation will require up to 50 person-days for the team leader and the team consultants. The detailed work plan will be established once the project sample has been selected.

31. A request for proposals will be sent to a selected list of international consultants asking for detailed proposals concerning the implementation of this evaluation. The most appropriate offer in terms of methodology, experts and budget will be selected.

IV Evaluation of Training (TR) projects

32. This section identifies evaluation issues and proposes a preliminary work plan for the evaluation of training projects funded by the Multilateral Fund. It is based on a desk study by consultants who reviewed databases of the Multilateral Fund Secretariat, analysed progress reports and project completion reports, and had discussions at the Multilateral Fund Secretariat. The desk study is available on request.

33. A brief overview of evaluation of training projects from the beginning of the Fund's operations until the end of 1998 is followed by a presentation of the main evaluation issues and an outline of the evaluation methodology and proceedings for the main phase of the evaluation.

a) Overview of Evaluation of Training Projects

34. In 1996, UNEP submitted to the Executive Committee a document on *Training strategy options for the phase-out of ozone depleting substances under the Multilateral Fund* that would be applied by all the Implementing Agencies. The Executive Committee decided at its 19th meeting that the so-called 'Option 3' was the preferred training strategy framework. The noteworthy feature of this option was that no additional training bureaucracy would be created with the attendant delays and costs. Rather, more efficient use would be made of existing international and national institutions and training materials.

35. Thereafter, the Executive Committee at its 23rd meeting took note of the *Training Guidelines on Identification of Needs and Co-ordination of Activities* as proposed by UNEP in document UNEP/OzL.Pro/ExCom/23/Inf.4. This document specifies the principles and procedures for identification and co-ordination of training activities, as well as the format for submitting training project proposals. Also agreed was the format for reporting at the conclusion of a training activity.

36. Training projects are aimed at building national capacity in Article 5 countries related to policy and technical skills to implement ODS phase-out activities. These projects are carried out in addition to the training activities which are integrated with investment projects. They are carried out at global, regional, sub-regional and national levels. While in the early years policy seminars at global and regional level prevailed, emphasis shifted in the last three years to sub-regional and national seminars. The main target groups are now technicians from the various sectors (with emphasis on refrigeration), trainers, ODS officers, and customs officers.

37. According to progress reports and final workshop reports, from the beginning of the Fund's operation until the end of 1998, 100 projects were approved and 66 completed:

- 72 projects by UNEP (39 completed),
- 24 projects by UNDP (24 completed),
- 3 projects by the World Bank (2 completed)
- 1 project by UNIDO (completed).

38. The total amount of funds approved for training projects was US \$7,620,050 and 76% of funds has been disbursed (US \$5,761,586). The average cost approved for training projects was

US \$76,200; the average amount of funds disbursed US \$76,158 (funding ranged from US \$43,000 to US \$310,000).

b) Main Evaluation Issues

- Do Implementing Agencies apply a common training strategy and do they follow the training guidelines adopted by the 23rd meeting of the Executive Committee (Dec. 23/48, para. 85)? Do all Implementing Agencies adhere to existing guidelines for training? To what extent do the training strategies developed for a country take into account the elements of the country programme?
- Is the training strategy being adjusted as the clientele for training activities changes (i.e. from a few large companies to a large number of small enterprises)?
- Are the objectives of the training activities clearly defined? Are they clearly communicated to the National Ozone Units and to the participants? What has been the process for targeting participants?
- Do Implementing Agencies have adequate systems to obtain feedback from National Ozone Units regarding the specific needs of the country? Have National Ozone Units been useful in supporting the planning of training activities? Have national experts been used in planning and implementing training activities?
- Is the funding for training activities adequate and disbursed in a timely fashion?
- What experiences are gained by providing pre-designed training packages? How does this approach compare with tailor-made programmes based on assessments of local needs? Are the training programmes more demand and or supply-driven? How are the lessons learnt build into future programme design?
- What about timing and sequencing of programmes and their co-ordination with the delivery of equipment in order to facilitate the application of knowledge acquired? Are the training activities sufficient to build sustainable skills and capacities of the targeted groups?
- What information on results and impact of training has been collected by Implementing Agencies? Is there an evaluation framework in place in all Implementing Agencies implementing training? Are these frameworks coordinated? What indicators of performance are presently used to assess and evaluate training?
- Do Implementing Agencies systematically conduct training follow-up activities? Are training workshop reports prepared? Are lessons learned on training activities included in project completion reports? Are contacts with participants maintained?

c) Evaluation Methodology

- An in-depth desk study will gather more evidence on the results of training activities. Additional review of documents will include the review of evaluation forms completed by participants after each training.
- Interviews will be conducted with the Multilateral Fund Secretariat and Implementing Agencies.
- A detailed work plan will be prepared which will include tools for data collection (interview guides, questionnaires, etc.). Criteria for field visits will also be identified and agreed to.
- Field visits will be conducted in selected countries. During field visits, focus groups will be organized with training participants in order to assess their appreciation of learning, discuss applicability of training and identify effects of training. Visits to trainees organizations/companies will be made in order to identify the effects of training on the organizations/companies.
- The evaluation team will submit a report that describes the training results, identifies the lessons learned and provides recommendations.

d) Evaluation Team

39. The Evaluation Team will consist of experts knowledgeable about training evaluation in an international setting. The team will include:

- Team Leader: responsible for the overall quality of the evaluation, coordination of team and liaison with the Multilateral Fund Secretariat. The Team Leader will collect and analyze data and write the final report.
- Team Consultant: Depending on the size of the sample of projects selected a second consultant will, in collaboration with the Team Leader, collect data, analyze information, and write case studies as well as parts of the synthesis report.
- In each of the field visits, the Evaluation team will work with a local or regional consultant identified prior to the visit.

40. As needs emerge and based upon availability the team will benefit from the participation of Multilateral Fund Secretariat and Implementing Agency staff as resource persons.

e) Volume of work

41. The volume of work and the budget will depend on the approach taken and on the scope of the sample selected for field visits.

V Project Completion Reports (PCR)

Steps realized:

- Some project completion reports due were collected and entered into the database but there is still an important backlog (see table attached).
- Consultations were held with all Implementing Agencies concerning the suitability of the existing project completion report formats, the difficulties to provide all the information requested and possible ways to reform the format. It appeared that the formats are by and large accepted in their present form and that only minor changes and some clarifications are required.

Next steps planned:

- Continue to collect the PCRs due and enter them into the database. Eliminate the backlog until the 29th meeting of the Executive Committee in November 1999.
- Revise the rating system in the section *overall assessment*, and structure the narrative part of that section, taking into account the experiences made with the on-going evaluations.
- Develop a database format for PCRs (spreadsheet or template) and simplify some parts of the format.
- Establish a brief format for completion reports for project preparation projects as well as country programmes.

VI Enhancing the computerized information system for monitoring and evaluation

Steps realized:

- Analysis of the existing data bases which showed that they were not integrated well enough to proceed immediately with the development of a unified web interface.
- The existing databases have been converted to a consolidated database using a single format under MS-Access with a more user-friendly interface. Queries can now be done simultaneously in all databases while the original databases continue to be used for data entry and reporting.
- Several models have been developed for producing simplified queries and reports, for example on project progress realized during several reporting periods (including disbursement profiles) or on project activities by country.

Next steps planned:

- Developing the outline of country profile reports in Access format. Such reports will then be distributed in Access format first to external users in order to get some feedback before placing them on the web for authorized users.
- Developing the infrastructure for the planned web interface in a pilot project in cooperation with the Internet Service Provider of the Secretariat. If all products work as advertised any MS-Access reports can be made available on the web without major technical difficulties.
- Further improving the quality of the data by working on the data entry processes and eliminating remaining inconsistencies between various databases.
- Further simplifying the consolidated database and/or the original databases which still remain complex for ad-hoc queries of users who are not familiar with Access and the design of the databases.

**PROJECT COMPLETION REPORTS (PCRS) FOR ALL INVESTMENT PROJECTS
COMPLETED UP TO DECEMBER 1998**

(a)	PCRs Received		PCRs Due For Projects Completed		
	In 1998	In 1999	Before 1997	In 1997	In 1998
IBRD	49	38	16	12	55
UNDP	25	7	29	71	71
UNIDO	31	21	0	4	72
Bilateral	0	0	2	0	0
Total	105	66	47	87	198

**PROJECT COMPLETION REPORTS (PCRS) FOR ALL NON-INVESTMENT
PROJECTS COMPLETED UP TO DECEMBER 1998**

(b)	PCRs Received		PCRs Due For Projects Completed		
	In 1998	In 1999	Before 1997	In 1997	In 1998
IBRD	6	11	12	1	3
UNDP	0	26	53	13	24
UNEP	30	18	56	26	30
UNIDO	0	12	3	0	6
Bilateral	5	0	41	5	9
Total	41	58	174	45	72

Note: Country Programmes (107) and Preparation (397) projects are not included in the tables.