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DRAFT MONITORING AND EVALUATION WORK PROGRAMME FOR THE YEAR 2009

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

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I. Status of implementation of the 2008 monitoring and evaluation work programme

1. The following evaluation and monitoring activities were implemented in line with the 2008 monitoring and evaluation work programme:

(a) **Final report on the evaluation of management and monitoring of national phase-out plans (NPPs) in non-low-volume-consuming (non-LVC) countries**: the synthesis report based on eight country case studies was presented to the 54th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/54/12). After consideration of the report and its recommendations the Executive Committee encouraged in decision 54/11 non-LVC Article 5 countries implementing phase-out plans to consider a number of recommendations contained in the report. It also requested UNEP to disseminate to all interested Article 5 countries the on-line interactive customs training module and the manual for customs officers developed in Argentina. The Committee further requested implementing agencies to carefully complete the new multi-year agreement (MYA) overview tables, to improve the content and clarity of annual implementation reports (AIPs), and to ensure that all verification guidelines were followed.

(b) **Desk study on the evaluation of institutional strengthening projects**: the report was presented to the 54th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/54/13). After discussing several issues raised in the desk study and suggesting additional topics for further analysis, the Executive Committee noted the desk study on the evaluation of institutional strengthening projects, including the proposed evaluation issues and work plan for the second phase of the evaluation.

(c) **Final report on the evaluation of institutional strengthening projects**: consultants visited network meetings in all regions, collected questionnaires sent to all Article 5 countries, discussed with most ozone officers and many representatives from non-Article 5 countries and implementing agencies and prepared 14 country and 7 regional case studies. The synthesis report based on this information is being presented to the 56th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/56/8).

(d) **Desk study on the evaluation of terminal phase-out management plans (TPMPs)**: the report was presented to the 55th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/55/8). The Executive Committee noted information contained in the desk study on the evaluation of TPMPs in low-volume-consuming (LVC) countries including the proposed evaluation issues and work plan for the second phase of the evaluation, to be amended based on comments received from Members of the Executive Committee.

(e) **The consolidated project completion report (PCR) for 2008** provides the Executive Committee with an overview of the results reported in the PCRs received during the reporting period, i.e., since the 53rd Meeting in November 2007. It also reports on the follow-up to decision 53/6 with regard to establishing full consistency of data provided in PCRs, in the inventory and in the annual progress reports of the implementing agencies, and on their efforts to provide previously missing information and outstanding PCRs. In line with decision 48/12, lessons learned in the annual progress reports of MYAs are also included. The report is being presented to the 56th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/56/9).

(f) Work further progressed with regard to finalizing the introduction of **overview tables for multi-year agreements**. These overview tables had been found useful for project preparation and review, although the quality and completeness of the data entered was

still not satisfactory in some cases. Work was ongoing to ensure that all tables were completed to a good quality before data for subsequent tranches were entered by implementing agencies. Despite the remaining imperfections, the format was used in most cases to prepare new CFC phase-out plans and recently also to prepare and review requests for new tranches of existing CFC phase-out plans. Regular use of the forms, as requested in decision 54/11(c), together with clearer annual implementation plans should facilitate improved reporting on annual tranches of MYAs.

(g) **A prototype set of country profile tables** has been designed, as follow-up to decision 53/8. An example of such a country profile was included as Annex I to document UNEP/OzL.Pro/ExCom/55/7. The tables were programmed for presentation on the Secretariat's intranet. The data were extracted from databases maintained by the Ozone and the Fund Secretariats and would be updated automatically as the source databases changed.

II. Evaluation studies and monitoring work foreseen in the year 2009

(a) Evaluations underway and proposed

2. The following reports are being proposed for the monitoring and evaluation work programme for 2009, partly as continuation of work started and funded under the 2008 work programme and partly as new activities. The main selection criteria was the usefulness of the suggested evaluation studies for finalizing the phase-out of remaining CFC consumption as scheduled and for generating lessons learned for the planning and implementation of HCFC phase-out projects and plans:

(a) **Final report on the evaluation of TPMPs (underway)**: those plans are the main modality for phasing out the remaining consumption of CFCs and other ODS in LVC countries. In line with the desk study (document UNEP/OzL.Pro/ExCom/55/8), the progress achieved and lessons learned in achieving phase-out and compliance with the 50 per cent and 85 per cent reduction steps for CFCs will be evaluated in a number of country case studies, taking into account opportunities for cost-sharing in terms of country-level data collection with the evaluation of institutional strengthening projects. As per the suggestions of members of the Executive Committee at the 55th Meeting, the second phase of the evaluation will focus on lessons learned for future projects and programmes for HCFC phase-out. It will provide a comparative analysis of the different strategies including legislation and enforcement that countries selected in phasing out their last remaining CFC consumption. It will also look at how to ensure adequate monitoring of and reporting on recovery and recycling programmes in TPMPs, and indicate how training, tools and equipment supplied under TPMPs could contribute to the phase-out of HCFCs in the servicing sector.

(b) **Extended desk study (underway) and final report on the evaluation of chiller projects (proposed)**: financing the replacement of CFC-based chillers has been one of the challenges under the predominantly grant-based funding scheme of the Multilateral Fund. This is due to the large number of chillers (11,700 centrifugal chillers in the 17 largest Article 5 countries according to estimates in the report of the 2004 TEAP chiller task force) and funding requirements (about US $150,000 to US $200,000 replacement cost per chiller) on one side and on the other side the fact that the high energy savings from more efficient non-CFC chillers (usually about 30 %) would typically reduce the incremental cost of the conversion to zero or below. Nevertheless, the technical feasibility and financial attractiveness of chiller replacements needs to be documented and demonstrated to potential financing institutions. The owners of shopping malls or

hotels are often not interested in realizing the energy savings or have other priorities, and public sector institutions such as hospitals where many of the old chillers are located, have had great difficulties in mobilizing the required investment budget. To overcome these difficulties, a number of pilot schemes and demonstration projects were funded by the Multilateral Fund to demonstrate the technical feasibility to generate energy savings and the economic viability to mobilize resources external to the Multilateral Fund to duplicate the pilot projects.

(c) The Thai chiller programme with co-financing from the Global Environment Facility (GEF), the Mexican chiller project with co-funding from a local financing institution and the recently expanded chiller replacement demonstration programmes have generated experiences and lessons learned on how the Multilateral Fund has worked with other financing institutions (multilateral like GEF, bilateral like the Agence Française de Développement (AFD) and local banks), how the funding schemes were put together, how they complemented each other in their mandates, what barriers were encountered and how they were overcome, how policy changes like the introduction of the Resource Allocation Framework in the GEF may have affected access to funding, and how the operating procedures and administrative arrangements of different organizations have impacted on the success, cost and timing of mobilizing co-funding. This is an area where there has been no systematic assessment of the various projects by the Multilateral Fund. The evaluation plans to examine closely the activities of the Multilateral Fund and implementing agencies in setting up co-funding programmes with other institutions. The experiences gained, problems overcome and lessons learned are likely to be useful for developing co-funding schemes for the funding of HCFC phase-out as well. Other evaluation issues concern analyzing whether and to what extent the private sector has converted chillers with or without incentives from the Multilateral Fund in order to see whether the intended catalytic or multiplier effect of the incentive programmes took place. Changing circumstances such as opening up of other funding options, introduction of stricter legislation, awareness raising about the 2010 final phase-out target and non-availability and increased prices of virgin CFC-11 and/or recycled CFC-11, as well as better options for retrofits are also likely to be analyzed. The issues and best choices for country case studies will come out clearly once the ongoing desk study has explored them further.

(d) **Evaluation of experiences made in converting foam-manufacturing companies and foam insulation production in refrigeration companies to non-HCFC alternatives, such a hydrocarbons, water and HFC-245fa (proposed)**: in the phase-out of CFC-11 in the manufacture of foams and the foam-insulation part of refrigeration equipment, a considerable number of industries in Article 5 countries decided to move straight from CFC-11 to a final solution such as hydrocarbon or water, especially for foam insulation in the domestic refrigeration sectors. The Multilateral Fund supported 493 such conversions in the foam sector and 119 in the refrigeration sector (see Annex I). At the same time there were also numerous companies that decided to move from CFC to HCFC-141b, with the clear understanding that the chosen alternative was a transitional solution and the final conversion would be their own responsibility (488 approved projects in the foam and 343 in the refrigeration sector). This happened for a number of reasons mainly related to safety concerns, especially for small companies, industry and building standards as well as cost and market considerations. As per decision XIX/6 of the Nineteenth Meeting of the Parties, HCFCs with a relatively high ODP value such as HCFC-141b should be phased out first taking into account national circumstances, to enable Article 5 countries to meet the freeze in 2013 and the first reduction step of 10 per cent in 2015.

(e) It would be useful to examine the post-conversion situations in those enterprises that took the interim step of moving from CFC-11 to HCFC-141b, and those which chose the conversion to non-ODS. A comparison could look into the environmental benefits, the short-term versus the longer-term cost implications of the various alternatives, the role of systems houses in the conversion of foam companies, the market acceptance of the products with interim versus the final conversion, the safety situation and the competitiveness of the two groups of companies, and the particular situation of LVC countries and of small and medium-sized enterprises. This could provide lessons learned for Article 5 countries and industries to facilitate their decisions on technology choices for phasing out HCFCs in view of available HCFC alternatives. It would also make it possible to assess the status quo of those companies that took the interim solution, whether they prefer to stay with HCFC technology, whether they are in the meantime planning the second conversion or whether they have already moved to a final conversion due to market reasons.

3. The monitoring and reporting tools under development or suggested, like the MYA overview tables, the country profiles and the PCR format for MYAs are designed to facilitate reporting, to allow easy access to data by various stakeholders, including members of the Executive Committee, to facilitate project review by the Fund Secretariat and to improve transparency and accountability of activities planned and implemented and results achieved. These tools will also be useful for monitoring of and reporting on HCFC phase-out plans and projects:

(a) **Finalizing the web-based overview tables on multi-year agreements**: these tables have been created to standardize the information on results obtained under the previous funding tranche and activities planned under the tranche for which funding is requested. The data input formats have been completed and further work is required to create a user friendly query facility, reporting and printing formats as well as aggregation tools for future summary reporting. Continuous maintenance of the database also needs to be assured. This will facilitate the regular use of the tables as requested in decision 54/11(c).

(b) **Completing the development of web-based country profiles**: this work consists of finalizing the tables and data importing mechanisms, by developing user friendly pre-formatted queries and by consulting with UNEP's Compliance Assistance Programme (CAP) team and other implementing agencies and Article 5 countries on the content of draft country profiles before placing them on the web, in particular with regard to assessing risks of non-compliance, as per decision 53/8. Comments and amendments received, including considerations relating to the factors determining the risks of non-compliance such as adequate legal frameworks implemented and other background information provided, would be taken into account for the final version scheduled for completion by the 57th Meeting of the Executive Committee.

(c) **Development of a completion report format for MYAs**: this is planned to be completed by mid-2009, taking into account the information in the MYA overview tables, providing data on activities completed, results obtained, funds disbursed and remaining balances, and adding assessment sections, in particular on lessons learned for preparation and implementation of HPMPs. Such a format is needed as the first two MYAs were reported as completed in 2006 and another three in 2007 while most MYAs are scheduled for completion in 2009 and 2010.

(d) **Consolidated project completion report for 2008**: this is a statutory report due for presentation to the third meeting of the Executive Committee in each year, summing up the results and lessons learned in the PCRs received during the reporting period.

4. An overview of the evaluation studies and monitoring work proposed for 2009 is presented in Table 1 below. For 2010, further activities will be suggested at the end of 2009.

Table 1

2009 SCHEDULE FOR SUBMISSION OF DOCUMENTS ON MONITORING AND EVALUATION TO THE EXECUTIVE COMMITTEE

1st Meeting 2009 (57th)	2nd Meeting 2009 (58th)	3rd Meeting 2009 (59th)	1st Meeting 2010 (60th)
• Final report on the evaluation of TPMPs • Desk study on the evaluation of chiller projects • Report on the development of web-based country profiles	• Extended desk study on experiences made in converting foaming operations to HCFC and to non-HCFC alternatives • Report on the development of completion reports for MYAs	• Final evaluation report on chiller projects • 2008 consolidated project completion report • Draft 2009 monitoring and evaluation work programme	• Final report on the evaluation of converting foaming operations to HCFC and to non-HCFC alternatives

(b) Implementation modalities and methodological approach

5. The practice of preparing desk studies for consideration of the Executive Committee has proven to be useful for the identification of the main evaluation issues and the preparation of adequate terms of reference for field visits. This practice is therefore planned to be continued. Desk studies consists of preparing a detailed review of project documents, progress reports, project completion reports and other relevant information from the databases available in the Multilateral Fund Secretariat. Extended desk studies also use other sources of information such as interviews by phone and e-mail, participation in network meetings and in some cases a few field visits, in order to complement the written information and to develop a thorough approach to the main phase of the evaluation.

6. Specific evaluation methodologies are worked out for each study, including the elaboration of questionnaires and/or guidelines for structured interviews to be conducted with relevant public and private stakeholders during visits to a representative sample of countries in all regions. The case studies resulting from such visits are then synthesized and the summary reports with conclusions and recommendations presented to the Executive Committee.

7. All draft evaluation reports are extensively discussed with the ozone units of the countries visited and the implementing and bilateral agencies concerned, and the comments received are taken into account for the final versions. This facilitates the discussion in the Executive Committee and the acceptance of the recommendations.

8. In line with decision 46/7(c), evaluation reports submitted to the Executive Committee are for general distribution. They are posted on the public web site of the Secretariat (www.multilateralfund.org) at the time of dispatch, jointly with the decisions taken by the Executive Committee after discussing them. The project and country case studies are placed on the intranet of the Secretariat.

(c) Budget

9. The main budget items for conducting the proposed evaluations consist of fees and travel costs for consultants. The use of individual consultants has generally given good results due to their technical expertise in specialized fields and is significantly less costly than hiring consulting companies. Therefore, it is intended that the hiring of individual consultants from both non-Article 5 and Article 5 countries and with gender balance in mind for the evaluations planned will continue as much as possible. This applies also to programming work for web-based monitoring and reporting tools where companies, in particular larger ones, rarely have the flexibility needed to respond to comments received over several months and to continuously work on improvements.

10. Table 2 below provides best estimates of cost for the proposed evaluation and monitoring activities in the year 2008. The costs for finalizing the evaluations of TPMPs and of the desk study on chiller projects have already been budgeted in the 2008 work programme. Desk studies usually cost about US $10,000 or more if some field visits are already involved. Country case studies cost about US $10,000 on average per country for consultant's fees and travel cost, and the draft synthesis reports about US $10,000 to 20,000, depending on the number of consultants involved. As those estimates may vary for each particular study, depending on the approach used, some flexibility in expenses between the various studies proposed is assumed. The total budget proposed for the 2009 work programme is US $326,000, the same as in 2008.

Table 2

PROPOSED BUDGET FOR THE 2009 MONITORING AND EVALUATION WORK PROGRAMME

Description	**Amount (US $)**
Case studies and final report on the evaluation of chiller projects, focusing on incentive programmes and cofinancing	90,000
Extended desk study on experiences made in converting foaming operations to non-HCFC alternatives	30,000
Case studies and final report on experiences made in converting foaming operations to HCFC and to non-ODS alternatives	120,000
Programming work for finalizing MYA tables and country profiles	30,000
Staff travel	50,000
Equipment (computer, etc.)	4,000
Communication (phone, mail carriers, etc.)	2,000
TOTAL	**326,000**

III. Action expected from the Executive Committee

11. The Executive Committee may wish to consider approving the proposed 2009 work programme for monitoring and evaluation at a budget of US $326,000, as shown in document UNEP/OzL.Pro/ExCom/56/10.

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Annex I

PROJECTS/SECTORS PROPOSED FOR DESK STUDIES AND FIELD EVALUATIONS IN THE DRAFT MONITORING AND EVALUATION WORK PROGRAMME FOR THE YEAR 2009

Sector	Agency	No. of Approved Projects	No. of Completed Projects	Total Funds Approved	Total Funds Disbursed	ODP Approved (tons)	ODP Phased Out (tons)	PCR Received
Chiller	**Investment Projects**							
	Total	**7**	**7**	**2,708,783**	**1,473,219**	**65**	**67**	**6**
	IBRD	4	4	1,803,443	604,496	55	55	4
	Bilateral	3	3	905,340	868,723	10	11	2
	Non-Investment Projects (Demonstration and Technical Assistance)							
	Total	**18**	**6**	**15,937,314**	**1,319,926**	**105**	**4**	**5**
	IBRD	2	1	7,590,629	706,017	105	4	1
	UNDP	5	1	4,059,353	75,000	0	0	0
	UNEP	1	0	200,000	0	0	0	0
	UNIDO	3	0	2,402,535	33,839	0	0	0
	Bilateral	7	4	1,684,797	505,070	0	0	4
Foam Sector: Conversions to non-HCFCs	**Total**	**493**	**484**	**220,846,377**	**209,118,492**	**44,559**	**44,666**	**473**
	IBRD	113	107	101,630,321	91,014,971	20,973	21,092	100
	UNDP	279	278	70,109,650	69,901,026	12,924	12,911	275
	UNIDO	77	75	43,094,875	42,191,640	9,650	9,650	75
	Bilateral	24	24	6,011,531	6,010,855	1,012	1,012	23
Foam Sector: Conversions to HCFCs	**Total**	**488**	**487**	**125,281,658**	**123,958,253**	**20,172**	**20,057**	**477**
	IBRD	98	98	26,409,191	26,377,061	4,364	4,342	96
	UNDP	344	343	78,745,750	77,454,475	12,594	12,546	336
	UNIDO	42	42	19,670,775	19,670,775	3,141	3,119	42
	Bilateral	4	4	455,942	455,942	73	50	3
Refrigeration Sector: conversions of foaming part to non-HCFCs	**Total**	**119**	**116**	**166,456,299**	**164,684,388**	**18,101**	**18,029**	**111**
	IBRD	28	27	34,382,318	34,094,267	4,035	4,032	25
	UNDP	22	22	29,967,344	29,950,196	3,429	3,430	22
	UNIDO	64	62	95,551,551	94,175,959	10,073	10,098	61
	Bilateral	5	5	6,555,086	6,463,966	564	469	3
Refrigeration Sector: Conversions of foaming part to HCFCs	**Total**	**343**	**338**	**110,924,080**	**107,316,925**	**13,320**	**12,792**	**329**
	IBRD	68	68	24,984,576	24,518,096	3,340	3,347	67
	UNDP	160	156	57,326,206	54,827,088	6,989	6,460	152
	UNIDO	113	112	28,506,403	27,866,461	2,985	2,981	110
	Bilateral	2	2	106,896	105,281	7	3	0