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GUIDELINES ON PROJECT MONITORING AND EVALUATION

(Revised)

<u>Submission Note</u>

This document is a revised version of the paper which the Fund Secretariat submitted to the Seventeenth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/17/53). This current version incorporates comments by members of the Committee and the implementing agencies.

Introduction

Mandate

1. The Terms of Reference of the Multilateral Fund mandates that:

> “The Executive Committee shall draw up reporting criteria and shall invite the implementing agencies to report regularly to it in accordance with those criteria.” (Terms of Reference for the Multilateral Fund, para. 5, UNEP/OzL.Pro/4/15, Annex IX).

2. This mandate is further elaborated in the Terms of Reference of the Executive Committee as follows:

The Executive Committee shall:

> “ Develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources ;
> “ Review regularly the performance reports on the implementation of activities supported by the Multilateral Fund;
> “ To monitor and evaluate expenditure incurred under the Multilateral Fund;
> “ To report annually to the meeting of the Parties on the activities exercised under the functions outlined above....” (Terms of Reference of the Executive Committee, para. 10 (a), (e), (f), and (j), UNEP/OzL. Pro/4/15, Annex X).

Purpose of the guidelines on monitoring and evaluation

3. These guidelines on monitoring and evaluation are intended to lay down the reporting criteria and indicators for the monitoring and evaluation of the programmes and projects supported by the Multilateral Fund.

Basic considerations for the monitoring and evaluation under the Multilateral Fund

4. Monitoring and evaluation of activities supported by the Multilateral Fund should take advantage of, and build upon the existing monitoring and evaluation infrastructures of the implementing agencies which have in place well-designed monitoring and evaluation systems covering both their field and headquarters operations. Therefore, the Multilateral Fund should encourage the utilization and adaptation of these systems to serve the purposes of the monitoring and evaluation of Fund supported activities.

5. The criteria and indicators delineated in the guidelines should be applied to all the activities supported by the Multilateral Fund. This is especially important considering the multitude of organizations/institutions involved in the monitoring and evaluation of the activities of the Fund and the need for consistency of data collection and comparability of the results from

monitoring and evaluation, system-wide. Therefore, it is the responsibility of the implementing agencies to ensure that these criteria and indicators are supported by their existing systems and are adopted by their local agents in the field.

Definitions

Monitoring: refers to supervisory activities carried out by project management at different levels over the entire implementation process of the project to ensure the attainment of its objectives.

Evaluation: refers to an ex-post study carried out at the end of the project cycle after termination or completion of the project. Evaluation is distinguished from monitoring by its emphasis on the ultimate impact of the project and its focus on learning lessons which can be applied to subsequent projects.

Identification→Design→Appraisal→Implementation (during which monitoring and Review takes place)→Completion (when a Project Completion Report is prepared)→ Evaluation

Implementing agencies: refers to UNEP, UNDP, UNIDO, the World Bank and all the other bilateral implementing agencies.

Objectives of Monitoring and Evaluation

6. Monitoring and evaluation as a management tool should enable the management of the Multilateral Fund to:

- measure the effectiveness of individual programmes and projects in achieving their objectives;
- measure the effectiveness and impact of the Fund as a programme in achieving its goal; i.e. to enable the Article 5 countries to comply with the control measures set out in the Montreal Protocol; and
- improve future decision making through lessons learned.

Responsibilities

7. It is the responsibility of the implementing agencies, with the cooperation of national governments, to ensure that monitoring and evaluation be carried out according to the policies and guidelines of the Multilateral Fund. Depending on their *modus operandi*, the implementing agencies and national governments should mobilize and organize their local offices and local agents operating under their monitoring and evaluation systems to enable them to meet their reporting requirements towards the Multilateral Fund. The Secretariat of the Multilateral Fund

should synthesize and consolidate the reports from the implementing agencies for submission to the Executive Committee.

8. With the exception of country programmes, reporting on progress of implementation should be submitted by the implementing agencies at intervals of six months. A completion report should be submitted within one month of the completion of a project. A project evaluation report, where needed, should be submitted three months after a project is completed. An analysis of the results of evaluations undertaken within a calendar year should be submitted by each responsible implementing agency at the end of each calendar year, including projects costing less than US $200,000 where the project completion report serves as the basis for evaluation.

9. In the case of country programmes, the responsible national government should submit an implementation progress report at intervals of twelve months, in accordance with the format for reporting on implementation of country programmes adopted by the Executive Committee at its Thirteenth Meeting (UNEP/OzL.Pro/ExCom/13/47, Annex II), and a completion report or evaluation report six months after implementation completion.

10. The Secretariat of the Multilateral Fund should include a section in the consolidated progress report on monitoring of the activities supported by the Multilateral Fund every six months, as well as an annual analysis of results of evaluations undertaken Fund-wide within a calendar year for submission to the Executive Committee. For the latter assignment, the Secretariat may carry out particular ex-post evaluations, if warranted, to supplement those undertaken by the implementing agencies, as well as evaluations on specific, cross-agency issues.

11. Each project evaluation report should provide an overall assessment of the success of the project according to the Project Performance Success Ratings, as provided in Annex I.

Categories of Evaluations

12. Different categories of evaluations should be conducted on projects with varying levels of costing:

- Desk evaluation: For projects costing less than US $200,000. This category of evaluation should be combined with end-of-project monitoring, and project completion report should serve as basis of evaluation;
- Cluster evaluations: For projects costing between US $200,000 and US $1,000,000. This category should be applied to a multiple of projects in the same sector in one country or in a few neighbouring countries, with the results produced in one evaluation report; and
- In-depth evaluation: For projects costing over US $1,000,000, where the cost of the project warrants such an exercise.

13. Notwithstanding the above categories, there could be circumstances where the complexity of the project, the potential impact of the result on other projects or other special circumstances may call for a detailed evaluation irrespective of the cost of the project.

Costs of Monitoring and Evaluation

14. Costs of monitoring and evaluations should form part of project costs. According to international practice, an in-depth evaluation which requires two man-months of consultancy service is typically costed at 2 percent of a project costing over US $1,000,000. The other categories of evaluations should cost less than this amount.

Criteria and Indicators for Monitoring and Evaluation

15. These criteria and indicators cover investment, technical assistance, demonstrations, institutional strengthening, country programmes and information clearing-house. Investment, technical assistance and demonstrations are treated under one category since they pertain to activities of a similar nature.

<u>Investment, technical assistance and demonstrations</u>

Criteria	Indicators
1. Efficiency in project implementation	Speed of project implementation: • Number of months elapsed between project approval and signing of project document (e.g. grant agreement) by implementing agency and Government; • Number of months elapsed between project approval and first disbursement from approved project budget; • Number of months between project approval and completion (measured by submission of completion report).
2. Elimination of the amount of ODS as stated in the project	• Termination of ODS-based production; • Documented evidence of decommissioning and destroying of ODS-specific components of the ODS-based production equipment; • Certificate issued by a national regulatory authority for phase-out (if applicable).
3. Safety and environment standards	• License of production/certificate of safety issued by national regulatory institution.
4. Implementation of technology transfer	• Availability;

Criteria	Indicators
	• Level of sophistication and adaptability; • Adequacy of technical support.
5. Cost effectiveness of phase out	• Cost-effectiveness realized against the cost-effectiveness value calculated when the project was approved; • Audited records of project expenditures.
6. Economics of the new products	• Sales volume and market share of the new products; • Pricing level as compared with the old ODS-based products.
7. Replicability of the results (for demonstrations)	• Number of enterprises which applied the results of the demonstrations.

Institutional Strengthening

Criteria	Indicators
1. Effectiveness in proposing policy and regulatory initiatives	• Number of policy and regulatory initiatives proposed and adopted.
2. Effectiveness in implementing national phase-out programme	• Accuracy in ODS consumption and reduction data collection and timely submission of such data to Ozone Secretariat; • Timely communication and implementation of policies and guidelines of the Multilateral Fund; • Initiatives taken to prioritize project submission, to monitor import/export of CFCs, etc.
3. Effectiveness in coordinating the activities of implementing agencies	• Number of requests to implementing agencies for assistance in the country; • Number of project proposals submitted through it to the implementing agencies; • Involvement in project preparation and implementation: role in project preparation, signing of grant agreements, coordinating with financial agency, participation in opening bids, etc.
4. Scope and effectiveness of publicity programmes	• Target groups reached; • Number and variety of public information activities organized.

Country Programmes

Criteria	Indicators
1. Effectiveness in implementing the phase out of ODS	• ODS phase out (in ODP/tonnes) realized against target set in the country programme, sector-wide and nation-wide; • Schedule of ODS phase out achieved against the schedule set in the country programme, sector-wide and nation-wide.
2. Effectiveness of government actions	• Legislations and government decrees enacted against those stated in the country programme; • Record of enforcement; • Enabling fiscal policies implemented against those stated in the country programme and their impact on the control of ODS consumption and production.
3. Implementation of phase out by industries	• Number of industries converted to non ODS technologies against those listed in the country programme; • Substitute technologies transferred to the country against those stated in the country programme; • Non-ODS based products manufactured locally.

Information Clearing-house

Criteria	Indicators
1. Volume of information output	• Number of information products such as brochures, newsletters, technical literature, etc.; • Number of information delivery mechanisms utilized, printed material, computer, mass media, workshops, etc.
2. Quality of information products	• Updatedness of the information; • Scope and depth of subjects dealt with.
3. Effectiveness of information delivery mechanisms utilized	• User feedback analysis; • Target groups reached: a breakdown by categories like government, industries, implementing agencies, NGOs, etc.; • Frequency of evaluations undertaken of such mechanisms.

Criteria	Indicators
4. Cost-effectiveness of the clearing house operation	• Cost/per unit of each category of information products against industry norms; • Cost-effectiveness of each delivery mechanism utilized.
5. Impact of the information clearing house on ODS phase out	• Subject for a thematic evaluation to be undertaken at certain intervals by a combination of survey, and interviews.

Follow-up

16. The implementing agencies and the Secretariat of the Multilateral Fund should identify and compile lessons to be learned by preparing Fund-wide analysis of evaluation results and prepare recommendations to the Executive Committee on follow-up by various parties involved in the project cycle.

Action required of the Executive Committee

17. The Executive Committee may wish to approve the Guidelines on Monitoring and Evaluation and request that the reporting requirements included therein be followed by all implementing agencies in undertaking monitoring and evaluation of activities supported by the Multilateral Fund, and that they be implemented from 1 January 1996.

18. The Executive Committee may also wish to request that the implementing agencies should work together on sector-specific technical guidelines on the monitoring and evaluations of investment projects for adoption Fund-wide. These technical guidelines should be submitted to the 19th Meeting of the Executive Committee.

ANNEX I

PROJECT PERFORMANCE SUCCESS RATINGS

The project performance success rating is an overall assessment of the achievement of the project towards its objectives, and is intended as a tool to render the performance of projects comparable across implementing agencies.

The Overall Success Rating for a project is allocated on a scale from A to E according to the following rating system:

Highly Successful (A): objectives completely achieved or exceeded, very significant overall benefits in relation to costs

Successful (B): objectives largely achieved, significant overall benefits in relation to costs

Partially Successful (C): some objectives achieved, some significant overall benefits in relation to costs

Largely Unsuccessful (D): very limited achievement of objectives, few significant benefits in relation to costs

Unsuccessful (E): objectives unrealized, no significant benefits in relation to costs, project abandoned

The preparation of the overall performance success rating is done by a tabulated series of performance ratings on the individual aspects of the project according to the performance criteria established in the guidelines. Each performance criterion is awarded a rating based only on the underlined sections of the five point scale above. A hypothetical investment project example is given below:

Project Performance Criteria (Investment)	**Success Rating**
Efficiency in project implementation	B
Elimination of the amount of ODS as stated in the project	B
Safety and environment standards	A
Implementation of technology transfer	A
Cost effectiveness of phase out	B
Economics of the new products	B
OVERALL SUCCESS RATING	B