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GUIDELINES ON MONITORING AND EVALUATION

Introduction

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).

3. The purpose of this paper is to propose draft guidelines on the monitoring and evaluation of the programmes and projects supported by the Multilateral Fund.

Monitoring

4. This section covers the reporting requirements for the monitoring of the implementation of projects financed by the Multilateral Fund. It covers technical assistance, institution strengthening, and investment projects. Reporting requirements for the implementation of country programmes have been adopted by the Executive Committee at its 13th Meeting under the title " Format for Presentation of Information on Progress of Implementation of Country Programmes", (UNEP/OzL.Pro/ExCom/13/47 Annex II). That Format should form part of this Guideline.

A. Mandate

5. It is mandatory that the Multilateral Fund carries out continuous monitoring of the implementation of the activities it supports in order to achieve the stated objectives of these activities in a cost-effective manner and to satisfy the accountability requirements under the Fund. The monitoring system for the Multilateral Fund is intended to provide timely analytical information on project achievements and problems, focusing on such aspects like efficiency,

effectiveness and impact of the supported activities. The monitoring system provides justification and direction for any remedial action that may be required as well as lessons from which management can learn for the future.

B. Purposes

6. The purposes of the monitoring system are:

a) To report on the status of the project after each period of (6 months), hence to record regularly the progress made in the implementation of the project;
b) To identify and analyze constraints that impede the progress of the project;
c) To recommend actions required.

C. Progress

7. Criteria and indicators of progress as milestones for each category of activities according to their project cycle to facilitate monitoring their status of implementation at any given point in time are set out below:

Institutional Strengthening

Criteria:

1. Authority for decision making
2. Ability to coordinate national phase-out programme
3. Ability to coordinate the activities of the implementing agencies
4. Effectiveness of public awareness programme

Indicators:

- Policy and regulatory initiatives proposed and adopted during the reporting period;
- Accuracy in ODS consumption and reduction data collection and timely reporting of such data to Ozone Secretariat;
- Decisions, or the like, taken in consultation with government institutions and industries on policy and project issues during the reporting period such as project prioritization, regulatory actions to increase tax on imported ODS, ban of imports of halons, etc.;
- Timely dissemination and implementation of policies and guidelines of the Executive Committee;
- Number of requests by implementing agencies for assistance in the country;
- Number of project proposals submitted through it to the implementing agencies;

- Involvement in project implementation: Signing of grant agreements, coordination with financial agency, participation in opening of bids, etc.;
- Target groups reached; and
- Feedback received.

Investment projects

8. This should also cover technical assistance and demonstration projects.

Indicators:

- Signing of project document by implementing agency and government;
- First disbursement made from approved project budget and its date;
- Equipment procurement and construction;
- Site preparation;
- Engineering and product/model development work;
- Shipping and delivery of equipment ;
- Installation and tune up ;
- Training;
- Pilot production and field testing;
- Production start up;
- Commissioning and evaluation; and
- Safety and environment audits.

Evaluations

A. Mandate

9. It is the mandate of the Multilateral Fund to conduct evaluations of programmes and projects it supports to ensure the effectiveness of its operation in reaching its goal as well as its impact on the global environment. By definition evaluation is an instrument which enables management to exercise oversight over project implementation and meet accountability requirement. While it is desirable to have the maximum degree of accountability , it is done at a cost. It is therefore necessary to achieve a balance between the degree of accountability and level of cost. It is also essential to maintain the credibility of the information generated by conducting evaluations independently. For that purpose, there should be a separation of responsibilities between those institutions which are directly involved in project design and implementation and those which have oversight functions.

B. Purposes of evaluation

10. Evaluation as a management tool should enable the Executive Committee 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; and
- improve future decision making through lessons learned.

C. Categories of evaluations

11. Different categories of evaluations should be conducted on projects with varying levels of costing, for example:

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

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.

D. Costs of evaluations

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

E. Responsibilities

13. The responsibility for evaluations should rest jointly with the programme management of implementing agencies, national governments and the Executive Committee. All these bodies should contribute to maintaining the credibility of the process and the output of information from the process. The implementing agencies should be responsible for the initial evaluation information and should provide to the Executive Committee annual synthesized results of evaluations undertaken in a given year according to criteria to be defined.

14. The Executive Committee should, with the assistance of the Secretariat, produce an annual analysis of the evaluations undertaken Fund-wide. This analysis should be based on the inputs from the implementing agencies and the evaluations which are undertaken directly by the Secretariat in areas where the Executive Committee believes an independent examination is warranted.

F. Criteria and indicators

15. The following criteria should be incorporated in any evaluation system that would be used to evaluate projects and programmes supported by the Multilateral Fund. These criteria cover investment, technical assistance, demonstrations and institutional strengthening projects; country programmes; and information clearing house.

16. A grading system should be developed and agreed upon Fund-wide for each item and for an overall assessment of the project evaluated. That should render the results from the evaluations comparable across projects and across agencies. That grading system once ready should form part of the criteria.

Investment and technical assistance projects

Criteria:

1. Project implementation, the delivery of project inputs;
2. Elimination of the amount of ODS as stated in the project;
3. Safety and environment standards;
4. Implementation of technology transfer;
5. Cost effectiveness of phase out;
6. Economics of the new products.

Indicators:

- Timely delivery of project inputs, that is according to work plan;
- Quality of inputs delivered, that is according to specifications;
- Termination of ODS-based production and decommissioning and destroying of ODS specific components of the ODS -based production equipment;
- Successful application of the substitute technology as stated in the project;
- Successful production of non-ODS based products;
- Certificate issued by national regulatory authority for phase out;
- Licenses of production issued by national regulatory institutions;
- Availability;

- Sophistication and adaptability;
- Adequacy of technical support;
- Cost-effectiveness realized against the sectoral cost-effectiveness threshold applied when the project was approved;
- Audited records of project funds;
- Sales volume and market share of the new products;
- Pricing level as compared with the old ODS-based products.

Demonstration projects

17. Evaluation of demonstration projects should use the criteria and indicators for investment projects since they are of the same nature, with the following supplementary criteria added:

Replicability of the results of the projects

Indicator:

- Number of enterprises which applied the results of the demonstration projects.

Institutional strengthening

Criteria:

1. Authority for decision making;
2. Effectiveness in coordinating national phase out programme;
3. Effectiveness in coordinating the activities of implementing agencies;
4. Scope and effectiveness of publicity programmes.

Indicators:

- Policy and regulatory initiatives proposed and adopted;
- Accuracy in ODS consumption and reduction data collection and timely submission of such data to Ozone Secretariat;
- Decisions/actions taken on policy and project issues like project prioritization, regulatory actions to increase tax on imported ODS, ban on imports of halons,etc.;
- Timely communication and implementation of policies and guidelines of the Executive Committee;
- Number of requests for assistance by implementing agencies in the country;
- Number of project proposals submitted through it to the implementing agencies;

- Involvement in project implementation: signing of grant agreements, coordinating with financial agency, participation in opening bids, etc.;
- Target groups reached; and
- Feedback received.

Country programmes

Criteria:

1. Implementation of ODS phase out;
2. Effectiveness of government actions;
3. Implementation of phase out by industries.

Indicators:

- ODS phase out (in ODP/tons) realized against target set in the country programme, nation-wise and sector-wise;
- Schedule of ODS phase out achieved against the schedule set in the country programme, nation-wide and sector-wide;
- Schedule of service-tail phase out achieved (if any) against the schedule set in the country programme;
- Legislations and government decrees enacted against those stated in the country programme;
- Record of enforcement;
- Enabling monetary and fiscal policies implemented against those stated in the country programme;
- Their impact on the control of ODS consumption and production;
- 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:

1. Volume of information output;
2. Quality of information products,
3. Effectiveness of information delivery mechanisms utilized;
4. Cost-effectiveness of the clearing house operation;
5. Impact of the information clearing house on ODS phase out.

Indicators:

- Number of information products such as brochures, news letters, technical literature, etc.;
- Number of information delivery mechanisms utilized, printed material, computer, mass media, workshops, etc.;
- Updatedness of the information;
- Scope and depth of subjects dealt with;
- User feedback analysis;
- Target groups reached: a break-down by categories like government, industries, implementing agencies, NGOs, etc.;
- Frequency of evaluations undertaken of such mechanisms.;
- Results of such evaluations and follow-up;
- Cost/per unit of each category of information products against industry norms; and
- Cost-effectiveness of each delivery mechanism utilized.

18. With regard to the impact of the information clearing house on ODS phase out listed above, this should be the subject for a thematic evaluation undertaken at a certain point in time by a combination of surveying and interviewing a random sample of end-users of the information products like government, industries, financial intermediaries, ozone units, NGOs, consultants and others.

G. Follow-up

19. The implementing agencies and national governments are responsible for responding to and following up on the recommendations from the evaluations. Those recommendations on improving on Fund management should be reviewed and followed up by the Executive Committee.

H. Annual analysis of evaluations

20. The Secretariat should prepare an annual report of all evaluations conducted in a given year. This report synthesizes results of and lessons learned from evaluations. This report should be submitted to the Executive Committee for review and action.