



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/19/63
7 May 1996

ORIGINAL: ENGLISH

Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Nineteenth Meeting
Montreal, 8-10 May 1996

**DESIGN OF A MONITORING AND EVALUATION SYSTEM
FOR THE MULTILATERAL FUND**

(DRAFT TERMS OF REFERENCE)

At its 18th Meeting, the Executive Committee decided on certain interim steps to be followed in monitoring and evaluation of the Multilateral Fund supported projects pending the development of guidelines for project monitoring and evaluation. The Committee also encouraged the Fund Secretariat and the implementing agencies to seek expert outside assistance, as necessary, in the further development of the guidelines. The Fund Secretariat, in collaboration with the implementing agencies, has developed the Terms of Reference included in this document for the finalization of the monitoring and evaluation system of the Multilateral Fund.

Action expected of the Executive Committee

The Executive Committee may want to endorse the draft Terms of Reference, which will enable the Secretariat to proceed with the task in cooperation with the implementing agencies.

Introduction

Purpose

1. The purpose of these terms of reference is to guide the design of a monitoring and evaluation system for the Multilateral Fund for approval by the Executive Committee.

Mandate

2. At its 18th Meeting in Nov. 1995, the Executive Committee reviewed a draft paper on project monitoring and evaluation prepared by the Fund Secretariat (UNEP/OzL.Pro/ExCom/18/64). Convinced that the draft paper should be further refined, the Executive Committee adopted an interim step in the form of a decision (Decision 18/20) and requested "that the Secretariat and the implementing agencies should be encouraged to seek expert outside assistance, as necessary, in the further development of the guidelines."

Background

The need to know

3. The Montreal Protocol is the first international environment agreement which is being implemented in good faith by mankind to restore the health of the ozone layer, a protective shield of the earth from the harmful ultra-violet radiation of the sun. The Multilateral Fund for the Implementation of the Montreal Protocol is a teststone of a new form of international cooperation to achieve this and other similar global goals for the common good. There is a genuine desire in all the stakeholders of the Fund to know about the performance of the Multilateral Fund.

4. On the operational level the Multilateral Fund has also reached significant global coverage since its inception in 1991. It has disbursed, as of December 1995, US \$425 million to 1,200 projects spread out across 93 countries, targeting at approximately 60,000 tonnes of ODS being eliminated. The performance of these programmes and projects is part of the management responsibility of the Executive Committee and other levels of management.

Main Features of the Fund operation

5. The following is a brief discussion of the main features of the Fund operation which will have an impact on the design of the monitoring and evaluation system.

- Finite and target driven: The global ODS phaseout date is set at the year 2010 which also determines the mandate of the Fund. This will be a defining assumption which will distinguish the monitoring and evaluation system of the Fund from the traditional models of monitoring and evaluation of development assistance programmes.

- Multiple institutions and layers of management: Institutions involved in the Multilateral Fund include Meeting of the Parties, the Executive Committee, the Secretariat, the implementing agencies, national governments, ozone units, financial intermediaries and enterprises. Some of the institutions are permanent while others are sessional. This multiplicity of institutions underlines the crucial need for uniformity of standards and criteria for data collection and reporting and the presence of checks and balance to maintain credibility.
- Variance in project size and wide geographical spread: Depending on the size of ODS consumption, the costs of projects of the Fund vary between a few thousand Dollars to a few million Dollars. And the portfolio spreads out well across over 90 countries. The significance of this cost and geographical spread requires a balance to be struck in the monitoring and evaluation system between the degree of oversight to be exercised and the cost of so doing.
- Multiple categories of activities and sectors: Activities financed by the Fund include country programmes, training, technical assistance, institutional strengthening, demonstration, clearing house and investment. These activities are spread into several industrial sectors which have their distinct norms and practices. The implication of this multiplicity of categories of activities and sectors is that the monitoring and evaluation system has to include activity specific and sector specific criteria and standards.
- The current interim monitoring and evaluation guidelines and performance indicators are based on the business plan process established by the Multilateral Fund Executive Committee in 1995. The final monitoring and evaluation system developed should be based on the business planing approach and should reflect the existing performance indicators in the business plan.

Existing monitoring and evaluation systems of implementing agencies and work in progress

6. The implementing agencies involved in the Fund operation; namely, UNDP, UNEP, UNIDO and the World Bank, have all in place well designed monitoring and evaluation systems covering both their field and headquarters operations. In addition, parallel to the work undertaken by the Fund Secretariat in developing guidelines on monitoring and evaluation for the Multilateral Fund, the World Bank has taken the initiative of developing a monitoring and evaluation system to cover the Bank's operation under the Multilateral Fund. The Bank has also drafted sector specific technical guidelines. The monitoring and evaluation system of the Multilateral Fund should take advantage, to the extent possible, of these existing systems.

• **Responsibilities and Tasks**

7. Working in close cooperation with the Fund Secretariat, the consultant will perform the following tasks:

- 1) Familiarization of the mission of the Multilateral Fund and delineation of the accountability hierarchy of the Multilateral Fund management;
- 2) Review and analyze existing systems and determine their adequacy;
- 3) Elaborate the concepts that could be applied in the design of the monitoring and evaluation system for the Fund, considering the features of the operation;
- 4) Review the systems that could be designed by applying the various concepts, with a cost estimation of implementing each system;
- 5) Prepare a discussion paper on the basis of the results from Tasks 1-3 to facilitate decision on a system to be adopted for the Fund;
- 6) Draft a document proposing to the Executive Committee the monitoring and evaluation system to be applied for the Multilateral Fund. This document should include a set of criteria and indicators to be applied system-wide for different categories of activities supported by the Multilateral Fund, taking into consideration the existing interim monitoring and evaluation guidelines and performance indicators in the business plan, and a system by which the Secretariat can coordinate and manage the Fund-wide monitoring and evaluation system for the benefit of the Executive Committee;
- 7) Draft the directives for the implementation of the monitoring and evaluation system;
- 8) Draft the directives for the implementation of the interim Guidelines on monitoring and evaluation pending completion of design of the system.

Schedule of work

Task	Time for completion	Responsible
Draft TOR ready for clearance by ExCom	7 May 1996	Secretariat, I.A.s
TOR distributed to ExCom	8 May 1996	Secretariat
Comments received from Excom	10 May 1996	Members of ExCom
TOR finalized	10 May 1996	Secretariat
Award of contract	31 May 1996	Secretariat
Concept paper ready in consultation with the I.A.s	28 June 1996	Consultant
Concept paper distributed to I.As* and ExCom for comment	2 July 1996	Consultant/Secretariat
Comments received	16 July 1996	I. A.s and ExCom
Draft M + E system designed	2 August 1996	Consultant
Consultation with I.A.s	16 August 1996	Consultant/Secretariat
Final draft ready for submission to ExCom	30 August 1996	Consultant/Secretariat

* I.A.s: implementing agencies. It is envisaged that the expertise of the evaluation units of the implementing agencies will be tapped for this undertaking.

LIST OF REFERENCES ESSENTIAL FOR THE ASSIGNMENT

Terms of Reference of the Multilateral Fund	UNEP/OzL.Pro/4/15, Annex IX
Terms of Reference of the Executive Committee	UNEP/OzL.Pro/4/15, Annex X
Agreement between the Executive Committee of the Interim Multilateral Fund for the Implementation of the Montreal Protocol and the International Bank for Reconstruction and Development	UNEP/OzL.Pro/ExCom/5/Inf.2
Agreement between the Executive Committee of the Interim Multilateral Fund for the Implementation of the Montreal Protocol and the United Nations Development Programme	UNEP/OzL.Pro/ExCom/5/Inf.3
Agreement between the Executive Committee of the Interim Multilateral Fund for the Implementation of the Montreal Protocol and the United Nations Environment Programme	UNEP/OzL.Pro/ExCom/5/Inf.4
Agreement between the Executive Committee of the Interim Multilateral Fund for the Implementation of the Montreal Protocol and the United Nations Industrial Development Organization	UNEP/OzL.Pro/ExCom/8/29, Annex IV
Guidelines on Monitoring and Evaluation (Revised)	UNEP/OzL.Pro/ExCom/18/64
Decision 18/20 of the Executive Committee	UNEP/OzL.Pro/ExCom/18/75, pages 16 and 17, para. 47
Monitoring and Evaluation Guidelines for ODS Phaseout Investment Projects (Draft)	The World Bank
Sector Specific Technical Guidelines	The World Bank