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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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**TERMS OF REFERENCE FOR THE DESK STUDY ON THE EVALUATION OF THE
PREPARATORY PHASE OF PHASING OUT OF HCFCs**

I. Background

1. In 1992 the Parties to the Montreal Protocol at their meeting in Copenhagen agreed to include HCFCs into the framework of the Montreal Protocol. In 1997 the Parties first adopted controls for Article 5 Parties that included a freeze in 2015 and a 15 per cent reduction from 2016. In 2007, however the Parties agreed to accelerate the phase-out of HCFCs setting the final phase-out by 2030. Decision XIX/6 of the Nineteenth Meeting of the Parties requests the Article 5 countries to take urgent action to freeze their baseline for both HCFC production and consumption levels in 2013 as a first step of the phase-out process.

2. At its 53rd meeting, the Executive Committee addressed a series of measures for the practical implementation of the phase-out process. The issues discussed during this meeting and the subsequent decisions helped clarify the objectives and focus of the national HCFC phase-out strategies in terms of activities and regulations needed to achieve the phase-out within the agreed timeframe.

3. More specifically, decision 54/39 of the Executive Committee approved guidelines for the preparation of HCFC phase-out management plans (HPMPs). The guidelines address the timing and the general approach for the development of HPMP; policy issues related to the development of the management plans and specific activities needed for the data collection, preparation, consultation and finalization of HPMP; and an outline to be used for the preparation of project proposals.

4. Concerning the timing and the general approach, the guidelines recommend countries to adopt a staged approach that allows for flexibility as technologies are developed. This would have the benefit of limiting growth and of eliminating HCFC uses in the near term in areas where substitute technologies are both already available and cost-effective.

5. The first stage of a country's HPMP, as originally proposed in the guidelines, would address the achievement of the baseline freeze for HCFCs in 2013 and of the 10 per cent reduction in 2015. Furthermore, during this stage, countries should also develop an overarching programmatic view of the entire phase-out process and a comprehensive plan with specific HCFC phase-out activities for meeting the initial freeze and the 10 per cent reduction step.

6. Countries and implementing agencies were reminded to take into account not only the ozone-depleting potential of HCFCs, but also the global-warming implications of alternative substances and technologies, and to exploit any potential financial incentives and opportunities for additional resources (so-called co-financing), in accordance with decision XIX/6.

7. With regard to the policy aspect, the guidelines recommend that HPMP follow as appropriate the guidelines for previous agreements. Document UNEP/OzL.Pro/ExCom/54/53 stresses that: "The format and content of NPPs and SPPs and their corresponding agreements also provide precedents that could be used by Article 5 countries to develop HPMPs for the manufacturing and servicing sectors. In that regard, the agreement contained in NPPs and SPPs between the Executive Committee and recipient countries has been the basis for national commitments (decisions 38/65 and 46/37) to meet annual target reductions in consumption and/or production."

8. According to the guidelines it is estimated that about two thirds of Article 5 countries with consumption in the servicing sector could adapt or build on activities approved under refrigerant management plans (RMPs), terminal phase-out management plans (TPMPs) and national phase-out plans (NPPs) during implementation of stage I HPMPs. This would involve the modification or adaptation of existing legislation as such for replacing/retrofitting of equipment and training of technicians. Similar approaches may be fit for solvent, aerosol or early ban on the importation of new or second-hand HCFC-based refrigeration systems. During stage I, countries should also develop their awareness and outreach policies targeting stakeholders and other interested parties.

9. The guidelines also propose new categories of countries, transcending the dichotomy low-volume-consuming (LVC)/non-LVC: “This paper assumes new categories of countries, those countries with servicing needs only and those with both servicing and manufacturing uses rather than LVC and non-LVC.”

10. The third part, the outline for project proposal includes detailed description of issues a country should take into account.

11. At its 54th meeting, the Committee requested that countries use the guidelines to develop the first stage of their HPMPs as soon as possible.

II. Justification

12. To-date, a majority of countries had submitted proposals for funding of the stage I HPMPs having first received preparatory funding in line with the guidelines adopted by decision 54/39. An evaluation to assess how the preparation funding has impacted the development of HPMPs is both timely and useful to draw conclusions with a view to inform the Executive Committee in their decision making on the requirements for stage II HPMPs.

III. Objectives of the evaluation

- (a) The objective of the evaluation is to assess the effectiveness of the implementation of the guidelines for the preparation of the stage I of the phase-out of HCFCs. In addition, the evaluation will inquire on the use of other guidelines as mentioned in paragraph 7 above and including demonstration project guidelines, in the formulation of the HPMPs;
- (b) The evaluation will analyze whether and how the country developed both an overall long-term strategy defining the main steps of the HCFC phase-out process and within it a specific HCFC phase-out management plan for the 2013 freeze and the 2015 10 per cent reduction. It will also assess whether the approach adopted integrates the HCFC phase-out with other relevant national or international environmental or industry policies;
- (c) The evaluation will consider whether the country complied in fulfilling the data and information requirements as listed in the indicative outline for the development of HPMPs to achieve a sound basis for understanding HCFC use;
- (d) It will examine the changes in the legislation, regulation, licensing and quota systems the country undertook to create a legislative basis for the HCFC phase-out; and whether and how control measures were included in the existing legislation;
- (e) It will analyze the institutional arrangements and organizational structure especially when multiple stakeholders are involved. It will examine to what extent stakeholders have been involved in the various steps of the project preparation and the policy and regulatory regime and what have been the modalities of this involvement;
- (f) The evaluation will focus also on the incentive mechanisms set to assist with the HCFC phase-out at various levels of project implementation;
- (g) The evaluation will analyze the communication and coordination mechanisms especially when various agencies were involved in the preparation phase as well as the interactions with and role played by professional associations such as the associations of refrigeration technicians.

IV. Methodology, Scope and Timing

13. The previous practice of preparing desk studies will be continued for this activity. The desk study will analyze data and review literature from a representative sample of countries. It will provide a thorough review of existing project literature and synthesize information from databases available in the Multilateral Fund Secretariat. Other data collection methods could feed information into the desk study, such as telephone interviews, e-mail surveys using open-ended or structured questionnaires, intranet chat discussions. The output will be a synthesis document with general conclusions and recommendations.

14. In addition, several case studies on specific HPMP preparation exercises will be drafted, that will be attached to the synthesis report. The same methodology as for the desk study will be applied (and therefore no field work will be required). The case studies will provide more specific information on the development of the preparatory phase.

15. Countries will be selected according to the following criteria:

- Regional representation (all regions);
- Both LVC and non-LVC preparation;
- Agency representation (all UN agencies and one or more bilateral agencies);
- Both single agency HPMP and multiple agency HPMP;
- Both single sectors and multiple sectors addressed;

16. This evaluation approach is also participatory as it involves all stakeholders who receive the draft document for comments. Eventually, the Executive Committee will be invited to discuss the desk study and consider its conclusions and recommendations.

17. A consultant will examine project proposal reports, progress reports, former evaluation reports and any other document available that could provide information about the subject under examination; discussion with the Secretariat, agencies and country offices will be another source of information. He/she will prepare the draft study which will be shared with members of the Secretariat and Implementing agencies.

18. The document will be presented to the Executive Committee at its 70th meeting.

V. Budget

19. A US \$15,000 budget has already been approved at the 68th meeting. However an expanded desk study will require additional funds. An increase of US \$15,000 is deemed sufficient for this endeavour.

VI. Action expected from the Executive Committee

20. The Executive Committee may wish to approve the proposed expanded desk study, including an increase in budget of US \$15,000.
