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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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DRAFT MONITORING AND EVALUATION WORK PROGRAMME FOR 2017

Introduction

1. This document presents the draft Monitoring and Evaluation work programme for 2017 for consideration by the Executive Committee. The monitoring and evaluation activities in the work programme have been proposed based on discussions by the Executive Committee on issues pertaining to monitoring and evaluation on previous meetings; the review of progress reports of on-going projects and project completion reports; and on discussions with implementing agencies and the Secretariat.
2. Accordingly, the draft Monitoring and Evaluation work programme consists of the following:

Evaluation activities

- Second phase of the evaluation of chiller projects
- Desk study for the evaluation of the refrigeration servicing sector (pending approval of the terms of reference)

Monitoring activities

- Consolidated project completion report (PCR) for multi-year agreement (MYA) projects
 - Consolidated PCR for individual projects
 - Inventory of enterprises database report
3. Additional issues of interest may arise during the implementation of the 2017 work programme that may need to be addressed by the Executive Committee. A certain degree of flexibility therefore might

be allowed in its implementation as well as in the allocation of its budget in order to accommodate any such issues.

Evaluation activity for 2017

Second phase of the evaluation of chiller projects: Field missions

4. This activity is to finalize the evaluation of chiller projects that was initiated with the desk study presented to the 58th meeting (decision 56/8), and a subsequent desk study presented to the 68th meeting. The findings from these two studies concluded that it was better to postpone the field visits until the projects reached a more mature stage of implementation.

5. The objective of the evaluation is to collect and analyze information to address the questions and issues stressed in the desk study, especially those related to the functioning of various financial mechanisms. The evaluation will examine whether with the current demonstration projects, sufficient incentives are, or will be, in place to catalyse chiller replacements without Multilateral Fund's contribution, and the problems to be expected in the chillers replacement in countries where funds for chiller replacements are scarce. Based on the findings, lessons learned will be formulated and will contribute to future policy development concerning resource mobilization.

6. The evaluation includes field work in several countries. A country report will be prepared for each country and a synthesis report will summarize the findings and draw conclusions and recommendations. The terms of reference are contained in Annex I.

Desk study for the evaluation of refrigeration servicing sector

7. Following a request by the Executive Committee, the SMEO will present the terms of reference for the desk study for the evaluation of the refrigeration servicing sector with the related budget at the 79th meeting. Upon approval, the desk study will be prepared and presented at the 80th meeting of the Executive Committee.

Monitoring activities for 2017

Consolidated PCRs for MYA and individual projects

8. The Senior Monitoring and Evaluation Officer will work closely with relevant bilateral and implementing agencies to submit all outstanding PCRs related to MYA and individual projects to the 79th and 80th meetings.

9. The consolidated PCRs will provide the Executive Committee with an overview of the results and lessons learned as reported on the completion reports.

Inventory of enterprises database report

10. Report to the 79th meeting of the Executive Committee on the status of updates for the Inventory of enterprises database.

Schedule for submission

11. An overview of the activities contained in the proposed draft monitoring and evaluation work programme for 2017 is presented in Table 1.

Table 1. Schedule for submission of activities in the monitoring and evaluation work programme for 2017

| 79th meeting | 80th meeting |
|--|---|
| Consolidated MYA and individual project completion report | Consolidated MYA and individual project completion report |
| Inventory of enterprises database report | Second phase of the evaluation of chiller projects |
| Terms of reference for the desk study for the evaluation of the refrigeration servicing sector and associated budget | Desk study for the evaluation of the refrigeration servicing sector |

Budget

12. Table 2 presents the budget for the monitoring and evaluation work programme for 2017. It includes the fees and travel costs for consultants as well as for the Senior Monitoring and Evaluation Officer, who will participate in the case studies and attend regional meetings, as required.

Table 2. Proposed budget for the monitoring and evaluation work programme for 2017

| Description | Amount (US \$) |
|---|-----------------------|
| Second phase of the evaluation of chiller projects | |
| Field visits (8 countries, 7 days/country) | |
| Staff: | |
| • Travel (4*US \$6,000) | 24,000 |
| • Per diem (28*US \$351/day) | 9,828 |
| Consultants | |
| • Fee: (*7 days*8 countries*US \$500/day) | 28,000 |
| • Travel (8*US \$3,000) | 24,000 |
| • Per diem (56*US \$351/day) | 19,656 |
| Report writing (8*7 days*US \$500/day) | 28,000 |
| Synthesis report (12 days*US \$500/day) | 6,000 |
| Sub-total | 139,484 |
| Miscellaneous | 4,000 |
| Total | 143,484 |

Action expected from the Executive Committee

13. The Executive Committee may wish to:

- (a) Approve the proposed monitoring and evaluation work programme for 2017 at a budget of US \$143,484 as shown in Table 2 of document UNEP/OzL.Pro/ExCom/77/10/Rev.1; and
- (b) Request the Senior Monitoring and Evaluation Officer to present an amendment to the monitoring and evaluation work programme for 2017 to the 79th meeting, to include the evaluation of the refrigeration servicing sector, with terms of reference and the budget.

Annex I

TERMS OF REFERENCE FOR THE EVALUATION OF CHILLER PROJECTS WITH CO-FUNDING MODALITIES

Background

1. The desk study on the evaluation of chiller projects carried out in 2012 and submitted to the 68th meeting¹ analyzed the efficacy of the eight demonstration projects with a view to improving understanding of progress made, difficulties still being encountered, various attributes and/or shortcomings of the co-funding mechanisms and project approaches in the implementation of chiller projects.

2. The report concluded that the system of stimuli used to drive replacements has uneven results, it is not working in all countries and where it is working it is not fast enough. It includes a large variety of mechanisms, promotions and incentives which are utilized in the eight demonstration projects. However, initiation of these projects had been slow at the time the desk study was written and therefore progress reporting was limited, postponing the second stage of the evaluation, which includes field visits, until the projects reached a more mature stage of implementation. After consultations with the implementing agencies during the Inter-agency coordination meeting², it was agreed that the organization of the second stage of the evaluation for 2017 was opportune.

Objective of the evaluation

3. The objective of the evaluation is to collect and analyze information with the aim of finding an answer to the questions and issues stressed in the desk study, especially those related to the functioning of various financial mechanisms. The evaluation will examine the current demonstration projects and assess whether sufficient incentives are in place to catalyse replacements without the Multilateral Fund's resources, and the problems to be expected in the private sector chillers replacement as well as in the public sector in countries where funds for chiller replacements are scarce.

4. Based on its findings, the second phase of the evaluation will formulate lessons learned that will contribute to future policy development concerning resource mobilization. The field visits will cover eight countries with chiller demonstration projects and will ask the following questions.

National chiller context

- (a) Does the country have an inventory/database of all CFC chillers remaining in operation? What is the age profile of the chillers not as yet converted or replaced? How many chillers of the total were replaced since the beginning of project implementation to date and how many remain?
- (b) What is the remaining chiller-based CFC demand in the country? And if there is one, how and when is this demand expected to trail off? How is the remaining demand to be met?
- (c) The impact of regional projects successes and failures on neighboring Article 5 countries.

¹ UNEP/OzL.Pro/ExCom/68/10 and Add.1

² Montreal, 31 August – 1 September 2016

Institutional and legislative issues

- (a) Which institution(s) coordinate(s) the chiller replacement (policies and funding)? Is there a national strategy in place to phase out all CFC chillers? Are the required regulatory provisions to drive the chiller phase-out in place? If not, what is still needed?
- (b) Were project designs different in approach for the public and private sector chillers? Is the private sector proceeding with replacements without assistance and if so why? Is it a fear of diminishing CFC supply or other concerns?
- (c) Are all of the stakeholders (including government ministries) engaged in the conversion? Is there a coordination/communication mechanism and, if so, how is it working?
- (d) If there is a dissemination strategy, how is it planned and how was the management modality working? If it is not working, what are the reasons?
- (e) What role, if any, did the various demonstration projects play in designing and implementing the chiller phase-out strategies?
- (f) Were there private/public sector policies and strategies in place? Were there corporate social responsibility programmes in place driving the replacement of chillers? Were there any green initiatives implemented with the projects (i.e., green buildings)?
- (g) Were energy efficiency standards playing a role in the replacement of CFC chillers?

Funding-related issues

- (a) How was the funding modality selected? What barriers or impediments did it encounter?
- (b) Has co-funding been mobilized or is it anticipated? What were, or are, the problems associated with donor coordination in the face of different criteria, schedules and priorities? How were they overcome?
- (c) What agreements are/were needed and concluded (why were they needed, with whom, and what is covered)?
- (d) Are chillers replacements occurring outside the project (i.e., chiller owners and operators) are undertaking replacements on their own initiative? If so, why?
- (e) What are the chiller owners' perceptions/views on the efficacy of the various funding arrangements or mechanisms (e.g., concessional loans, grants, revolving funds)?

Implementation issues

- (a) With ongoing chiller conversions and replacements have there been barriers and impediments resulting in significant delays? If so, what were these and have they been resolved; and how?
- (b) What are the main reasons for public and private sector chiller operators to delay replacement? To what extent, and how, have they been addressed and overcome?
- (c) For the chillers that have been replaced to date, what were the actual chiller replacement costs (relative to expectations), and how were these costs met? (Who paid what share?) and what were the alternative technologies used?

- (d) What was the role (or possible future role) of energy savings in both project design and implementation? Can energy service companies and utilities be used? If not, why? Are energy savings now a sufficient driver to cause replacements?
- (e) Were there any CFC recovered from the chiller projects? Is there, or will there be, any monitoring of recovered CFCs? Is there a plan in place to deal with the recovered CFCs? (Re-use, disposal or destruction?)

Case study country selection

5. The following countries are proposed to be part of the sample of countries to be visited by the evaluation team:

- (a) Argentina, as a country with access to financial inputs such as commercial grants, institutional grants and carbon finance credits. This would allow a more detailed evaluation of the efficacy of this approach;
- (b) Brazil and Colombia, as countries that have a fully operational chiller replacement project where there are likely many additional lessons to be learned and where the expectation is that the projects underway will serve as a regional model and catalyze early replacements;
- (c) Cuba, to explore project implementation in the public sector where chillers are not a luxury, but a necessity (e.g., institutions, laboratories, hospitals);
- (d) Jordan, as a high-ambient temperature country and part of the global project;
- (e) The Philippines, as a sizable project close to completion, part of the global project and with a co-financing mechanism with the Global Environment Facility;
- (f) Sudan, as part of the strategic demonstration project for accelerated conversion of CFC chillers in African countries where progress in implementation has taken place; and
- (g) Thailand, as an example in the use of savings generated by an increase in energy efficiency.

Methodology

6. A team of consultants will be recruited based on their experience and knowledge of the subject matter and of the functioning of the Montreal Protocol and the Multilateral Fund. The team will analyse the existing documents as well as the conclusions and recommendations of the desk study and collect additional information from field visits. Discussions with the Secretariat staff, the NOU and the implementing agencies will be organized as needed.

7. A synthesis report will summarize findings from both desk study and country evaluation reports and will formulate lessons learned and recommendations for consideration by the Executive Committee at the last meeting in 2017.

8. Each consultant will be in charge of elaborating the country evaluation report. The team leader, in cooperation with the other team members will draft the synthesis report. Implementing agencies will be involved in participating in the evaluation mission and in providing comments on the reports.