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**DESK STUDY ON THE EVALUATION OF
INSTITUTIONAL STRENGTHENING PROJECTS**

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Executive summary and action expected from the Executive Committee

1. This desk study is the first phase of an evaluation of the results and achievements of institutional strengthening (IS) projects to date and suggestions for the future scope, management and funding of IS projects during the final phase-out of CFCs and the start-up of the phase-out of HCFCs. Phase II of the evaluation will include further analysis of documentation, supplemented by a questionnaire to all National Ozone Units (NOUs) and a series of individual and group interviews with NOUs, implementing agencies and others at regional network meetings during 2008, as well as several country case studies.

2. To prepare the desk study, information available in a sample of Terminal Reports (TRs) and Extension Requests (ERs) for 20 IS projects has been reviewed. Relevant Executive Committee decisions and documents from the Fund Secretariat were also considered. This information was supplemented by telephone interviews with implementing agencies and a pilot questionnaire sent to 24 selected NOUs and answered by 16 of them.

3. The TRs and ERs analysed provided a rich source of information about the innovative and energetic ways NOUs, supported by the Multilateral Fund, have led their countries to phase out ODS in compliance with the Montreal Protocol. All those interviewed and the 16 questionnaires received confirmed that IS projects, supported by the implementing agencies and the regional networks, have been an essential component of the successful implementation of the Montreal Protocol.

4. The review of TRs and ERs and of the questionnaires received has identified some important issues for more detailed investigation in phase two of the evaluation. These include:

- (a) The results and impact of IS projects;
- (b) The political and administrative context;
- (c) The planning and reporting of IS projects;
- (d) Implementation issues;
- (e) Future work; and
- (f) Funding issues.

5. The key question for this evaluation is what capacity building has been achieved by IS funding since 1992 and in particular since the last evaluation in 2000, how sustainable is it and what more is required to meet phase-out and compliance targets in 2010 and beyond. The past years of IS projects provide a rich source of information about what works and what does not work. It is vital that this is captured, understood and used to inform the next phase of institutional strengthening projects under the Multilateral Fund.

6. Success (defined in terms of achieving and sustaining compliance) depends not only on the performance of the NOU but also on other factors, such as macro-economic conditions, political and administrative structures, legislation, enforcement and the cooperation of stakeholders. The evaluation will therefore try to establish whether and to what extent the NOU – through IS support – is involved in:

- (a) Shaping the political and administrative structures;
- (b) Developing the legislation so it is logically constructed to ensure compliance and is easily implemented;
- (c) Ensuring that the legislation and other policy instruments are enforced; and
- (d) Facilitating and fostering stakeholder cooperation.

7. The evaluation should review the results achieved using a sample of IS projects in the context of the factors referred in para 6 above, trying to gather as much objective information as possible by independently seeking out the views of stakeholders, other government agencies that work with the NOU, high-level officials above the NOU within the same ministry, and private sector representatives from companies or industry associations, as well as from implementing agencies.

8. The next steps will be to:

- (a) Finalize the evaluation instruments (checklist of questions and questionnaire) in light of the information and feedback obtained from the initial series of interviews and questionnaires received;
- (b) Distribute revised questionnaire to all remaining NOUs and establish a list of further interview partners;
- (c) Collect information at network meetings and during the preparation of country case studies; other means of communication will also be used, as required, such as fax and e-mail;
- (d) Prepare case studies for all regions; and
- (e) Prepare the synthesis evaluation report with findings and recommendations for consideration by the 56th Meeting of the Executive Committee.

9. The Executive Committee may wish to take note of the information provided in the Desk Study on the Evaluation of IS Projects, as presented in document UNEP/OzL.Pro/ExCom/54/13, including the proposed evaluation issues and work plan for the second phase of the evaluation.

I. Background and methodology

10. Following a discussion of options for IS support beyond 2010, the Executive Committee decided at its 53rd Meeting, to request the Fund Secretariat to review possible funding arrangements and levels for capacity building and to explore the extent, nature and eligibility of any additional measures that might be considered for funding to address activities for HCFC phase-out. The Executive Committee also requested an evaluation of past results and achievements as part of the 2008 Monitoring and Evaluation Work Programme.

11. The purpose of this desk study is to prepare this evaluation, in particular:

- (a) To review and summarise information on IS projects available in the Multilateral Fund Secretariat (MFS);
- (b) To the extent possible from the documentation, review the follow-up to the previous (1999-2000) evaluation of IS projects and the recommendations in decision 30/7; and
- (c) To identify issues for a full evaluation of IS projects, including a proposed plan for field visits.

12. The data sources used for this desk study were:

- (a) Executive Committee and Meeting of the Parties (MOP) documents and reports;
- (b) TRs and ERs for a representative sample of 20 IS projects;
- (c) Evaluation reports and data from the 1999-2000 evaluation of IS projects;
- (d) Desk study for the evaluation of national phase-out plans (NPPs) (February 2007);
- (e) Telephone discussions with implementing agencies; and
- (f) Pilot questionnaires completed by 16 NOUs.

13. The consultant reviewed the documents, analysed the evolution of IS projects and reviewed Executive Committee decisions concerning the criteria for approval, renewal, funding and reporting requirements. She also reviewed Executive Committee decisions on refrigerant managements plans (RMPs), sectoral phase-out plans, NPPs and terminal phase-out management plans (TPMPs), as these involve activities that are closely related to IS projects. The information in TRs and ERs from a sample of 20 countries and questionnaire returned in time from 9 of the 24 NOUs that had been requested to complete them as a pilot sample was also analysed. Finally, interviews were conducted with representatives of the implementing agencies to get their views and ideas on past results, current problems and future perspectives of IS projects.

II. IS project overview

14. Since 1992, the Executive Committee has approved 580 IS projects (including all extensions) for 141 Article 5 countries. There has been a steady increase in the number of projects approved year by year, from 10 in 1992 to 61 in 2007. Out of the 580 projects, 351 (60.5 %) had been completed by December 2007.

15. A total of US \$ 63,921,291 has been approved for the 580 projects, of which US \$43,506,248 (68.06 %) has been disbursed and US \$ 484,348 (0.75 %) has been returned. The IS projects approved by agency (with funding) are: France 1 (US \$ 38,874), the United States of America 1 (US \$ 350,000), Germany 4 (US \$ 447,393), UNIDO 31 (US \$ 4,580,600), the World Bank 35 (US \$ 6,178,769), UNDP 129 (US \$ 26,022,767) and UNEP 379 (US \$26,302,888).

16. IS projects for 103 countries have been approved for implementation by UNEP, 24 for UNDP, 11 for UNIDO, 7 for the WB, 2 for Germany, 1 for France and 1 for the United States of America.

IS APPROVALS BY AGENCY

	France	Germany	IBRD	UNDP	UNEP	UNIDO	USA	Overall
1992			4	5			1	10
1993			2	9	8	2		21
1994	1			5	13			19
1995				2	9	2		13
1996			1	9	11	1		22
1997			1	4	16			21
1998			2	11	16	1		30
1999			3	5	22	3		33
2000			2	13	19	3		37
2001			2	6	16	3		27
2002		1	2	12	37	1		53
2003	1	1	3	6	35	2		47
2004			3	12	45	3		63
2005			4	7	35	4		50
2006		2	2	10	53	2		69
2007			3	12	42	3		61
Overall	1	2	7	24	103	11	1	143

Note: Some countries have their institutional strengthening implemented by more than one agency

17. From the 580 IS projects, 205 have been approved for Africa (total funding US \$17,986,103), 179 for Asia and the Pacific (US \$ 22,527,742), 158 for Latin America and the Caribbean (US \$ 19,373,105) and 38 for Europe (US \$ 4,034,341).

18. The average delay for the 351 completed projects was 12.3 months. This changed from 20.85 months in Phase I to 9.2 months in Phase II, 6.08 months in Phase III, 4.97 months in Phase IV, 7.17 months in Phase V and 2.32 months in Phase VI. This suggests that major delays are more likely to occur in the earlier phases of IS projects and improve in later stages.

19. The distribution of delays across the 351 completed projects is shown below:

(a)	Early completion	21
(b)	On time	72
(c)	1-6 months delays	74
(d)	7-12 months delays	68
(e)	13-24 months delays	60
(f)	25 months delays or more	56

20. The following table provides an overview of implementation delays by region showing on average delays of 39 % in terms of months passed beyond the completion date compared to the approved duration. Annex I (cont'd) provides the details per country. There are some differences among regions, in particular between Africa and Asia and the Pacific, but delays are significant in all regions.

IMPLEMENTATION DELAYS OF IS PROJECTS BY REGION

Region	Number of Countries Approved	Number of Countries Delayed	Approved Durations (Months)	Total Months Delayed	Percentage of Months Delayed
Africa	52	52	5,397	2,313	43%
Asia and the Pacific	44	40	4,480	1,506	34%
Europe	12	9	1,042	417	40%
Latin America and the Caribbean	33	33	4,134	1,587	38%
Total	141	134	15.053	5,823	39%

21. It could be useful for the full evaluation to explore why some projects have been significantly delayed while overall 26 % were completed on time or even early. This is important as delays could result in interrupting phase-out activities, and in any case diminish the resources available to the NOU.

22. Delays in IS projects were noted during the Secretariat's review of the annual progress reports by the IAs. If the planned completion date has passed a status report is requested, and the project continues to be monitored but is not at risk of being cancelled even in case of further delays (decision 32/44).

III. Decisions of the Executive Committee with regard to IS projects

23. In 1991, the Executive Committee considered that institutional strengthening might, in exceptional cases, be an essential element in achieving the objectives of the Montreal Protocol. They agreed that limited funding or assistance should be provided by the Fund, taking into account:

- (a) The amount of controlled substances consumed in that country, and
- (b) The linkage between the institutional strengthening and specific implementation projects.¹

24. Institutional strengthening was not explicitly included in the indicative list of categories for incremental costs adopted by the Fourth Meeting of the Parties in November 1992. The Parties agreed that, if incremental costs other than those in the list were identified and quantified, the Executive Committee would decide whether or not such costs should be paid by the Multilateral Fund. Opening up the possibility of funding incremental IS costs was intended to provide an incentive for early adoption of ozone protecting technologies.²

¹ (UNEP/OzL.Pro/ExCom/5/16, para. 28(d)). (Supporting document: UNEP/OzL.Pro/ExCom/7/20). (UNEP/OzL.Pro/ExCom/7/Inf.3).

² Handbook for the International Treaties for the Protection of the Ozone Layer, Sixth Edition (2003), UNEP, p. 300.

25. By 1996, the Executive Committee had decided that IS projects could be renewed for two year terms at the same level of funding as the first approval, provided a progress report and a plan of future actions had been submitted³.

26. The final report of the previous evaluation of IS projects was presented to the 30th Meeting of the Executive Committee. The findings and recommendations, based on country case studies from all regions, were extensively discussed and the Executive Committee adopted decision 30/7. This decision was intended to ensure that NOUs funded through IS projects had the necessary status, position, influence and links within their countries to make the changes necessary to secure compliance. It also asked NOUs to set up systems to collect and monitor ODS data and required implementing agencies to be more active and responsive in supporting NOUs. The full text of decision 30/7 is at Annex VIII.

27. Decision 30/7 provided, for the first time, a comprehensive statement of requirements for IS projects and implementing agencies were required to incorporate its provisions into their agreements with governments for new and renewed IS projects. However, recognising the need for flexibility in IS project implementation, the Executive Committee noted that these agreements should be appropriate and adaptable to the specific situation in different countries.

28. In order to improve the reporting on and planning of IS projects, the 32nd Meeting of the Executive Committee approved revised formats for TRs and ERs for IS projects (decision 32/17). They are still being used and a sample of such reports for 20 countries were analysed during this desk study.

29. Following entry into force in 1 July 1999 of the first control measure for Article 5 Parties (freezing consumption of CFCs), the Executive Committee developed the Strategic Planning Framework. This replaced the 'project by project' approach to phase out by a 'country driven approach', based on sector and national phase-out plans. In 2001 at its 35th Meeting, the Executive Committee decided to increase funding for all IS projects and renewals by 30%, to help countries manage the new Strategic Planning Framework and to increase resources for critical activities such as public awareness. They agreed that this new level of funding should prevail until at least 2010, even if countries adopted an early phase-out. As part of this package, the Executive Committee also agreed on an interim basis that all future non-investment activities (including IS projects) should be assigned an 'ODS phase-out' amount, calculated at the rate of 12.10/ODP kg⁴. However, the Executive Committee subsequently decided not to apply this to LVC countries, given their low levels of remaining ODS consumption.

30. In 2004, the Executive Committee decided that very-low-volume-consuming (VLVC) countries and LVC countries should receive IS funding of at least US \$ 30,000 per year, unrelated to actual levels of consumption, on condition that:

- (a) The country assigned a full-time officer to manage the ozone unit;
- (b) The country put in place a licensing system to control ODS imports⁵.

³ (UNEP/OzL.Pro/ExCom/19/64, decision 19/29, para. 54).

⁴ US \$12.1/kg was one-third the average cost-effectiveness value of investment projects approved under the Fund.

⁵ (UNEP/OzL.Pro/ExCom/43/61, decision 43/37, para. 128). (Supporting document: UNEP/OzL.Pro/ExCom/43/49).

31. When countries are in non-compliance, the Executive Committee approves IS funding requests for one year instead of two. So far, this has been applied in 27 cases (19 countries, 8 of which had two IS renewals of one year). In addition, 29 IS projects for 24 countries, usually very small countries and new parties, have raised other issues and have been approved for one year only.

IV. Review of documentation on IS projects in 20 selected countries

IV.1 Sample selected and documentation analysed

32. For this desk study, the consultant reviewed the most recent TRs and ERs for a representative sample of 20 countries which have had 101 separate IS project approvals (including extensions) since February 1992, when the Multilateral Fund approved its first IS project for China. Countries in the sample ranged from large to low volume consumers, some with long experience of IS projects and others which started more recently. The sample covered IS projects led by all four main implementing agencies and one bilateral agency and included countries from every region (see details in Annex III).

33. A range of other material held by the Fund Secretariat about IS projects in these countries was also reviewed, including:

- (a) Implementing agency progress reports;
- (b) Project summaries as presented to the Executive Committee;
- (c) Summaries of data on compliance, ODS consumption and status of ratification; and
- (d) Exchanges between the Fund Secretariat and implementing agencies to clarify issues on project reporting.

34. These materials are a rich source of information about how Article 5 countries have implemented IS projects. They show how NOUs have made creative use of opportunities, including support from the Multilateral Fund and implementing agencies, to achieve successful implementation of the Montreal Protocol in their countries.

35. TRs and ERs do not contain all the information required to understand and evaluate an IS project. Important information on compliance, consumption levels and trends, status of ratification and progress with investment and other projects is found elsewhere, including in implementing agency progress reports. All this material has been usefully brought together by the Fund Secretariat to assist the Executive Committee. Some of the implementing agency progress reports and Fund Secretariat summaries contain important information about IS projects that is not apparent from TRs. It would be useful for the full evaluation to look into how this information could more easily be pulled together and to ask why NOUs may under-report important or interesting information in their TRs.

IV.2 Status of compliance and ratification

36. The main objective of IS projects is to support countries to achieve and maintain compliance. There is also strong encouragement to ratify the amendments to the Protocol. The 20 sample countries seem to have been successful, as only two (Chile and Philippines) had temporary compliance issues. The record on ratification is also encouraging although improvements would be beneficial:

Number of sample countries (20) that have ratified			
London Amendment (1990)	Copenhagen Amendment (1992)	Montreal Amendment (1997)	Beijing Amendment (1999)
20	20	18	15

37. The full evaluation should explore why some NOUs have secured ratification of amendments by their governments while others continue to report difficulties, although ratification appears more than once as an objective for their IS projects. The possibility of building incentive measures into IS funding to promote early and speedy adoption of Amendments should be explored.

IV.3 IS project delays

38. Of the 101 IS projects approved for the sample countries, 52 of them (51.5 %) are shown as having experienced delays, i.e. being completed after the scheduled completion date. In some cases, the delays were only a few months and probably resulted from an overdue final payment or missing report. In other cases, delays have been more significant, extending to years rather than months. This could be serious if the country has not been receiving the funds approved to support activities to achieve and maintain compliance. Delays could also be potentially damaging to the reputation of countries and implementing agencies, given that project delays are one of the ways that the Executive Committee judges performance. Consideration could be given to different ways to reduce or eliminate such delays.

IV.4 Single-year IS renewals

39. Where there is an issue over a country's compliance, the Executive Committee will usually renew the IS projects for one year rather than two. There were four such projects for two countries in the sample, Chile and the Philippines. In both cases, the countries returned to the normal two-year cycle after two years, as the NOUs took successful action to accelerate phase-out and to return to compliance.

40. The desk study did not look in detail at project delays and single year renewal, but these should be explored during the full evaluation to better understand:

- (a) Why IS projects are delayed, how can delays be reduced and what are the impacts of delays on NOUs and IS activities;
- (b) The impacts on the country and the NOU of renewing an IS project for one year rather than two. To what extent would this policy provide a good incentive to resolve compliance issues, and whether other mechanisms might be available.

IV.5 IS project objectives

41. The consultant looked in detail at the objectives, activities, results expected and results achieved in the sample of TRs and ERs. In the extension requests countries have to indicate the main project objective in relation to compliance with the Montreal Protocol and set out detailed objectives, activities and expected results in a year by year action plan.

42. The same pattern is supposed to be used in the terminal reports where countries are again asked to indicate the main project objective and detailed objectives from the action plan, and then to compare them to the results achieved.

43. Overall, of the 20 countries reviewed, 18 used the suggested format for their TRs and ERs, making comparison easier. Two countries used their own (but related) formats, covering most of the same topics but in more detail. In one case, however, the reports seemed incomplete and were without sign off by the implementing agency. It would be useful for the full evaluation to review the role of implementing agencies in completing these reports and the extent to which they take responsibility for the completeness and accuracy of what is reported.

44. There are large variations in levels of detail, clarity and usefulness of the information on objectives, activities and results in the TRs and ERs that the consultant reviewed. Annex IV sets out the main objectives found in the reports.

45. Given the similarity in objectives from country to country and between TRs and ERs, the evaluation should further analyse whether the IS planning framework has encouraged countries to choose objectives that reflect their own needs and priorities or whether in fact needs are similar in many countries suggesting that a more standardized or regional approach for similar activities is feasible and appropriate. Only two countries in the sample separated their objectives by sector and this was a convincing approach. One country's description of its objectives covered several pages while another used only a few lines. Overall, it is surprising that objectives such as "build the capacity of the NOU" and "organise and monitor training activities" have not been found more widely.

46. There is also great variation in detail and levels of understanding between countries. Objectives should be expressed in 'SMART' terms:

- (a) **Specific** (clear, unambiguous, concrete);
- (b) **Measurable** (you can measure what has changed);
- (c) **Achievable** (you know it can be done – and how to do it);
- (d) **Realistic** (it is useful to do and you have resources to do it), and
- (e) **Time specific** (it has a deadline).

47. SMART objectives give definition and clarity to work plans and activities. It was therefore encouraging to find that, of the 20 countries in the sample, 13 (65 %) had objectives that were more or less 'SMART'. However, there were great variations in the numbers of objectives and activities in the different TRs and ERs.

	Numbers of objectives			Numbers of activities		
	Mean	Min	Max	Mean	Min	Max
Terminal reports	7.6	3	15	16.75	5	38
Extension requests	8.5	2	16	21.9	6	65

48. Lists of 15 objectives or 30+ activities to be achieved and completed in two years may look impressive but they are highly ambitious and may indicate lack of focus. It is questionable whether a) they are achievable given resource constraints and b) they represent effective targeting of limited resources where they can make the greatest difference.

49. While most countries had separate lists of objectives for each year of the project, some simply proposed a consolidated list with few references to expected completion dates. However, one country stated the likely duration and forecast completion date for each proposed activity, indicating careful and useful planning. For the 20 countries in the sample, the following picture emerged:

	Yes	No	Unclear
Evidence of year to year progress of objectives and activities within IS project	11	9	0
Evidence of progress of objectives and activities between one IS project and the next	11	8	1

50. As a next step, the number of results expected in the IS projects were counted and classified into those that were measurable or expressed in ways that would make it possible to know whether they had been achieved or not. The review of results expected and achieved across the 20 sample countries reviewed showed the following variation.

	Numbers of expected results			Of which measurable (%)		
	Mean	Min	Max	Mean	Min	Max
Terminal reports	17.1	6	31	75	0	100
Extension requests	18.8	0	43	75	33	100

51. While there was considerable variation from country to country (but not agency to agency) in the numbers, scope, detail and ambition of the objectives, activities and expected results from IS projects, the reporting of results achieved showed greater uniformity. On average, 81 % (range 31 % to 100 %) of the expected results were reported as achieved. This encouraging success of the majority of IS projects is broken down further in the table below:

Expected results reported as achieved	Number of countries
100 %	6
80 – 99 %	7
60 – 79 %	6
<60%	1

IV.6 Planning and reporting using ‘logic chains’

52. The consultant looked at the extent to which objectives, activities and results were connected by some sort of logic chain of cause and effect. If the reports are complete and well presented, it should be possible to see how the proposed activities will deliver the expected results and how those results will lead to the objective being achieved. For the 20 sample countries, the assessment is as follows:

Quality of links between objectives, activities and expected results		
Clear	Partial	Unclear
6	9	5

53. It may be helpful to illustrate the types of approaches classified as “clear”, “partial” and “unclear”. The activity of “raising awareness”, which in some form is part of all IS projects, provides a good illustration. Note that the examples below are for illustration only and do not represent the approach of any one country or implementing agency.

Assessment	Objective	Activity	Result	
			Expected	Achieved
Clear	To raise the awareness of the public about ozone depletion and the country’s obligations under the Montreal Protocol.	Produce leaflets and posters, write articles for newspapers and organise a workshop for the media.	Produce 4 leaflets, 2 posters and regular articles for the newspaper.	4 leaflets, 3 posters and fortnightly articles produced. Media workshop led to more and better reporting on Montreal Protocol activities.
Partial	To continue efforts to raise public awareness.	To hold meetings to celebrate International Ozone Day.	News media will report International Ozone Day so public will be more informed.	Ozone Day was reported widely, including on the TV.
Unclear	To raise public awareness.	Celebrate International Ozone Day.	Increased public awareness of ozone.	Public more aware of ozone issues.

54. Where IS projects do not make clear links between objectives, activities and results, it is difficult to judge their success, to understand what has and what has not worked and to evaluate the overall contribution of the project to achieving compliance. When the Executive Committee is asked to approve, renew or increase funding for IS projects, it is reasonable to expect evidence that the projects are both necessary and likely to be successful. It is also reasonable to expect that NOOs and implementing agencies take a coherent approach to setting objectives, planning activities, measuring and reporting on results and accounting for the allocation and disbursement of funds.

55. Another reason to ensure that IS projects are carefully planned and monitored is so that NOOs, countries and implementing agencies can have confidence that all necessary steps to achieve and sustain compliance are included, without gaps or duplication. Some projects have adopted a ‘logic chain’ approach to demonstrate linkages between inputs (e.g. staff, money),

outputs (e.g. activities like public awareness) and longer-term outcomes, such as compliance. The logic chain approach is illustrated in Annex V.

56. In arguing for a systematic approach to project planning, monitoring and recording, it should not be assumed that everything can be worked out in advance. The TR form (Q6) recognises this by providing space to report any results unforeseen in the Action Plan. However, this is not much used. Of the 20 countries reviewed, only 8 reported on supplementary results such as:

- (a) Brought consumption data up to date;
- (b) Worked with private sector organisations to link ODS phase-out to energy efficiency;
- (c) Trained more refrigeration technicians than expected;
- (d) Helped other countries through the UNEP network; and
- (e) Seized illegal CFC containers and reduced illegal imports.

57. Project planning and reporting using logic chains with coherent links between objectives, activities and results are important for the success of IS projects. The usefulness of this approach should be assessed during the full evaluation.

IV.7 Planning for the future

58. The next issue is to look at how far NOUs are using their IS projects to plan ahead for meeting future Montreal Protocol commitments. The consultant looked at whether the IS reports mentioned HCFCs, methyl bromide, carbon tetrachloride and TCA. The results were:

Tasks regarding	Mentioned by
Methyl bromide	12 countries
CTC	8 countries
TCA	5 countries
HCFCs	6 countries

59. The full evaluation should ask NOUs and implementing agencies about the on-going and planned activities to phase-out these ODS, including what particular challenges implementing HCFC controls would bring and what lessons learned in the CFC phase-out can be applied by IS projects to the HCFC phase-out.

V. Budget structure and funding allocations

V.1 Budget structure

60. TRs and ERs provide details of how countries allocate their IS funds between different budget lines. These are summarised below for the most recent TR and ER for each of the 20 sample countries.

Budget items	All reports (40)				TRs (20)				ERs (20)			
	#	% Funds allocated			#	% Funds allocated			#	% Funds allocated		
		Mean	Min	Max		Mean	Min	Max		Mean	Min	Max
Professional staff	40	27.4	8	57	20	27.9	8	51	20	26.9	10	57
Support staff	33	11.7	0	30	15	11.6	0	29	18	11.8	0	30
Consultants	33	11.0	0	57	15	11.3	0	57	18	10.9	0	49
Equipment	36	7.8	0	33	17	7.64	0	32	18	8.72	0	33
Operational costs	39	18.7	0	52	19	17.1	0	52	20	19.3	3	46
Public awareness	37	15.32	0	38	19	17.1	0	38	18	13.5	0	31
Contingency	19	7.16	0	33	6	11.3	0	33	13	5.23	0	20
Other	27	15.29	0	45	12	17.2	0	45	15	13.8	0	40

61. Observations drawn from this data include:

- (a) On average, countries use 27.4 % of their IS funding to employ professional staff (range 8 % to 57 %). Overall, 50.1 % of IS funding is used for staff (professional, support and consultants).
- (b) Every country in the sample employs professional staff and over 80 % of countries employ or expect to employ support staff and consultants using IS funding.
- (c) There is no significant difference between TRs (past) and ERs (future) in funding for professional and support staff and consultants. However, more countries expect to employ consultants.
- (d) On average, countries use just over one-third of their IS funding for non-staff items (equipment, operational costs and public awareness) but there are significant variations between countries. Some countries report zero expenditure for these items while, in one case, the category “operational costs” accounts for 52 % of the country’s expenditure with no further explanation of what that involves.
- (e) “Other expenditure”, usually unspecified, uses on average 15 % of IS funding (range 0-45 %) while an average of 19% is kept back for “contingency”, with very little information about the risks this is intended to cover. The number of countries including funds for “contingency” and “other” increased between TRs and ERs, but the overall proportion of the funds for these purposes fell quite significantly.

V.2 Share of staff costs

62. It is interesting to ask whether there is any relationship between the total IS funding a country receives and the percentage spent on staff. It has been argued that low-volume-consuming countries with small IS budgets might use most of their IS funding for staff costs, leaving little for other activities. If true, this would have implications for the flexibility of the IS budget (staff costs tend to be fairly fixed) and for the extent to which, without external IS funding, the continued employment of trained staff could be assured. Given the large percentage of funds dedicated to staff support and the overall objective of IS support, it would similarly be interesting to ask whether there is any relationship between the percentage spent on staff and a country's overall ability to maintain Montreal Protocol compliance including timely submission of Article 7 data and establishment of listening systems.

63. This information is shown on the graphs below.

Figure 1

RELATIONSHIP BETWEEN TOTAL IS FUNDING AND SHARE USED FOR STAFF COSTS (%)

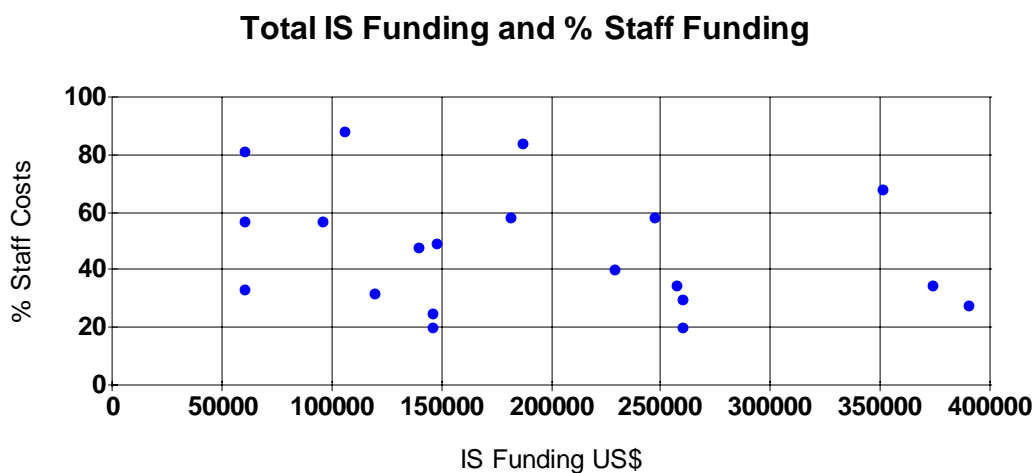
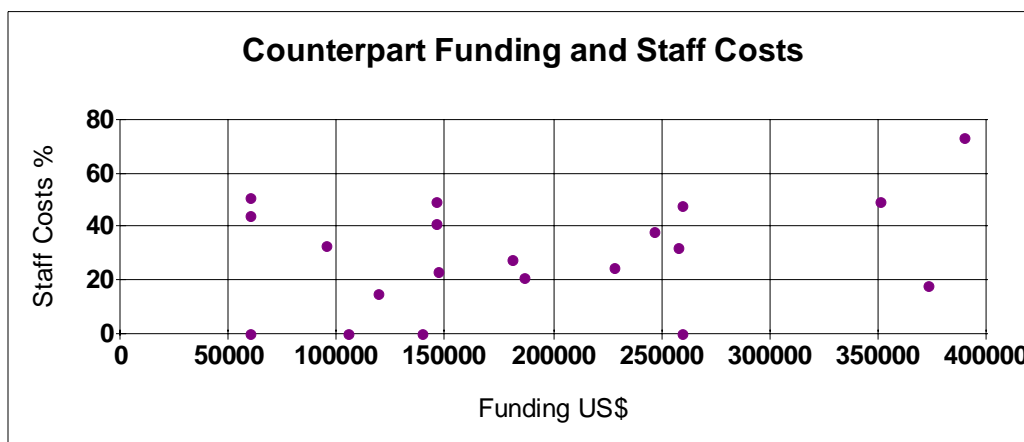


Figure 2

RELATIONSHIP BETWEEN GOVERNMENT (COUNTERPART) FUNDING AND % USED FOR ALL STAFF



64. There seems to be no obvious relationship between total IS funding or counterpart funding (from government) and the share of funding spent on staff. This is an area that the full evaluation should look at in more detail.

V.3 Sources of funding

65. For the large majority of countries, most IS funding comes from the Multilateral Fund with some topping-up from the government (including in kind contributions). There was no mention of third-party funding, for example from other international funds or industries in the country. The proportion of total IS funding provided by governments is shown below:

Total IS funding provided by government	Number of countries
0 %	4
<20 %	3
20 – 39 %	8
40 – 59 %	5
60 – 79 %	0
>80 %	0

66. Again, there is considerable variation between countries. One government provides 56 % of the total NOU funding, making it (rather than the Multilateral Fund) the principal source of funding. There were five countries in the sample, both large and small, where governments provide over 40 % of IS funding. One country had set itself an objective to sustain the NOU operation beyond the IS project by making it part of the ministry’s regular operations. By contrast, four countries (of varying size and level of development) receive nothing from their own governments, leaving the NOUs to rely totally on the Multilateral Fund. It would be interesting to see whether the governments of LVC countries generally contribute a lower share to IS project resources than those of larger volume consuming countries.

67. It became clear from the reports that there may be underreporting of government support provided 'in-kind', including such things as office space, transport, supplies and services. Many countries mention this but few provide a financial estimate of its value. In policy arenas the notion that decision makers take an effort more seriously when they have to make a financial contribution is widely known. In the IS context this might suggest that more and higher level domestic buy-in could be created when counterpart funding to IS projects are provided by the national governments. Better coordination/cooperation of national governments and institutions is cited as one of the most significant issues for NOUs. Consideration should be given to when cost sharing of IS may be feasible.

68. Using the reports as a source of information about funding amounts and allocation in each country presents several problems. Firstly, there is little consistency in the ways different countries and perhaps different agencies categorise expenditure. Some countries include long-term consultants under 'professional staff' and support staff under 'operational costs' or 'other'. The budget lines 'equipment' and 'operational costs' are used to cover the same things and 'public awareness' is broadly defined. Some countries refrain from using IS funding to support attendance at international meetings while others include this among their objectives. A further examination of how IS funding is used for travel expenditures (how many trips, total costs of trips compared to other IS activities) may be merited to ensure equitable funding decisions are made by the Executive Committee. These variations may not matter much for the daily activities of the NOU and implementing agencies but they cause significant difficulties in understanding the use of IS funding across the Multilateral Fund programme. Further exploration of ways to enhance consistency in reporting should be also explored.

VI. National ozone office staffing

69. Both TRs and ERs require NOUs to report on the numbers of professional and support staff and consultants funded by IS project and, in some cases, by governments. In the sample of 20 countries, 141 staff in total were mentioned (76 professionals, 48 support and 17 consultants). Their distribution by country was as follows.

Number of staff per country	Number of countries	
	TR	ER
0 - 2	1	1
3 - 5	6	6
6 - 8	6	6
9 - 11	2	1
12 - 14	2	1
15 - 18	0	2
19 - 22	1	1
>22	2	2

70. The consultant compared staffing numbers in the TR with that in the extension ER for each country, to see whether countries expected to increase or decrease staffing levels in future. Given the range of answers, this might also be an area for further consideration. Of the 20 countries in the sample:

- (a) Eight expected to keep the same level of staffing;
- (b) Eight expected to increase staffing levels;
- (c) Three expected to decrease staffing levels;
- (d) One could not be compared (different ways of accounting for staff in the TR than in the ER).
- (e) Given that, on average, costs for long-term professional staff account for some 27.4 % of total IS funding, rising above 40 % in some countries, this should be another theme to investigate in the full evaluation.

71. In addition, many NOUs use expert advice and support from various institutions, universities, laboratories, etc.

VII. NOU reporting and auditing

72. Using information in the TRs and ERs analysed for 20 countries, we considered the number and types of reports that NOUs prepare and submit in a typical year. The data shows:

Reports to	Total # reports	%Share
Governments	60	31
Fund Secretariat	23	12
Ozone Secretariat	24	12
Implementing agencies	59	30
Others	28	14
Totals	194	100

73. The number of reports per year is summarised below:

Reports per year	No. of countries
0 – 5	6
6 - 10	9
11 - 15	3
16 – 20	1
21 – 25	0
26 - 30	1
Total	20

74. It is pertinent to ask in the full evaluation whether all of these reports are really needed or whether some of these reports will no longer be necessary or be less complex following the 2010 phase-out of a considerable number of ozone depleting substances.

75. In the TRs of the 20 countries, the following information was provided with regard to audits:

- (a) Nine reported audits from their own government;
- (b) Seven reported audits from their implementing agency;
- (c) Six reported not being audited; and
- (d) One did not report.

76. Three countries were audited both by their own government and by the implementing agency. The seven countries audited by their implementing agency were with either UNDP or the World Bank. Quality, results and follow-up to these audits should be looked at in order to establish whether they are useful, whether there are overlaps and whether they cover all relevant cases and areas.

VIII. Links between national ozone units and project management units

77. When IS projects began, they were the only way to channel financial support from the Multilateral Fund to countries for anything other than investment projects. Since then, however, the Executive Committee has approved the setting up of project management units (PMUs) under national or sector phase-out plans and TPMPs. PMU funding can cover the costs of staff and consultants for activities such as monitoring and reporting, creating close parallels and the potential for overlap with IS funding and the activities of NOUs.

78. Only three of the 20 sample countries made any mention of a PMU in their terminal report or extension request for the IS project. One of these reported that the NOU had integrated the IS and TPMP funding to increase budget flexibility and to hire additional staff. Another country reported that much of their available funding was attached to different phase-out plans and PMUs, which the NOU was effectively managing at a strategic level.

79. The evaluation of management, monitoring and verification of NPPs has found that there are three typical ways that NOUs relate to PMUs. In model A, the PMU is fully part of the NOU and accountable to it. In Model B, the PMU is functionally and physically separate from the NOU but is accountable to it. In Model C, the NOU and the PMU are separate and the NOU has no authority over the PMU or accountability for it. Instead, both the NOU and PMU are accountable to higher levels of government hierarchy.

80. As NOUs are expected (and indeed funded) to take responsibility for securing and sustaining a country's compliance with the Montreal Protocol, they should be able to influence or manage the activities of the PMU. Where this works well, PMUs provide NOUs with useful additional resources for staff and expertise. In other cases, the PMU may simply become a further addition to what is already a complex group of partners and stakeholders that NOUs are expected to coordinate.

81. Managing these different partners and interests to ensure that they are all working on the same agenda is likely to be a complex challenge. In the pilot questionnaire, four NOUs responded to the questions about PMUs as follows:

- (a) On average, their PMUs had 4 staff each (range 3 - 6). Given that these are often well-qualified or specialist staff, this represents a significant additional resource for these NOUs – provided they can access it.
- (b) Their answers about the PMU budgets were less clear, although one reported a budget of US \$ 29 million and another US \$26,000. It may be significant that these NOUs were not fully informed about the PMU budgets, nor about whether their governments provided funding to the PMU.
- (c) All those who responded said that they were “satisfied with the working arrangement between the NOU and the PMU”. Three out of the four also said that the planned closure of the PMU in 2010 would not affect the work of the NOU.

82. More work is required to understand how the presence (and possible absence post 2010) of PMUs is affecting the work of NOUs and the implications of this for the future of IS projects. Some implementing agencies say that they value working with PMUs, because:

- (a) Their responsibilities are clear, they are accountable for delivery and there are clear performance-based arrangements;
- (b) Staff tend to be contractors and so are dedicated to particular pieces of work, paid by results and not sent to do other things;
- (c) PMUs are outside the normal government decision-making machinery, which means they are often faster and more responsive to the implementing agencies;
- (d) PMUs can pay salary supplements enabling them to recruit better qualified, more experienced and more specialized staff than most governments.

IX. Lessons learned

83. The TR records lessons learned, defined as “the main successes and difficulties and what can be learned from them for improving effectiveness and impact during the next phase”. Every report in the sample contained information about successes and suggestions for improvement. Few admitted to any difficulties or described how they had been resolved and several were not specific enough to be useful. The lessons learned as reported are presented in Annex IX.

X. Suggested approach for the full evaluation of IS Projects

X.1 Purpose of the full evaluation

84. Everyone interviewed for the desk study confirmed that IS projects were an essential tool in helping A5 countries to achieve compliance. Nevertheless, tangible results that are directly attributable to IS projects are sometimes difficult to identify, particularly in regard to their contribution to compliance. This is because success (defined in terms of achieving and sustaining compliance) depends not only on the performance of the NOU but also on other factors, such as macro-economic conditions, political and administrative structures, legislation, enforcement and the cooperation of stakeholders.

85. The evaluation should therefore try to establish whether and to what extent the NOU – through IS support – is involved in: a) shaping the political and administrative structures, b) developing the legislation so it is logically constructed to ensure compliance and is easily implemented, c) ensuring that the legislation and other policy instruments are enforced, and d) facilitating and fostering stakeholder cooperation. In other words, the evaluation will inquire whether the government would have done some or all of these activities without IS support for the NOU, such as develop ODS legislation, and if the government would not have done so, how has the IS support funded by the MLF assisted the NOU to improve its effectiveness in each of these areas?

X.2 Evaluation issues

86. The evaluation should look into the following aspects of IS projects:

- (a) **Results and impact of IS projects so far.** To investigate what has been funded and what has been achieved to date that can be wholly or partially attributed to IS funding. To find and present evidence of what IS projects have contributed to Montreal Protocol implementation and achievement of compliance in a wide range of Article 5 countries. To identify best practice, common difficulties (and their solutions) and lessons learned, and if possible, quantifiable metrics that can be used to demonstrate the value of IS projects.
- (b) **Political and administrative context.** To assess how well decision 30/7 has been implemented to date, in particular how NOUs have managed to integrate their work plans into the internal planning processes of national authorities. To analyse how far the mainstreaming of ozone issues into national planning and budgets has been realized. To investigate NOUs influence and work with decision makers in government and industry. To review the extent and success of NOU partnership working with national, regional and international organisations. To analyse the links between NOUs and PMUs and the possible impact on NOUs and IS activities when PMUs will close upon completion of the phase-out plans.
- (c) **Planning and reporting of IS projects.** To assess how NOUs and implementing agencies plan IS projects to maximise their contribution to achieving and sustaining compliance. To look at how NOUs understand the links between objectives, activities and expected results and whether they would benefit from a ‘logic chain’ approach. To assess the quality and usefulness of terminal reporting to the NOU, implementing agency and the Executive Committee.
- (d) **Implementation issues.** To review implementation issues highlighted in this desk study and to identify the causes of problems, including:
 - (i) The extent, causes and significance of implementation delays and implications on compliance (on average IS projects experience delays of over one third of their expected duration);
 - (ii) Recruitment, induction, training and retention of National Ozone Officers and NOU staff;

- (iii) The extent, duplication, resource implications and usefulness of reporting requirements on NOUs;
 - (iv) How to make the most of links between NOUs and PMUs and between IS projects and other MLF supported projects;
- (e) **Future work.** To investigate how the demands on NOUs will change in future, including the introduction of HCFC controls, and the implications of these changes for the organization, activities, accountability and funding of IS projects and National Ozone Units. To assess the implications of the new focus on phase-out of HCFCs on the volume and composition of tasks for the NOU and to determine the potential for narrowing the activities supported through IS. To assess efficiencies to be gained from enhanced cross-NOU /regional activities (e.g. for public awareness).
- (f) **Funding issues.** To review the current uses of IS funding and the value for money achieved. To assess availability of funding against priority needs, including scope for additional (counterpart) contributions. To assess how decision 35/57 and the subsequent increase of IS funding has and is being used by countries for awareness activities and the implementation of the strategic approach approved with this decision. To investigate the incentives provided by (i) linking funding to ODS consumption and (ii) keeping levels of funding constant and (iii) the impact of potential alternatives like gradually reduced funding on NOU activities and performance when HCFCs remain as only one significant group of chemicals to be phased out. To identify the likely consequences if IS funding was not, or not fully, available in its current form, together with factors that could encourage NOUs to achieve long-term self-sustainability, taking into consideration the different needs of VLVC countries and LVC countries. To identify technical conditions that may need to be satisfied for approval/disbursement of IS funding in the HCFC context compared to those in the CFC context to improve efficiency and value of IS, e.g. establishment of licensing schemes or other basic regulatory measures.
- (g) **Conclusions.** To assess the value of IS projects in terms of results and impact and its value after 2010. To make recommendations on criteria and levels of IS funding appropriate to future IS project activities. To formulate requirements for effective and efficient implementation.

87. A detailed list of questions for the full evaluation, built around these issues, is presented in Annex VI.

X.3 Proposed work plan for the evaluation

88. During the country case studies, the evaluation should try to gather as much objective information as possible by independently seeking out the views of stakeholders, other government agencies that work with the NOU, high-level officials above the NOU within the same ministry, and private sector representatives from companies or industry associations, as well as from implementing agencies. The regional network meetings provide a good, cost effective opportunity to meet ozone officers from Article 5 countries, members of the

regional CAP team, and representatives of the implementing agencies working in a region. During network meetings an attempt would also be made to understand which NOUs could be viewed as being an excellent source of advice within a region, or as having one of the best run domestic programmes within the region -- and why.

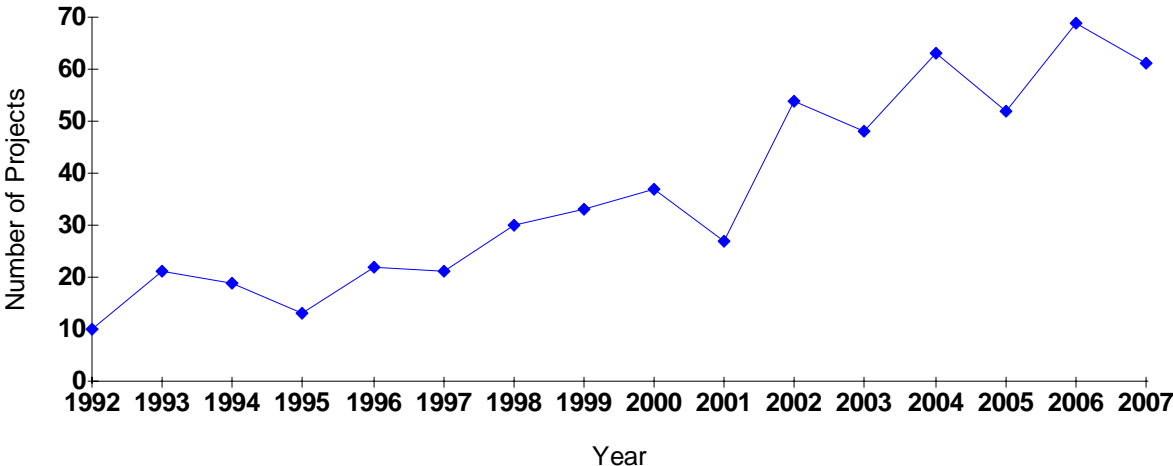
89. It may be difficult to exactly plan the data collection and standardize it as stakeholders play different roles and represent different interests in different countries, and the information available would depend on the possibility of access to a number of them. So it would be too prescriptive and detailed to elaborate separate interview guidelines for each type of stakeholder. The checklist of evaluation questions in Annex VI needs to be used flexibly to address the various issues from several angles and with different interview partners in each of the countries to be visited.

90. The IS evaluation would be based on a questionnaire for Ozone Units, individual and group discussions at regional network meetings and several country case studies. These countries need to be selected to provide a good balance of size (size of country and volume of ODS consumed), regional representation, experience of IS projects and implementing and bilateral agency involvement, with a focus on selecting particularly interesting, novel or successful approaches to the planning, implementation, monitoring and reporting of IS projects. The sample should also cover a range of different approaches regarding the links between IS projects and PMUs to identify best practices and lessons learned that could be relevant to the implementation of future HCFC phase-out plans.

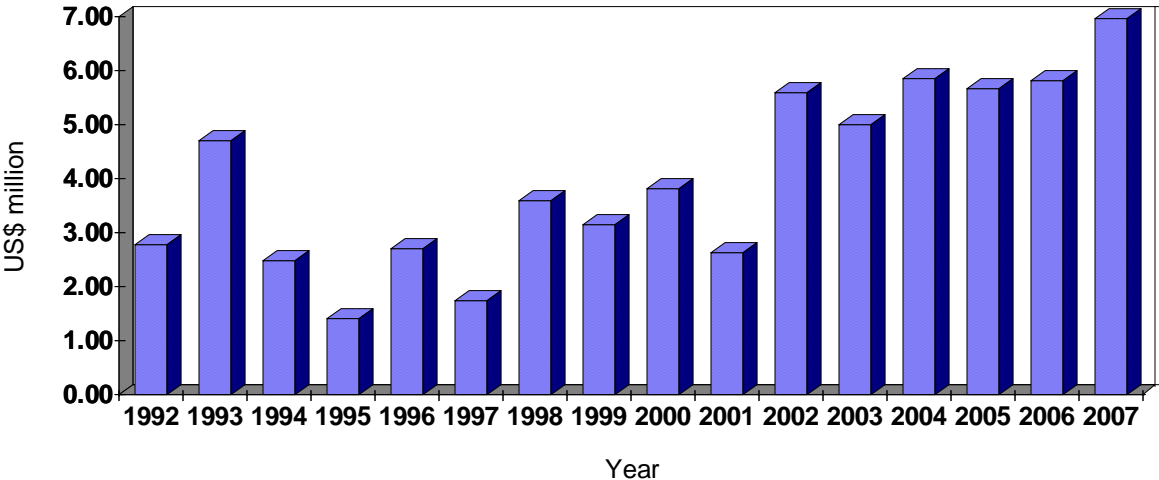
Annex I

GRAPHICAL OVERVIEW OF IS PROJECTS

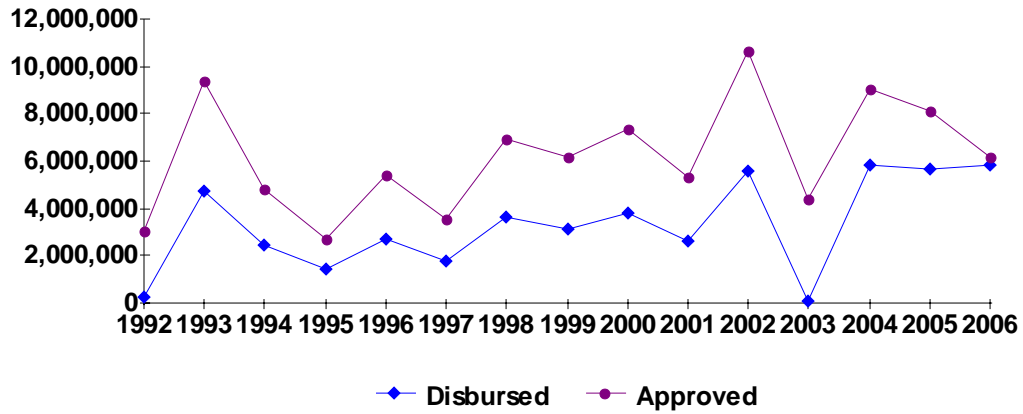
IS Projects Approved



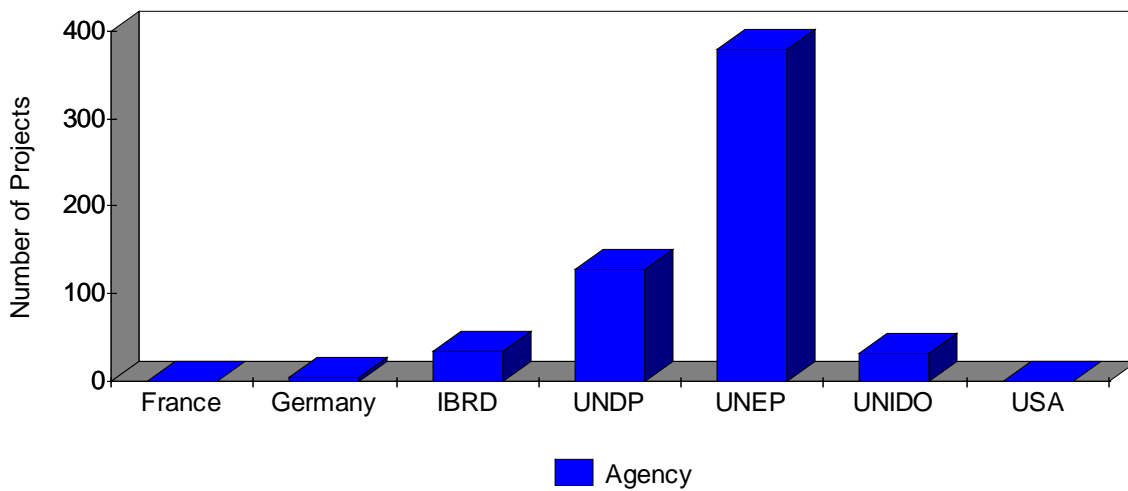
IS Funds Approved



Funds Approved VS Disbursed



IS Projects Approved by Agency



Annex I (cont'd)

IMPLEMENTATION DELAYS OF IS PROJECTS BY COUNTRIES

Country	Number of Phases Approved	Number of Phases Delayed	Approved Durations (Months)	Total Months Delayed	Percentage of Months Delayed
Afghanistan	4		67		0%
Albania	4	2	73	20	28%
Algeria	4	3	112	60	54%
Angola	2	2	62	13	22%
Antigua and Barbuda	3	3	87	30	35%
Argentina	5	3	136	59	43%
Bahamas	4	3	81	53	65%
Bahrain	5	2	136	21	16%
Bangladesh	5	3	136	41	30%
Barbados	4	3	98	109	110%
Belize	4	2	111	13	12%
Benin	5	5	135	34	26%
Bhutan	3		73		0%
Bolivia	6	4	161	47	29%
Bosnia and Herzegovina	2	2	62	68	110%
Botswana	3	2	85	96	113%
Brazil	5	4	135	89	66%
Brunei Darussalam	2	2	62	49	79%
Burkina Faso	7	3	187	12	6%
Burundi	4	2	112	11	10%
Cambodia	4	2	87	9	11%
Cameroon	7	3	161	46	28%
Cape Verde	3	2	62	65	105%
Central African Republic	4	3	112	51	45%
Chad	3	1	85	42	49%
Chile	8	3	198	21	11%
China	7	4	187	37	20%
Colombia	6	4	163	41	25%
Comoros	5	2	136	6	4%
Congo	5	2	135	32	24%
Congo, DR	4	2	86	41	47%
Cook Islands	3	2	37	21	58%
Costa Rica	7	4	198	46	23%
Cote D'Ivoire	5	4	111	68	62%
Croatia	5	4	141	28	20%
Cuba	6	4	161	54	33%
Djibouti	2	1	62	8	13%
Dominica	4	3	86	55	64%
Dominican Republic	4	3	114	54	47%
Ecuador	4	3	98	58	59%
Egypt	6	3	172	32	18%
El Salvador	5	4	138	34	25%
Equatorial Guinea	1	1	12	1	8%
Eritrea	1	1	13	12	92%
Ethiopia	5	4	123	68	55%
Fiji	6	2	137	46	33%
Gabon	5	2	136	11	8%

Annex I

Country	Number of Phases Approved	Number of Phases Delayed	Approved Durations (Months)	Total Months Delayed	Percentage of Months Delayed
Gambia	4	3	111	40	36%
Georgia	6	2	156	6	4%
Ghana	7	3	200	8	4%
Grenada	3	2	74	58	78%
Guatemala	6	5	158	54	34%
Guinea	5	4	136	31	23%
Guinea-Bissau	3	2	61	18	30%
Guyana	3	2	86	55	63%
Haiti	3	2	62	10	16%
Honduras	5	2	135	24	18%
India	6	5	161	38	23%
Indonesia	6	4	161	57	35%
Iran	8	6	174	81	46%
Jamaica	5	2	139	13	10%
Jordan	7	4	166	62	37%
Kenya	7	3	152	38	25%
Kiribati	3	2	58	23	40%
Korea, DPR	5	2	136	19	14%
Kuwait	3	1	87	5	6%
Kyrgyzstan	3		86		0%
Lao, PDR	3	1	86	5	6%
Lebanon	5	4	148	25	17%
Lesotho	4	3	111	51	46%
Liberia	2	1	61	3	5%
Libya	1	1	38	48	127%
Macedonia, FYR	5	5	136	41	30%
Madagascar	3	3	85	25	30%
Malawi	6	3	159	43	27%
Malaysia	7	4	186	61	33%
Maldives	4	2	111	65	59%
Mali	4	2	111	11	10%
Marshall Islands	3	2	74	28	38%
Mauritania	4	4	110	61	56%
Mauritius	3	1	85	104	121%
Mexico	9	3	203	31	15%
Micronesia	2	2	46	23	51%
Moldova	4	2	111	15	14%
Mongolia	4		112		0%
Montenegro	1		12		0%
Morocco	3	2	85	74	87%
Mozambique	3	2	85	97	114%
Myanmar	1	1	38	73	195%
Namibia	5	2	136	31	23%
Nauru	3	1	37	12	33%
Nepal	4	1	112	5	5%
Nicaragua	4	4	110	57	52%
Niger	6	3	161	31	19%
Nigeria	4	2	111	76	69%
Niue	3	1	49	6	12%
Oman	2	2	62	28	46%
Pakistan	5	2	124	71	57%
Palau	3	2	70	23	33%

Country	Number of Phases Approved	Number of Phases Delayed	Approved Durations (Months)	Total Months Delayed	Percentage of Months Delayed
Panama	4	4	116	110	95%
Papua New Guinea	3	2	85	59	69%
Paraguay	4	2	111	41	37%
Peru	3	3	90	58	64%
Philippines	6	3	136	51	37%
Qatar	3	3	62	63	102%
Romania	2	2	61	74	122%
Rwanda	3	2	62	40	64%
Saint Kitts and Nevis	3	2	86	109	126%
Saint Lucia	5	4	136	30	22%
Saint Vincent and the Grenadines	4	2	84	54	64%
Samoa	4	2	112	44	39%
Sao Tome and Principe	3	1	63	24	39%
Saudi Arabia	1		37		0%
Senegal	7	2	187	15	8%
Serbia	2	2	61	58	95%
Seychelles	4	3	111	71	64%
Sierra Leone	4	1	75	3	4%
Solomon Islands	3	1	79	14	18%
Somalia	2	2	25	81	320%
Sri Lanka	6	3	161	14	9%
Sudan	4	4	112	61	55%
Suriname	2	2	61	24	40%
Swaziland	3	2	97	79	81%
Syria	3	3	86	131	152%
Tanzania	3	1	85	63	74%
Thailand	6	3	152	106	69%
Togo	4	2	112	28	25%
Tonga	3	2	58	23	40%
Trinidad and Tobago	5	3	124	58	47%
Tunisia	4	3	112	86	77%
Turkey	3	3	107	107	100%
Turkmenistan	1		37		0%
Tuvalu	2	1	50	14	29%
Uganda	1	1	37	127	348%
Uruguay	7	2	194	25	13%
Vanuatu	1	1	38	32	86%
Venezuela	8	3	199	14	7%
Vietnam	6	2	159	12	8%
Yemen	6	1	147	6	4%
Zambia	3	3	89	87	98%
Zimbabwe	5	4	136	47	34%

Annex II

Results from pilot questionnaire

1. In preparation for the full evaluation, the consultant sent a pilot questionnaire to 24 National Ozone Officers, of whom 16 replied, 14 of which replied in time to be included in this report. This Annex summarises their responses and suggests issues for the full evaluation.

NOUS WHICH RECEIVED AND ANSWERED THE PILOT QUESTIONNAIRE						
Funding Level	REGION					
US \$ per tranche	Africa	LAC	SEAP/SAP	West Asia	PIC	Europe
>300		Brazil (UNDP)	China (UNDP)			
			India (UNDP)			
150 - 299	Algeria (UNEP)	Mexico (UNIDO)	Philippines (WB)			Turkey (WB)
	Egypt (UNIDO)	Chile (WB)				
	Nigeria (UNDP)					
<150	Ghana (UNDP)		Viet Nam (UNEP)	Jordan (WB)		Bosnia (UNIDO)
	Sudan (UNEP)			Kuwait (UNEP)		Romania (UNIDO)
<100	Niger (UNEP)	Jamaica (UNEP)			Papua New Guinea (Germany)	Georgia (UNEP/UNDP)
	Gabon (UNEP)				Samoa (UNEP)	Croatia (UNEP)

* Countries in bold responded in whole or in part to the questionnaire

National Ozone Officers – Terms of office and turnover

2. The 14 Ozone Officers who responded in time represent a range of experience. The longest serving was appointed 14 years ago (1994) while the most recently appointed started in 2007. Their dates of appointment were 1994, 1995, 1996, 2000 (2), 2002, 2003, 2004 (3), 2005 (2), 2006 and 2007.

3. To get an idea of turnover, we asked how many ozone officers each country had appointed since 2000. The results are shown below:

Turnover of NOUs since 2000	
Number of NOUs since 2000	Number of countries
1	7
2	1
3	4
4	1
5	0
6	1
TOTAL	14

4. The picture is obviously mixed but four or six different ozone officers since 2000 implies a change at least once every two years and this may well cause difficulties of continuity and follow up. It would be useful for the full evaluation to test the relationship between NOU turnover and performance of IS projects, to find out the reasons for different rates of retention and turnover, the implications for implementing the Montreal Protocol, how countries manage rapid turnover and what might be done to reduce it.

Sources of support for the NOU

5. We asked NOUs about the level of support they receive from different agencies. The results were overwhelmingly positive, with nearly everyone saying they received good support from their governments, their IS implementing agency, the Fund Secretariat, the Ozone Secretariat and Regional Networks. Bilateral agencies and other implementing agencies were less frequently mentioned and only 8 of the 14 respondents said that they received good support from their industries.

Main challenges for NOUs and usefulness of IS project

6. We asked each NOU to describe their main challenges, how they had responded and how the IS project had helped. The main challenges mentioned were:

- (a) Heavy workload with no assistance;
- (b) Complying with the national phase-out plan;
- (c) Implementing phase-out projects;
- (d) Establishing and monitoring of licensing system nationwide and combating illegal trade;
- (e) Disposal of confiscated CFCs;
- (f) Mislabelling of refrigerants in the market;
- (g) Putting in place and updating legislation;
- (h) Implementing decisions of the Meeting of the Parties and Executive Committee;
- (i) Raising awareness and public enlightenment

- (j) Learning about ozone issues; and
- (k) Limited budget.

7. All NOUs said that the IS project had contributed “very much” to their country achieving phase-out and meeting compliance targets. Some of the particular benefits achieved through IS projects were:

- (a) Preparing and implementing country programmes, RMPs, national and sector phase-out plans and assisting in formulating national policies;
- (b) Strengthening the country’s institutional arrangements and building staff capacity;
- (c) IS project is at the heart of all ODS phase-out activities in the country, allowing technical personnel and other services to be made available to all projects as needed;
- (d) Providing essential equipment and logistical support for the NOU;
- (e) Enabling extensive awareness raising campaigns;
- (f) Enabled the NOU to monitor and report data and to meet phase-out targets;
- (g) Covering meeting costs;
- (h) Provides regular and reliable financial support, unlike government contributions that can be irregular;
- (i) Providing guidelines, information and learning experiences;
- (j) Funds so that the NOU can monitor what is going on in the country;
- (k) Covers the cost of support staff and recruitment of highly qualified consultants;
- (l) Provides technical assistance and encourages private sector to get involved;
- (m) Provides funds to distribute Code of Good Practice to service technicians, customs officers and environmental inspectors;
- (n) Covered the cost of essential training activities.

8. We asked Ozone Officers to estimate the time spent on various activities and how they expected this to change in future. Twelve of the replies gave this information. Their answers showed that, on average, Ozone Officers spend their time as follows:

Activity	% time	Likely to take more, less or the same time in future?
Data collection	9	More
Data reporting	6	Same
Developing regulations	10	Same
Enforcement	11	More
Reducing illegal trade	8	More
Project management	22	Same
Co-ordinating the work of the implementing agencies	7	Less
Public awareness	17	Same
Regional co-operation	5	Same
Other	5	Same
TOTAL	100	

9. The full evaluation should look in more detail at how Ozone Officers allocate their time and prioritise activities and the support they receive to help them manage their time. For example, spending on average 22 % of time on project management might imply that the implementing agency could provide more help. The changing responsibilities and activities of NOOs in future is an important consideration for any decision on the future objectives and management of IS projects.

IS reporting formats

10. All those who responded said that they were content with the current templates for Terminal Reports (TRs) and Extension Requests (ERs). Some commented that the formats could be simplified and shortened to improve NOU efficiency. Another suggested that, when difficulties were highlighted, it would be useful to have a response from the Implementing Agency and the Fund Secretariat. One NOU said that the detailed lists of objectives and activities were useful reference documents for drawing up Action and Implementation Plans.

Impact of the 1999/2000 evaluation and decision 30/7 of the Executive Committee

11. We asked Ozone Officers to assess the extent to which their NOU had changed since 2000 in response to decision 30/7 of the Executive Committee. There was broad agreement that all of the recommendations had been implemented, at least to some extent. The details for the 13 countries that responded to this question are shown below

Recommendation	YES	NO
NOU has more influence in Government	11	2
NOU is more able to drive change in the country	13	0
NOU has more and better staff and resources	8	4
NOU has better access to decision-makers	13	0
NOU receives more support from senior levels of government	11	2
NOU is subject to more checks by senior managers and/or auditors in your government	12	1

NOU work plan is better integrated into the Government's overall work plan	12	1
Your Government gives more priority to the Montreal Protocol and phasing out ODS	11	2
NOU has better links to the private sector and other external groups to assist with the phase-out	12	1

12. This supports the information that NOUs provide in their TRs and ERs, confirming that NOUs see themselves as much better placed now to drive change and to influence politicians and senior decision makers. Even where there is a suggestion that more staff and resources are needed, a majority of countries say that things have improved since 2000.

Adequacy of IS funding and future funding needs

13. We asked Ozone Officers to assess the extent to which the IS project funding covers the requirements of the NOU now and is likely to in 2011 and in 2015. The table below shows the responses received from 12 ozone officers;

Adequacy of IS funding	Percentage of Total NOU costs covered by IS funding			
	100 %	75 %	50 %	<50 %
Now	3	5	3	1
2011	4	2	2	4
2015	5	2	0	5

14. This presents a mixed picture. A small majority of countries are confident that IS funding will continue to meet most or all of their needs while the countries in the bottom right of the table (highlighted) think that IS funding is likely to provide a lower proportion of their costs in future. This is worth investigating further, as this table may not have been understood or NOUs may have completed it on the basis of particular (but undeclared) assumptions about future funding levels.

15. The adequacy or inadequacy of IS funding may not be a problem if NOUs can access funding from elsewhere. However:

- (a) 8 of the 12 respondents said that, if funding remains at current levels, they would not meet their future needs. The other 4 did not see this as a problem. One country, however, said that funding would be adequate only if current IS plus PMU funding continued beyond 2010.
- (b) 11 of the 12 countries said that their governments would not be in a position or willing to meet more of the costs. One respondent thought that the government might be able to pay a bit more but not make up the difference.
- (c) 10 of the 12 countries said that they received no funding from other sources, such as industries or other ministries. One country said this was in-kind assistance from the Ministry of Environment.

16. We asked the ozone officers why they thought they would need additional funds in future. Their answers included:

- (a) Additional surveys, control measures and consultants for HCFCs;
- (b) Fully funded PMU required for HCFC phase-out plan;
- (c) Salaries for qualified staff continue to increase and should not exceed 30% of the total budget or the project would not be efficient;
- (d) More public awareness, workshops and seminars;
- (e) Inflation means salaries, fuel prices and training costs are higher;
- (f) Additional staff and training them in basic accounts and IT skills;
- (g) Better communication;
- (h) Updating legislation to reflect recent decisions of the MOP;
- (i) The weakness of the US \$ has led to cost increases;
- (j) To reflect differences in the cost of living between countries.

17. Finally on funding, we asked whether the current system of deciding levels of funding based on ODS consumption should be changed. Opinions were divided. Six countries said that this was the best system while six said that a change would be beneficial. Those who recommended a change suggested a system of funding that:

- (a) Was related to the real difficulties of achieving phase-out in each country and the additional activities required, such as surveillance of illegal trade;
- (b) Included a standard amount to reflect the fixed costs of running an NOU;
- (c) Reflected the population of a country and its geographical spread;
- (d) Rewarded those countries that maintained the sustainability of phase-out;
- (e) Reflected the number of small and medium enterprises and a country's technical capacities.

18. One country noted that basing IS funding on consumption in ODP tonnes might have been fine for CFCs but would be unsuitable for HCFCs given their much lower ODP values.

19. The full evaluation should look in detail at the arguments for and against changing the current levels of IS funding. It should also review the opportunities and challenges of moving towards a more flexible system of funding that can reflect the particular needs of countries while providing stronger incentives for NOUs, countries and implementing agencies to achieve and maintain full compliance.

What would most help improve NOUs in the future?

20. We asked NOOs to rank a number of possible things that would help them to improve their NOU in future. There was a surprising degree of consensus among the 9 respondents. The table below summarises their views.

Suggestion	Priority		Priority
More funding for the NOU	1	More co-operation from other ministries	6
More support from senior levels of government	2	More assistance from other NOUs via the networks	7
More support from implementing agencies	3	Better links to climate change	8
More staff	4	Streamlining reporting requirements	9
Better qualified staff	5		

21. The full evaluation will want to test these conclusions with a bigger group of ozone officers before using this list, as amended, for planning the future of IS projects beyond 2010.

22. A detailed checklist of questions regarding the different aspects of IS projects is included in Annex VI.

Annex III

COUNTRIES SELECTED FOR THE DESK STUDY SAMPLE

Country	IS start date	Phases to date	Phases delayed	One-year extensions	Implementing agency
AFRICA					
Algeria	Nov 1993	4	3	0	UNEP
Egypt	Jun 1993	6	3	0	UNIDO
Ghana	Oct 1992	7	3	0	UNDP
Nigeria	Mar 1993	4	2	0	UNDP
Sudan	Mar 1994	4	3	0	UNEP
EUROPE					
Bosnia & Herzegovina	Mar 1999	2	1	0	UNIDO
Romania	Jul 1995	2	2	0	UNIDO
Turkey	Oct 1992	3	3	0	IBRD
LATIN AMERICA and CARIBBEAN					
Brazil	Jun 1993	5	3	0	UNDP
Chile	Jun 1992	8	2	2	IBRD
Jamaica	Oct 1996	5	3	0	UNEP
Mexico	Jun 1992	9	3	0	UNIDO
SOUTH ASIA					
China	Feb 1992	7	4	0	UNDP
India	Oct 1992	6	5	0	UNDP
SOUTH EAST ASIA and PACIFIC					
Papua New Guinea	May 1996	3	2	0	Germany
Philippines	Mar 1993	6	3	2	IBRD
Samoa	May 1997	4	3	0	UNIDO
Viet Nam	Jul 1995	6	1	0	UNEP
WEST ASIA					
Jordan	Jun 1992	7	2	0	IBRD
Kuwait	Jul 2002	3	1	0	UNEP
TOTALS		101	52	4	

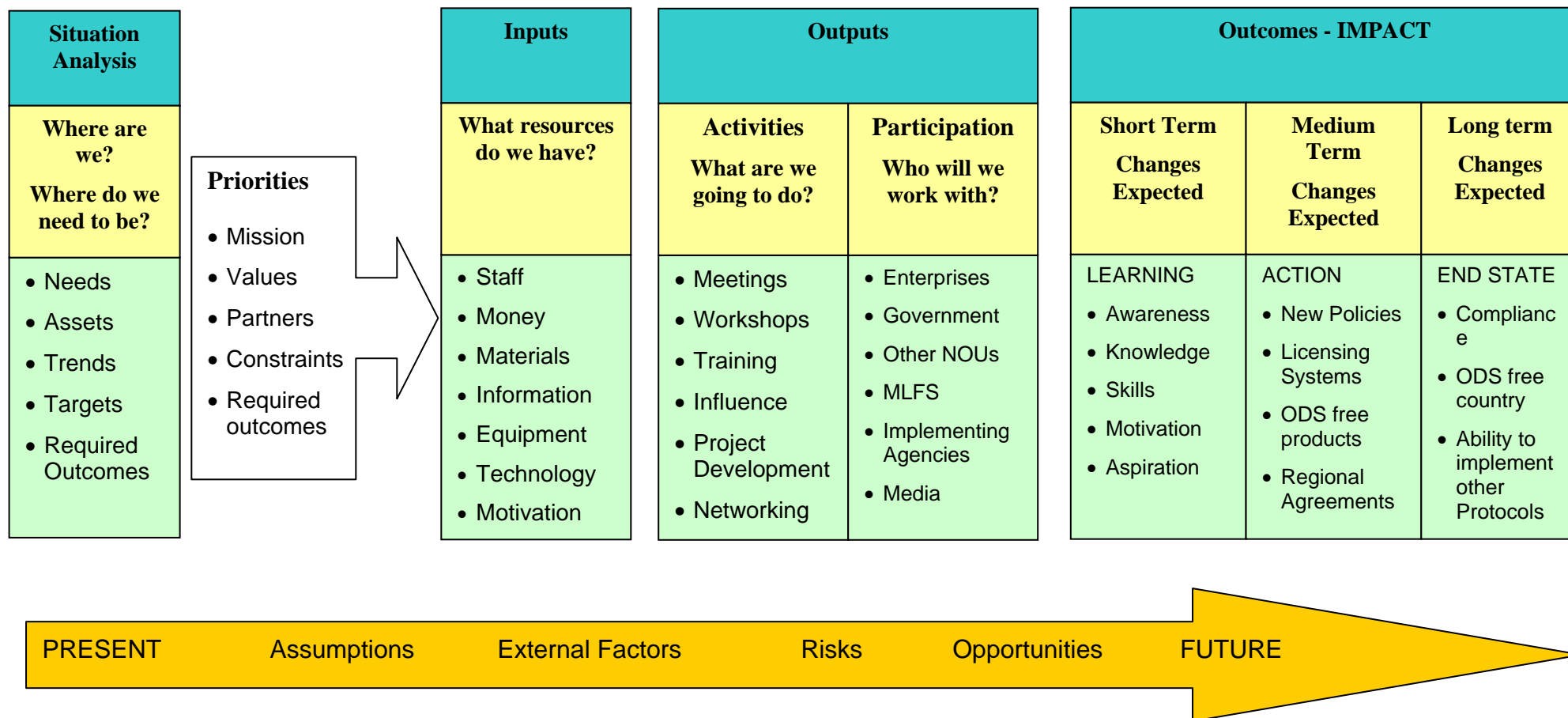
Annex IV

**SUMMARY OF OBJECTIVES GIVEN INDICATED IN IS TERMINAL REPORTS
AND EXTENSION REQUESTS**

a) Objectives common to nearly all reports
Prepare, draft, agree or enforce regulations
Support the successful implementation of approved projects, including RMPs and NPPs
Raise awareness
Secure compliance with the Montreal Protocol
Collect, verify and report data as required
b) Objectives found in around half of the reports
Monitor imports & exports and control illegal trade
Implement and/or update the country programme
c) Objectives found in less than half of the reports
Prepare national strategies and phase-out plans
Support other NOUs through networks and participate in international meetings
Ensure that country ratifies the amendments
Organise and monitor training activities
Provide technical assistance to enterprises
d) Objectives found in small numbers of reports
Survey HCFC users and plan HCFC phase-out
Strengthen NOU links with other parts of government
Accelerate ODS phase-out
Set up and support halon banking
Liaise with the Secretariats and implementing agencies
Build the capacity of the NOU
Audit programmes, projects and activities
e) Objectives found in single or very few reports
Link Montreal Protocol to Kyoto Protocol, climate change and energy efficiency
Compile inventory of new ODS uses
Set up decentralised ODS control systems across country
Make the IS project sustainable

Annex V

LOGIC CHAIN APPROACH TO PLANNING INSTITUTIONAL STRENGTHENING PROJECTS



Annex VI

CHECKLIST OF EVALUATION QUESTIONS¹

(a) Results and Impact of IS projects so far:

- (i) What are the main activities funded through IS projects so far and what has been their impact on helping countries to comply with the Montreal Protocol?
- (ii) To what extent have IS projects created a policy, administrative, economic, technical and political context essential for the success of investment projects and verifiable phase-out of ODS?
- (iii) What examples of best practice in IS project management and implementation are there and how can they be shared more widely?

(b) Political and administrative context:

- (i) *Were the NOU given a clear mandate and responsibility to meet its commitments under the Montreal Protocol, including access to decision-makers and enforcement agencies?*
- (ii) *Is the NOUs' position, capacity, and continuity of officers, resources and lines of command within the authority in charge of ozone issues such that the NOU could carry out its task satisfactorily?*
- (iii) *Has a specified high-level officer or a post within the authority given overall responsibility for supervising the work of the National Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol?*
- (iv) *Have necessary support structures, such as steering committees or advisory groups been established, involving other appropriate authorities, the private sector and non-governmental organizations, etc.?*
- (v) To what extent have NOUs created effective partnership working with industry, NGOs and others to drive ODS phase-out?

(c) Planning:

- (i) *Have annual work plans for the NOU been prepared and integrated in the authorities' internal planning processes?*
- (ii) How do NOUs and implementing agencies set about planning their IS projects to ensure that a) the objectives and activities are targeted appropriately on key national priorities; b) there are clear links between

¹ The items of decision 30/7 taken up as evaluation issues have been included in the list and are shown in italics.

objectives, activities and expected results, c) action plans are followed up and d) useful results and value for money can be demonstrated.

- (iii) How far could implementing agencies and the Regional Networks help to improving the understanding and ability of NOUs to plan their IS projects and to report on them in ways that provide better evidence of their impact, effectiveness and value for money?
- (iv) Would the success, sustainability and credibility of IS projects be improved by applying more consistent planning based on some kind of logic chain approach?

(d) Implementation issues:

Delays

- (i) What does a “project delay” mean for an IS project and why is it important?
- (ii) Why are some IS projects delayed? How can delays be reduced and what are the impacts of delays on NOUs and country activities?
- (iii) Why have some NOUs secured ratification of amendments by their governments while others continue to report difficulties, although it appeared more than once as an objective for the IS project? What further support is required and what lessons can be learned?
- (iv) What are the impacts on a country and an NOU of renewing an IS project for one year rather than two years? To what extent does this policy provide a good incentive to resolve compliance issues?

Staffing

- (i) Why are there such big differences in NOO retention and turnover between countries and what are the implications for achieving phase-out and compliance? How do countries manage rapid turnover and what might be done to reduce it?
- (ii) What problems are NOUs facing in recruiting and retaining enough staff with the right qualifications, skills and experience?
- (iii) Do NOU staff have enough access to training? (Only 5 of the 20 countries reported using IS funds for training NOU staff) Could this be improved by making more use of regional networks?

Monitoring and reporting

- (i) Has a reliable system to collect and monitor data on ozone depleting substances imports, exports and production been established?

- (ii) To what extent are the current reporting grids in TRs and Extension Requests accurately and consistently completed with useful information?
- (iii) What is the role of implementing agencies in completing TRs and extension requests? What responsibility do they take for the completeness and accuracy of what is reported?
- (iv) Why (and how) do some NOUs produce 15 or more reports per year? How widespread is this and what is the impact on the NOUs work programme and resources? What information do these reports contain? What is the value added? Could reporting requirements be reduced?
- (v) What is happening in IS projects that is not being reported but which would be useful to the Montreal Protocol community to know more about? How could good ideas be more widely shared?

(e) Funding issues:

- (i) *Have the personnel and financial resources and equipment provided by the Multilateral Fund been fully allocated to the task of eliminating ODS consumption and production and were made available to the NOU?*
- (ii) Is there any relationship between the total IS funding received (or the amount received from the government) and the % funding spent on staff?
- (iii) What issues arise when 'permanent' staff are supported exclusively from IS funds and where staff costs represent over 40 % of the available IS funding?
- (iv) How have NOUs managed to recruit and retain staff where salaries have increased but IS funding remained the same?
- (v) Why do some governments make significantly greater than average contributions, both in absolute and relative terms, to the costs of the National Ozone Unit in their countries?
- (vi) What incentives do the current funding arrangements (level, stability, certainty, flexibility) create for the activities and performance of NOUs and implementing agencies?
- (vii) What are the opportunities and challenges of moving away from a standard system of funding to one that includes incentives for NOUs, countries and implementing agencies to achieve and maintain compliance, to extend lessons learned from the Montreal Protocol to other environmental agreements and to play an active role in helping other countries through networks and bilateral assistance?

- (viii) What is the longer-term scope for NOUs to raise a greater proportion of their funds from other sources and so rely less on the Multilateral Fund for their survival and core activities?
- (ix) How should IS funding change to reflect changes to the role, objectives, activities and requirements of NOUs in future?

(f) Future work:

- (i) What would be the consequences if IS funding were not or less available in its current form, and what could be the factors to encourage an NOU to achieve self-sustainability, taking into consideration the different needs of VLVC countries and LVC countries?
- (ii) What particular challenges will the implementation of HCFC controls bring and how should IS projects change in response?
- (iii) What other changes do NOUs expect during the compliance period post 2010? How should IS projects change in response?
- (iv) What are the opportunities and challenges of bringing together IS projects with PMU funding and other non-investment support to create a single, flexible resource under direct NOU control? What other models are there for maximising impacts while minimising bureaucracy?
- (v) More generally, what are NOU hopes and fears for the future and how might these be relevant to decisions on the future of IS projects?

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Annex VII

SUMMARY OF TELEPHONE INTERVIEWS

1. As part of the desk study, the consultant interviewed the following representatives of implementing agencies, all of whom have considerable knowledge and experience of IS projects.

Rajendra Shende	Chief, OzoneAction Unit, UNEP DTIE
Halvart Koppen and Yerzhan Aisabayev	RNC Europe, UNEP DTIE
Mirian Vega	RNC LAC, UNEP DTIE
Atul Bagai and Thanavat Junchaya	RNC SA and SEAP, UNEP DTIE
Abdulelah Alwadaee and Ayman El-Talouny	RNC West Asia, UNEP DTIE
Alejandro Ramirez- Pabon and Kasper Koefoed	Montreal Protocol Unit, UNDP, New York and Panama
Mary-Ellen Foley	Montreal Protocol/POPs Operations, World Bank

2. The consultant asked them to talk about their experiences and views of IS projects, addressing the following questions:

- (a) General points;
- (b) What are the strengths of IS projects and the reasons for them to continue in future?
- (c) What are the problems with IS projects and how could they be solved? Are IS projects doing what they should?
- (d) How should the approach to IS projects change after 2010, in particular to support the phase-out of HCFCs?
- (e) Are current levels of IS funding about right, or should the Multilateral Fund provide more or less funding? What is the scope for national governments or others to provide more funding?
- (f) What are the implications for NOUs and IS projects of the new project management units and national phase-out plans?

(a) General points

3. The approach to IS projects is the most important development of the Montreal Protocol and a key element of its implementation. Without IS projects, the successful implementation of the Montreal Protocol would not be happening.

4. For this reason, IS projects are irreplaceable and the most important projects to be supported in future. They must not only continue but should also be strengthened, particularly in light of the additional work required for phase-out of HCFCs.

5. It is wrong to think of IS projects in isolation. They are part of a series of activities that includes national ozone officers, regional networks and training programmes that, together, have enabled the successful implementation of the Montreal Protocol and the phase-out of ODS.

6. Most Article 5 countries would not be able to pay for a full-time ozone officer. While some larger countries could perhaps afford it, most would restrict funding to paying for staff and not provide enough for important activities like awareness raising. Smaller countries would certainly find it difficult to pay for an NOU out of the very limited funds they have for environmental programmes.

7. Unlike climate change and other global, regional and local environmental problems, the Montreal Protocol is not a priority for most Article 5 countries. This makes it all the more important to continue to support institutional strengthening.

(b) What are the strengths of IS projects and the reasons for them to continue in future?

8. Institutional strengthening projects have guaranteed a full-time ozone officer dedicated 100 % to supporting ODS phase-out and to ensuring smooth project implementation.

9. Before IS projects, there was a type of “anarchy”, with different implementing agencies working with different ministries to prepare and submit projects, without any coherent national coordination. IS projects have enabled all countries to set up a national focal point to manage a country’s interaction with the different and Secretariats of the Protocol and to take responsibility for achieving compliance.

10. IS projects have helped to institutionalise the Montreal Protocol within Article 5 governments and to raise awareness among their ministries and different stakeholders, which has also facilitated compliance. IS projects have helped create a level playing field for Article 5 countries, large and small, encouraging and enabling them to network, share information and experiences and to represent their countries at international meetings. Through institutional strengthening, national ozone units have now accumulated much valuable experience, since most of them were established over 10 years ago.

11. Institutional strengthening has facilitated project implementation, data collection and data reporting, all of which are particularly complex issues under the Montreal Protocol. Success in these areas has been achieved largely because IS projects created an international network of

professionals dedicated to ensuring that the Protocol works well and is successful. With support from IS projects, NOUs have overcome the fragmentation of institutions and connected with the industry and business sectors in many Article 5 countries. Ozone officers have also driven forward the development, adoption and enforcement of legislation on ODS and have developed good relationships with a wide range of different stakeholders. Without NOUs supported by IS projects, this process would have been much slower and probably unsuccessful in many countries.

(c) What problems do you see with IS projects and how could they be solved? Are IS projects doing what they should?

12. Some NOUs are isolated from the rest of their ministries and from the wider government decision-making process in their countries. This is a real problem since, very often, ozone officers cannot take or influence political decisions and lack the support necessary to make changes happen. Some NOUs have so little influence that funding allocations and the work plan for their own office are decided elsewhere.

13. In general, NOUs in Africa and Asia tend to recruit more senior ozone officers, while other regions continue the trend of recruiting more junior officers who in most countries do not have adequate access to decision-makers. This can partly be remedied by setting up steering committees involving more senior people. They can take decisions on the action plans and goals for the NOUs, but also influence key decision-makers and stakeholders. At the same time, this kind of governance structure can provide more support, certainty and continuity to the operation of the NOU.

14. Some countries have given the responsibility for managing ozone issues to a joint team of government officers who also look after other Multinational Environmental Agreements (MEAs). This arrangement promotes the sharing of information and expertise from the Montreal Protocol to other MEAs. By splitting responsibility for ozone issues across a wider team, it also helps maintaining continuity and the institutional memory when ozone officers change, a frequent problem especially in smaller countries. Another way to mitigate this problem is to use the regional networks under UNEP's Compliance Assistance Programme to train not only ozone officers but also additional members of NOU staff. This has helped solving the difficulty that NOU staff training, although important, is not automatically part of an IS project.

15. Overall, IS projects tend to have more difficulties in smaller countries. This could be because ministries in these countries have fewer resources and may use their ozone officers for work related to other MEAs. Where this involves frequent travelling, the ozone officer ends up having less time to work on his core duties under the Montreal Protocol. One solution in these cases is to ensure that countries use the Multilateral Fund IS resources only for ozone issues. However, in small countries this may be impractical and might anyway lead to the NOU being so isolated from the mainstream government environmental programmes that progress on Montreal Protocol issues becomes very difficult.

16. Ozone officers, especially those paid as consultants by the implementing agencies, are sometimes paid higher salaries than other government officials. This provides a financial disincentive to mainstream the NOU within the government system. Similar difficulties have

been caused by the payment of incentives to some ozone officers. One solution would be for salaries to be determined by the governments concerned rather than by the implementing agencies. However, this could reduce the chances of recruiting well-qualified and experienced ozone officers to these demanding posts, and one might lose the advantages in terms of speed, quality, responsiveness and accountability when ozone officers are able to operate outside normal government systems.

17. Without good communication, NOUs cannot operate effectively. It is important that IS funding is available and can be used to get the necessary equipment and services so that NOUs have good access to email and Internet. Vital information (e.g. Meetings of the Parties and Executive Committee reports) is increasingly available on the web and NOUs can exchange material more quickly and efficiently by email.

18. Some ozone officers do not speak English, which makes it very difficult for them to participate appropriately in international meetings or to understand some of the information that is only available in English.

(d) How should the approach to IS projects change after 2010?

19. IS projects were established at the time that country programmes were being developed. However, at that time, the full picture of what was needed to comply with the Montreal Protocol was not available. Since then, needs have changed and this should be reflected in future IS projects. For example, IS projects have never taken into account inflation, and the current criteria to determine levels of funding cannot consider the particular circumstances of individual countries, such as ODS users being widely spread, which increases transport costs.

20. In future, IS projects should focus much more on outcomes to be achieved and less on lists of activities to be undertaken. The assessment and interpretation of results should be based on these outcomes – or long-term results of the project, rather than on a series of shorter-term deliverables.

21. After 2010 NOUs will face a larger workload arising from the new controls on HCFCs, the phase-out of methyl bromide and the need to change CFC metered-dose inhalers. All these will be more difficult than CFC phase-out to date. Methyl bromide, for example, involves farmers and the food sector, which is more complex and vulnerable. MDI work will require working with new stakeholders in the health sector. Data reporting for HCFCs will not be as simple as it was for CFCs, as they are more widely used and blends are more difficult to identify for trade controls. Customs officers will not have instruments to detect HCFCs, which made CFC control easier.

22. Monitoring trade will continue to be important, because illegal trade might increase but also because there will be the need to maintain zero consumption of CFCs. Awareness raising will be more necessary than ever, because, as most people think that the Montreal Protocol is ‘finished business’, they do not give it the required attention anymore and so are not aware of the need to control HCFCs.

23. Between 2009 and 2013, there will be an overlap between the completion of the CFC phase-out and the HCFC freeze. This means that NOUs will have more work and more complex work, including dealing with the remaining 15 % of CFC consumption, disposal of ODS and equipment, closing of projects and initial HCFC activities.

24. One idea for the future is to give incentives to those NOUs or ozone officers that perform better, subject to a performance evaluation. Alternatively, IS funding could become conditional on achieving specific goals, similar to the way that the Climate Change National Communications and other MEAs operate. Suitable goals could be sustained compliance, smooth project implementation without delays, phase-out in line with targets and timely completion of required reports.

25. There is no need to change the overall approach to IS projects to meet future compliance targets. The key to a successful project is how the country and the agency implement it. There are significant differences in the way IS projects are designed and implemented between regions. In Europe, a typical NOU will have a Coordinator, a Programme Assistant, a Financial and Administrative Assistant and experts (full-time for refrigeration and part-time for Customs, MDIs and other sectors). In contrast, African countries are less likely to have ready access to these kinds of experts. In South East Asia, ozone officers are usually paid by the Government and IS funding is used mainly for technical assistance. By contrast, in the Caribbean, IS funds are more usually spent for paying the NOU staff and for awareness raising activities.

26. Longer-term sustainability of the NOU meaning that it can survive and succeed without relying on external funding, will require NOUs to be less specialised and isolated and to share their responsibilities more with other government ministries and agencies, NGOs and the private sector. Environmental Authorities in Article 5 countries are often weak compared to the industry, commerce and finance ministries. Involving more powerful agencies in implementing the Montreal Protocol will raise its profile and improve the chances of success.

(e) How should IS projects change to support the phase-out of HCFCs?

27. The original country programmes were done by external consultants, as NOUs were not present or in their infancy. Data collection was often poor and information inaccurate or incomplete such that, eventually, they had to be updated. This time it will be important to use the NOUs and to build the capacity of national stakeholders to develop their own national strategies for HCFCs. This work needs to start soon in order to enable countries to meet their freeze obligation in 2013.

28. Ozone officers will need to build a much wider group of stakeholders to work with HCFCs, in particular making new links to those working on climate change and energy efficiency. The challenges that this represents, bringing ozone depletion and climate change together for joint implementation, should not be underestimated.

(f) Are current levels of IS funding about right, or should the Multilateral Fund provide more or less funding? What is the scope for National Governments or others to provide more funding?

29. If there were no MLF funding, IS projects would quickly cease to exist. In most Article 5 countries the Montreal Protocol would receive less attention and there would be very few NOUs left. Most governments would not allocate comparable resources for this one environmental treaty.

30. IS funding levels should reflect the needs of poorer countries in particular, as well as those IS projects that were approved within a country programme a long time ago, when they probably did not request enough funds as their needs were not fully understood. It is likely that, to maintain current activity levels and to manage successfully the new control and commitments, IS project funding will have to increase post 2010, perhaps by 20 %.

31. When IS levels of funding are relatively low, countries allocate most of it to staff, leaving very little, or nothing, for awareness raising activities or other important IS components.

(g) What are the implications for NOUs and IS projects of the new project management units (PMUs) and national phase-out plans (NPPs)?

32. In some countries the PMU and its cooperation with the NOU seem to be working well, particularly where NOUs have responsibility for overall monitoring and the PMUs focus on implementation of the NPP, the sectoral phase-out plan or terminal phase-out management plan. Some countries for example only hire one person to monitor TPM implementation, working within the NOU.

33. In some larger countries, the existence of PMUs has caused some problems for the NOUs, since there are no clear rules about coordination of the different activities. This is happening in particular where several PMUs operate simultaneously and where NOUs are part of the Government and PMUs are clearly part of the Implementing Agency. This problem needs to be addressed, perhaps through guidance on how the PMUs can be better integrated with the NOUs.

34. The roles of the NOUs and the PMUs are different. Their work is complementary and PMUs should never replace the strategic responsibilities of the NOUs. NOUs deal with policy and legal issues and provide an enabling environment to facilitate the overall implementation of the Montreal Protocol. PMUs deal with day-to-day project management. NOUs are permanent while PMUs are temporary and will cease to exist once the projects are complete.

35. Most frequently, NOUs coordinate the work of PMUs but problems can arise if the NOU is not properly established within its own government. Equally, there can be problems where the PMU is accountable mainly to the implementing agency rather than to the NOU or the national government. Some PMUs are said to be more efficient than NOUs in implementing projects because specialist staff can be contracted for specific tasks and can be held accountable by the implementing agency for delivering them.

Annex VIII

DECISION 30/7 OF THE EXECUTIVE COMMITTEE

1. The Executive Committee, having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/30/4, para. 10), decided:

- (a) To take note of the final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan (UNEP/OzL.Pro/ExCom/30/6 and Corr.1);
- (b) To urge all Article 5 countries with institutional strengthening projects to ensure that:
 - (i) National Ozone Unit is given a clear mandate and responsibility to carry out the day-to-day work in order to prepare, coordinate and, where relevant, implement the government's activities to meet its commitments under the Montreal Protocol; this also requires access to decision-makers and enforcement agencies;
 - (ii) National Ozone Unit's position, capacities, and continuity of officers, resources and lines of command within the authority in charge of ozone issues are such that the National Ozone Unit can carry out its task satisfactorily;
 - (iii) a specified high-level officer or a post within the authority is given overall responsibility for supervising the work of the National Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol;
 - (iv) necessary support structures, such as steering committees or advisory groups are established, involving other appropriate authorities, the private sector and non-governmental organizations, etc.;
 - (v) personnel and financial resources and equipment provided by the Multilateral Fund are fully allocated to the task of eliminating ODS consumption and production and are made available to the National Ozone Unit;
 - (vi) annual work plans for the National Ozone Unit are prepared and integrated in the authorities' internal planning processes;
 - (vii) a reliable system to collect and monitor data on ozone depleting substances imports, exports and production is established; and
 - (viii) measures taken and problems encountered are reported to the Secretariat and/or the implementing agency in charge of the institutional strengthening project when required by the Executive Committee.

- (c) To request the Secretariat, in collaboration with interested Article 5 and non-Article 5 countries and the implementing agencies, to prepare general principles for agreements between governments and the implementing agencies on new and renewed institutional strengthening projects which incorporate the elements under (b), while recognizing that the agreements should be appropriate and adaptable to the specific situation in different countries. These principles should emphasize that action to be undertaken should be stated in general terms only in the institutional strengthening agreement;
- (d) To instruct the implementing agency in charge of the institutional strengthening project to follow up the phase-out status and problems encountered by the National Ozone Unit and discuss and propose possible solutions with them;
- (e) To instruct all implementing agencies to ensure that their project proposals are based on the current strategic planning of the Article 5 country government and ensure that the National Ozone Unit is fully involved in the planning and preparation of projects, regularly provide National Ozone Units with information on the progress of project implementation and assist them in improving their capacity to monitor and evaluate projects implemented and their impact at the country level;
- (f) To request the implementing agencies to define a procedure to justify reallocation of funds among the budget lines of institutional strengthening projects and report to the Thirty-first Meeting of the Executive Committee; and
- (g) To request UNEP and UNIDO to review whether quarterly progress reporting can be extended to six-month intervals and to report thereon to the Thirty-first Meeting of the Executive Committee.”

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Annex IX

LESSONS LEARNED REPORTED IN TRs OF 20 SELECTED IS PROJECTS

Political and administrative

- (a) NOU needs more support from national government and institutions;
- (b) Need to strengthen links and co-operation between the NOU and other parts of the government;
- (c) NOU needs additional financial help from the government and good co-operation from other ministries;
- (d) IS project is key to achieving phase-out;
- (e) Legislation is essential to phase out ODS;
- (f) Accelerated phase-out helps reduce illegal trade;
- (g) National execution using market-based instruments works well;
- (h) Compliance was achieved through regulation and by licensing refrigeration technicians;
- (i) Introducing a quota system was vital for compliance; and
- (j) Need to learn better from experience in other relevant projects. Should link the Montreal Protocol with Kyoto Protocol and climate change.

Implementation

- (a) Need for better co-ordination between implementing agencies;
- (b) An active implementing agency is a great help to a solitary NOU;
- (c) Need better and more regular communication with the implementing agency;
- (d) NOU participation in regional networks is very helpful to achieving phase-out;
- (e) NOU needs good links to industry;
- (f) Close co-operation with stakeholders improved project implementation;
- (g) TPMPs are valuable tools;
- (h) Sector plans to phase out ODS were vital;
- (i) Awareness programmes need specific targeting, for example on local inspectors or technicians;

- (j) It is hard to enforce rules and to control the supply of CTC for non-feedstock uses;
- (k) NOU had to intervene to keep the halon bank project operating;
- (l) More assistance needed to create an electronic data base;
- (m) There is a problem with disposal of recovered ODS; and
- (n) Establishing a national network for methyl bromide users was key to the success of the project.

Funding

- (a) It is hard to get counterpart funding for projects;
- (b) Need to improve arrangements for the release of funds;
- (c) Direct disbursement helped IS project implementation;
- (d) Insufficient funding for workshops and seminars to promote awareness;
- (e) Should link phase-out to technical assistance or funding to produce non-ODS technology;
- (f) Need more funds for awareness raising; and
- (g) Extra funds were needed to translate and distribute documents.

Staffing

- (a) Previous project suffered from lack of competent staff and poor implementation; and
- (b) Changing NOO management and the Ozone Officer causes delays.

In addition, UNEP reported the following lessons learned:

- (a) The work under IS projects and that of NOUs would be effective if complimented by the regional networks (there is indication of linkage between IS projects and regional networks under item D of implementation, but we feel that this lesson should be emphasized more strongly. IS projects cannot work in isolation.
- (b) The regionalized CAP programme has worked closely with NOUs to make IS projects effective in setting up licensing systems which are necessary for meeting the targeted compliance (for IS project to be effective there is need for regionalized policy and technical assistance).
- (c) Certain countries are in unique political situation (war-like) and therefore need unique IS assistance if universal compliance is to be achieved.