

# EVALUATION OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL

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# OVERVIEW OF EVALUATION PROCESS

- ◎ Evaluation was requested by the Parties in decision XXII/2, and carried out according to the TOR in Annex 1 of that decision
- ◎ Evaluation was independently conducted by ICF International
- ◎ Evaluation was guided by a Steering Panel representing Austria, Canada, Colombia, India, Japan, Nigeria, the Former Yugoslav Republic of Macedonia, and the United States
- ◎ Evaluation has been finalized; brief corrigendum will be added with factual corrections

# EVALUATION TIMELINE

July - Aug  
2011

- Evaluation methodology finalized
- First meeting with Steering Panel

Sept – Dec  
2011

- Conduct evaluation
- Attend 31st OEWG and 23rd MOP for interviews

Jan 2012

- Deliver preliminary draft report for Steering Panel comments

Feb – Mar  
2012

- Panel comments incorporated
- Final draft report submitted to Panel

Apr – Jun  
2012

- Next round of Panel comments incorporated
- Final evaluation report submitted to 32nd OEWG

# EVALUATION METHODOLOGY

- ◎ Two-pronged approach for data collection
- ◎ Stakeholder consultation:
  - ◎ Solicited from all Parties via a request through the Ozone Secretariat
  - ◎ In-depth interviews conducted with a sample of 16 A5 Parties and 9 non-A5 Parties
  - ◎ In-person interview sessions conducted with all four implementing agencies
- ◎ Desk review:
  - ◎ Extensive document review
  - ◎ Quantitative analysis using the MLF Secretariat's project database

# PARTIES INTERVIEWED

## ◎ Article 5 Parties interviewed:

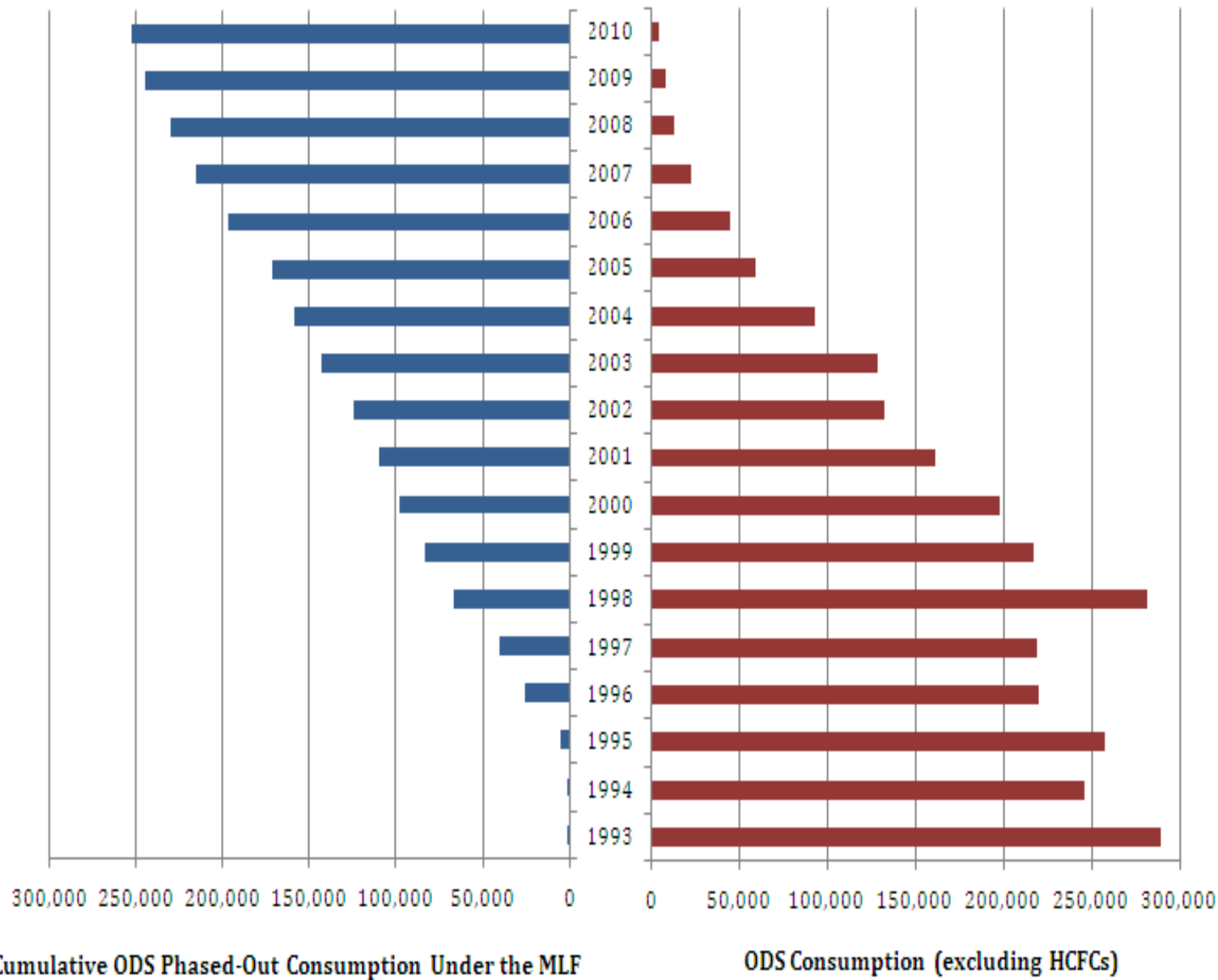
Region	Countries Consulted
Africa	Burkina Faso, Cameroon, Egypt, and Mozambique
West Asia	Jordan and Kuwait
Latin America & Caribbean	St. Lucia, Mexico, and Paraguay
South Asia & South East Asia	Mongolia, China, Cambodia, Vietnam, and Fiji
Central & Eastern Europe	Armenia and Kyrgyzstan

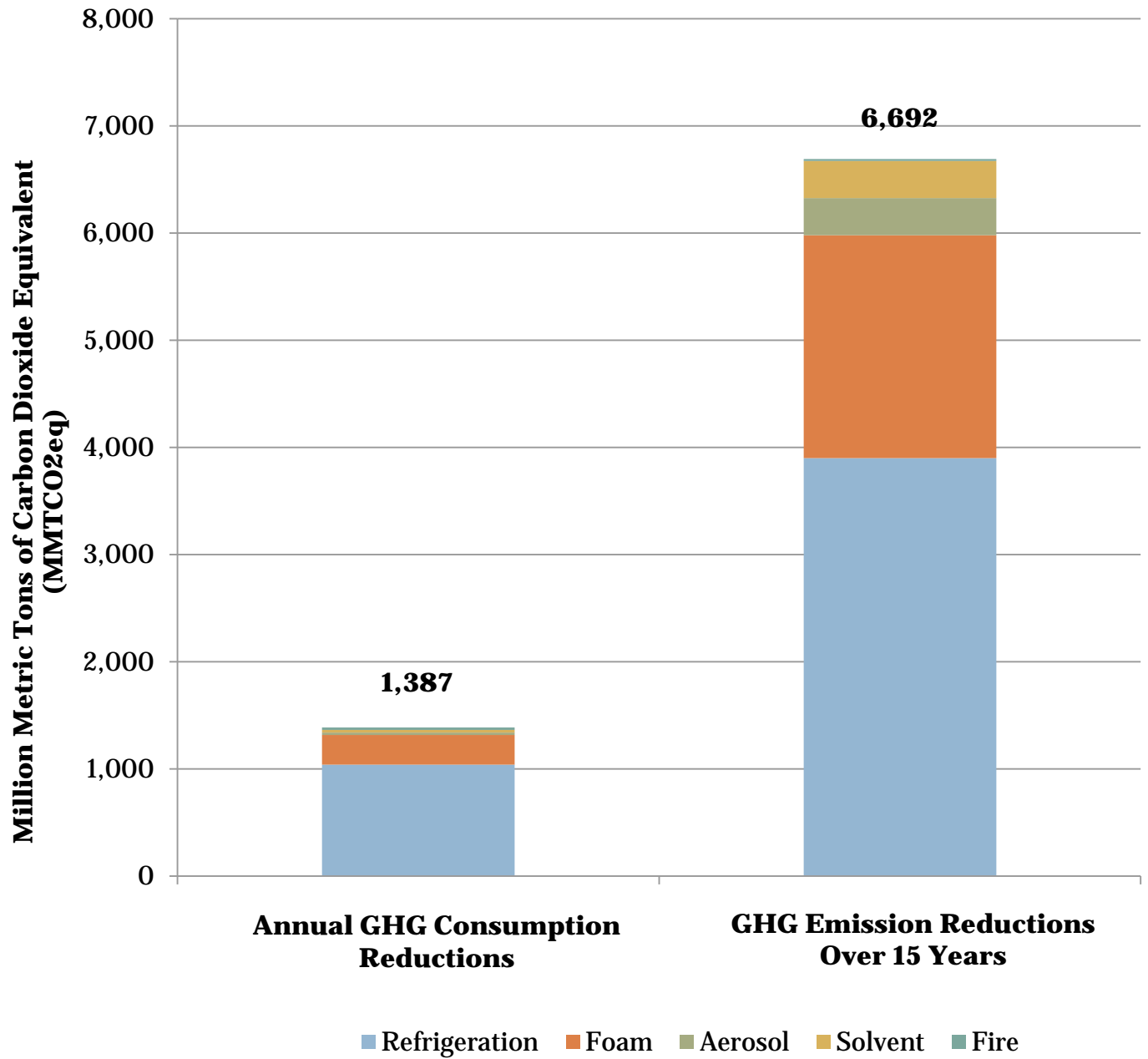
## ◎ Non-Article 5 Parties interviewed:

- ◎ Belgium, Switzerland, Netherlands, Australia, Norway, Italy, France, Latvia, the Czech Republic

# KEY FINDINGS – RESULTS

- ◎ From 1993 to 2011, MLF-funded projects have successfully phased out **256,153 ODP tonnes of consumption** and **192,628 ODP tonnes of production** in Article 5 countries
- ◎ MLF activities have substantial climate benefits, resulting in a **net reduction in GHG consumption of 1,387 MMTCO<sub>2</sub>eq and 943 MMTCO<sub>2</sub>eq of production** from 1993-2011
- ◎ Overall **GHG emission reductions are estimated at 6,700 MMTCO<sub>2</sub>eq**, calculated over a 15-year period





# KEY FINDINGS – RESULTS

- ◎ Overall, **completed projects slightly exceeded the targeted phaseout level**
- ◎ On average, **MLF projects have been slightly more cost-effective than planned at the time of ExCom approval**
- ◎ On average, **projects have a planned implementation time of 20 months, but take 31 months to reach completion**
- ◎ **Institutional strengthening is the most effective non-investment project type, and fundamental to the Protocol's success**

# KEY FINDINGS – POLICIES & PROCEDURES

- ⊙ Timing between ExCom meetings is still appropriate
- ⊙ Time allotted for each stage of project submission is already minimized; revising deadlines not likely to be feasible
- ⊙ **Procedures to develop, review, and approve project proposals are effective, transparent, and generally efficient**
- ⊙ Ability of the MLF system to accommodate large volume of HPMP projects is a testament to effective approval procedures

# KEY FINDINGS – POLICIES & PROCEDURES

- ◎ MLF has an exception track record for compliance: **100% of Article 5 countries that reported 2010 consumption were compliant with the 2010 CFC phase-out**
- ◎ Up to 30 countries may need to make additional reduction to comply with the methyl bromide phase-out in 2015, and may need additional MLF assistance
- ◎ Delays in the finalization of Stage I HPMPs could threaten compliance with upcoming HCFC phase-down targets

# KEY FINDINGS – POLICIES & PROCEDURES

- ③ **Monitoring and reporting practices are effective, but not as streamlined as they could be**
- ③ **The extent of the MLF's evaluation function is appropriate** given the scope of activities and Article 7 reporting
- ③ **Verification has a positive impact**, but limited access to on-the-ground data is a challenge
- ③ Adapting policies/guidelines based on new circumstances is integral to how the MLF operates and **an important contributor to success**

# KEY FINDINGS – OTHER ISSUES

- ⊙ An **appropriate regional funding balance has been achieved** and funding has been generally sufficient to-date
  - ⊙ LVCs have received ~10% of MLF funds while representing ~3% of A5 ODS consumption
- ⊙ Agency technology procurement processes are open, but **geographical proximity may influence selection of vendors**
  - ⊙ Technology selection is not systematically reported or recorded

# KEY FINDINGS – LESSONS LEARNED

- ◎ A strong policy framework must precede phase-out
- ◎ MLF's country-driven approach enables personnel in A5 countries to gain capacity
- ◎ **MLF has built decades of institutional knowledge and technical learning that is a resource for future sector conversions**
- ◎ MLF provides straightforward and relatively quick access to project funds; has a transparent and collaborative business planning process; and offers impressive capacity building support
- ◎ MLF model may be replicable for some MEAs

# RECOMMENDATIONS – RESULTS

- ◎ Encourage Article 5 countries to submit remaining Stage I HPMPs as soon as possible and begin implementing strategies in approved Stage I HPMPs without delay.
- ◎ Encourage the Executive Committee to approve project preparation funding for Stage II HPMPs as early as possible.
- ◎ Ramp up efforts to phase out methyl bromide in order to meet the 2015 milestone.

# RECOMMENDATIONS – ORGANIZATIONAL FACTORS & CAPACITY-BUILDING

- ⊙ Review and streamline reporting requirements given the new complexity of HPMPs and other MYAs.
- ⊙ Improve the accessibility and consistency of guidance on HPMP preparation.
- ⊙ Evaluate the quality of HPMP preparation.
- ⊙ Consider future availability of institutional strengthening funding, especially for LVCs.
- ⊙ Consider systematically tracking technology transfer.

# RECOMMENDATIONS – COOPERATION WITH OTHER ORGANIZATIONS

- ③ Consider the MLF as a model for other MEAs, as appropriate.
- ③ Pursue climate, POPs, and ozone synergies and linkages to further the ozone agenda.