

## Terminal Evaluation Review form, GEF Evaluation Office, APR 2014

### 1. Project Data

Summary project data			
GEF project ID		343	
GEF Agency project ID		1576	
GEF Replenishment Phase		GEF-1	
Lead GEF Agency (include all for joint projects)		UNDP and UNEP	
Project name		Phaseout of Ozone Depleting Substances	
Country/Countries		Latvia	
Region		ECA	
Focal area		Ozone Depleting Substances	
Operational Program or Strategic Priorities/Objectives		n/a	
Executing agencies involved		UNOPS and UNEP	
NGOs/CBOs involvement		Not involved.	
Private sector involvement		Ritols foam company: beneficiary; Kvadro aerosol company: beneficiary; Latvian Refrigeration Engineers Association: partner	
CEO Endorsement (FSP) /Approval date (MSP)		1/22/1999	
Effectiveness date / project start		10/1/1999	
Expected date of project completion (at start)		3/18/2001	
Actual date of project completion		12/2007	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.12	0.15
	Co-financing	0	0
GEF Project Grant		1.32	1.30
Co-financing	IA own	unknown	0
	Government	unknown	0.05
	Other multi- /bi-laterals	unknown	0
	Private sector	unknown	0
	NGOs/CSOs	unknown	0
Total GEF funding		1.44	1.45
Total Co-financing		0.40	0.05
Total project funding (GEF grant(s) + co-financing)		1.84	1.50
Terminal evaluation/review information			
TE completion date		March 2010	
TE submission date			
Author of TE		Dr. Tom Batchelor and Mr. Valery Smirnov	
TER completion date		February 2015	
TER prepared by		Shanna Edberg	
TER peer review by (if GEF EO review)		Dania Trespalacios	

## 2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	HS	n/a*	n/a	MU
Sustainability of Outcomes	L	n/a*	n/a	ML
M&E Design	n/a	n/a*	n/a	U
M&E Implementation	n/a	n/a*	n/a	U
Quality of Implementation	n/a	n/a*	n/a	UA
Quality of Execution	n/a	n/a*	n/a	UA
Quality of the Terminal Evaluation Report	n/a	n/a	n/a	MS

\*The TE only gives ratings for individual sub-projects and not the project as a whole.

## 3. Project Objectives

### 3.1 Global Environmental Objectives of the project:

This project is part of the international effort to phase out ozone depleting substances, which damage the earth's ozone layer and increase the amount of ultraviolet radiation exposure from the sun. The Montreal Protocol, ratified by Latvia in 1995, is the basis for phasing out ozone-depleting substances. While Latvia does not produce ozone-depleting substances, it imports them from Russia. This project would allow Latvia to transition to other materials and reduce demand for ozone-depleting substances before the production of such substances ends in Russia.

### 3.2 Development Objectives of the project:

The project consists of four subprojects:

1. Institutional Strengthening for the Implementation of the Montreal Protocol in Latvia
2. National programme for recovery and recycling of ODS refrigerants
3. Sectoral phase-out of CFCs in aerosol industry
4. Phase out of the use of CFCs in the manufacture of rigid polyurethane foam at Ritols

### 3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

No changes were reported.

## 4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 <b>Relevance</b>	Rating: <b>Satisfactory</b>
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The GEF Operational Strategy of 1995 defines the GEF’s ozone depletion portfolio to “support activities to phase out ozone-depleting substances that are committed under the Montreal Protocol, with special emphasis on short-term commitments and enabling activities” (GEF/C.6/3, page 77). This project supports an economy in transition in meeting its Montreal Protocol obligations.

The project is also in line with Latvia’s priorities for meeting its treaty obligations. Latvia’s strategic goals for the phase-out of ozone depleting substances are: to phase-out CFCs and halons by the year 2000, to phase-out HCFCs and methyl bromide, to comply with European Union phase-out schedules in order to facilitate accession to the EU, and to support Latvian industry to adopt ODS-free technology.

4.2 <b>Effectiveness</b>	Rating: <b>Satisfactory</b>
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This project was divided into four subprojects, detailed below. According to the Project Document, the project objective “is to assist Latvia in the rapid phase-out of ODS” (PD, page 4). As described below under M&E Design, the project design did not include comprehensive indicators, targets, or a log frame. Where indicators and targets are present, they are noted below. In the absence of indicators and targets, the project is rated on the delivery of outputs weighted by the amount of funding that each subproject received, as described below. Overall project effectiveness is rated satisfactory because 90% of the GEF project funding went to the three out of the four subprojects which fully completed their intended objectives. The remaining 10% of GEF funding went to a subproject that did not complete training, a major output of the recovery and recycling subproject.

1. Institutional Strengthening for the Implementation of the Montreal Protocol in Latvia

The TE rated this subproject as satisfactory. It received 12% of the project funding and completed its intended outputs.

The completion of this subproject was delayed by four years because it took more time than expected to put into place the appropriate institutional arrangements and structure in order to phase out ozone-depleting substances and adhere to European Union regulations. The subproject established a National Ozone Unit within the Ministry of Environment. The National Ozone Unit developed and implemented an Action Plan that integrated with the project for eliminating ozone-depleting substances in Latvia that included several governmental agencies, the private sector, and the Latvian Refrigeration Association. The National Ozone Unit also undertook an awareness raising campaign, including: 37 press releases, providing information to NGOs, state authorities, and companies, launching a webpage, developing portable experiments for schoolchildren, creating a video on the ozone layer, launching a competition for ozone friendly schools, producing 3500 posters and 600 maps, developing teaching aids, creating two publications, and implementing five training workshops for teachers. This effort involved more than 100 schools.

2. National program for recovery and recycling of ODS refrigerants

The TE rates this subproject as unsatisfactory. It received 10% of project funding, but the training activities did not take place as planned. There is no evidence regarding whether the subproject hit its target of 9.72 ODP tons recovered per year.

The Latvian Refrigeration Engineers Association distributed 40 recovery machines, 2 recovery and recycling machines, and 2 reclamation units to companies and reclamation centers. There was a training component to the project, but the TE ascertained that no training took place during the project's duration. As stated in the TE: "Despite the infrastructure being in place to collect information on ozone-depleting substances recovered, there was no data to show the amount of ozone-depleting substances that had been recovered. There was some evidence provided by Revers to indicate that the ozone-depleting substance recovery and recycling equipment had been used to some extent in Latvia during and after the sub-project. There was some evidence that an ozone-depleting substance monitoring and recording system was in place. However, it was not possible to obtain information on the amount of ozone-depleting substances recovered and recycled in Latvia, and therefore it was not possible to determine if Latvia exceeded or not the ODS recovery target of 9.72 ODP tons per year for two years" (TE, page 403). In addition, "there was no evidence to suggest that Latvia's ability to monitor and report on ODS recovered and recycled had improved as a result of the sub-project" (TE, page 403).

3. Sectoral phase-out of CFCs in aerosol industry

The TE rated this subproject as satisfactory. It received 70% of GEF project funding and completed its intended outputs.

The subproject focused on just one aerosol company because the two largest aerosol producers in the country went bankrupt prior to the start of the project. The TE did not go into detail, but reported that the project successfully replaced the use of CFCs with hydrocarbon propellant in the company, thus financing the replacement of 5 tons of CFCs per year. The company doubled their production of aerosols in the six year period after the project ended due to the use of better aerosol technology.

4. Phase out of the use of CFCs in the manufacture of rigid polyurethane foam at Ritols

The TE rated this subproject as highly satisfactory. It received 8% of GEF funding and completed its intended outputs.

The subproject was completed in half of the allotted time, and all of the CFCs were replaced with water-blown technology. 9.72 ODP-tons of CFC-11 were eliminated.

4.3 Efficiency	Rating: <b>Unsatisfactory</b>
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The subproject on institutional strengthening did not begin until 2004, five years after the project as a whole commenced. The TE states that this was due to Latvia being "unprepared and unready for this

subproject” (TE, page 393). However, the TE rates the efficiency for this subproject as satisfactory because “a relatively small team in the NOU leveraged national resources to coordinate a range of activities on ozone layer protection in a cost-effective and timely manner” (TE, page 395).

The cost-effectiveness of the subproject on recovery and recycling of ozone-depleting substances is unknown because of the lack of data on the amount of recovered materials.

For the subproject on phasing out ozone-depleting substances in the aerosol industry, the cost-effectiveness was rated at \$191 ODP kilograms per year, which “was about 40 times more expensive than the average cost-effectiveness of MLF-funded aerosol projects in developing countries” (TE, page 410). Similarly, the subproject on phasing out CFCs at the Ritols foam company was about 20 times more expensive than similar MLF-funded projects in developing countries at \$10.91 ODP kilograms per year.

Based on the above information, the overall cost-effectiveness of the project as a whole is assessed as Unsatisfactory.

4.4 Sustainability	Rating: <b>Moderately Likely</b>
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*Financial: Likely;* funds for activities related to ozone-depleting substances come from several sources within the government as well as the private sector. The European Union also supports these activities in Latvia. The TE states that the risk of withdrawal of these funds is very low. Training in refrigeration management by the Latvian Refrigeration Engineers Association is self-financed. The aerosol company that was helped by the project doubled their production of aerosols in the six year period after the subproject ended, demonstrating the company’s sustainability. The foam company Ritols also continued its operations after the end of the project, despite a financial crisis in Latvia.

*Sociopolitical: Likely;* country commitment to the phase-out of ozone-depleting substances is high. For example, more than 90% of CFCs were already phased out in Latvia prior to the commencement of the project and several laws and regulations were passed without the help of the project. Joining the European Union is also a powerful motivator, and it commits Latvia to several measures regarding ozone-depleting substances. A range of stakeholders is involved in ozone activities, including government agencies, the private sector, NGOs, and schools.

*Institutional: Moderately likely;* although the TE states that the project had no effect on legislation and regulations in Latvia, the country passed several laws on its own, including a licensing system, import taxes and quotas, provisions for certification of personnel, provisions for recovery and recycling, and a ban on halon and CFC imports. It also put into place measures required for accession to the European Union, such as reporting requirements. Also, although the project was not able to conduct training, the Latvian Refrigeration Engineers Association has trained about 3-5 employees per month on refrigeration management and will continue to do so. However, a threat to sustainability is that the staff of the National Ozone Unit was reduced to one employee who devotes only part of his time to ozone

coordination tasks. Also, the TE reports insufficient communication and information transfer between the organizations involved in ozone activities.

*Environmental: Likely;* the TE states that “there were no environmental risks that were assessed as potentially undermining this work in the future” (TE, page 388).

## **5. Processes and factors affecting attainment of project outcomes**

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

According to the TE, the amount of cofinancing given by the Latvian government to the institutional strengthening subproject “demonstrated the commitment of Latvia to the sub-project and probably increased the Latvia’s feeling of “ownership” of the program” (TE, page 394). No cofinancing was provided for the other three subprojects. The TE states that cofinancing was provided for in the budgets of UNDP and UNEP, but it is not clear whether the cofinancing emerged or the purpose for which it was intended.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

There was a five-year delay in the implementation of the institutional strengthening subproject. The TE states that this was due to Latvia being “unprepared and unready for this subproject” (TE, page 393). It took Latvia more time than expected to put into place the appropriate institutional arrangements and structure in order to phase out ozone-depleting substances and adhere to European Union regulations. It is unclear if this delay harmed the project, since many of the project activities occurred without the National Ozone Unit in place.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Country ownership of ozone-depleting activities is high, and a range of stakeholders is involved in ozone activities, including government agencies, the private sector, NGOs, and schools. For example, more than 90% of CFCs were already phased out in Latvia prior to the commencement of the project. Although the project itself had no effect on legislation and regulations in Latvia, the country passed several laws on its own, including a licensing system, import taxes and quotas, provisions for certification of personnel, provisions for recovery and recycling, and a ban on halon and CFC imports. It also put into place measures required for accession to the European Union, such as reporting requirements. In addition, the Latvian Refrigeration Engineers Association has trained about 3-5 employees per month on refrigeration management and will continue to do so without the prompting of the project. These activities and regulations will ensure the sustainability of the phase-out.

## 6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

<b>6.1 M&amp;E Design at entry</b>	Rating: <b>Unsatisfactory</b>
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The Project Document has very little information on project M&E. It states that M&E was budgeted (although not for individual subprojects) and that: "Standard evaluation will be performed, except in the case that an in-depth evaluation is required by the GEF whereby independent consultants would have to be hired and fielded to the country concerned. If such would be the case, consultancy fees and travel costs would have to be obtained in addition to the amounts requested herewith to cover these costs" (PD, page 9). Other than this paragraph, there is no log frame evident, no indicators, targets, baselines, or schedule for monitoring and reporting. The TE states that "the monitoring and evaluation design was not evident in any of the project documents" (TE, page 404).

<b>6.2 M&amp;E Implementation</b>	Rating: <b>Unsatisfactory</b>
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The TE gives very little information on M&E implementation, but this is because the project did not have an M&E plan to implement. As stated in the TE: "there was no evidence of the implementation of an M&E plan" (TE, page 415).

## 7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

<b>7.1 Quality of Project Implementation</b>	Rating: <b>Unable to Assess</b>
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The TE does not comment on project design except to note the lack of a log frame and project indicators.

The TE rates UNDP’s conduct as satisfactory for its support in procurement and tendering. UNDP did not provide reports on the financial management to the evaluators. UNDP did not undertake a site visit for the aerosol subproject or the Ritols subproject. Aside from procurement, “other support [from UNDP] was not evident” (TE, page 408). There is very little information on UNDP’s performance in the TE.

<b>7.2 Quality of Project Execution</b>	Rating: <b>Unable to Assess</b>
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The TE states that UNEP’s conduct was highly satisfactory due to the extra effort they put in to coach Latvia on the requirements of the project. Other than that, there is very little information on UNEP’s performance in the TE.

## 8. Assessment of Project Impacts

***Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.***

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

9.72 ODP-tons of CFCs were eliminated by the subproject with the Ritols company (TE, page 418). The project also replaced the five tons of CFCs that were consumed yearly by one aerosol company with hydrocarbon propellant (TE, page 409).

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

No socioeconomic changes were mentioned in the TE.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. “Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems,



including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

The Latvian Refrigeration Engineers Association distributed 40 recovery machines, 2 recovery and recycling machines, and 2 reclamation units to companies and reclamation centers via the project (TE, page 401). One aerosol company replaced CFC technology with improved hydrocarbon propellant technology (TE, page 411). The foam-producing company Ritols replaced its CFC-dependent technology with water-blown technology (TE, page 418). No further information is known.

b) Governance

The project established a National Ozone Unit within the Ministry of Environment. The National Ozone Unit developed and implemented an Action Plan for eliminating ozone-depleting substances (TE, page 388). The TE reported that the National Ozone Unit did not have an effect on the creation of ozone-related legislation in Latvia, nor did the institutional strengthening subproject (which created the National Ozone Unit) have any effect on the phase-out of ozone-depleting substances (TE, page 390). In sum, the governance impact appears to have been minimal. No further information is known.

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

No unintended impacts were noted in the TE.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

The project's approach was replicated in several Eurasian countries as part of the GEF's ozone-depleting substances program. Other than applying similar project designs to each country, no scaling up or mainstreaming was mentioned in the TE. No market change for ozone-depleting substances was noted in the TE.

## 9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

There are no lessons learned for the Latvia project, but the TE states several lessons from the overall ozone-depleting substances program:

Funding bodies should be much clearer on their expectations of governments to continue funding and staffing of work on ODS after the project finished. Governments should use the funds to enhance institutional capacity and to put in place justification for continued funding while the project is underway and the environmental benefits are becoming evident.

The success of the National Ozone Units depended on the qualifications and ability of the staff to undertake the work, and in having sufficient funds available for the work. Out-sourcing activities by the government is a modern approach which has been shown to operate so far in these projects, and might open up opportunities for other governments to consider the same as centralized budgets come under more pressure for reductions.

It is important that the National Ozone Units are staffed by some well qualified and senior people that can gain access to key government officials in order to ensure that programs and legislation on the phase out of ODS are progressed in a timely and effective manner.

Governments could consider establishing a centralized unit staffed by specialists that are knowledgeable in engaging with international funding organizations in environmental projects.

UNEP must improve delivery of finance to ensure that there are no gaps in time between projects.

Communications should be between UNEP and the National Ozone Units in the local language, which means that UNEP will need to employ staff with sufficient language skills to be able communicate effectively with project staff many countries, depending on the project.

Project and task managers must pay more attention to the M&E elements that are developed in the Project Document to ensure that appropriate baseline and performance indicators are carefully checked and are present from the beginning for the project.

Review the work that was undertaken in the past and design new projects that avoid the pitfalls of past projects.

Financial appraisals should be part of the risk assessment for deciding on which enterprises to fund within a sector.

Investment projects should be based on a realistic assessment of the baseline data as a basis for determining the extent of the funding that is required to promote the transition to ODS-free technology.

For refrigeration training, training programs need to be short (two days maximum, preferably one day); focused mainly on the practical aspects and alternatives and less on the theory; be delivered by or in collaboration with a Refrigeration Association so the training becomes self-funding; UNEP/UNDP need to ensure equipment is available before the training starts; and the government needs to have enabling legislation in place that ensures R&R activities are undertaken and enforced.

## 9.2 Briefly describe the recommendations given in the terminal evaluation.

There are no recommendations for the Latvia project, but the TE states several recommendations from the overall ozone-depleting substances program:

Countries should improve the implementation of legislation, policies and standards on all aspects of ozone layer protection.

Countries' existing efforts to prevent illegal trade need to be further strengthened.

Countries need to take further action to manage and bank halon.

UNEP/UNDP should consider further investment and capacity development to assist countries with economies in transition to address the remaining threats to the ozone layer.

UNEP/UNDP should learn from the positive private sector engagement in the reduction of Ozone Layer Depletion focal area and incorporate similar approaches into its efforts to engage the private sector in other focal areas.

## 10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The TE is detailed in its assessment of outcomes and impacts. It would have been helpful to have an overall description of the project rather than just the assessments of the individual subprojects. More information on the failure of the training component would also have been helpful. There was also a dearth of information on the conduct of the project implementer and executor.	MS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The ratings only cover sub-projects and not the project as a whole. The report is repetitive, which made it difficult to discern which outcomes and outputs were original and which were a restatement from a previous section. It was not always clear which changes were a part of the project and which were independent or driven by different forces.	MS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The sustainability of the entire project as a whole was not discussed, but the assessment of the sustainability of each individual subproject was adequate.	MS
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The TE does not contain lessons and recommendations related to the Latvia project. However, it does have lessons and recommendations pertaining to the entire ozone-depleting substances program. These lessons are detailed, comprehensive, and result from project experiences.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The TE includes project costs and cofinancing. It lists the funding for each subproject, but not per-activity.	MS
Assess the quality of the report's evaluation of project M&E systems:	The TE contains very little information on project M&E, but this is a result of the fact that the project did not have any M&E plan.	MS
<b>Overall TE Rating</b>		<b>MS</b>

## 11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).