

GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
			Review date:	
GEF Project ID:	PMIS 655		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
IA/EA Project ID:	PO08800	GEF financing:	31.3	27.2
Project Name:	Ozone Depleting Substances Consumption Phase out Project	IA/EA own:	0.0	
Country:	Russian Federation	Government:		
		Other*:	76.9	UA
		Total Cofinancing	76.9	UA
Operational Program:	Ozone	Total Project Cost:	\$118.2	UA
IA	WB	<u>Dates</u>		
Partners involved:	Danish Environmental Protection Agency, US TDA	Effectiveness/ Prodoc Signature (i.e. date project began)		09/29/1996
		Closing Date	Proposed: 12/31/2001	Actual: 06/30/2004
Prepared by: <i>Timothy Ranja</i>	Reviewed by: Neeraj Kumar	Duration between effectiveness date and original closing (in months): 5 years and 3 months	Duration between effectiveness date and actual closing (in months): 7 years and 9 months	Difference between original and actual closing (in months): 2 years and 6 months
Author of TE: Richard Cooke Vladimir Tsirkunov Vassili Rodionov		TE completion date: 12/2004	TE submission date to GEF EO: 03/22/2005	Difference between TE completion and submission date (in months): 3 months

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

2. SUMMARY OF PROJECT RATINGS AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	S	S	S	S
2.1b Sustainability of Outcomes	N/A	L	L	ML
2.1c Monitoring and evaluation				UA
2.1d Quality of implementation and Execution	NA	NA	NA	MS
2.1e Quality of the evaluation report	N/A	N/A	S	MS

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?

No. Although this is, overall, a satisfactory ICR it has some substantive shortcomings.

- The report does not provide adequate information on cofinancing. It summarizes project performance under three different tranches – that were approved by the Council as separate projects – as one project. This does not allow the reader to assess the performance of the third tranche. Given that GEF invested US \$ 52.4 million in the three tranches together – including at least US \$ 27 million in the third tranche – this information is pivotal.

- In a few instances the ICR assumes too much knowledge on the part of the reader. Additional clarity could be achieved by a fuller explanation of what is covered under refrigeration servicing, and what it means by “direct” and indirect” access in this context.

Section 10 could have been used to discuss issues of interest to GEF, but these were well presented elsewhere.

2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?

No

3. PROJECT OBJECTIVES

3.1 Project Objectives

a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?

Overall objective was to assist the Russian Federation in the phase-out of Ozone Depleting Substances (ODS) consumption in a manner consistent with international efforts in the field, while ensuring that this is accomplished with the minimum of economic dislocation. There were no changes during implementation.

b. What were the Development Objectives of the project? Were there any changes during implementation?

The project's more specific objectives are to:

- i) Allow Russia to credibly initiate meeting its ODS consumption phase-out obligations under the Montreal Protocol within a realistic time frame;
- ii) Facilitate access to financial resources needed for ODS consumption phase-out from a range of international and domestic sources;
- iii) Provide necessary technical assistance and institutional strengthening; and
- iv) Fund enterprise specific investments in high consumption sectors and to ensure that these activities mitigate potential negative economic and social impacts.
- v) Ensure that these activities mitigate potential negative economic and social impacts.

The original components were not changed, but an investment component for enterprise specific sub-projects, originally in the aerosol and refrigeration sectors, was expanded in the second and third tranche to include non-insulating foam, solvent and fire protection sectors. An ODS production closure was also added with the third tranche.

Overall Environmental Objectives	Project Development Objectives	Project Components	Any other (specify)		
		X			
c. If yes, tick applicable reasons for the change (in global environmental objectives and/or development objectives)					
Original objectives not sufficiently articulated	Exogenous conditions changed, causing a change in objectives	Project was restructured because original objectives were over ambitious	Project was restructured because of lack of progress	Any other (specify)	

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

4.1.1 Outcomes (Relevance can receive either a satisfactory rating or a unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)

a. Relevance (of outcomes to focal areas/operational program strategies and country priorities) Rating: S

A.1. What is the relevance of the project outcomes/results to:

(i) the national sustainable development agenda and development needs and challenges?

Russia is one of the Worlds largest producers and consumers of ODS. In 1990, when production peaked, it was estimated that 198,000 MT was being produced, accounting between 15-20% of world production. The project is also consistent with the World Banks assistance strategy to the environmental sector and with its Country Assistance Strategy to Russia.

(ii) the national environmental framework, agenda and priorities?

<p>It is also worth noting that development of an ODS phase out Country Program was completed in August 1994 with Danish support. A position paper based on the country program had been prepared by MEPNR, describing an achievable phase out project. The project is complementary to the Bank's overall support to Russia in the environmental sector.</p>	
<p>(iii) the achievement of the GEF strategies and mandate?</p>	
<p>The project is consistent with the GEF Guidelines for ODS phase out. These guidelines have been carefully developed to reflect Montreal Protocol policies and procedures, thus ensuring consistency of approach between GEF and MP projects.</p>	
<p>(iv) the implementation of the global conventions the GEF supports (countries obligations and responsibilities towards the convention as well as the achievement of the conventions objectives)</p>	
<p>The Former Soviet Union (FSU) ratified the Montreal Protocol in November, 1988 as a developed country. The Russian Federation continues the FSU membership in the protocol and In January, 1992 Russia ratified the London Amendments.</p>	
<p>A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership¹</p>	
<p>The accomplishments achieved under this project have enabled Russia to greatly improve its international environmental standing. It has moved from being a highly criticized country to a respected participant and contributor to the work of the MP, to the extent that director of the Project Implementation Unit became the country's main spokesman and was appointed the President of the 11th Meeting of the Parties in Beijing.</p>	
<p>b. Effectiveness Rating: S</p>	
<p>Overall the project was effective in achieving its expected outcomes. There was only one area where the performance was below expectations: the project did not succeed in initiating direct cost recovery and recycling of halons in the fire protection sector as intended.</p> <p>The ODS phase out provided substantial benefits to manufacturers. Most of the ODS consuming manufacturers financed under the project needed to make significant technical improvements in their manufacturing processes to maintain themselves in the newly competitive Russian economy. The project supported the introduction of the necessary manufacturing technology transfers needed to reestablish these firms in the new market. The absence of legal ODS supply would have effectively rendered production under their old technology uncompetitive.</p> <p>The revised third tranche also assisted with the phasing out of residual ODS consumption related to servicing equipment, in a sector where the absence of ODS supply would have otherwise created significant social and economic impacts.</p> <p>The conversion of major ODS users has effectively removed the core demand in Russia for the two major CFCs (CFC-11 and 12). The outcome related to commercial refrigeration was similarly successful, with the project supporting the effective survival and ultimately long term viability of the two largest manufacturers in this area.</p> <p>The project supported regional CFC recovery operations (from refrigerant servicing) covers approximately 30 percent of the national market. The success of the system and its growing effectiveness are attributable in large part to the project's success in upgrading of the service sector's basic technical skill and equipment, and to the implementation of market based incentives and business relationships in the sector, both of which have been a major focus of the project's TA initiatives.</p> <p>Closure of CFC and Halon production facilities became an integral part of the project, with much of the third tranche funding used for this purpose, even though originally the project did not address the production of CFCs and Halons.</p>	
<p>c. Efficiency (cost-effectiveness) Rating: S</p>	
<p>The project took 2.5 years longer to implement than originally envisaged. There were two major reasons for this extended implementation period. First, there was a declining Government commitment to the environment over the life of the project, and a continual shifting of responsibilities for the project within the responsible Ministry. Second, the project was designed in three tranches, with each tranche requiring identification and appraisal of specific subprojects. During this period there was a great deal of change in the structure of the ODS using industries, which required refining the way each tranche was designed. Closing was delayed to ensure the effective use of the resources available in a continuingly important activity.</p> <p>The cost per kg ODP in this project is estimated at \$2.98 to \$4.94 whereas it was \$9.84 in Belarus, \$15.88 in Slovenia,</p>	

¹ Please consider for regional and global project only

\$6.24 in Hungary and \$7.70 in Poland. Of the 36 investment subprojects financed under this project, only two have been judged unsatisfactory, and one marginally satisfactory. This is a remarkable record for investments in what were traditional state controlled enterprises that were being restructured, downsized, restructured, and privatized.
d. To what extent did the project result in trade offs between environment and development priorities / issues (not to be rated) – this could happen both during the designing of the project where some choices are made that lead to preference for one priority over the other, and during implementation of the project when resources are transferred from addressing environmental priorities to development priorities and vice versa. If possible explain the reasons for such tradeoffs.
No trade offs are reported in the ICR

4.1.2 Results / Impacts² (Describe Impacts) (please fill in annex 1 – results scoresheet and annex 2 – focal area impacts (against GEF Strategic Priority indicators, where appropriate and possible)

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of **risks** to sustainability of project outcomes and impacts based on the information presented in the TE. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

a. Financial resources	Rating: ML
The project facilitated access to financial resources needed for ODS consumption phase-out from a range of international and domestic sources, through a separate, primarily donor financed project to eliminate the production of CFCs and Halons. Significant levels of enterprise contribution were involved. These were largely generated by the enterprises own funds although in several instances the GEF core financing facilitated access to international financing. GEF financing created the competitive capacity to attract debt and equity investment (Examples of the GEF financing creating the competitive capacity to attract equity and debt investment include JSC “Arnest”, JSC “Harmonia”, JSC “Mariholodmash” JSC “Sibiar” and JSC “Iceberg”. Some limited international technical assistance resources were also attracted to the project, notably US TDA support tranche sub project identification and Danish Government financing the original country program). This capacity may continue after project completion. In addition to GEF resources, significant levels of enterprise contribution were involved (US\$24.3 million) although these were considerably below the expectations.	
b. Socio-economic / political	Rating: L
The prospects appear good for the long term viability of the large majority of investment sub-projects undertaken. Therefore, the positive social and economic benefits of the project associated with industrial modernization should be sustained in a market economy. In the largest consumption area, the aerosol sector, most of the supported enterprises have regained a substantial portion of their traditional domestic and CIS markets, with some also developing significant global export linkages. Employment has generally been maintained and in some cases increased in all beneficiary enterprises, and in the majority, is now at a level above that recorded at appraisal. However, in the ICR review conducted by the Independent Evaluation Group of the World Bank the reviewer notes that there has been a lack of follow-through in the past few years--meaning unsatisfactory performance in providing meaningful policy guidance and resolving some administrative and institutional issues.	
c. Institutional framework and governance	Rating: ML
With the project’s support, Russia has developed a modern regulatory framework for the proactive management of ODS issues consistent with international practice, including international reporting as required under the Montreal Protocol, establishing regulatory controls over ODS consumption, import and export, and licensing of residual ODS consumption. However, no transition arrangements have been made for maintaining the institutional and regulatory framework developed under the project. It is unclear how or if Russia will continue as an active international participant in addressing this global issue.	
One shortcoming is that the overall institutional mechanism that supervised the project, namely the Interagency Commission for Ozone Layer Protection (IAC), is currently inoperative and the projects long term impact on institutional development is dependent on the results of the current restructuring of environmental responsibility with the GOR.	
The ICR also indicates that the capability to recover, reprocess and recycle CFCs needs to be certified and authorization granted to qualified operators to access the significant un used stocks remaining in abandoned military and industrial equipment.	

² Please consider direct and indirect global environmental results; any unexpected results; local development benefits (including results relevant to communities, gender issues, indigenous peoples, NGOs and CBOs)

d. Environmental	Rating: L
The highly likely sustainability rating is based on the irreversible nature of the successful ODS consumption phase out outcome of the project. There is certainty that Russia will not be a consumer or producer of Annex A and B ODS in the future.	
e. Technological	Rating:

4.3 Catalytic role³

a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to contribute to catalyzing changes in stakeholders
The projects created incentives for Russia manufacturers to reduce consumption of the ODS. Most of the ODS consuming manufacturers financed under the project needed to make significant technical improvements in their manufacturing processes to maintain themselves in the newly competitive Russian economy. The project supported the introduction of the necessary manufacturing technology transfers needed to reestablish these firms in the new market.
b. INSTITUTIONAL CHANGE: To what extent have the project activities contributed to changing institutional behaviors
A Project Implementation Unit (PIU) and an Interagency Commission for Ozone Layer Protection (IAC) were established. In addition, strong capacity to independently plan and implement national programs, undertake technology development and transfer initiatives, prepare and appraise required investments, disseminate results, enhance public awareness on the issue, and undertake the large and technically complex procurement and financial requirements of the project to international standards was developed. It also supported a wide range of technology transfer initiatives covering such things as the use of new low GWP and transitional drop in refrigerants, non ODS fire protection measures and ODS substitute selection. Technical Assistance resources in the first and second tranche were used primarily for international and local consultants to identify, prepare and appraise investment sub-projects and in the third tranche to support implementation and documentation of sub-projects. The use of combined Russia and international teams resulted in development of a strong core of local professionals capable of this kind of work internationally, something that the World Bank among others has utilized on other projects internationally.
c. POLICY CHANGE: To what extent have project activities contributed to policy changes (and implementation of policy)?
With the projects support, Russia developed a modern regulatory framework for the proactive management of ODS issues consistent with international practice. This included effective international reporting as required under the Montreal Protocol. The ICR has however questioned the Governments commitment to the project even though the changes are irreversible. In the last years, the Government did not provide any meaningful policy guidance supportive of the issue generally or in resolving administrative issues with the government structure. The most significant is perhaps the absence of a decision making mechanism respecting ratification of later amendments to the MP at project completion and also its position as the last major non-article 5 country not to do so.
d. CATALYTIC FINANCING: To what extent did the project contributed to sustained follow-on financing from Government and / or other donors? (this is different than co-financing)
Unable to assess
e. PROJECT CHAMPIONS: To what extent have changes (listed above) been catalyzed by particular individuals or institutions (without which the project would not have achieved results)?
Unable to assess

4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to 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 it did, then in what ways and through what causal linkages?

³ Please review the 'Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework' prior to addressing this section.

This is not possible to assess for the third tranche since the terminal evaluation pools the information for all the three tranches together.

Based on the figures for all three tranches together: The original enterprise/government contribution was US\$ 44.3 million. Appraised enterprise contribution was US\$ 23.5 million. The final enterprise contribution was US\$24.3million. The final enterprise contribution was US\$24.3 million. No Government contribution was recorded. The variations did not affect the project since significant savings were accumulated through generally positive competitive bidding impacts and by exercising flexibility through the staged tranche and work plan approval process to downsize or restructure several sub-projects

b. 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 it did, then in what ways and through what causal linkages?

The three tranches had a cumulative completion delay of 2.5 years. There were two major reasons for this extended implementation period. First, there was a declining Government commitment to the environment across the duration of the three tranches, and a continual shifting of responsibilities for the project within the responsible Ministry. Second, each tranche required identification and appraisal of specific subprojects. During this period there was a great deal of change in the structure of the ODS using industries, which required refining the way each tranche was designed. Closing was delayed to ensure the effective use of the resources available in a continually important activity.

c. 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.

Over the last several years, the Government has not provided any meaningful policy guidance supportive of the issue generally or in resolving administrative issues with the government structure. At closing, there was continuing uncertainty regarding the Government's commitment to addressing the ODS issue on a continuing basis.

4.5 Assessment of the project's monitoring and evaluation system based on the information in the TE

a. M&E design at Entry Rating (six point scale): U

The ICR does not address monitoring and evaluation issues.

b. M&E plan Implementation Rating (six point scale): Unable to assess

The terminal evaluation document does not discuss monitoring and evaluation related issues. Although, the fact that a terminal evaluation, wherein results were tracked, was prepared indicates that at some level it did take place.

b.1 Was sufficient funding provided for M&E in the budget included in the project document? UA

b.2a Was sufficient and timely funding provided for M&E during project implementation? UA

b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system? UA

b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why. UA. Although the quality at entry of M&E was poor.

4.6 Assessment of Quality of Implementation and Execution

a. Overall Quality of Implementation and Execution (on a six point scale): MS

b. Overall Quality of Implementation – for IA (on a six point scale): S

Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution.

Through out, the Bank maintained a strategic perspective of the ODS issue as reflected in cross communication with other regions, notably the other major ODS phase out programs administered by the Bank under the MPMF in China and India. The project was inherently investment oriented but was designed to provide institutional and regulatory support consistent with the needs jointly identified with the Government. The Grant Agreement was administered rigorously but with enough flexibility to allow timely modification in scope that was key allowing the Project to achieve comprehensive ODS phase as well as providing the beneficiaries with the opportunity to maximize benefits from it.

c. Quality of Execution – for Executing Agencies⁴ (rating on a 6 point scale) MS

⁴ Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.

According to the ICR review conducted by the IEG, the performance the executing agency was mixed. Although performance during the early tranches was good, lack of follow up has been cited as a problem during the later stages. Based on the information presented in the terminal evaluation it seems that the recipient government lost interest in the later tranches of the project. This impeded implementation progress generally, frustrated attempts to take timely remedial actions with the few low performing sub-projects, and negated the PIU's attempts to utilize available resources for additional residual ODS phase out investments.

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

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

It was appropriate that a long term engagement with Ozone Depleting Substances related issues was structured in three tranches. With many investment subprojects to be implemented in a rapidly changing economic environment of a transition economy. The flexible designing of the tranches has allowed for facilitating learning as implementation proceeds and adjust the scope of subsequent activities to accommodate these.

Develop and test the Government's understanding of and commitment to the global objective at the outset and as well as its ability to sustain this through periods where the balance between local costs and benefits may be disputed.

An investment appraisal process that takes into account market driven economic forces greatly improves the likelihood of identifying viable subprojects in a transition economy.

The project underlies the importance of the quality of preparation and appraisal in being able to deliver the integrated global environmental and local objectives in a cost effective manner. Doing so requires significant supervision time.

The successful implementation of the three tranches was associated with the establishment of an operationally independent PIU that is, nevertheless, closely associated with and directly reporting to a leading Implementation Agency. Transformation of the PIU into a regular ministerial legal entity, which took place in the final period of project implementation proved to be counterproductive.

Formal agreement on the financial allocations the Government needs to make to support the permanent regulatory and administrative institutions may be necessary to avoid the Government's tendency to use international assistance as budget replacement resources for maintaining these institutions. This would also help to ensure post project government commitment to sustainability of these institutions.

Issues such as exemptions for taxes and import duties on investment project inputs should be clarified during negotiations to avoid ongoing administrative impediments to project implementation.

The most successful sub-projects were those where the enterprise has made a significant contribution and this has been scheduled to match GEF financed investment such that they are integrated into the sub-project in a timely manner, typically in having infrastructure prepared for GEF financed equipment upon delivery.

b. Briefly describe the recommendations given in the terminal evaluation

No recommendations given

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to document GEF Office of Evaluation Guidelines for terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
a. To what extent does the report contain an assessment of relevant outcomes and impacts of	S

the project and the achievement of the objectives?	
b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps? The coverage of M&E and finance related issues was inadequate. The ICR indicates that consumption and production was phased out by the project. Consumption Reduced to zero by the end of the project. Consumption in 2000 and 2001 was zero. Though very insignificant, consumption was reported in 2003 onwards. It would be important to determine why consumption resurfaced after phase out.	MU
c. To what extent does the report properly assess project sustainability and /or a project exit strategy?	S
d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	S
e. Does the report include the actual project costs (total and per activity) and actual co-financing used? The report did not report on cofinancing on a tranche basis – the basis that was used by the council to make grants.	U
f. Assess the quality of the reports evaluation of project M&E systems? No discussion on M&E issues.	HU

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUTION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

Project Document, PIR 2004, ICR, OED ICR Review

8 Project stakeholders and Key Contacts (Names, addresses, emails etc – mandatory for field visit countries)

Mr. Anatoly Totstkiy,
Head of Unit, International Cooperation Department
Ministry of Natural Resources of the Russian Federation
4/6 B Gruzinskaya Street
Moscow D-242, GSP 5, 123995
Russian Federation
Tel: 7 495 252 0300
Fax: 7 495 254 8283
Email: atotstkiy@mnr.gov.ru

Mr. Igor Maydanov
Director, International Cooperation Department
Ministry of Natural Resources of the Russian Federation
4/6 B Gruzinskaya Street
Moscow D-242, GSP 5, 123995
Russian Federation
Tel: 7 495 252 0300
Fax: 7 495 254 8283
Email: artemeva@mnr.gov.ru, artemeva@mnr.gov.ru

Mr. Vassil Tselikov
General director
Investment Centre of the Ozone Depleting Substances Phaseout Projects (ICP“Ozone”)
Bldg 13-2
Sredniaja Pereyaslavskaya Str.
Moscow 129041
Russian Federation
Tel : (7)0955788/7895839
FAX : (7)0954008527/6310423
Email: vassily@odsgf.dol.ru

9. Information Gaps (for Field visit countries only)

The ICR indicates that consumption and production was phased out by the project. Consumption Reduced to zero by

the end of the project. Consumption in 2000 and 2001 was zero. Though very insignificant, consumption was reported in 2003 onwards. It would be important to determine why consumption resurfaced after phase out.

The issue of illegal trade is not addressed in the reports. It is not possible to know if this is significant although the project helped the enterprises which were the major consumers to switch.

One of the issues affecting sustainability was the pending institutional restructuring of the overall Government structure.

The Interagency Commission for Ozone Layer Protection (IAC) was inoperative and the independence of the PIU was not guaranteed. An update of the current institutional structure would be important.

Appraisal and actual project costs are not clearly specified in the ICR, making it difficult to deduce what the final costs of each component were. The ICR's project cost table per component, for instance, seemingly reports only GEF Grant expenditures (that were to account for about 60 percent of total expenditures) while the ICR's project cost per procurement arrangements report the total cost figures. Thus there are different total project cost figures in the two tables which should be identical.

The ICR notes that technology transfer opportunities remain in the solvent, medical aerosol and fire protection sectors and could have benefited from unused GEF resources. How the institutional structure inherited from the project is likely to affect the phase of other substances such as hydro chlorofluorocarbons (HCFCs) and methyl bromide should be established.

The level of equity and debt financing under the project is still questionable and needs to be investigated further.

The issue of recovery, reclaim and recycling is not adequately covered in the reports.

A position paper based on the country program had been prepared by MEPNR, describing an achievable phase out project. The Project document also indicates that the Country Program is available on request.