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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol
Sub-Committee on Monitoring, Evaluation and Finance
Ninth Meeting
Beijing, 21-22 November 1999

PROVISIONAL ANNOTATED AGENDA

1. Adoption of the agenda and organisation of work

After adoption of the Agenda, the Sub-Committee may wish to organise its work over one and one-half days with a view to adopting its report on the afternoon of the second day.

2. Implementation of the 1999 monitoring and evaluation work programme

Document UNEP/OzL.Pro/ExCom/29/5 provides an overview of the implementation results of part one of the 1999 work programme for Monitoring and Evaluation, which was approved at the 27th Meeting of the Executive Committee. It consists of the following main sections: report on the Evaluation of Refrigeration Sector Projects; report on the Evaluation of Institutional Strengthening Projects; summary of the Desk Study on Foam Projects; Consolidated Project Completion Report and Computerized Information System for Monitoring and Evaluation.

Issues to be addressed:

- The preliminary summaries of the findings and recommendations of the evaluations of refrigeration and institutional strengthening projects;
- The approach proposed for the evaluation of foam projects, and
- The various issues raised with regard to reports overdue and incomplete information in project completion reports.

Action expected from the Sub-Committee: The Sub-Committee may wish to:

- Take note of the preliminary summaries of the evaluations of refrigeration and institutional strengthening projects and request the Senior Evaluation Officer to submit to the 30th Meeting the final reports on the evaluation of refrigeration projects and institutional strengthening projects with an action plan for follow up on the results of these evaluations.
- Take note of the approach proposed for the evaluation of foam projects.
- Consider and adopt the recommendations for improving the timeliness and quality of project completion reports presented in the report (pp. 23-24 of UNEP/OzL.Pro/ExCom/29/5).

3. Draft work programme for monitoring and evaluation for the year 2000

Document UNEP/OzL.Pro/ExCom/29/6 contains the draft 2000 monitoring and evaluation work programme which is presented against a three-year perspective of further developing the existing monitoring and evaluation system and is followed by a proposal for the evaluation studies to be conducted in the Year 2000. Finally, the document discusses the general methodological approach and the budget required for implementing the evaluation studies in 2000.

Issues to be addressed:

- The medium-term objectives and results of the evaluation system of the Fund.
- The proposed work programme for the year 2000.
- The methodological approach.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend approval of the proposed 2000 work programme for monitoring and evaluation.

4. Project implementation delays

Document UNEP/OzL.Pro/ExCom/29/7 was prepared in response to several decisions taken by the Executive Committee during its review of the implementing agencies' progress reports submitted to the 28th Meeting and as part of the Committee's ongoing monitoring of implementation delays and procedures for project cancellation (Decision 26/2). The document contains information provided by bilateral agencies (Decision 28/11, para. (c)). Pursuant to Decision 28/8, the Secretariat identified projects with implementation delays and requested reports from the agencies. The Secretariat also requested the implementing agencies to include information about projects for which the beneficiary had delayed implementation (Decision 28/6), steps taken at the national level to expedite the measures for recovery and recycling projects (Decision 28/10), reports on specific UNEP projects (Decisions' 28/13, para. (c) and 28/26) and the report on continued CFC use after project completion for the Hualing project in China from UNIDO.

Issues to be addressed:

- 316 projects have experienced varying degrees of progress, the Executive Committee may wish to consider removing these projects from future reporting as projects with implementation delays.
- 64 projects have had some progress but have not clearly moved from one milestone to another, had the implementation impediment resolved, or there had been additional delays, these projects might be maintained in reporting under projects with implementation delays.
- 33 projects have not experienced progress, under the procedures for project cancellation, the Secretariat might write letters to the implementing agency and country concerned that these 33 projects may be considered for cancellation at the 30th Meeting if there is no further progress.

Action expected from the Sub-Committee:

- Noting with appreciation the reports on projects that have experienced implementation delays from the Governments of France and the United States of America and the four implementing agencies.
- Determining if projects that have experienced progress should be removed from the list of projects with implementation delays.
- Determining if the projects that have had some progress should be continued to be monitored in future reporting on projects with implementation delays.
- Requesting the Secretariat to send notices of possible cancellation to the projects identified by the implementing agencies without progress since the last progress report in accordance with Decision 26/2 and request implementing agencies to report on these projects to the 30th Meeting.
- Determining, after hearing reports from the implementing agencies, if any additional measures should be taken on:
 - Beneficiary delays;
 - Steps taken to expedite the provision of the measures for recovery and recycling projects, and
 - UNEP's requested reports.
- Noting that the Hualing project (CPR/REF/22/INV/204), referred to in Decision 28/5 with regard to its continued CFC use after project completion, has stopped using CFC.
- Determining, after hearing reports from UNIDO, if the request to cancel Leulmi Foam project (ALG/FOA/22/INV/21) and transfer its equipment for the Maghreb Mousse project should be approved on the condition that any remaining funds from either projects should be returned.
- Determining, after hearing a report from UNIDO, if Technofrig S.A. of Romania should be allowed to seek further assistance from the Multilateral Fund.

5. Consequences of project cancellation

Document UNEP/OzL.Pro/ExCom/29/8 was prepared in response to Decision 28/9 in which the Executive Committee requested the Sub-Committee on Monitoring, Evaluation, and Finance to reconsider its recommendation on the circumstances under which cancelled projects could be resubmitted.

Issues to be addressed:

- Although the ratio of cancelled projects to the approved investment projects is one out of every 35 (a total of 39 investment projects), the number is expected to increase because, for example, 33 projects are recommended for possible cancellation at the 30th Meeting.
- The financial implications of resubmitting cancelled projects include increased cost of project preparation, uncertainty in resource allocation for business planning, potential adjustments due to either reduced capital costs, increased operating costs or increased operating savings, and possible implementation delays.
- The possible use of the existing mechanism of determining whether projects can be resubmitted at the time of their cancellation.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend appropriate actions to the Executive Committee to address the above issues.

- No reapplication for assistance from the Multilateral Fund should be allowed for projects that had been cancelled for the following reasons:
 - Transfer of ownership to a non-Article 5 country, and
 - Bankruptcy.
- A determination of whether or not a project may be resubmitted, and whether or not project preparation should be authorised, should be made on a case-by-case basis and at the time of recording the cancellation in the report of the Executive Committee.

6. Completed projects with balances

Document UNEP/OzL.Pro/ExCom/29/9 is prepared as a result of Decision 28/7 in which the Executive Committee decided that project balances should be returned to the Multilateral Fund at the latest 12 months after project completion and requested reports on projects where accounts could not be closed or obligations liquidated within 12 months after project completion. The Secretariat requested information from the four implementing agencies. UNDP provided the requested information.

Issues to be addressed:

- Based on information in the implementing agencies' progress reports, the Secretariat identified US \$9 million in balances for projects completed through 1997 and US \$23 million

in balances for projects completed through November 1998, and US \$40 million in balances for projects completed through December 1998.

- US \$202,221 had been obligated of the US \$3.6 million in remaining balances from the 102 UNDP projects completed through 1997 as of 31 December 1998.

Action expected from the Sub-Committee:

- Note with appreciation the report of UNDP.
- Request a report from each agency during its 29th Meeting on the extent to which the implementing agencies' share of the US \$9 million in projects balances from projects completed through 1997 has been obligated.

7. Status report on ODS phase-out in Article 5 countries: implementation of Decision 28/25

Document [UNEP/OzL.Pro/ExCom/29/10](#) presents the implementation of Part A of the Decision by the implementing agencies and Part B of the Decision by the Secretariat. For Part B of the Decision, the document has a summary of the responses from countries which were contacted by the Secretariat for perceived data anomalies either because of low fund disbursement or because of incompatibility between baseline consumption and ODS approvals.

Issues to be addressed:

- Adequacy of the action taken by the implementing agencies on Part A of the Decision.
- Adequacy of the responses from countries for Part B of the Decision.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend:

- UNEP and UNIDO should be commended for their efforts in submitting the preliminary data on countries for which they are managing the institutional strengthening projects. In working on their final report for submission to the 31st Meeting, UNEP and UNIDO should a) complete their data collection and verify the data received, b) provide analysis according to the 3 points of Part A of Decision 28/25.
- The Executive Committee may wish to urge UNDP and the World Bank to fully comply with Decision 28/25 A and submit a preliminary report to the 30th Meeting and their final report to the 31st Meeting.
- Take note of the responses received from countries where data anomalies existed.

8. Consolidated draft business plan of the Multilateral Fund for the year 2000

Document [UNEP/OzL.Pro/ExCom/29/11](#) is a consolidation of the implementing agencies' draft 2000 business plans along with comments and recommendations of the Fund Secretariat.

Issues to be addressed:

- 36 countries are planned to receive investment project funding in 2000 as opposed to the 59 countries included in the 1999 business plans; this includes 8 LVCs while the 1999 plans had 36 LVCs.
- On a sectoral basis, foam is expected to receive the largest share of investment projects (30 per cent), followed by refrigeration (23 per cent), production (20 per cent), solvent and several¹ sectors (8 per cent each), methyl bromide (6 per cent), halon (4 per cent) and aerosol (1 per cent).
- The following Article 5 countries that are slated to receive investment projects from the Multilateral Fund have not ratified the London Amendment to the Montreal Protocol: Guatemala, Libya, Nigeria, and Syria.
- The final level of resources to be available for the year 2000 will be determined in accordance with the decision on the replenishment of the Multilateral Fund by the 11th Meeting of the Parties that follows the 29th Executive Committee Meeting. Implementing agencies will need guidance on whether their final business plans should be adjusted accordingly.

Action expected from the Sub-Committee:

- Determining if the distribution of resources by country should be modified or maintained.
- Determining if the distribution among sectors should be modified or maintained.
- Giving guidance on whether the final business plans should be adjusted according to the Parties' decision on the replenishment of the Multilateral Fund.

9. Draft business plans for the year 2000 of:

- (a) UNDP

Document [UNEP/OzL.Pro/ExCom/29/12](#) contains the comments and recommendations of the Fund Secretariat and UNDP's draft 2000 business plan.

Issues to be addressed:

- UNDP is planning activities in four LVCs during the year 2000 but is also requesting a global project to assist LVCs that have the legislative/regulatory measures in place that are required for recovery and recycling projects.
- UNDP is proposing a technical assistance for an enterprise that is not eligible to receive a grant from the Multilateral Fund because the project has net incremental savings. The eligibility of this type of project is unclear.
- Pursuant to Decision 26/8, the Secretariat calculated UNDP's phase-out target for 2000 to be 13,646 ODP tonnes as opposed to the 6000 ODP tonnes phase-out target set by UNDP in its business plan.

¹ The several sector is for national CFC phase-out projects.

- UNDP set a target of completing 75 per cent of project completion reports due in 2000, but last year the Executive Committee set a target of 100 per cent for all implementing agencies.
- UNDP's target for distribution among countries is 22 for 2000 as opposed to 37 in 1999.
- UNDP's target for speed of completion 36 months for investment projects as opposed to 30 months in 1999. It is also predicting slower delivery rates for first disbursement and project completion for non-investment projects
- UNDP did not provide a target for the indicator "Net emission/reduction of ODP resulting from implementation delays/early completion".

Action expected from the Sub-Committee: The Executive Committee may wish to consider:

- If UNDP should maintain the technical assistance for a project with net incremental savings in its 2000 business plan.

The Executive Committee may also wish to consider:

- If UNDP's performance indicator targets should be maintained or modified in particular with respect to the following targets:
 - ODP phased out from previous approvals.
 - Distribution of projects among countries in the business plan.
 - Satisfactory project completion reports received.
 - Speed of delivery until project completion (both for investment and non-investment projects).
 - Speed of delivery until first disbursement for non-investment projects.

(b) UNEP

Document UNEP/OzL.Pro/ExCom/29/13 contains the comments and recommendations of the Fund Secretariat and UNEP's draft 2000 business plan.

Issues to be addressed:

- Kuwait, Saudi Arabia and UAE were originally classified as non-Article 5 Parties and are seeking funding for country programme preparation and institutional strengthening. Decision VI/5, para. (e) urges such Parties not to request financial assistance for national programmes from the Multilateral Fund but may seek other assistance under Article 10 of the Montreal Protocol except for those countries that were originally classified due to incomplete data. Kuwait was originally classified as a non-Article 5 due to incomplete data.
- UNEP's training budget in 2000 is planned at US \$1.8 million as opposed to US \$700,000 in 1999 due largely to policy training in Argentina (US \$100,000), Venezuela (US \$100,000), and French-speaking Africa (US \$200,000) as well as training strategy implementation in China (US \$399,000) and training strategy development in India (US \$90,000).
- UNEP's training activities also included an ODS phase-out strategy for SMEs, a study on destruction technologies (US \$100,000), a technology transfer workshop for Islamic countries in West Asia (US \$100,000), a technology transfer workshop for the military in

West Asia (US \$100,000), Phase III refrigeration training in Argentina (US \$300,000), and RMP implementation in Ghana (US \$60,000).

- UNEP plans on preparing three videos as part of its 2000 business plan on the following subjects: illegal trade (US \$50,000), a global video competition (US \$50,000), and an animated cartoon for school children in India (US \$60,000).
- Its technical assistance programme also included US \$300,000 to implement the methyl bromide policy plan that the Executive Committee approved for China/UNEP at a cost of US \$150,000 in spite of the fact that China has not ratified the Copenhagen Amendment.
- UNEP is also requesting US \$250,000 for a project entitled “Enhancing capability of local agricultural institutes/NGOs to assist in methyl bromide communication” in Mexico, Morocco, and Costa Rica.
- UNEP did not provide targets for the two non-weighted performance indicators: reduction in ODS consumption over and above that effected by investment projects and appropriate and timely policy initiated by countries either as a result of networking, training, information exchange, country programme development and/or institutional strengthening.

Action expected from the Sub-Committee: The Executive Committee may wish to consider:

- If UNEP should maintain the following activities in its 2000 business plan:
 - The country programme preparation for Kuwait, Saudi Arabia, and United Arab Emirates.
 - Policy training to assist in the implementation of import/licensing in countries that have not ratified the Montreal Amendment.
 - Continuation of policy training of local officials in China and initiation of a study for policy training in India.
 - Other training activities including:
 - ODS phase-out strategy for SMEs,
 - Study on destruction technologies,
 - Technology transfer workshop for Islamic countries in West Asia,
 - Technology transfer workshop for the military in West Asia (US \$100,000),
 - Phase III refrigeration training in Argentina, and
 - RMP implementation in Ghana.
 - Non-recurring information clearinghouse activities including:
 - Illegal trade video,
 - Global video competition,
 - Animated cartoon for school children in India, and
 - Promotional materials.
 - Methyl bromide activities including:
 - Continuation of sectoral policy plan for China, and
 - Enhancing the capability of local agricultural institutes/NGOs to assist in methyl bromide communication in Costa Rica, Mexico, and Morocco.

The Executive Committee may also wish to consider:

- If non-weighted performance indicator targets should be provided.

(c) UNIDO

Document UNEP/OzL.Pro/ExCom/29/14 contains the comments and recommendations of the Fund Secretariat and UNIDO's draft 2000 business plan.

Issues to be addressed:

- UNIDO did not provide the non-weighted investment project indicator, i.e. speed of delivery until project completion.
- UNIDO is planning to submit investment projects in 20 countries as compared to the 30 countries included in its 1999 business plan.
- UNIDO's targeted cost of project preparation performance indicator is 6 per cent as opposed to 3 per cent in 1999.
- UNIDO identified US \$6.2 million in projects that might raise policy issues, but included US \$12.4 million in its contingency list.

Action expected from the Sub-Committee:

- Requesting UNIDO to indicate its targets for speed of completion for investment projects at the 29th Meeting.
- If UNIDO's performance indicator targets should be maintained or modified in respect to the following targets:
 - Distribution of projects among countries in the business plan;
 - Cost of project preparation;
 - Cost-effectiveness to include all projects in programme expansion, and
 - Speed of delivery until project completion for non-investment projects.
- Requesting UNIDO to limit the value of its contingency list to the value of projects that have policy issues in its business plan.

(d) World Bank

Document UNEP/OzL.Pro/ExCom/29/15 contains the comments and recommendations of the Fund Secretariat and the World Bank's draft 2000 business plan.

Issues to be addressed:

- US \$1.4 million of the US \$2.4 million the Bank requested for project preparation in 2000 is for projects that cannot be submitted until the year 2001.

- The Executive Committee approved national CFC phase-out projects for Malaysia and Thailand with the understanding that these programmes were experimental (Decision 27/64). The Bank is requesting US \$100,000 to prepare such a project in the Philippines.
- The Bank's speed of first disbursement and project completion for investment projects are slower than in 1999, for example, project completion is targeted at 38 months as opposed to 35 months in 1999 and first disbursement is 24 months as opposed to 22 months in 1999.
- The Bank's targeted cost of project preparation indicator is 4.6 per cent in 2000 as opposed to 4 per cent in 1999. The Bank is requesting a separate allocation for the production sector because the production sector constitutes about 50 per cent of the Bank's 2000 programme, but the implementing agency shares were determined at the last meeting along with the resource allocation (Decision 28/23). Any funds that go to one agency must come from another agency unless additional funds are available.

Action expected from the Sub-Committee:

- If the World Bank should be provided with project preparation funds to develop projects for submission in 2001 and afterwards.
- The need for guidelines for national CFC phase-out programmes.
- If the World Bank's performance indicator targets should be maintained or modified with respect to the following targets:
 - Speed of delivery until first disbursement and completion for investment projects, and
 - Cost of project preparation.
- The request of the World Bank for a special funding window for the production sector.

10. Proposed budget of the Fund Secretariat for the year 2000

Document UNEP/OzL.Pro/ExCom/29/16 presents the budget of the Fund Secretariat for the year 2000.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to approve the proposed budget.

11. Other matters

12. Adoption of the report of the Sub-Committee

13. Closure of the meeting