



**United Nations  
Environment  
Programme**



Distr.  
Limited

UNEP/OzL.Pro/ExCom/30/4  
28 March 2000

ORIGINAL: ENGLISH

---

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirtieth Meeting  
Montreal, 29-31 March 2000

**REPORT OF THE TENTH MEETING OF THE SUB-COMMITTEE  
ON MONITORING, EVALUATION AND FINANCE**

Introduction

1. The Sub-Committee on Monitoring, Evaluation and Finance of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Montreal on 27 and 28 March 2000.
2. The meeting was attended by the members of the Sub-Committee, the representatives of Australia, Bahamas, China, Dominican Republic, Netherlands, Sweden and Uganda, as well as by representatives of the implementing agencies, the Ozone Secretariat, and the Treasurer.
3. The meeting was also attended by representatives of Germany, Japan and the United States of America as observers.
4. The Chairperson of the Sub-Committee, Mr. Donald Cooper (Bahamas), opened the meeting and welcomed the participants.

**AGENDA ITEM 1: ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK**

5. The Sub-Committee adopted the following agenda:
  1. Adoption of the agenda and organization of work.
  2. Monitoring and evaluation:
    - (a) Final report on the 1999 evaluation of refrigeration projects and draft follow-up action plan;
    - (b) Final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan;
    - (c) Report on the outcome of the workshop on project completion report formats;
    - (d) Desk study on evaluation of regional networks (2000 monitoring and evaluation work programme);
    - (e) The possibility of a desk study on recovery and recycling projects.
  3. Project implementation delays:
    - (a) Overview;
    - (b) Bilateral cooperation;
    - (c) UNDP;
    - (d) UNEP;
    - (e) UNIDO;
    - (f) World Bank.
  4. Consolidated 2000 business plan of the Multilateral Fund.
  5. Business plans for bilateral cooperation for the year 2000.
  6. Business plans for the year 2000 of:
    - (a) UNDP;
    - (b) UNEP;
    - (c) UNIDO;
    - (d) World Bank.

7. Completed projects with balances, follow-up to decision 29/9.
8. Financial intermediaries/administrative costs, follow-up to decision 29/73.
9. Sectoral ODS consumption data: consolidated report based on preliminary reports from implementing agencies (decisions 28/25 and 29/10).
10. Other matters.
11. Adoption of the report of the Sub-Committee.
12. Closure of the meeting.

## **AGENDA ITEM 2: MONITORING AND EVALUATION**

### **(a) Final report on the 1999 evaluation of refrigeration projects and draft follow-up action plan**

6. The Senior Monitoring and Evaluation Officer introduced the final report on the 1999 evaluation of refrigeration projects and draft follow-up action plan (UNEP/OzL.Pro/ExCom/30/5).

7. During the discussion, the Sub-Committee noted with satisfaction the quality of the monitoring and evaluation work and drew attention to the satisfactory ODS phase-out results as an indication of the projects' overall success.

8. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the final report on the 1999 evaluation of refrigeration projects and draft follow-up action plan;
- (b) As a follow-up to the decision in paragraph 32(b) in the report of the Sixteenth Meeting of the Executive Committee and decision 26/13, paragraphs (a) and (b), request the Secretariat, in cooperation with the implementing agencies, to develop definitions and procedures leading to more transparency and consistency in calculating ODS phase-out in project documents and project completion reports (PCRs), and to report on the results to the Thirty-second Meeting of the Executive Committee;
- (c) To add the following paragraph to Executive Committee decision 28/2: "To request the agencies to withhold, wherever possible, part of the project funding or reimbursement of cost until proof of disposal and destruction of equipment has been provided."
- (d) Request the Secretariat to establish, in cooperation with the implementing agencies, lists of key parts for standard equipment which need to be destroyed or rendered unusable, while other parts to be specified could be used as spare parts

or in a service department, e.g. leak detectors, and in so doing to identify suitable mechanisms to verify destruction; and

- (e) Request implementing agencies to inform the National Ozone Units (NOUs) of the purpose and outcome of all missions by their staff and consultants to the countries concerned, and always to involve NOUs in project identification and preparation.

**(b) Final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan.**

9. The Senior Monitoring and Evaluation Officer introduced the final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan (UNEP/OzL.Pro/ExCom/30/6 and Corr.1).

10. The Sub-Committee on Monitoring, Evaluation and Finance discussed the findings of the Senior Monitoring and Evaluation Officer (UNEP/OzL.Pro/ExCom/30/6 and Corr.1 and related detailed reports) and recognized that these findings highlighted *inter alia* the importance of an adequate mandate and position for National Ozone Units and their full involvement in the planning of actual phase-out actions (while acknowledging that in several of the countries evaluated a satisfactory situation already existed). In order to follow up decision 27/10, recognizing the important role of the National Ozone Units in designing and implementing strategies to enable their governments to meet their Montreal Protocol commitments and also acknowledging the resources which the Multilateral Fund had and would continue to assign to support and train the Ozone Units, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the final report on the 1999 evaluation of institutional strengthening projects and draft follow-up action plan (UNEP/OzL.Pro/ExCom/30/6 and Corr.1);
- (b) Urge all Article 5 countries with institutional strengthening projects to ensure that:
  - (i) the National Ozone Unit is given a clear mandate and responsibility to carry out the day-to-day work in order to prepare, coordinate and, where relevant, implement the government's activities to meet its commitments under the Montreal Protocol; this also requires access to decision-makers and enforcement agencies;
  - (ii) the Ozone Unit's position, capacities, and continuity of officers, resources and lines of command within the authority in charge of ozone issues are such that the Ozone Unit can carry out its task satisfactorily;
  - (iii) a specified high-level officer or a post within the authority is given overall responsibility for supervising the work of the Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol;

- (iv) necessary support structures, such as steering committees, advisory groups are established, involving other appropriate authorities, the private sector and NGOs, etc.;
  - (v) personnel and financial resources and equipment provided by the Multilateral Fund are fully allocated to the task of eliminating ODS consumption and production and are made available to the Ozone Unit;
  - (vi) annual work plans for the Ozone Unit are prepared and integrated in the authorities' internal planning processes;
  - (vii) a reliable system to collect and monitor data on ODS imports, exports and production is established; and
  - (viii) measures taken and problems encountered are reported to the Secretariat and/or the implementing agency in charge of the institutional strengthening project when required by the Executive Committee.
- (c) Request the Secretariat, in collaboration with interested Article 5 and non-Article 5 countries and the implementing agencies, to prepare general principles for agreements between governments and the implementing agencies on new and renewed institutional strengthening projects which incorporate the elements under (b), while recognizing that the agreements should be appropriate and adaptable to the specific situation in different countries. These principles should emphasize that action to be undertaken should be stated in general terms only in the institutional strengthening agreement;
- (d) Instruct the implementing agency in charge of the institutional strengthening project to follow up the phase-out status and problems encountered by the Ozone Unit and discuss and propose possible solutions with the NOUs;
- (e) Instruct all implementing agencies to ensure that their project proposals are based on the current strategic planning of the Article 5 country government and ensure that the Ozone Unit is fully involved in the planning and preparation of projects, regularly provide Ozone Units with information on the progress of project implementation and assist them in improving their capacity to monitor and evaluate projects implemented and their impact at the country level;
- (f) Request the implementing agencies to define a procedure to justify reallocation of funds among the budget lines of institutional strengthening projects and report to the Thirty-first Meeting of the Executive Committee; and
- (g) Request UNEP and UNIDO to review whether quarterly progress reporting can be extended to six-month intervals and to report thereon to the Thirty-first Meeting of the Executive Committee.

**(c) Report on the outcome of the workshop on project completion report formats**

11. The Senior Monitoring and Evaluation Officer introduced the report on the outcome of the workshop on project completion report formats (UNEP/OzL.Pro/ExCom/30/7).

12. During the discussion, members of the Sub-Committee raised concerns with regard to the burden of reporting and the increased workload this might represent for NOUs.

13. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the revised PCR format for investment projects;
- (b) Take note of the proposed revised overall assessment scheme for investment projects;
- (c) Agree on the principle of a quantification and the three indicators proposed (ODS phase-out, cost and implementation delays);
- (d) Request that the Senior Monitoring and Evaluation Officer, in association with the implementing agencies, continue to refine the content and wording of the assessment scheme and report on the results to the Thirty-second Meeting of the Executive Committee;
- (e) Request the Senior Monitoring and Evaluation Officer to continue dialogue with the implementing agencies and NOUs, including through the use of network meetings, on the suggested format for terminal reports and extension requests for institutional strengthening projects, to see how the process could be further streamlined and how the work could be divided between the implementing agencies and the NOUs so that there would be no additional burden on the NOUs;
- (f) Request the Senior Monitoring and Evaluation Officer to indicate the differences between existing report formats and proposed formats so that Sub-Committee members might compare the work involved in completing each version of the reports;
- (g) Request that future proposals for country programme updates be accompanied by an assessment of the results achieved under the approved country programme.

**(d) Desk study on evaluation of regional networks (2000 monitoring and evaluation work programme)**

14. The Senior Monitoring and Evaluation Officer introduced the summary of a desk study on the evaluation of regional networks (UNEP/OzL.Pro/ExCom/30/8), which had been elaborated by a consultant who had analysed the documentation available in the Multilateral Fund Secretariat and reviewed reports of network meetings made available by UNEP.

15. During a brief exchange of views, it was stressed that the network meetings should be used for an overall exchange of views rather than for discussing individual projects and also that

the agenda for such meetings should address the needs of the participating ODS officers in the region. It was also emphasized that the main objective of the ODS Officers Networks was to strengthen the capacity of NOUs in Article 5 countries to design and implement effective policies and strategies.

16. The Sub-Committee recommended that the Executive Committee take note of the approach proposed in UNEP/OzL.Pro/ExCom/30/8 for the evaluation of regional networks.

**(e) The possibility of a desk study on recovery and recycling projects**

17. In response to decision 29/5, the Senior Evaluation and Monitoring Officer presented his proposals for a desk study on recovery and recycling projects (UNEP/OzL.Pro/ExCom/30/9).

18. Members were requested to provide input on what should be included in the study. It was also noted that, although recovery and recycling projects were investment projects, they were usually closely linked to non-investment projects, particularly training.

19. The Sub-Committee recommended that the Executive Committee

- (a) Take note of the information provided in document UNEP/OzL.Pro/ExCom/30/9;
- (b) Request the Senior Monitoring and Evaluation Officer to present a desk study on recovery and recycling projects to the Thirty-first Meeting of the Executive Committee, as an addition to the work programme for monitoring and evaluation for the year 2000, taking into account the discussions held and the suggestions made in the Sub-Committee.

**AGENDA ITEM 3: PROJECT IMPLEMENTATION DELAYS**

20. The Sub-Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/30/16), and after receiving further explanations and updating from representatives of the implementing agencies, recommended that the Executive Committee:

- (a) Note that progress has been reported on the following projects which should not be cancelled but should continue to be monitored closely:
  - Recovery and recycling of refrigerant (PRC/REF/20/TAS/04) (UNDP);
  - Adzen S.A. C.I.F. (ARG/REF/19/INV/43)(World Bank);
  - P.T. Foamindo Industri Uretan (IDS/FOA/11/INV/12)(World Bank);
  - P.T. Erlangga Trimanunggal Kusumah (IDS/FOA/13/INV/16)(World Bank);
  - Positive Foam Industry (IDS/FOA/15/INV/19)(World Bank);
  - Suavestar: flexible foam slabstock, (ARG/FOA/20/INV/48) (UNDP);
  - Nutal: commercial ref. inv. (VEN/REF/17/INV/40) (UNDP);
  - Andina: domestic ref. inv., (PER/REF/15/INV/04) (UNDP);

- Institutional strengthening for the phase-out of ODS in Mozambique, (MOZ/SEV/15/INS/03) (UNEP);
  - Coldair, Modern Refrigerator & Metal Furniture Co., Sheet Metal Industries (SUD/REF/19/INV/06) (UNIDO);
  - Real Value Appliances Ltd., (IND/HAL/18/INV/60) (World Bank);
  - Elimination of CFCs in domestic refrigerator production plants in Aurora (ARG/REF/18/INV/35) (World Bank);
  - Piragua S.A., and Piragua San Luis (ARG/REF/18/INV/36) (World Bank);
- (b) Regarding the project “Musimassejahtera Abadi”, (IDS/FOA/15/INV/30) (World Bank), note that there had been minimal progress on this project and that the World Bank had been requested to ascertain whether there was likely to be any progress and report back for a decision at the Thirty-first Meeting of the Executive Committee.
- (c) Note the cancellation by mutual consent between the Government concerned and the implementing agency of the project Phase out of 1,1,1 TCA at Teperman in Brazil, (BRA/SOL/20/INV/58) (UNIDO), and that the funds, amounting to US\$ 152,176 (plus agency fees) would be returned for reprogramming;
- (d) Note the cancellation of the bilateral project replacement of methyl bromide with non-ozone depleting substances in grain storage in Kenya, (KEN/FUM/21/DEM/12), and that Australia would return the remaining balance to the Multilateral Fund, the final figure to be communicated to the Fund Secretariat by the end of April 2000;
- (e) Note the transfer to UNEP from Finland of the bilateral training programme in Ethiopia (ETH/REF/23/TRA/04) in the amount of US \$82,735 with administrative costs of US \$10,755;
- (f) Withhold future funding for projects in Kenya pending resolution of the UNIDO demurrage charge issue.

**AGENDA ITEM 4: CONSOLIDATED 2000 BUSINESS PLAN OF THE MULTILATERAL FUND**

21. The Secretariat introduced the consolidated business plan of the Multilateral Fund for the year 2000 (UNEP/OzL.Pro/ExCom/30/10 and Corr.1).

22. It was noted that CFC and halon projects had been approved by the Executive Committee for Parties that had not ratified the London Amendment. However, this did not apply to methyl bromide projects in the case of the Copenhagen Amendment. Moreover, it was noted that document UNEP/OzL.Pro/ExCom/30/40 contained a proposal that a letter would have to be received from the appropriate agency of the country concerned, indicating the country’s intent to

complete the ratification within a period of twelve months. Concern was expressed about this lack of consistency in the requirements for ratification of the Montreal Protocol amendments.

23. The Sub-Committee recommended that the Executive Committee
- (a) Take note of the consolidated business plan of the Multilateral Fund for the year 2000;
  - (b) Decide that countries which had not ratified the London Amendment might be maintained in the 2000 business plan of the Multilateral Fund;
  - (c) Request the Secretariat to write to Parties which had not ratified the London Amendment to the Montreal Protocol requesting them to proceed rapidly with ratification;
  - (d) Request the implementing agencies to emphasize further the need to ratify the London Amendment to the Montreal Protocol in their consultations with Article 5 Parties;
  - (e) Adopt the disbursement target of US\$ 148.8 million and the phase-out target of 29,542 ODP tonnes for the year 2000.
24. The Secretariat was requested to ensure that a table summarizing planned activities and funding by region be included in consolidated business plans in the future.

#### **AGENDA ITEM 5: BUSINESS PLANS FOR BILATERAL COOPERATION FOR THE YEAR 2000**

25. The Secretariat introduced the business plans for bilateral cooperation (UNEP/OzL.Pro/ExCom/30/11 and Corr.1) and indicated that the Governments of Australia, Japan and Germany had submitted amendments to their business plans.

26. Following the discussion, the Sub-Committee recommended that the Executive Committee :

- (a) Take note with appreciation of the business plans for bilateral cooperation submitted by Australia, Canada, Czech Republic, Denmark, France, Germany, Japan, New Zealand, Sweden and the United Kingdom;
- (b) Urge that, when preparing business plans for bilateral cooperation, there should be ongoing discussion among the bilateral donors, the implementing agencies and the Fund Secretariat in order to avoid overlapping and to provide consistency;
- (c) Note the explanations given by the representative of Sweden concerning the projects in its business plan for bilateral cooperation in 2000;

- (d) Request the Government of France to review the chiller replacement projects in the light of decisions taken by the Executive Committee on the funding of such projects.

**AGENDA ITEM 6: BUSINESS PLANS FOR THE YEAR 2000 OF:**

**(a) UNDP**

27. The representative of UNDP presented the revised 2000 business plan of UNDP (UNEP/OzL.Pro/ExCom/30/12 and Corr.1), noting that there had been a significant shift in sector percentages, such as an increase in the number of halon activities. With regard to performance indicators and speed of delivery, he said that UNDP was in full agreement with the Sub-Committee and the Executive Committee's recommended targets, but explained that its internal targets were based on what could realistically be achieved.

28. During the discussion, the Sub-Committee noted UNDP's internal book-keeping process but felt that the targets set at the Twenty-ninth Meeting of the Executive Committee should be maintained.

29. Following the discussion, the Sub-Committee asked UNDP to make the suggested revisions to its 2000 business plan and recommended that the Executive Committee:

- (a) Endorse the revised business plan of UNDP for the year 2000, while noting that the endorsement did not denote approval of the projects identified therein nor their funding level;
- (b) Reaffirm the targets set by the Executive Committee in decision 29/14 as 13,646 ODP tonnes for the target "ODP phased out from previous approvals" and 100% for the target "satisfactory project completion reports received";
- (c) Approve the performance indicators for UNDP set out in Tables 1 and 2 of the Secretariat's comments (UNEP/OzL.Pro/ExCom/30/12 and Corr.1) and sub-paragraph (b) above and the figure of (to be provided by UNDP) as the performance indicator for net emissions/reductions of ODP resulting from implementation delays/early project completion.

**(b) UNEP**

30. The representative of UNEP presented the revised 2000 business plan of UNEP (UNEP/OzL.Pro/ExCom/30/13) describing the changes since the draft business plan and the non-weighted non-investment performance indicators.

31. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Endorse the revised business plan of UNEP for the year 2000, while noting that the endorsement did not denote approval of the projects identified therein nor their funding level;
- (b) Approve the performance indicators for UNEP set out in Tables 1 and 2 of the Secretariat's comments (UNEP/OzL.Pro/ExCom/30/13).

**(c) UNIDO**

32. The representative of UNIDO presented the revised 2000 business plan of UNIDO (UNEP/OzL.Pro/ExCom/30/14 and Corr.1), stating that 63 investment projects would be prepared in 2000 in all sectors, with an ODP phase out of 4,441.5 tonnes.

33. During the discussion, the Sub-Committee noted the projects identified as revisions to the 2000 business plan and drew attention to the fact that the relevant indicators had been communicated to the Secretariat by UNIDO.

34. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Endorse the revised business plan of UNIDO for the year 2000, while noting that the endorsement did not denote approval of the projects identified therein nor their funding level;
- (b) Note the performance indicators for non-weighted non-investment projects were 1 to 2 countries for the indicator "Appropriate and timely policies initiated by countries either as a result of networking, training, information exchange, CP development and/or institutional strengthening" and 5-10 ODP MT to result from ongoing training programmes in the recovery and recycling projects;
- (c) Approve the performance indicators for UNIDO set out in Tables 1 and 2 of the Secretariat's comments (UNEP/OzL.Pro/ExCom/30/14) and sub-paragraph (b) above;
- (d) Note revisions to UNIDO's business plan to replace the tobacco sector project in its contingency list and to add to its business plan's contingency list contingency projects that might be used to replace projects for Kenya.

**(d) World Bank**

35. The representative of the World Bank presented the revised 2000 business plan of the World Bank (UNEP/OzL.Pro/ExCom/30/15), highlighting an increase in the number of countries for which projects were to be submitted from 7 to 14 and an increase in CFC-consumption phase-out from 1,725 to 3,162 ODP tonnes. He also touched on the issue of considering a separate allocation for the production sector.

36. During the discussion, the Sub-Committee expressed the view that the issue of a separate resource allocation for the production sector indicated in the Bank's business plan should be discussed as a separate agenda item at a future meeting.

37. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Endorse the revised business plan of the World Bank for the year 2000, while noting that the endorsement did not denote approval of the projects identified therein nor their funding level;
- (b) Approve the performance indicators for the World Bank set out in Tables 1 and 2 of the Secretariat's comments (UNEP/OzL.Pro/ExCom/30/15).

**AGENDA ITEM 7: COMPLETED PROJECTS WITH BALANCES, FOLLOW-UP ON DECISION 29/9**

38. The Sub-Committee considered the report prepared as a follow-up to decision 29/9 on the extent to which the implementing agencies' share of the project balances from projects completed through 1998 had been obligated (UNEP/OzL.Pro/ExCom/30/17). It noted further clarification by the implementing agencies, including reference to an error in the data for the World Bank, whose un-obligated balance was US \$579,310. It noted that agencies would have a better knowledge of un-obligated balances at the end of the year and that it would therefore be helpful to review the figures at the third meeting of the year followed by a revised report at the first meeting of the year.

39. The Sub-Committee recommended that the Executive Committee:

- (a) Note with appreciation the reports from UNEP, UNIDO and the World Bank and the return of US\$6.1 million to the Fund, as specified by the agencies in Table 1 of document (UNEP/OzL.Pro/ExCom/30/17);
- (b) Note that UNDP was unable to provide information at this Meeting and that it would be furnished at the Thirty-first Meeting;
- (c) Note the explanations of UNIDO and the World Bank concerning the level of remaining balances that had not been obligated from projects completed by the end of 1998;
- (d) Request the Secretariat to liaise with the implementing agencies to refine further the un-obligated balances and develop common definitions for the terms included in Table 1 of the document (UNEP/OzL.Pro/ExCom/30/17) in time for the Thirty-first Meeting.

**AGENDA ITEM 8: FINANCIAL INTERMEDIARIES/ADMINISTRATIVE COSTS, FOLLOW-UP ON DECISION 29/73**

40. The Sub-Committee considered the report regarding the financial viability of financial intermediaries costs, prepared as a follow-up to decision 29/73 (UNEP/OzL.Pro/ExCom/30/18)

and recommended that the Executive Committee note the clarifications provided by the implementing agencies on the issue of the cost of financial intermediaries.

**AGENDA ITEM 9: SECTORAL ODS CONSUMPTION DATA: CONSOLIDATED REPORT BASED ON PRELIMINARY REPORTS FROM IMPLEMENTING AGENCIES (DECISIONS 28/25 AND 29/10)**

41. The Sub-Committee considered the consolidated report on sectoral ODS consumption data submitted in response to decision 29/10 (UNEP/OzL.Pro/ExCom/30/19). In the course of a brief discussion, the importance of this information and its significant role in the discussion on strategic planning was emphasized. The Sub-Committee recommended that the Executive Committee:

- (a) Request the implementing agencies to submit their final reports to the Thirty-first Meeting, using the format of the consolidated report contained in Annex II to UNEP/OzL.Pro/ExCom/30/19, including baseline data as well as the latest total consumption data, in time for the Secretariat to prepare and submit a consolidated report to the Thirty-first Meeting of the Executive Committee;
- (b) Request the Secretariat to include baseline data as well as the latest total consumption data in the summary in its consolidated report.

**AGENDA ITEM 10: OTHER MATTERS**

42. No other matters were raised for discussion at the meeting.

**AGENDA ITEM 11: ADOPTION OF THE REPORT OF THE SUB-COMMITTEE**

43. The Sub-Committee on Monitoring, Evaluation and Finance adopted its report on the basis of document UNEP/OzL.Pro/ExCom/SCMEF/10/L.1.

**AGENDA ITEM 12: CLOSURE OF THE MEETING**

44. The Chairperson declared the meeting closed at 6.15 p.m. on Tuesday, 28 March, 2000.