ANNEX VII

TERMS OF REFERENCE OF THE MONITORING, EVALUATION, AND FINANCE SUB-COMMITTEE

1. The Executive Committee at its Twenty-first Meeting decided to create a standing sub-committee entitled the Monitoring, Evaluation and Finance Sub-Committee which will replace the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee.

2. The Sub-Committee will be a standing committee. It will be appointed for a period of one year coinciding with the term of the Chair and Vice-Chair of the Executive Committee. In accordance with past practice, the Chair of the Sub-Committee will be determined by the membership and alternate among members from one Meeting of the Parties to the next.

3. The Sub-Committee shall consist of three Executive Committee members form Parties operating under paragraph 1 of Article 5 of the Protocol and three members from Parties not so operating, as determined by the respective groups. The Treasurer and the Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies may be invited to participate. The Sub-Committee is empowered to require the attendance of any implementing agency on any matter causing concern to the Sub-Committee.

4. The Sub-Committee will be a closed Committee. Executive Committee members may be admitted as observers with the express agreement of the Chairman. With the concurrence of all members of the Sub-Committee, the Chairman could invite the observers to speak. Three representatives from non-governmental organizations (NGOs) - one nominated by environmental NGOs, one by industry NGOs and one by NGOs from the academic community - may observe the meeting of the Sub-Committee but may not participate.

5. The working language of the meeting of the Sub-Committee will be English.

6. The Sub-Committee will address issues concerning monitoring and evaluation of approved projects, progress reports, business plans, and the business planning process under the Multilateral Fund. All of the responsibilities of the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee are transferred to the Monitoring, Evaluation, and Finance Sub-Committee.