EP

United Nations
Environment
Programme

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/16/13
8 February 1995

ORIGINAL: ENGLISH

Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Sixteenth Meeting
Montreal, 15-17 March 1995

REPORT OF THE AD HOC WORKING GROUP ON PROJECT PREPARATION AND EVALUATION

1. A meeting of the ad hoc working group on Project Preparation and Evaluation was held at Montreal on 27 January 1995 in accordance with the decision taken by the Executive Committee at its Fifteenth Meeting (UNEP/OzL.Pro/ExCom/15/45 paragraph 132).

2. The meeting was chaired by Mr. John Whitelaw (Australia), Chairman of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. It was attended by Mr. M. Bennadji (Algeria), Vice-Chairman of the Executive Committee, and by representatives of UNDP, UNEP, UNIDO, the World Bank and the Fund Secretariat.

3. The Chairman opened the meeting and welcomed the participants, noting that the meeting had been called in response to some concerns voiced during the Fifteenth Meeting of the Executive Committee. While all the implementing agencies and the Secretariat had undertaken their tasks willingly since the Multilateral Fund had been set up, it was possible that the understanding of the criteria for that work differed from one body to another, and the present meeting was a useful opportunity, with the benefit of several years' experience, for those criteria to be clarified.

4. The following matters were addressed in the discussion:

- a feeling that decisions of the Executive Committee were not always transparent to those outside the Committee and that there may be scope for some explanation of the Committee's explicit and implicit decisions. Consequently, they may be scope for enhancing the policy framework by production of advice based on the Committee's decisions and policies but with the implications explained to achieve clarity;

- the problem of the current pattern of work, with six weeks of almost impossibly intense work before each meeting of the Executive Committee placing enormous pressures on the Implementing Agencies, the Secretariat and the Executive Committee itself and not necessarily allowing for the appropriate level of consideration of issues;

- the need for feedback from the projects which had actually been implemented in order to improve the information on actual costs and performance;

- the need for a clear definition of what constitutes quality and "reasonableness" in project development as a step towards reducing some of the current difficulties experienced in assessment of projects;

- a need for consistency in treatment of matters such as costs and procedures, from one agency to another, in the projects which they forwarded to the Secretariat;

- the advantages in there being an agreed set of reasonable cost ranges for projects;

- the need to formalise project monitoring and evaluation;

- whether there was scope for improving the way in which policy issues are identified and brought to the Executive Committee;

- the importance of the partnership between the Implementing Agencies and the Secretariat in preparing and reviewing policy papers before they were submitted to the Executive Committee;

- the need for clarity on the roles of the various bodies represented at the meeting;

- the perception that the Secretariat was required to do much of the work that was the responsibility of the Implementing Agencies, such as identifying and assessing the incremental costs rather than its responsibility in assessing the eligibility of identified incremental costs;

- the need to avoid duplication of effort in the area of technical assessment. It was noted that the Secretariat only carried out independent technical review where there was a new technology with which it was not familiar to enable its assessment for incremental cost;

- the difficulty faced by the Implementing Agencies in advocating technology reasonable in sophistication and cost;

- the need for peer technical review to be independent and objective;

- a need for ongoing openness and frankness among the various participants, in order to avoid misunderstandings;

- the high proportion of the projects submitted before the Fifteenth Meeting that did not meet all of the formal criteria for approval;

- the way to deal with projects for which funding had been approved several years ago but which had never started;

5. The meeting agreed on the following actions:

- **clarity of Committee decisions** - the Implementing Agencies will develop for the Executive Committee's consideration a paper giving examples of where clarification of decisions and their implications would have been useful, and the format that could have been used in that case. The paper would take into account that the intent would be to inform better those affected by such decisions, namely the Executive Committee members, the Implementing Agencies, Parties to the Montreal Protocol and enterprises in Parties operating under Article 5;

- **development of an agreed set of cost ranges** - the Implementing Agencies and the Secretariat will work together to prepare a document for the Executive Committee's endorsement. The work commenced in the Bank on documenting real costs, collected from approved projects, will be extended to include input from the Secretariat and the other Agencies. The resultant draft document would be reviewed jointly before it was submitted to the Executive Committee;

- **reporting on completed projects** - the meeting acknowledged that the review process had been hampered in the past by a lack of factual information. Now, however, there were real projects coming to conclusion and offering real historical data. It was recommended that the Executive Committee formally request Agencies to make available such real data, so that it could be used by other Agencies and by the Secretariat in reviewing other projects in the future;

- **smoothing the pattern of work through the year** - it was noted that projects could be sent to the Secretariat as soon as they were ready, enabling the process to start earlier. Lengthening the six-week deadline, perhaps to eight or nine weeks, was not considered feasible given the present average frequency of one Executive Committee meeting every sixteen weeks. The meeting felt that use should be made of intersessional approvals. It was recognised that this facility was applicable only to projects which were uncontroversial and that the modalities for intersessional approval had not been decided (the Secretariat will seek input from the Implementing Agencies on its draft proposal). It was recognised also that any intersessional approvals would need to take place within the framework of priority-setting which was the Executive Committee's responsibility and would be addressed at its Sixteenth Meeting. The desirability of the Executive Committee's resolving the issue of resource allocation (i.e. by country, sector, Implementing Agency) was highlighted;

- **format for reporting on completed projects** - the Implementing Agencies will develop a draft format for consideration by the Executive Committee;

- **consultation and coordination between the Secretariat and Implementing Agencies** - it was accepted that it could be useful to have consultations in the calmer weeks immediately following a meeting. In particular, the results of the project approval process should be examined and noted for relevance to future projects;

- **dormant projects** - the Implementing Agencies will examine their portfolios and report to the Executive Committee on any projects that have been dormant for a long period.

6. The Chairman thanked all the participants for their useful contributions, and closed the meeting at 18:00 hours.