

ANNEX III

SUB-COMMITTEE RECOMMENDATIONS

1. Pursuant to a decision of the Executive Committee at its Seventh Meeting, the Sub-Committee of the Executive Committee was convened in Washington, D.C. from 3 to 4 September 1992 to "evaluate in greater detail the status of a representative sample of approved projects and to report back to the next meeting of the Executive Committee with a view to identifying barriers to speedy project preparation and implementation and specific proposals for addressing those problems" (UNEP/OzL.Pro/ExCom/7/30, page 8).

2. Case studies were presented for projects in Malaysia, Mexico and Venezuela and presentations were given by the Fund Secretariat and the implementing agencies. It was then decided that the Report of the Sub-Committee would consist of recommendations for expediting project preparation and implementation.

3. The Sub-Committee agreed to the following recommendations:

Project Preparation

- 1) Article 5 Parties and designated implementing agencies should work together to expedite the preparation of country programmes, work programmes, and project proposals.
- 2) Article 5 Parties should select an approved implementing agency before preparing projects for submission to the Executive Committee.
- 3) The Fund Secretariat in co-operation with the implementing agencies should provide, Article 5 Parties, up front, with an information kit which should include: information on implementing agencies; project presentation guidelines; sample project proposals; standard grant, and where applicable, legal and disbursement agreements; information on the selection and use of financial intermediaries; and, procedural flow charts.
- 4) Proposed legal and disbursement arrangements should be developed in parallel with investment project proposals.
- 5) Article 5 Parties and designated implementing agencies should develop proposed timelines for preparation and implementation of projects.

Project Submission and Review

- 6) To the fullest extent possible, documents should be submitted to the Fund Secretariat at least six weeks before each meeting of the Executive Committee.
- 7) Guidelines approved by the Executive Committee for projects, work programmes and country programmes should be followed.
- 8) Project proposals and Executive Committee Meeting reports should clearly state, inter alia, for each project: approval category, implementing agency(s), and eligible incremental costs.
- 9) Procedures to facilitate consideration of projects between meetings should be established.
- 10) All policy issues should be resolved prior to submission of a project to the Executive Committee to the extent possible.
- 11) For projects that have already been approved, decisions on project cost overruns are necessary if additional financing would cause the total expenditures for the project to exceed \$500,000. Overruns which do not cause total expenditures to exceed \$500,000 can be approved within the context of a work programme or work programme amendment. The Executive Committee can approve modifications of approved project budgets with a total incremental cost exceeding \$500,000.
- 12) Relevant implementing agencies may propose within the context of their work programmes, or amendments to work programmes, requests for 'permission to proceed' with the development of a group of projects. To facilitate expeditious implementation of projects, relevant implementing agencies should initiate negotiations with Article 5 Parties as soon as possible to develop legal agreements, which establish funding disbursement, procurement and implementation requirements necessary to implement projects subsequently approved by the Executive Committee. If granted, Executive Committee permission to proceed will not require the Treasurer to transfer any funds, or constitute approval of any sub-project for which adequate documentation is not available. To expedite ODS elimination, relevant implementing agencies are encouraged to implement sub-projects under one unique legal framework agreement (umbrella agreement) with the relevant intermediary in the recipient country. If any of these sub-projects exceeds \$500,000, Executive Committee approval is necessary for each such sub-project prior to the disbursement of funds by the Treasurer.

Project Implementation

- 13) Article 5 Parties should consider the selection of a focal point and use interministerial committees, as appropriate.
- 14) Implementing agencies will provide to the Executive Committee through the Fund Secretariat, progress reports on project implementation, and identify and describe any problem areas.
- 15) The Fund Secretariat should assess project implementation status, ascertain problem areas, and offer assistance in their resolution between Executive Committee meetings.
- 16) If grant agreements, or project documents, are not signed within an appropriate time frame, implementing agencies should provide an explanation of the delay and the Executive Committee should consider further action.