

ANNEX II

DRAFT ELEMENTS FOR GUIDELINES FOR THE IMPLEMENTATION OF ACTIVITIES SUPPORTED BY THE MULTILATERAL FUND UNDER THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER

(proposal by the Sub-Committee)

(in accordance with paragraph 10(d) of Appendix II of Annex IV)

1. The Executive Committee invites each Party operating under paragraph 1 of Article 5 and wishing to receive support from the Multilateral Fund to develop a country programme, updated national studies and/or individual projects as appropriate to facilitate compliance with the Protocol.
2. The country programme or updated national study is expected to contain inter alia:
 - a) a review of recent production, import and use of controlled substances;
 - b) a description of the institutional framework;
 - c) a description of the policy framework, regulatory and incentive system;
 - d) a description of government and industry activities in response to the Protocol;
 - e) a statement of strategy for ongoing implementation, including identification of the need for co-operation;
 - f) an action plan for technical assistance projects and other project preparation needs and an investment programme, where necessary, consisting of project proposals or ideas for which funding will be required;
 - g) a timetable for these activities;
 - h) a budget and financial needs for the above activities.
3. In developing its country programme and/or individual projects, a Party is entitled to receive technical co-operation, other services and support from the implementing agencies within their respective areas of expertise.

4. Funds for each of the implementing agencies to cover the costs of the activities described in paragraph 3 above are approved by the Executive Committee biannually. The Executive Committee approves these funds on the basis of an annual work programme submitted by each implementing agency to the Executive Committee for consideration and approval.
5. A Party operating under paragraph 1 of Article 5 submits its country programme to the Executive Committee for its consideration and approval (in accordance with paragraph 10(g) of Appendix II of Annex IV to the Report of the Second Meeting of the Parties).
6. A country programme approved by the Executive Committee shall serve as a basis for project preparation and further co-operation between the Party and the implementing agencies. However, individual projects prepared prior to the completion of a country programme shall also qualify for funding if consistent with project eligibility criteria approved by the Executive Committee.
7. Project proposals with costs exceeding \$500,000 shall be considered and approved by the Executive Committee taking into account contributions received into the Fund account.
8. Each implementing agency is responsible for supervision of the implementation of project within its work programme. The agency shall report to the Executive Committee annually on the progress of the work programme.