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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-third Meeting
Montreal, 12-14 November 1997

CRITERIA FOR PROJECT PREPARATION

Introduction and background

1. Prior to its Nineteenth Meeting, the Executive Committee had invariably approved requests for project preparation submitted by implementing agencies on behalf of eligible Article 5 countries, save for activities where guidelines for the calculation of incremental costs were not yet in place.
2. At its Nineteenth Meeting, the Executive Committee decided that “implementing agencies and countries should include with each project proposal submitted for approval by the Executive Committee a brief description of how the project would contribute to helping the country to achieve the 1999 freeze” (decision 19/4). This decision was taken in response to a recommendation of the Project Review Sub-Committee as a result of the expressed view by its members that “countries should be encouraged to concentrate on sectors that would allow them to achieve a high level of ODS phase-out in the short term so as to enable them to meet their obligations under the Montreal Protocol, with the understanding that projects should continue to be country-driven” (UNEP/OzL.Pro/ExCom/19/5, para. 16). Decision 19/4 was further reinforced by the Executive Committee’s decision 20/3.
3. At its Twenty-first Meeting and in the context of its consideration of project proposal requests from Article 5 countries for which the level of approved ODS reduction was near or exceeded the level of ODS consumption reported in their country programmes, the Executive Committee decided that no new requests for project preparation funding in these countries would be considered until it received an account of what remained to be accomplished by way of phase-out of ODS consumption in the country.
4. At the same meeting, Executive Committee decided to request the Secretariat to draw up criteria to be used as a basis for submitting future project preparation proposals. These criteria might relate to, *inter alia*, the rate of disbursement of funding in the country concerned, the amount of ODS reduction as a percentage of country consumption, the existence of a country programme, and other elements suggested in the Sub-Committee’s discussion (decision 21/15).
5. At its Twenty-second Meeting, the Executive Committee considered the Three-year business plan of the Multilateral Fund and the 1997 business plans of the implementing agencies and gave further guidance on the focus of project preparation during 1997 and 1998 in respect to specific groups of Article 5 countries and sectors to be covered (decision 22/11 (a)).
6. Also, the Executive Committee’s decisions 22/24 (regarding refrigerant management plans) and 22/69 (regarding change of technology) have a bearing on future requests for project preparation.

PROPOSED CRITERIA FOR PROJECT PREPARATION

7. This document proposes a list of criteria for project preparation taking into consideration relevant decisions of the Executive Committee in connection with its consideration of requests for project preparation.

(1) All requests for project preparation should address how the project preparation will assist countries in meeting the applicable control measures of the Montreal Protocol. (per decisions 19/4 and 20/3)

(2) Countries for which funds were previously approved by the Executive Committee should not receive additional funding if less than 10 per cent of the approved funds were reported disbursed one year after approval. (per decision 22/2)

(3) Low-volume ODS-consuming countries which have not previously received funding from the Multilateral Fund should receive funding. (per decision 22/4)

(4) Countries which have received funding for the level of ODS reduction equal to 90 per cent of its total ODS consumption as reported in the concerned country's approved or updated country programme should identify and report on all of the remaining ODS uses in the country concerned.

(5) Priority should be given to project preparation for the preparation of projects with proven technologies to minimize the need for changes in technology and to facilitate speedy project implementation. (per decision 22/69)

(6) Requests for project preparation should be based on a specific sector (aerosol, foam, fumigants, halon, refrigeration, or solvent). (per decision 22/11)

RECOMMENDATION

1. The Executive Committee may wish to consider adopting the six criteria for project preparation included in this document.

2. In order to facilitate the review by the Executive Committee following the above-mentioned criteria of project preparation requests, the Executive Committee may wish to request implementing agencies to include in their requests for project preparation, inter alia: the level of remaining ODS consumption in the sector concerned; the level of project preparation already approved for the sector concerned; a list of projects approved for the sector and the level of phase-out represented by these projects; the purpose of the request (enterprises specified in country programme, newly discovered ODS-consuming enterprises, or terminal projects for the entire sector); and, an indication if the country programme, institutional strengthening, and refrigerant management plans have been approved.