

ANNEX III

GUIDELINES FOR PRESENTATION OF PROJECTS AND CRITERIA FOR PROJECT APPROVAL

INTRODUCTION

Pursuant to decision II/8 of the Second Meeting of the Parties to the Montreal Protocol and, as further elaborated in Section I of the interim Implementation Guidelines approved by the Executive Committee (UNEP/OzL.Pro/ExCom/3/18/Rev.1), all project proposals, where the agreed incremental costs exceed \$500,000, must be submitted to the Executive Committee for consideration and approval.

The aim of these guidelines is to provide information on the appropriate content and level of detail required for the submission of projects to the Executive Committee.

THE PROJECT DOCUMENT

The project document should contain the following information, preferably in the sequence shown below when being submitted directly by a Party. If the submission is being made by one of the Fund's implementing agencies, then such an agency can utilize formats that are consistent with their own internal procedures and operations provided they include the information requested here. It is anticipated that the complete project document would not exceed ten typed single-spaced pages in length:

Cover sheet

The project document should contain a cover sheet providing the information as shown in Appendix I.

Project title

The concise title of the project.

Sector data

Brief background information on the amount of controlled substances used in the sector

or sectors affected by the project and the percentage corresponding to the total consumption of controlled substances in the country. If the project is intended to phase out the production of a controlled substance or substances, then the relevant production data on the affected substance or substances and the percentage corresponding to the total production and consumption of controlled substances must also be provided.

Project description

The project description usually begins with the identification of the problem and is followed by the formulation of the project's objectives and their relationship to and priority within the country programme or to the national strategy for the implementation of the Montreal Protocol. This section should also address the technical aspects of the project, for example, the availability and intended use of alternative technologies. In addition, the activities needed to accomplish the project must also be clearly indicated. A good project description should explain inter alia:

- (a) why the project is needed (rationale, justification, and explanation of the problem the project is to address);
- (b) what private sector firms, if any, are involved in or affected by the project;
- (c) what are the project's long-term objectives;
- (d) what are the project's short-term objectives, if successfully completed;
- (e) what actions/activities are needed to accomplish the overall objectives;
- (f) what non-monetary inputs are needed to realize the objectives;
- (g) how the project meets the incremental costs criteria as defined in the current Indicative List of Categories of Incremental Costs or as otherwise articulated by the Parties;
- (h) what is the best estimate of the cost effectiveness of the project (phase-out costs per kg.).

Project timeframe

Information on the anticipated start-up date and the termination date for the implementation of the project, including a projected schedule for implementation of the various activities designed to accomplish the objectives of the project.

Outputs

This section will address the expected outcome of the project in order to achieve the objectives addressed in the project description. Included here would be information on the projected phase out/reduction in consumption of controlled substances (in tonnes x ODP) and other direct or indirect outputs, for example, human resource development and/or enhancement of institutional

capability.

Budget

An indicative budget figure showing all projected expenditures and the anticipated timing of disbursements. There should also be a description of each budget item, an explanation of how each budget item is functionally related to activities, a rationale for the budget estimates, and explanations of any in-kind contributions and/or bilateral assistance approved by the Executive Committee.

Implementation arrangements

Information on which implementing agency or agencies (UNDP, UNEP, World Bank, Other) would be undertaking the project, the national agency responsible for coordinating the project, and the financial intermediary contracted for the receipt and disbursement of funds and the financial reporting on the project. A copy of any agreement between the submitting Party and the participating agencies should also be provided, as well as a brief resumé on the capability of the implementing agency to implement the project successfully if it is an agency other than one of the Fund's implementing agencies.

Institutional framework

This section should define the role and responsibilities of the cooperating agency or supporting organization. It should also clarify who is the ultimate authority in managing the project, what is the machinery for consultation among the various agencies and organizations involved in the project, and to which parties and for what purpose are the project results reported.

Technical appraisal

A copy of any technical review reports of the project, if available.

CRITERIA FOR PROJECT APPROVAL

INTRODUCTION

1. Projects can originate from three sources, namely, (1) the implementing agencies, (2) the Article 5 countries, and (3) a donor country within the framework of its bilateral contribution¹. The Executive Committee has already provided guidance in terms of the modalities of activities supported by The Fund, project eligibility criteria, and guidelines for setting priorities². In addition, there are procedures for project proposals to the Executive Committee³, and the preceding guidelines for the presentation of projects. The Executive Committee has also approved operational aspects of bilateral and regional contributions. Nevertheless, the purpose of this document is to provide criteria for project approval and to formulate the process of such approval in order to facilitate project implementation.

PROJECT APPROVAL CRITERIA

2. All projects submitted for the Executive Committee's approval should meet the following criteria:

- (a) be consistent with the implementation guidelines;
- (b) be consistent in content and format with the project presentation guidelines;
- (c) contain both accurate and current data, as well as other relevant information;
- (d) be consistent with the action plan as described in the country programme, if available;
- (e) be consistent with the approved operational aspects of bilateral and regional cooperation, if applicable.

¹ Bilateral and Regional Co-operation (UNEP/OzL.Pro/ExCom/5/16, Annex IV).

² Report of the Third Meeting of the Executive Committee of the Interim Multilateral Fund for the Implementation of the Montreal Protocol (UNEP/OzL.Pro/ExCom/3/18/Rev.1), Annex III, Implementation Guidelines and Criteria for Project Selection.

³ Procedures for (Presentation) of Country Programmes and Project Proposals to the Executive Committee (UNEP/OzL.Pro/ExCom/5/5/Rev.2).

THE PROJECT APPROVAL PROCESS

General

3. All projects must be submitted to the Secretariat at least six weeks prior to the date of the Executive Committee meeting at which they are to be considered. This is in order to comply with the requirement that documentation should be sent to members of the Executive Committee one month in advance of their meeting.

4. The Fund Secretariat is responsible for ensuring that complete documentation pertaining to projects submitted for approval is provided to the Executive Committee. The Fund Secretariat would engage itself in close consultations with the implementing agency, donor country, or Article 5 country submitting the project so as to ensure, to the extent possible, that the appropriate documentation and level of detail are provided, that technical reviews have been completed, where required, that incremental costs have been calculated and explained, and that cost-effectiveness has been determined.

Projects submitted by an implementing agency

5. Project proposals with a budget exceeding US \$500,000 must be presented for consideration and approval by the Executive Committee. The Secretariat will ensure that project proposals are in accordance with the above-mentioned criteria.

6. The Secretariat will also consult with the implementing agency (or implementing agencies if more than one is involved) and the country(ies) concerned to obtain all the necessary information and can advise the implementing agencies to share responsibilities in implementation of the project, where appropriate.

7. Finally, the Secretariat will prepare the evaluation sheet (see Appendix II) and submit it together with the project proposal to the next session of the Executive Committee.

Project proposal submitted by an Article 5 country

8. Upon receipt of the project proposal, the Secretariat will send it to the implementing agency(ies) if so designated by the Article 5 country. For those projects submitted with no implementing agency identified, the Fund Secretariat would identify and negotiate for the participation of the appropriate implementing agency or agencies as the case may be.

9. The implementing agency(ies) will then establish the necessary contacts with the Article 5 country concerned and elaborate the project documentation to meet all the necessary requirements.

10. The Secretariat will then evaluate the project documentation, in accordance with the procedures established in the preceding paragraphs, for submission to the Executive Committee.

Project proposal originating from a non-Article 5 country (donor country)

11. Parties not operating under Article 5 paragraph 1 and intending to withhold up to 20 per cent of their contribution for the purpose of bilateral or regional assistance can submit project proposals for implementation in Article 5 countries conforming to the approved bilateral guidelines (UNEP/OzL.Pro/ExCom/5/16, Annex IV).

12. The Secretariat will then evaluate the project documentation for submission to the Executive Committee.

APPENDIX I

SAMPLE PROJECT COVER SHEET

COUNTRY OR REGION:

SECTOR(S) COVERED:

ODS CONSUMPTION IN AFFECTED SECTOR(S):

PROJECT TITLE:

PROJECT DURATION: _____ Yrs. _____ Mths.

PROJECT IMPACT: ODSs PHASE-OUT _____ OTHERS _____

PROPOSED BUDGET:

IMPLEMENTING AGENCY: UNDP ____ UNEP ____ World Bank ____
 Other _____

NATIONAL COORDINATING AGENCY:

PROJECT SUMMARY
(Address technical, institutional, and policy issues)

APPENDIX II

PROJECT EVALUATION SHEET

COUNTRY OR REGION:

BUDGET: US\$

INCREMENTAL COSTS: US\$

*COST EFFECTIVENESS: \$_____ per Kg. ODP Saved Annually

PROJECT TIMEFRAME: START _____ END _____

TECHNICAL REVIEW COMPLETED: YES ___ NO ___

SECRETARIAT'S COMMENTS

SECRETARIAT'S RECOMMENDATIONS

Determined as the ratio of incremental costs to the estimated annual saving of ODP (\$/ODP_{Kg.}).