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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-second Meeting
Ouagadougou, 6-8 December 2000

**CLOSURE OF PROJECT PREPARATION ACCOUNTS:
FOLLOW-UP TO DECISION 31/4 (F)**

1. The Consolidated Progress Report (UNEP/OzL.Pro/ExCom/31/8) presented to the 31st Meeting indicated that “ongoing project preparation activities are expected to take 25 months to complete which is 11 months more than for completed project preparation” (para. 41). The Executive Committee requested the Secretariat “to consult with the implementing agencies on the feasibility of closing project preparation accounts annually or biennially and to submit a concise report on the matter to the Executive Committee at its 32nd Meeting” (Decision 31/4).
2. During the Co-ordination Meeting held with the implementing agencies in Montreal from 6-8 September, the agencies informed the Fund Secretariat that the actual project preparation takes between 12 and 13 months from the approval of the Executive Committee, however, the financial completion would take a longer period of time. In certain cases, such as in the preparation of umbrella projects, sector plans, refrigerant management plans for large consuming countries, and terminal phase-out projects, project preparation may take longer. In such exceptional cases, the agencies might request a longer duration with appropriate justification.
3. In response to Decision 31/4, the implementing agencies and the Fund Secretariat recommend that the Executive Committee decide that:
4. Project preparation activities (including RMP preparation) approved at the first or second Executive Meeting of a particular year would be completed within 12 months and financially completed (closed) by 31st December of the first year following approval, at the latest, to allow sufficient time for closure of financial accounts and payments of all outstanding obligations (for example, a project approved in July 2000 would be completed by August 2001 and financially completed by 31 December 2001);
5. Project preparation activities approved at the last Executive Committee Meeting in a particular year would be financially closed by 31st December of the second year following approval (for example, a project approved in November 2000 would be completed by December 2001 and financially completed by December 2002).
6. Project preparation (including RMP preparation) with durations that exceed 12 months should be accompanied by an explanation of the reason for the longer duration.
