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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-fifth Meeting  
Montreal, 5-7 December 2001

**REPORT OF THE FIFTEENTH MEETING OF THE SUB-COMMITTEE ON  
MONITORING, EVALUATION AND FINANCE**

Introduction

1. The Sub-Committee on Monitoring, Evaluation and Finance of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol held its 15<sup>th</sup> Meeting in Montreal on 3 and 4 December 2001.
2. The meeting was attended by the members of the Sub-Committee – the representatives of Australia, Dominican Republic, Finland (Chair), Jordan, Netherlands, Nigeria and Poland.
3. A representative of Germany, and the President and Vice-President of the Implementation Committee attended the meeting as observers.
4. The meeting was also attended by representatives of the implementing agencies, the Ozone Secretariat, and the Treasurer.
5. The Chair of the Sub-Committee, Mr. Jukka Uosukainen (Finland), opened the meeting at 10:00 a.m. on Monday, 3 December 2001, and welcomed the participants.

**AGENDA ITEM 1: ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK**

6. The Sub-Committee adopted the following agenda:
  1. Adoption of the agenda and organization of work;
  2. Consolidated draft business plan of the Multilateral Fund for the year 2002;
  3. Draft business plans for the year 2002 of:
    - (a) Bilateral agencies;
    - (b) UNDP;
    - (c) UNEP;
    - (d) UNIDO;
    - (e) World Bank;
  4. Report on the implementation of the monitoring and evaluation work programme for the year 2001;
    - (a) Consolidated project completion report;
    - (b) Follow-up to Decision 33/2 on the evaluation reports on foam projects;
    - (c) Summary of the desk study on aerosol projects;
    - (d) Progress report on the clearing house evaluation;
  5. Final report on the evaluation of solvent sector projects;
  6. Draft monitoring and evaluation work programme for the year 2002;
  7. Completed projects with balances;
  8. Implementation delays;
  9. Report on the performance indicators and proposal on modifications: follow-up to decision 34/11;
  10. Progress reports: follow-up to Decisions 34/7 and 34/9;
  11. Proposed budget of the Fund Secretariat for the year 2002;
  12. Other matters;
  13. Adoption of the report;
  14. Closure of the meeting.

**AGENDA ITEM 2: CONSOLIDATED DRAFT BUSINESS PLAN OF THE MULTILATERAL FUND FOR THE YEAR 2002**

7. The Sub-Committee considered the consolidated draft business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/35/5), which was presented by the Secretariat. The document contained five parts dealing with the methodology, data and actions to facilitate compliance, resource allocation, activities included in the draft plan, performance indicators, and comments and recommendations from the Fund Secretariat.

8. One representative requested that the Executive Committee, at its 37<sup>th</sup> Meeting, give consideration, in the context of its review of the evaluation of the implementation of the 2001 business plan and for guidance in the preparation of the draft 2003 business plans, to removing the funding requested for sector, production, and national phase-out agreement projects from the Multilateral Fund's investment allocation and to reallocating the remaining investment funding among the implementing agencies according to the agreed agency shares.

9. After some discussion of data verification and discrepancies, resource allocation for final business plans and possible adjustments in 2002, as well as the need to address countries or activities not included in the draft business plans, the Sub-Committee recommended that the Executive Committee:

- (a) Note the Consolidated Draft Business Plan of the Multilateral Fund for the year 2002 contained in UNEP/OzL.Pro/ExCom/35/5;
- (b) Request implementing agencies to resolve data discrepancy issues before including projects from countries with data inconsistencies in their final 2002 business plans in the light of the Executive Committee's consideration of document UNEP/OzL.Pro/ExCom/35/61;
- (c) Approve a resource allocation of US \$176 million for the purposes of the 2002 final business plan, including US \$130 million for investment projects, US \$22.7 million for non-investment projects, US \$20 million for bilateral cooperation, and US \$3.3 million for the Secretariat/Executive Committee/Monitoring and Evaluation function;
- (d) Request bilateral agencies to submit their final business plans by the due date indicating the total level of funds needed and, in the light of this, authorize the Secretariat to adjust the resource allocation for projects accordingly and account for any changes in allocations that might result from discussions of strategic planning, including additional funds that might be needed for country programme updates and increased allocation for institutional strengthening;
- (e) Also authorize the Secretariat to adjust the resource allocation by the amount of interest and funds returned from completed and cancelled projects when the final Accounts of the Fund for 2001 were available, taking into account the balances to be returned up to the 37<sup>th</sup> Meeting;

- (f) Request the Secretariat to bring to the attention of countries proposing changes to their baseline data, decision XIII/15 paragraph 5 of the 13<sup>th</sup> Meeting of the Parties, which provided that changes to reported baseline data for the base years should be presented to the Implementation Committee, which would work with the Ozone Secretariat and the Executive Committee to confirm justification for those changes and would submit them to the Meeting of the Parties for approval;
- (g) Also request the Secretariat to include in its consolidated draft business plans, updated versions of the reports on the status of Article 5 countries in achieving compliance, taking into account the Executive Committee's consideration of UNEP/OzL.Pro/ExCom/35/61, as well as a report on forward commitments;
- (h) Further request implementing agencies, where a project designed to assist a country at risk of non-compliance with an initial control measure was withdrawn owing to sectoral data discrepancies, to liaise with that country when finalizing their business plans in order to identify an alternative project that would help the country comply with the control measure concerned;
- (i) Encourage implementing agencies to continue to reach out to those countries at risk of non-compliance to provide proposals for activities to be included in the agencies' final business plans.

**AGENDA ITEM 3: DRAFT BUSINESS PLANS FOR THE YEAR 2002 OF:**

**(a) Bilateral agencies**

10. Having noted that seven Governments had responded with information about planned activities in 2002, and following some discussion of Sweden's bilateral business plan, the Sub-Committee recommended that the Executive Committee:

- (a) Note with appreciation the draft business plans for bilateral cooperation submitted by: Australia, Canada, Germany, Italy, Japan and Sweden as contained in UNEP/OzL.Pro/ExCom/35/6, as well as planned bilateral funding by the United Kingdom;
- (b) Request all bilateral agencies planning to submit activities in 2002 to obtain the clearance of the respective Article 5 countries before submitting activities for funding by the Executive Committee;
- (c) Note that the World Bank would adjust approved programme funds allocated for 2002 for the National CFC Phase-Out Programme in Thailand and Malaysia when and if the World Bank sub-contracted Sweden for CTC/TCA strategies and MAC technical assistance projects included in Sweden's draft 2002 Business Plan. The funds would then be credited against Sweden's contribution to the Multilateral Fund, and this would take place in future years when and if this arrangement occurred again;

- (d) Further request Parties planning to submit bilateral cooperation projects in 2002 to submit final business plans to the 36<sup>th</sup> Meeting.

**(b) UNDP**

11. The representative of UNDP presented UNDP's draft business plan for the year 2002 (UNEP/OzL.Pro/ExCom/35/7 and Corr.1).

12. After some discussion on the need for additional actions to expedite the implementation of approved projects and those that could be critical to compliance, the adequacy of the proposed performance indicators, the need for any modifications to UNDP's business plan and the need to address policy issues, the Sub-Committee recommended that the Executive Committee:

- (a) Note UNDP's draft business plan contained in UNEP/OzL.Pro/ExCom/35/7 and Corr.1;
- (b) Request UNDP:
  - (i) to take into account comments provided in UNEP/OzL.Pro/ExCom/35/7 and Corr.1 concerning planned activities in Kenya and Lebanon when finalizing its 2002 business plan;
  - (ii) to provide letters from countries for all activities included in its final business plan for 2002;
  - (iii) to indicate in its final business plan the actions it would take to expedite the implementation of approved projects and those that could be critical to compliance;
  - (iv) to provide a performance indicator for the target "net emissions (reductions) of ODP resulting from implementation delays (early completion)";
  - (v) to ensure that the projects included in its business plan were consistent with the compliance obligations of the countries involved;
- (c) to request the Secretariat, in cooperation with the implementing agencies, to prepare a paper for the Executive Committee's consideration on the issues associated with developing projects for the CFC MDI sub-sector to give effect to decision XIII/9 of the 13th Meeting of the Parties.

**(c) UNEP**

13. The representative of UNEP presented UNEP's draft business plan for the year 2002 (UNEP/OzL.Pro/ExCom/35/8 and Add.1).

14. During discussion on the proposed Compliance Assistance Programme (CAP), it was emphasized that, in view of the important role assigned to the Network and Policy Manager, this

position should have effective oversight of UNEP staff deployed to the regions, and should be required to report directly to senior management in UNEP/DTIE. The Sub-Committee also discussed the rescheduling of approved activities and the need for additional actions on projects critical to compliance, one-time funding requests, the need for any modifications to UNEP's business plan, the adequacy of the proposed performance indicators, and the proposal for agency fees for the CAP and other activities in UNEP's draft 2002 business plan, the Sub-Committee recommended that the Executive Committee:

- (a) Note the draft 2002 business plan of UNEP as contained in UNEP/OzL.Pro/ExCom/35/8 and Add.1;
  - (b) Also note with appreciation the reorientation designed to achieve and sustain compliance, promote a greater sense of country "ownership", and implement the agreed Executive Committee framework for strategic planning;
  - (c) Maintain the Compliance Assistance Programme (CAP) in principle in the final business plan;
  - (d) Request that funds approved annually for the CAP but not spent be returned to the Multilateral Fund for re-programming at the second meeting of the Executive Committee in the year following that for which they had been approved;
  - (e) Agree to the completion dates indicated in Annex I to the present report for the submission of country programme/RMPs;
  - (f) Request UNEP to submit country programme/RMPs before requesting funding for any projects/activities contained therein, while indicating that it would consider requests for funding for one year of institutional strengthening for new Parties to the Protocol;
  - (g) Also request UNEP to provide letters from countries for all activities included in its final business plan for 2002.
- (d) **UNIDO**

15. The representative of UNIDO presented UNIDO's draft business plan for the year 2002 (UNEP/OzL.Pro/ExCom/35/9).

16. After some discussion on the need for additional actions to expedite the implementation of approved projects and those that could be critical to compliance, the adequacy of the proposed performance indicators, the need for any modifications to UNIDO's business plan and the need to address policy issues, the Sub-Committee recommended that the Executive Committee:

- (a) Note UNIDO's draft business plan contained in UNEP/OzL.Pro/ExCom/35/9;
- (b) Request UNIDO:
  - (i) to consider modifying its investment project performance indicator targets

for ODP phase-out in 2002, cost-effectiveness, and speed of first disbursement; its non-investment performance indicator targets for speed of first disbursement; and to provide targets for the non-weighted, non-investment project performance indicators taking into account the Sub-Committee's consideration of the Report on the Performance Indicators and Proposal on Modifications (UNEP/OzL.Pro/ExCom/35/16);

- (ii) to take into account comments provided in UNEP/OzL.Pro/ExCom/35/9 concerning planned activities in Egypt, Kenya, and Oman when finalizing its 2002 business plan;
- (iii) to provide letters from countries for all activities included in its final business plan for 2002;
- (iv) to indicate in its final business plan the actions it would take to expedite the implementation of approved projects and those that could be critical to compliance;
- (v) to ensure that the projects included for the methyl bromide sector were consistent with the Multilateral Fund's guidelines for that sector when finalizing its 2002 business plan;
- (vi) to consult with Germany on the appropriateness of including the end-user project for Kenya in its RMP supplement, noting the Executive Committee's guidelines for additional funding for LVCs.

**(e) World Bank**

17. The representative of the World Bank presented the World Bank's draft business plan for the year 2002 (UNEP/OzL.Pro/ExCom/35/10).

18. After some discussion on the need for additional actions to expedite the implementation of approved projects and those that could be critical to compliance, the adequacy of the proposed performance indicators, the need to address policy issues, the activities in countries where there were no umbrella grant agreements with the Bank and the need for any modifications to the World Bank's business plan, the Sub-Committee recommended that the Executive Committee:

- (a) Note the World Bank's draft 2002 business plan contained in UNEP/OzL.Pro/ExCom/35/10;
- (b) Also note the World Bank's efforts to expedite the implementation of approved activities and request it to indicate in its final business plan additional actions to expedite the implementation of approved projects and those that could be critical to compliance;
- (c) Request the World Bank to consider modifying its investment project performance indicator targets for phase-out in 2002, the number of countries in its business plan, and the net emissions due to delays, as well as its non-investment

project performance indicators for speed of completion and reductions in ODS consumption due to non-investment projects, taking into account the Sub-Committee's consideration of the Report on the Performance Indicators and Proposal on Modifications (UNEP/OzL.Pro/ExCom/35/16);

- (d) Also request the World Bank to provide more information on its expedited agreement process in the context of its final business plan, indicating the steps taken to reach agreement and the estimated time from approval to agreement for activities in countries where the Bank's Montreal Protocol Unit had not yet established agreements, in the light of its planned activities in countries such as the Bahamas, the Caribbean region, and Yemen;
- (e) Further request the World Bank to include the non-investment activity for the development of a CTC closure project as part of its investment project allocation.

#### **AGENDA ITEM 4: REPORT ON THE IMPLEMENTATION OF THE MONITORING AND EVALUATION WORK PROGRAMME FOR THE YEAR 2001**

19. The Sub-Committee considered an overview of the results of the ongoing implementation of the 2001 work programme for monitoring and evaluation (UNEP/OzL.Pro/ExCom/35/11), composed of four sections, which was presented by the Senior Monitoring and Evaluation Officer.

##### **(a) Consolidated project completion report**

20. Having noted the information provided in the section on consolidated project completion reports (section II of UNEP/OzL.Pro/ExCom/35/11), which had been prepared pursuant to Decision 23/8, including the information on improvements concerning the delivery and quality of project completion reports; the status of follow-up by implementing agencies on Decision 32/18; the specification of lists of equipment for destruction and modalities of destruction in project documents and project completion reports; and the consistency of data in project completion reports and progress reports, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the report on the implementation of the monitoring and evaluation work programme for the year 2001 and the schedule for submission of project completion reports due in 2002 as contained in UNEP/OzL.Pro/ExCom/35/11;
- (b) With a view to improving the quality of project completion reports:
  - (i) Request the implementing agencies to report to the 38<sup>th</sup> Meeting of the Executive Committee on measures taken to improve submission data for project completion reports from beneficiary companies, in particular on experiences with withholding part of project funds until such data had been delivered and proof of equipment destruction had been provided per Decision 32/18;



- (ii) Also request the implementing agencies to specify in the project documents the list of equipment to be destroyed and the modalities for such destruction, including the certification, as well as the data required for the project completion reports;
- (iii) Further request the implementing agencies to ensure consistency of data reported in the project completion reports and the annual progress reports.

**(b) Follow-up to Decision 33/2 on the evaluation reports on foam projects**

21. The Sub-Committee considered the information provided on follow-up to the evaluation reports on foam projects prepared in response to Decision 33/2, and presented in section III of document UNEP/OzL.Pro/ExCom/35/11.

22. After some discussion on the options for further clarifying remaining issues from some foam project evaluation reports and the need for and possibility of reducing the project duration for foam projects converting to HCFC-141b technology, the Sub-Committee recommended that the Executive Committee:

- (a) Agree that the focus should be on lessons learned from the foam evaluation and their application in the development of future projects;
- (b) Request the Secretariat and the implementing agencies to use observed actual average project duration as a starting point for determining on a case-by-case basis the duration of foam projects converting to HCFC-141b technology;
- (c) Take note of the report on fire incidences reported in some foam conversion projects.

**(c) Summary of the desk study on aerosol projects**

23. The Sub-Committee considered the summary of a desk study on the evaluation of completed aerosol projects contained in section IV of UNEP/OzL.Pro/ExCom/35/11.

24. Having considered the approach and issues identified for the full scale evaluation of completed aerosol projects, the Sub-Committee recommended that the Executive Committee take note of the desk study on the evaluation of aerosol projects contained in UNEP/OzL.Pro/ExCom/35/11.

**(d) Progress report on the clearing house evaluation**

25. The Sub-Committee considered a progress report on the extended desk study on clearing house activities implemented by UNEP contained in section V of UNEP/OzL.Pro/ExCom/35/11.

26. The Sub-Committee recommended that the Executive Committee take note of the issues relating to evaluation of the clearing house activities of UNEP outlined in section V of UNEP/OzL.Pro/ExCom/35/11.

**AGENDA ITEM 5: FINAL REPORT ON THE EVALUATION OF SOLVENT SECTOR PROJECTS**

27. The Sub-Committee considered the final report on the evaluation of solvent projects in seven Article 5(1) countries (UNEP/OzL.Pro/ExCom/35/12), which presented the main findings and recommendations resulting from an evaluation of 30 completed solvent projects.

28. Among the issues discussed was whether National Ozone Units were responsible for obtaining invoices for the purchase of ODS solvents by beneficiary enterprises and, if so, whether this task represented too great a burden for the Units. The Sub-Committee then addressed the issue of savings upon project completion, and how to ensure those amounts were not used to replace counterpart funding. It also dealt with the matter of HCFC 141b, with its higher ODP rating, being used in a few cases as replacement technology following conversion from TCA. Finally, there was agreement on the need to include appropriate provisions for safety, health and environmental protection in project planning.

29. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the report contained in UNEP/OzL.Pro/ExCom/35/12;
- (b) Request that, as far as possible, invoices for the purchase of ODS solvents by beneficiary enterprises be certified by the implementing agencies, with the cooperation of the National Ozone Units for future verification;
- (c) Also request the implementing agencies to include a list of all baseline equipment model and serial numbers or other means of identification in project documents and project completion reports;
- (d) Further request implementing agencies to report in project completion reports on savings arising from the purchase of less costly equipment and/or lower incremental operating costs and/or higher incremental operating savings than anticipated and approved, providing assurance to the companies that the data would be used solely for Multilateral Fund purposes. In cases where enterprises did not receive full funding for conversion, they should be expected to quantify, in consultation with the relevant implementing agency, their commitment to provide counterpart funding, and confirm that figure after project approval. In case of savings, agencies should return to the Multilateral Fund a pro-rata amount corresponding to the share of grant funding in the total eligible incremental cost;
- (e) Decide that HCFC 141b should no longer be proposed as the alternative technology to TCA in solvent-sector projects;
- (f) Request implementing agencies to foresee the necessary measures in project documents and provide information in project completion reports on safety, health and environmental requirements to ensure that the conversion was achieved while

respecting appropriate safety, health and environmental protection standards.

**AGENDA ITEM 6: DRAFT MONITORING AND EVALUATION WORK PROGRAMME FOR THE YEAR 2002**

30. The Sub-Committee considered the draft 2002 monitoring and evaluation work programme (UNEP/OzL.Pro/ExCom/35/13), which was presented by the Senior Monitoring and Evaluation Officer.

31. Having considered the guiding principles, main evaluation issues and proposed evaluation studies for the year 2002, the Sub-Committee recommended that the Executive Committee approve the proposed 2002 work programme for monitoring and evaluation at a budget of US \$328,000, as indicated in UNEP/OzL.Pro/ExCom/35/13.

**AGENDA ITEM 7: COMPLETED PROJECTS WITH BALANCES**

32. The Sub-Committee considered the report on completed projects with balances (UNEP/OzL.Pro/ExCom/35/14 and Corr.1) and the return of funds from cancelled projects, which was presented by the Secretariat. It noted the explanations given by the representatives of the World Bank and UNDP concerning the figure of 0 for unobligated balances in the table in paragraph 8 of the document under discussion and that of UNIDO concerning the remaining unobligated balances.

33. The representative of UNEP explained that funds for institutional strengthening projects not disbursed at the time of completion of a phase of the project were reprogrammed for the next phase of the project once it had been approved.

34. The representative of the World Bank indicated that the accounts for the line of grant projects had not yet been resolved and that there might be some funds returned from the line of grant for Tunisia.

35. The Sub-Committee recommended that the Executive Committee note:

- (a) The report contained in UNEP/OzL.Pro/ExCom/35/14 and Corr.1;
- (b) The level of funds being returned to the 35<sup>th</sup> Meeting as US \$1,683,603 from UNDP, US \$1,093,144 from UNIDO, and US \$2,456,916 from the World Bank;
- (c) With concern that it appeared that projects had been classified as completed that have not been completed and request the agencies to strictly adhere to Decision 28/2 when classifying all projects as completed.

**AGENDA ITEM 8: IMPLEMENTATION DELAYS**

36. The Sub-Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/35/15), which was presented by the Secretariat.

37. The representatives of the implementing agencies provided updates on projects that had exceeded the deadline fixed as listed in paragraph 25 of document UNEP/OzL.Pro/ExCom/35/15 and Add.1.

38. The Sub-Committee recommended that the Executive Committee:

- (a) Note the reports from the implementing and bilateral agencies contained in UNEP/OzL.Pro/ExCom/35/15 and Add.1 on projects that had experienced implementation delays;
- (b) Agree that the Secretariat and implementing agencies should take necessary actions according to the Secretariat's assessment of status, i.e., progress and some progress, and report and notify governments as required;
- (c) Note that the Secretariat would be conducting a comprehensive review of the status of projects with implementation delays and authorize the Secretariat to modify its classifications of progress and some progress based on the results of the assessment and report on this to the 36<sup>th</sup> Meeting of the Executive Committee;
- (d) Request implementing agencies to establish a new deadline for moving the following projects forward, in full consultation with the governments concerned. If that deadline expired and no progress had been achieved, the government and company concerned understood that the project would automatically be cancelled and the ODS phase-out from the cancelled project credited to the remaining ODS consumption accordingly:
  - (i) Conversion to CFC free technology at El Fateh, EGY/FOA/12/INV/28 (UNDP);
  - (ii) Conversion to non-CFC technology in the manufacture of flexible foam (slabstocks) at Suavestar S.A., ARG/FOA/20/INV/48 (UNDP);
  - (iii) Phasing out CFC-11 at Sonopol, CMR/FOA/23/INV/11 (UNIDO);
  - (iv) Phasing out CFC-11 at Scimpos, CMR/FOA/23/INV/10 (UNIDO);
  - (v) Elimination of CFCs in the manufacture of commercial refrigeration equipment at Hindustan Refrigeration Industries, IND/REF/22/INV/123 (World Bank);
- (e) Decide that the milestones established for the following projects at the 34<sup>th</sup> Meeting must be achieved by 1 March 2002 or the project would automatically be cancelled:

- Phasing out of CFCs at Tanzania Domestic Appliance Manufacturers Ltd., URT/REF/18/INV/06 (UNIDO);
- (f) Note that the following projects had been completed:
- (i) Elimination of the use of CFC's in the manufacture of sandwich panels and spray foams at Montisol Argentina S.A. and Art Nouveau Puntana, S.A, ARG/FOA/18/INV/33 (UNDP);
  - (ii) Phasing out CFC-11 at Sud Inter Mousse flexible polyurethane foam plant, TUN/FOA/23/INV/23 (UNIDO);
- (g) Also note that the completion dates established in the original proposals for the following projects were incorrect and that the correct completion dates would be reflected in future progress reports:
- (i) Implementation of the RMP: Monitoring of the activities included in the RMP, GHA/REF/32/TAS/16 (UNDP);
  - (ii) Implementation of the RMP: Monitoring the activities included in the RMP, SRL/REF/32/TAS/18 (UNDP);
- (h) Further note that progress had been experienced in the following project and that it should therefore be removed from the list of projects with implementation delays:
- Phasing out CFC-11 in manufacturing of flexible PU slabstock foam through the use of CO2 blowing technology at National Polyurethane Company (N.P.C.), SYR/FOA/26/INV/32 (UNIDO);
- (i) Cancel the following projects:
- (i) Prosidier Berrahal foam project in Algeria, ALG/FOA/19/INV/13 (UNIDO) and the remaining of US \$1,251 would be returned to the 36th Meeting;
  - (ii) Elimination of CFC-11 in the manufacture of rigid polyurethane foam through the use of HCFC-22 technology at Master Cooler and Cia Ltd., COL/FOA/26/INV/31 (World Bank) and returned US \$70,862 to the 35th Meeting;
  - (iii) Phase-out of CFC-11 and CFC-12 by conversion to HCFC-141b and HFC-134a in the manufacture of domestic refrigeration equipment at Refrigerators Manufacturing Company Pakistan Ltd., PAK/REF/26/INV/31 (World Bank) and returned US \$127,804 to the 35th Meeting;
  - (iv) Conversion from CFC-11 to water blown and HCFC-141b technology in

- the manufacture of rigid foam (spray) at Bangkok Integrated Trading Co., THA/FOA/27/INV/109 (World Bank) and returned US \$117,923 to the 35th Meeting;
- (v) Changhe Group, CPR/REF/25/INV/251, (World Bank) and returned US \$1,267,638 to the 35th Meeting;
  - (vi) Handan Fuyang Chemical Co., CPR/FOA/27/INV/269, (World Bank) and returned US \$436,100 to the 35th Meeting;
  - (vii) Shandong Tianhua Plastic, CPR/FOA/28/INV/296, (World Bank) and returned US \$534,534 to the 35th Meeting;
  - (viii) Jintan Tiaoxi PU Foam Plant, CPR/FOA/31/INV/363, (World Bank) and returned US \$420,525 to the 35th Meeting;
  - (ix) Tongxiang Shule Plastic Foam Plant, CPR/FOA/29/INV/324, (World Bank) and returned US \$498,400 to the 35th Meeting;
  - (x) Elimination of CFC-11 in the manufacture of flexible polyurethane foam (slabstock) at PT Sea Horse Maspion Indonesia, IDS/FOA/23/INV/76 (World Bank);
  - (xi) Conversion and aerosol filling center at PT Candi Swadaya Sentosa, IDS/ARS/22/INV/61 (World Bank);
  - (xii) Phase out of CFC in the manufacture of flexible foam (slabstock) at Dolidol, MOR/FOA/22/INV/10 (UNDP);
  - (xiii) Umbrella Aerosol Small and Medium Industries project, MAL/ARS/19/INV/85 (UNDP);
- (j) The procedure outlined in subparagraph (d) above should also apply to the remaining projects contained in paragraphs 29 and 30 of document UNEP/OzL.Pro/ExCom/35/15;
  - (k) Request implementation agencies to return all agency fees associated with remaining funds from projects. If expenditures had been incurred for support costs, the implementing agencies should provide an explanation and return the balance of funds;
  - (l) In order to ensure project implementation did not proceed until the preconditions necessary for sustainability were in place, urge all implementing agencies to re-assess planned completion dates in the context of their annual progress report to the 37<sup>th</sup> Meeting of the Executive Committee.

39. The implementing agencies were urged to ensure that they had up-to-date information on the status of projects as such information could be decisive for Executive Committee decisions on cancellation.

**AGENDA ITEM 9: REPORT ON THE PERFORMANCE INDICATORS AND PROPOSAL ON MODIFICATIONS: FOLLOW-UP TO DECISION 34/11**

40. The Sub-Committee considered the report on the performance indicators and the proposed modifications submitted in response to Decision 34/11 (UNEP/OzL.Pro/ExCom/35/16), which was presented by the Secretariat.

41. After discussing performance against non-weighted non-investment projects in 2000, and proposals for modifications in the light of ongoing planned analyses and strategic planning, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the report contained in UNEP/OzL.Pro/ExCom/35/16;
- (b) Request all implementing agencies, when finalizing their 2002 business plans, to apply the Secretariat's advice contained in decision 35/16 relating to the identification of targets for the non-weighted, non-investment project indicators: (1) appropriate and timely policies initiated by countries either as a resulting of networking, training, information exchange, country programme development and/or institutional strengthening; and (2) the reduction in ODS consumption over and above that effected by investment projects;
- (c) Consider revising those indicators unique to UNEP's specific mandate (Decision 26/6) on the basis of the outputs identified by UNEP in Annex 1 to its 2002 business plan (UNEP/OzL.Pro/ExCom/35/8) for the Compliance Assistance Programme (CAP) and request UNEP to work with the Secretariat in revising Annex 1;
- (d) Request all implementing agencies to include a target for the performance indicator "timely submission of progress reports" in their final 2002 business plans;
- (e) Also request all implementing agencies to include a new non-weighted, investment project performance indicator for project completion pursuant to Decision 28/2 by setting a target for the number of investment projects to be completed in the year of the business plan;
- (f) Further request implementing agencies to consider revising their targets for their 2002 business plan cost-effectiveness performance indicators in the light of the fact that, historically, cost-effectiveness value achieved by project had been lower than those targeted by the agencies.

**AGENDA ITEM 10: PROGRESS REPORTS: FOLLOW-UP TO DECISIONS 34/7 AND 34/9**

42. The Sub-Committee considered the report on the follow-up to issues raised in the review of the implementing agencies' progress reports in response to Decisions 34/7 and 34/9 (UNEP/OzL.Pro/ExCom/35/17), which was presented by the Secretariat, noting that UNEP had completed the Technical Options Committee data brochure and presented an update on the Pacific Island Country Strategy. The World Bank made a presentation on the Thai chiller project and the national CFC projects in Malaysia and Thailand at the meeting.

43. Underlining the fact that the implementing agencies had completed the required tasks, the Sub-Committee recommended that the Executive Committee take note of the report contained in UNEP/OzL.Pro/ExCom/35/17.

**AGENDA ITEM 11: PROPOSED BUDGET OF THE FUND SECRETARIAT FOR THE YEAR 2002**

44. The Sub-Committee considered the budget of the Fund Secretariat for the year 2002 (UNEP/OzL.Pro/ExCom/35/18), which was presented by the Secretariat.

45. Noting that there were no significant changes, the Sub-Committee recommended that the Executive Committee approve the proposed budget for the Secretariat as contained in Annex II to the present report.

**AGENDA ITEM 12: OTHER MATTERS**

46. There were no matters discussed under this agenda item.

**AGENDA ITEM 13: ADOPTION OF THE REPORT OF THE SUB-COMMITTEE**

47. The Sub-Committee adopted the present report on the basis of the draft report contained in documents UNEP/OzL.Pro/ExCom/35/SCMEF/L.1 and Add.1.

**AGENDA ITEM 14: CLOSURE OF THE MEETING**

48. The Chairman declared the meeting closed at 7:30 p.m. on Tuesday, 4 December 2001.



## Annex I

## NEW COMPLETION DATE FOR ALREADY APPROVED TRAINING PROJECTS

Country	Activity	Meeting Approved	New Completion Date
Argentina	Policy development	30	Dec-2002
	Refrigeration Phase III	32	Dec-2003
	Customs training	32	Dec-2003
Bahamas	Refrigeration	23	Dec-2003
	Customs	23	Dec-2004
Bahrain	Customs	26	Dec-2002
Bangladesh	Refrigeration	29	Dec-2003
	Customs	29	Dec-2004
Belize	Policy assistance	29	Dec-2002
Burundi	Refrigeration training	26	Dec-2003
	Customs training	26	Dec-2003
Chad	Refrigeration training	29	Dec-2004
	Customs training	29	Dec-2002
Colombia	Refrigeration training	17	Dec-2002
Congo	Information sharing	32	Dec-2002
	Customs training	32	Dec-2004
Dominica	Refrigeration training	26	Dec-2002
	Customs training	26	Dec-2003
Dominican Republic	Refrigeration training	25	Dec-2002
	Customs training	25	Dec-2003
El Salvador	Refrigeration training	25	Dec-2002
	Customs training	25	Dec-2003
Ethiopia	Refrigeration training	26	Dec-2002
Fiji	Refrigeration training	29	Dec-2002
	Customs training	29	Dec-2002
Gabon	Refrigeration training	26	Dec-2003
	Customs training	26	Dec-2003
Gambia	Policy development	29	Dec-2002
	Refrigeration training	29	Dec-2002
	Customs training	29	Dec-2003
Georgia	Refrigeration training	27	Dec-2002
	Customs training	27	Dec-2003
Ghana	Customs training	32	Dec-2004
Grenada	Customs training	30	Dec-2003
Guatemala	Licensing systems	27	Dec-2002
	Refrigeration training	27	Dec-2002
	Customs training	27	Dec-2003
	RMP review activities	35	Dec-2003/Dec-2004

Country	Activity	Meeting Approved	New Completion Date
Guinea	Refrigeration training	30	Dec-2003
	Customs training	30	Dec-2003
Guyana	Refrigeration + R&R training	23	Dec-2002
	Customs training	23	Dec-2003
	RMP review activities	35	Dec-2003/Dec-2004
Mali	Policy development	29	Dec-2002
	Refrigeration training	29	Dec-2002
	Customs training	29	Dec-2003
Mongolia	Refrigeration training	32	Dec-2003
	Customs training	32	Dec-2003
Nepal	Policy development	28	Dec-2003
	Refrigeration training	28	Dec-2003
	Customs training	28	Dec-2003
Niger	Refrigeration training	27	Dec-2002
	Customs training	27	Dec-2002
Panama	Legislation	29	Dec-2003
	Refrigeration training	29	Dec-2003
Paraguay	Policy development	32	Dec-2002
	Refrigeration training	32	Dec-2003
	Customs training	32	Dec-2003
Peru	Licensing system	27	Dec-2002
	Refrigeration training	27	Dec-2002
	Customs training	27	Dec-2002
St Vincent	Refrigeration training	25	Dec-2002
	Customs training	25	Dec-2004
Samoa	Refrigeration training	32	Dec-2002
	Customs training	32	Dec-2003
Senegal	Customs support and monitoring	33	Dec-2003
Sri Lanka	Refrigeration training	32	Dec-2002
	Customs training	32	Dec-2003
Syria	Policy development	29	Dec-2003
	Refrigeration training	29	Dec-2002
	Customs training	29	Dec-2003
Trinidad & Tobago	Refrigeration training	23	Dec-2002
	Customs training	23	Dec-2002
Venezuela	Licensing system	34	Dec-2002
	Customs training	34	Dec-2003

## PROPOSED BUDGET FOR THE FUND SECRETARIAT FOR YEARS 2002, 2003 AND 2004

				APPROVED 2002	REVISED 2002	APPROVED 2003	PROPOSED 2004
10	PERSONNEL COMPONENT						
1100	Project Personnel ( Title & Grade)						
01	Chief Officer	D. 2		125,660	125,660	129,430	133,313
02	Deputy Chief Officer ( Economic Cooperation)	P. 5		113,300	113,300	116,699	120,200
03	Deputy Chief officer ( Technical Cooperation)	P. 5		113,300	113,300	116,699	120,200
04	Economic Affairs Officer	P.4/P.5		113,300	113,300	116,699	120,200
05	Environmental Affairs Officer	P.4/P.5		113,300	113,300	116,699	120,200
06	Project Management Officer	P.4/P.5		113,300	113,300	116,699	120,200
07	Project Management Officer	P.4/P.5		113,300	113,300	116,699	120,200
08	Information Management Officer	P. 3		83,430	83,430	85,933	88,511
09	Admin & Fund Management Officer	P. 4		97,850	97,850	100,786	103,809
10	Senior Monitoring and Evaluation Officer	P. 5		113,300	113,300	116,699	120,200
11	Executive Assistant to Chief Officer	P.2		56,650	56,650	58,350	60,100
1199	Sub-Total			1,156,690	1,156,690	1,191,391	1,227,133
1200	Consultants						
01	Technical and project review				150,000		
1299	Sub-Total				150,000		
1300	Administrative Support Personnel						
01	Admin Assistant	G.8		45,900	45,900	46,818	47,000
02	Meeting Services Assistant	G.7		41,820	41,820	42,656	43,000
03	Programme Assistant	G.8		45,900	45,900	46,818	47,000
04	Senior Secretary (Deputy Chief, EC)	G.6		37,740	37,740	38,495	39,000
05	Senior Secretary (Deputy Chief, TC)	G.6		37,740	37,740	38,495	39,000
06	Computer Operations Assistant	G.7/G.8		45,900	45,900	46,818	47,000
07	Secretary (Prog. Officers -2)	G.6		37,740	37,740	38,495	39,000
08	Secretary/Clerk, Administration	G.5		32,640	32,640	33,293	34,000
09	Registry Clerk	G.4		26,520	26,520	27,050	28,000
10	Database Assistant	G.8		45,900	45,900	46,818	47,000
11	Secretary, Monitoring & Evaluation	G.5/G.6		36,720	36,720	37,454	39,000
	Sub-Total			434,520	434,520	443,210	449,000
1320	Conference Servicing Cost					-	-
1333	Meeting Services: ExCom (3) & Sub-Committees (6)				500,000		
1399	TOTAL ADMINISTRATIVE SUPPORT COST			434,520	934,520	443,210	449,000
1600	Travel on official business					-	-
01	Mission Costs				160,000		
19	COMPONENT TOTAL			1,591,210	2,401,210	1,634,601	1,676,133

## ANNEX II

UNEP/OzL.Pro/ExCom/35/4/Annex II

		APPROVED	REVISED	APPROVED	PROPOSED
		2002	2002	2003	2004
20	CONTRACTUAL COMPONENT				
2100	Sub-contracts				
01	Information Materials		30,000	-	-
29	COMPONENT TOTAL	-	30,000	-	-
30	MEETING PARTICIPATION COMPONENT				
3300	Travel & DSA for Art 5 delegates to ExCom Meetings				
01	Travel of Chairperson and Vice-Chairperson		30,000	-	-
02	Executive Committee (3) & Sub-Committees (6)		225,000	-	-
03	Informal Sub-Group Meetings		30,000	-	-
39	COMPONENT TOTAL	-	285,000	-	-
40	EQUIPMENT COMPONENT				
4100	Expendables				
01	Office Stationery		15,000	-	-
02	Software		9,000	-	-
	Sub-Total	-	24,000	-	-
4200	Non-Expendable Equipment				
01	Computers, printers		10,000	-	-
02	Others		5,000	-	-
	Sub-Total	-	15,000	-	-
4300	Premises				
01	Rental of office premises		310,000	-	-
49	COMPONENT TOTAL	-	349,000	-	-

## ANNEX II

UNEP/OzL.Pro/ExCom/35/4/Annex II

		APPROVED	REVISED	APPROVED	PROPOSED
		2002	2002	2003	2004
MISCELLANEOUS COMPONENT					
51	Operation and Maintenance of Equipment				
01	Computers and printers, etc.		9,000	-	-
02	Maintenace of office premises		9,000	-	-
03	Rental of photocopiers		15,000	-	-
04	Telecommunication equipment		9,000	-	-
05	Network maintenance		12,000	-	-
	Sub-total	-	54,000	-	-
52	Reporting Costs				
01	Executive Committee meetings				
02	Others		20,000	-	-
	Sub-total	-	20,000	-	-
53	Sundries				
01	Communications		40,000	-	-
02	Freight Charges		15,000	-	-
03	Bank Charges		5,000	-	-
04	Staff training (carried over)		38,000	-	-
	Sub-total	-	98,000	-	-
54	01 Hospitality costs		10,000		
59	COMPONENT TOTAL	-	182,000		
<b>GRAND TOTAL</b>		<b>1,591,210</b>	<b>3,247,210</b>	<b>1,634,601</b>	<b>1,676,133</b>
Programme Support Costs ( 13%) (on budget lines 11 and 13.01 to 13.11)		206,857	206,857	212,498	217,897
Less	Cost covered by Government of Canada	(350,000)	(350,000)	(350,000)	(350,000)
<b>COST TO MULTILATERAL FUND</b>		<b>1,448,067</b>	<b>3,104,067</b>	<b>1,497,099</b>	<b>1,544,030</b>