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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sub-Committee on Monitoring, Evaluation and Finance
Eighteenth Meeting
Rome, 18-19 November 2002

PROVISIONAL ANNOTATED AGENDA

1. Adoption of the agenda and organisation of work

After adoption of the Agenda, the Sub-Committee may wish to organise its work over one and one-half days with a view to adopting its report on the afternoon of the second day.

2. Report on the implementation of the Monitoring and Evaluation Work Programme for the year 2002:

(a) Final report on the evaluation of the aerosol projects

Document UNEP/OzL.Pro/ExCom/38/5: The document presents the main findings and recommendations of the consultant, resulting from an evaluation of 35 aerosol projects in seven Article 5(1) countries.

Issues to be addressed:

- Results achieved in terms of sustainable conversion;
- Destruction and disposal of ODS-based equipment;
- Implementation delays;
- Equipment retrofit;
- Safety concerns;
- UNIDO's procurement procedures; and
- Manuals and instructions in local languages.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to consider the recommendations presented in the consultant's report.

(b) Evaluation report on MAC projects in India: follow-up to Decision 37/5(c)

Document UNEP/OzL.Pro/ExCom/38/6: Contains the analysis of MAC projects in India where significant numbers of CFC based MAC systems and components are still being produced. It is to be recalled that the Executive Committee has decided to limit the field evaluation to India (Decision 37/5).

Issues to be addressed:

- State of implementation of the conversion;
- Development of production capacity and production of MAC at Subros;
- Sustainability;
- Service sector policies; and
- Recommendations.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to:

1. Take note of the findings and conclusions of the present evaluation report.
2. Limit funding for a second conversion project at Subros to those capacities clearly installed and commissioned before 25 July 1995.
3. Encourage the Government of India to consider the introduction of:
 - (a) Economic incentives to retrofit old cars with HFC-134a based MAC systems only.
 - (b) Regulation to prevent the installation of CFC-12 based MAC systems in older vehicles that do not already have an A/C system.
 - (c) Measures to reduce the price of HFC-134a, for example by decreasing the import duty.
- (c) **Consolidated project completion report: follow-up on Decisions 26/11 and 35/8**

Document UNEP/OzL.Pro/ExCom/38/7: contains an overview of project completion reports (PCR) received during the reporting period, i.e. since the 35th meeting in December 2001.

Issues to be addressed:

- Numbers and quality of PCRs received;
- Schedule of submissions of PCRs due in 2003;
- Measures taken to improve submission of data for PCRs from beneficiary enterprises;
- Lists of ODS-equipment to be destroyed;
- Consistency of data reported in PCRs and in annual progress reports; and
- Final Financial Figures in PCRs.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to:

1. Take note of the schedule for submission of Project Completion Reports (PCRs) due in 2003.
2. Request the implementing agencies to establish until the end of March 2003, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports.
3. Request the implementing agencies to provide final financial figures on actual expenditures of financially completed projects as required by the Senior Monitoring and Evaluation Officer for projects to be evaluated, instead of up-dating all PCRs.

3. Draft Monitoring and Evaluation Work Programme for the year 2003

Document UNEP/OzL.Pro/ExCom/38/8: contains the draft 2003 Monitoring and Evaluation Work Programme which explains the guiding principles for the selection of the evaluation studies to be conducted in the year 2003, the implementation modalities and methodological approach, as well as the budget required for implementing the programme.

Issues to be addressed:

- Guiding principles;
- Evaluation studies proposed; and
- Budget proposed.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to approve the proposed 2003 work programme for monitoring and evaluation at a budget of US \$198,000, as indicated in document UNEP/OzL.Pro/ExCom/38/8.

4. Project implementation delays

Document UNEP/OzL.Pro/ExCom/38/9: contains an assessment of progress on projects identified with implementation delays based on decisions taken at previous meetings of the Executive Committee. It also presents additional requests for project cancellations.

Issues to be addressed:

- Milestone to be provided by the World Bank at the meeting for IND/REF/19/INV/92;

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to:

1. Note the document on project implementation delays (UNEP/OzL.Pro/ExCom/38/9).
2. Note with appreciation the reports submitted to the Secretariat on projects with implementation delays and additional status reports provided by Belgium, France, Germany, Poland and the four implementing agencies.
3. Note that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress and report and notify governments as required.
4. Note the milestone to be provided by the World Bank at the meeting for IND/REF/19/INV/92.
5. Cancel the projects through mutual agreement as follows:
 - (b) "Conversion to non CFC technology in the manufacture of integral skin and flexible moulded foam at STRAPUR in Argentina" (ARG/FOA/23/INV/62) implemented by UNDP due to the company stopping operations noting that US \$32,120 was disbursed of the US \$125,420 approved for the project.
 - (c) "Elimination of the use of CFCs in the manufacture of rigid foam blocks for insulated trailers at FRUEHAUF in Argentina" (ARG/FOA/23/INV/65) implemented by UNDP due to bankruptcy noting that US \$134,235 was disbursed of the US \$136,725 approved for the project.
 - (d) "Replacement of 1,1,1-trichloethane sheet steel cleaning system on the steel sheet-cutting table with an aqueous-mechanical system in the steel enterprise Siderar, SAIC in Argentina" (ARG/SOL/28/INV/90) implemented by the World Bank noting that no funds were disbursed for this project.
 - (e) "Elimination of CFCs 11 and 12 in the manufacture of domestic freezers at DEBAO Refrigeration Equipment Co. Ltd. in China" (CPR/REF/23/INV/233) implemented by UNDP noting that US \$524,471 was disbursed of the US \$553,006 approved for the project.
 - (f) "Elimination of CFC-11 in the manufacture of flexible polyurethane foam (slabstock) at PT. Irc Inoac in Indonesia" (IDS/FOA/23/INV/75) implemented by the World Bank noting that no funds were disbursed for this project.

(g) “Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (sprayfoam) at PT Sentra Sukses Selalu in Indonesia” (IDS/FOA/29/INV/115) implemented by the World Bank noting that no funds were disbursed for this project.

6. Request the implementing agencies to reimburse to the Multilateral Fund all remaining balances from the above projects.

5. Project balances

Document UNEP/OzL.Pro/ExCom/38/10: contains the submission of the implementing agencies on completed projects with balances and the return of funds from cancelled projects.

Issues to be addressed:

- Balances from projects completed over two years ago;
- Options for addressing the 12 month return policy of Decision 28/7(a); and
- Agency support costs.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to:

1. Note the report on project balances contained in UNEP/OzL.Pro/ExCom/38/10.
2. Note the levels of funds being returned to the 38th Meeting totalling US \$3,375,563 plus support costs as follows by agency: US \$283,783 from UNDP and agency support costs of US \$30,468; US \$174,000 from UNEP and agency support costs of US \$22,620; US \$1,770,088 from UNIDO and agency support costs of US \$232,629 and US \$1,147,692 from the World Bank and agency support costs of US \$90,210.
3. Note that implementing agencies had balances totalling US \$2,422,895 excluding support costs from projects completed over two years ago: UNDP (US \$664,430 plus support costs); UNIDO (US \$1,547,147 plus support costs); and the World Bank (US \$211,318 plus support costs) and urge implementing agencies to re-assess the status of their completed projects with balances and re-classify in its report to the 39th Meeting projects as ongoing if Decision 26/2 has not been fully complied with and reconsider the matter if balances from projects completed two years previously do not continue to be reduced.
4. Withhold US \$1,650,726 from fund transfers to the World Bank at the 38th Meeting since insufficient detail was provided by the World Bank for not returning these support costs and any further consideration of this matter should be made contingent on the World Bank providing information required by the Secretariat for its assessments of the Bank’s compliance with Decision 35/13(k).

6. Project cancellations in light of country compliance (Decision 37/8(h))

Document UNEP/OzL.Pro/ExCom/38/11: addresses Decision 37/8(h) that requested the Secretariat to prepare a working paper on how to deal with project cancellations in an overall, strategic manner in light of country compliance rather than on a case-by-case basis.

Issues to be addressed:

- Potential of project cancellations;
- Impacts for the procedures for project cancellation, automatic cancellation and the country's role in cancellations; and
- Impact on country compliance with the Montreal Protocol.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to:

1. Authorise the Secretariat, in co-ordination with the implementing agencies, to implement the procedures for project cancellation leading to the possible automatic cancellation of projects except in those cases where the Secretariat and the implementing agency concerned do not agree to cancel the project and in those cases where the project may have an impact on compliance with existing or future control measures of the Montreal Protocol and,
2. Request countries with projects considered for cancellation, where the cancellation might have an impact on the country's compliance with the next relevant control measure of the Montreal Protocol, to present its views on the cancellation along with any actions that the Government would take to reactivate the project.

7. 2001 Accounts of the Multilateral Fund: follow-up to Decision 37/9(b)

Documents UNEP/OzL.Pro/ExCom/38/12: presents a full reconciliation of the Accounts of the Fund and the progress reports of the implementing agencies as follow-up to Decision 37/9(b).

Issues to be addressed:

- Pending.

Action expected from the Sub-Committee:

1. Pending.

8. Proposed budget of the Fund Secretariat for the year 2003

Document UNEP/OzL.Pro/ExCom/38/13: presents the budget of the Fund Secretariat for the year 2003.

Action expected from the Sub-Committee: The Sub-Committee may wish to recommend to the Executive Committee to approve the proposed budget.

9. Other matters

10. Adoption of the report of the Sub-Committee
