



**United Nations
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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-first Meeting
Geneva, 5-7 July 2000

**INSTITUTIONAL STRENGTHENING PROJECTS:
FOLLOW-UP TO DECISION 30/7 (F) AND (G)**

1. This document is presented in response to Decision 30/7 (f) and (g) of the Executive Committee:

“(f) To request the implementing agencies to define a procedure to justify reallocation of funds among the budget lines of institutional strengthening projects and report to the Thirty-first Meeting of the Executive Committee; and

(g) To request UNEP and UNIDO to review whether quarterly progress reporting can be extended to six-month intervals and to report thereon to the Thirty-first Meeting of the Executive Committee.”

2. Only UNEP and UNIDO responded to the Decision and provided the information presented below; UNDP and the World Bank did not provide any information.

Decision 30/7 (f) relating to reallocation of funds for institutional strengthening projects

UNEP

3. “The reallocation of funds along budget lines in an Institutional Strengthening Project (ISP) becomes necessary mainly due to:

- the changes in the activities planned by the countries for implementing phaseout activities under the institutional strengthening project (ISP), and
- need for certain additional activities which can support implementation of ISP.

4. This gives the country flexibility in implementing ISP phaseout activities taking into consideration changes in circumstances. We have the following inputs on defining the procedures for reallocation of funds under the ISP.

1. The changes will have to be proposed by the country and reviewed and approved by the implementing agency assisting the country before being finalized and adopted.
2. Certain categories of expenditures, which may not be allowed under the IS project may be defined and strictly followed.

5. This will help in introducing greater flexibility and control on using funds under the IS project for effective implementation.”

UNIDO

6. “Budgets are established according to the project concept approved by the Executive Committee as integral part of the Country Programme. However, the detailed break-down requires further elaboration by the Ozone Office concerned., in accordance with its estimated requirements, and in collaboration with UNIDO which accommodates those requirements in line with the standard budget format.

7. Any revision for reallocation of funds between budget lines is done following relevant requests by the ozone authorities of the country concerned, provided that this is in line with the overall objective of the institutional strengthening project.”

Decision 30/7 (g) relating to quarterly progress reporting for institutional strengthening projects

UNEP

8. “UNEP would first like to inform the Executive Committee that two types of regular reports are requested from countries with which we work on IS projects, progress reports and financial reports.

9. Progress reports provide a summary of the activities NOUs have undertaken during the previous period, progress on legislation, training courses and other relevant events in the country. They are submitted every 6 months.

10. Financial reports provide information on receipts (if any) and spending for the previous period against the agreed budget lines. This allows UNEP to monitor the financial performance of the NOU, giving us a good indication of the level and speed of activities and allows the NOU to highlight any financial issues that need attention. They are submitted every 3 months in line with UNEP’s internal accounting rules for all UNEP projects.

11. In the majority of cases, countries provide both progress and financial reports on schedule and the system runs smoothly. However, in response to Decision 30/7 (g) and in recognition of the shared wish to simplify and reduce reporting burdens to NOUs, UNEP can agree that, from July 2000, financial reports may be submitted every 6 months instead of every 3 months.

12. Nevertheless it would be helpful and consistent with UNEP’s internal accounting rules that the financial reports, submitted every six months, should where possible include a breakdown for the two three-monthly periods involved.

13. UNEP would like to assure the Executive Committee that we shall continue to work closely with the countries involved, in particular through our Regional Network Coordinators and network meetings, to provide any necessary assistance to ensure that reporting under IS projects is completed efficiently and on time, without unreasonable or additional burdens for the NOUs.”

UNIDO

14. “UNIDO is reviewing this decision favourably. With regard to new subcontracts between the Ozone Unit and UNIDO, the proposed reporting period of six-month intervals has been taken into consideration for both ongoing and newly approved projects; this reporting period will also be considered in future in the case of a renewal of subcontracts.”