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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-sixth Meeting  
Montreal, 4-8 July 2005

**REPORT ON THE OPERATION OF THE EXECUTIVE COMMITTEE  
(DECISIONS 44/57 AND 45/56 (b))**

1. Through this document, the Secretariat is resubmitting the Report on Operation of the Executive Committee without Sub-Committees and Potential for an Inter-sessional Approval Procedure (UNEP/OzL.Pro/ExCom/44/69). This is in line with decision 45/56 (b), and with the aim of facilitating the Executive Committee's reconsideration of "the proposals set out in document UNEP/OzL.Pro/ExCom/44/69 regarding the establishment of an intersessional approval procedure with a view to resuming discussion of the issue at the 46<sup>th</sup> Meeting" foreseen in that decision.
2. The discussion on the possible procedure for intersessional approvals is contained in paragraphs 36 to 45 of the attached document.

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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**REPORT ON OPERATION OF THE EXECUTIVE COMMITTEE WITHOUT  
SUB-COMMITTEES AND POTENTIAL FOR  
AN INTER-SESSIONAL APPROVAL PROCEDURE  
(FOLLOW-UP TO DECISIONS 41/92 AND 43/3 (C))**

## EXECUTIVE SUMMARY

1. In response to the mandate provided for in Executive Committee Decision 41/92 and 43/3 (c), the Secretariat assessed the operation of the Executive Committee in the first two meetings in 2004 after the Committee had decided to remove the two sub-committees at the last meeting in 2003. The paper also examined whether the Executive Committee could hold two meetings instead of three every year, and at the same time explored the possibility of introducing a procedure for dealing with certain projects/activities intersessionally.

2. In assessing the operation of the first two meetings of the Executive Committee in 2004, the Secretariat examined the efficiency of completing the meeting agendas, the participation in decision-making, avoidance of duplication, and the need for adjusting to the new regime. The paper also assessed the representativeness of the workload at the two meetings.

3. The review of the Secretariat concluded that the Executive Committee's workload at the 42nd and 43rd Meetings in 2004 represented a normal level of work at comparable meetings in the recent past. The agendas, including adoption of the report, for the meetings were completed within a 5-day period each time without difficulty. The strategic discussion at the beginning of each meeting enabled the Executive Committee to focus on macro management issues of resources and compliance monitoring which would have an impact on the operation of the Fund in future years.

4. The discussion in plenary provided each member of the Executive Committee with equal opportunity to participate in the deliberations and decision-making on all agenda items. The ad-hoc working groups resulted in time-saving at the plenary and enabled a full debate of the issues outside plenary sessions.

5. The removal of the two sub-committees and their respective reports avoided the duplicative procedure of adopting each of the sub-committee reports followed by the full report of the meeting and enabled the Executive Committee to work in a more orderly fashion, improving efficiency and quality of the meeting.

6. Similar views regarding the new regime appeared to be shared by members of the Executive Committee and this was voiced during the conclusion of the 42nd Meeting and reflected in the report as follows: "The new procedure of discussing all items in plenary session was welcomed and it was noted that it eliminated potential duplication of effort." However, the new regime did not actually in itself provide sufficient time saving to justify reducing the number of annual meetings from three to two. Therefore, additional modalities need to be considered to enable a reduction in meetings to take place.

7. Based on the above, the Secretariat recommends that the new regime should continue for at least another year, subject to the Committee's views.

8. For assessing the feasibility of reducing the frequency of the Executive Committee meetings from three to two a year and the possible alternative procedures to accommodate the change, the paper first briefly discusses the development and rationale for the current pattern of

holding three meetings a year to identify the main drivers behind the frequency of the meetings of the Executive Committee. It then assesses the overall level and complexity of the tasks that will be performed by the Executive Committee now and in the near future in the context of enabling Article 5 countries to comply with the Montreal Protocol's phase-out schedules. This is intended to provide a basis for assessing the feasibility and the implications of removing one meeting from the current three-meeting format, as well as considering what alternative procedures might be needed to accommodate the two-meeting format. The assessment finds the following:

- (a) The short history of the operation of the Executive Committee shows that the drivers behind the frequency of its meetings are the burden and the complexity of the work it does. Also, it should be noted that there is a requirement for holding three meetings a year introduced into the Terms of Reference by decision IX/16, and another Meeting of Parties decision would be needed to alter this.
- (b) An assessment of the current and the projected workload of the Executive Committee shows that the Fund is still in a transitional period of moving from a project-focussed operating environment to one enabling compliance since not all necessary policies and procedures to complete the transition are in place. It is important that the Executive Committee completes the transition within the next one to two years, and agrees on the policies and procedures to enable it to monitor the implementation of the national ODS phase-out programmes and assist Article 5 countries in meeting their Montreal Protocol phase-out schedules in a timely manner.
- (c) In removing a meeting from the current three meetings format, it is important to ensure that the activities currently scheduled for the meeting to be abolished can be rescheduled without adversely affecting activities of the Fund. Also the work of the two remaining meetings should not be overloaded by the activities redistributed from the cancelled meeting, and the timing of each must accommodate the needs of the operational activities of the Fund.
- (d) If the second meeting is removed, it is possible to reschedule most of the activities currently on the agenda of that meeting without too much disruption. However, an additional effort would be needed by the implementing agencies to plan better their submission of institutional strengthening projects and project preparations. Any delays in processing the project preparation requests and institutional strengthening projects and renewals by removing one meeting could lead to delayed completion of national phase-out plans and RMPs, and also disrupt fund disbursement to national ozone offices.
- (e) A two-meeting format would result in the rearrangement of the annual business cycle. The approval of the business plans for the following year should take place at the second meeting instead of the current first (March) meeting, to enable the implementing agencies to start implementing the business plans from the 1 January of the following year. The approval of the work programmes should take place at the same meeting since the majority of them are project preparations

for developing the business plans. Other changes concern the assessment of the status/prospect of compliance, which would be moved to the second meeting to provide the basis for business planning. Also, due to the unavailability of the financial data, the operational part of the progress reports would need to be dealt with at the first meeting while the financial part of the progress report would be submitted to the second meeting to be reviewed together with other finance-related items such as the accounts of the Multilateral Fund. For both to be submitted together to the first meeting would require this meeting to take place at the beginning of June at the earliest.

- (f) Redistributing the work of the current three meetings to two meetings a year could overload the second meeting, since this meeting may have to bear more than half of the project approval work and the approval of the new business plans.
- (g) The timing of the two meetings might be: mid May for the first meeting, and early November for the second meeting, after taking into account a number of operational needs.
- (h) Considering the longer intervals between meetings if the Executive Committee meets only twice a year, together with the need to respond in a timely manner to compliance-related funding requests, a procedure for intersessional approvals resulting in the possibility of delegating a level of authority to the Secretariat to approve certain funding requests under specific agreed conditions may be needed. There are a number of possibilities for applying such a procedure, including reactivating and extending an existing procedure for intersessional processing of bilateral requests. These possibilities are assessed for the risk of compromising the responsibility of the Executive Committee, the likely relief on the workload of the Executive Committee meetings and the ability to address compliance-related urgent funding requests.

9. In the light of the findings in the paper regarding the possibility of changing the frequency of its meetings, the Executive Committee might wish to consider the following options:

- (a) Continue with the status quo

*Advantages:*

- Familiarity with arrangements in operations for over a decade;
- Ensured smooth and well-paced proceedings;
- Adequate time to allow completion of the transition of the Fund operation from being project-focussed to enabling compliance.

*Disadvantages:*

- No relief for the high frequency of travelling by Executive Committee members and difficulty in scheduling with other international environment meetings;
- Need forward planning for a different phase of the operations of the Executive Committee beyond the completion of the current transition period;

*Actions required:*

Business-as-usual, requiring no further action.

- (b) Introduce the two-meeting format from 1 January 2005:

*Advantage:*

Reduced number of meetings to be attended by Executive Committee members.

*Disadvantages:*

- No time allowed for the transition from the current format to a two-meeting format;
- Unable to approve the 2005 business plan at the 44th Meeting, the last meeting in 2004, since the new system is being considered at that meeting;
- Would hold up the business plans too long if they were approved at the first meeting in May 2005;
- No relief for the high frequency of travelling by Executive Committee members since the new scheduling under the two meeting format may not provide the opportunity to hold meetings back-to-back with the Open-ended Working Group and Meeting of the Parties.
- Inadequate time allowed to develop the new systems for the completion of the transition of the Fund from project-focussed to a compliance-focussed operating mode.

*Action required:*

Decision by the Executive Committee at the 44th Meeting to change the meeting frequency. The Executive Committee would also need to request the 16th Meeting of the Parties, to amend the Terms of Reference, but since the Executive Committee will meet after the Meeting of the Parties, this is not possible.

- (c) Continue the status quo in 2005 and move to a two-meeting format in 2006. In view of the risk of over-burdening the second meeting, retain the option of convening intersessionally an ad hoc working group to resolve complex policy issues, and explore and develop an intersessional approval procedure:

*Advantages:*

- Adequate time allow for making the necessary changes to complete the transition from project-focus to a compliance-focus operating mode;
- Advance notice to all partners to make necessary adjustments;
- Allow time to review the need and feasibility of applying the intersessional approval procedure, and develop operational details for applying such a procedure if it is considered feasible.

*Disadvantage:*

- The possibility of the second meeting of the year being overloaded;
- No relief for the high frequency of travelling by Executive Committee members since the new scheduling under the two meeting format may not provide the opportunity to hold meetings back-to-back with the Open-ended Working Group and Meeting of the Parties.

*Action required:*

- Decision by the Executive Committee to change the frequency of its meetings and request the Meeting of the Parties in 2005 to endorse an amendment to the Terms of Reference;
- Develop operational details for applying an intersessional approval procedure if it is considered to be necessary and feasible;
- Request the business plans and work programmes of 2006 to be submitted to the last meeting in 2005.

## I. INTRODUCTION

1. The Secretariat submitted to the last meeting in 2003 a working paper which analyzed two alternatives to organizing the work of the Executive Committee, namely, to retain the two sub-committees or abolish them. Based on the paper, and the evolving situation where the attention of the Committee was being refocused away from approving projects to enabling country compliance, the Executive Committee decided through decision 41/92:

- “(a) Starting with its first meeting in 2004, to eliminate the Sub-Committee on Monitoring, Evaluation and Finance and the Sub-Committee on Project Review and to examine all items in plenary, making use of working groups as necessary;
- (b) To start each meeting with an organizational session which would examine the business plans, the availability of resources and the status of compliance;
- (c) To follow that organizational session with the review of projects;
- (d) To adopt the new regime on a trial basis for a year and retain the possibility of recreating the two Sub-Committees if it felt that the trial had not been successful;
- (e) To examine whether the new regime provided sufficient time-saving to permit reducing the number of meetings to two per year; and
- (f) Bearing in mind the objectives in subparagraphs (d) and (e) above, to request the Secretariat to submit to the final meeting in 2004 a report on operation of the first two meetings in the year.”

2. The Executive Committee has met twice this year without the sub-committees, once in March and the second time in July. Section II of this paper provides a review of the results of the new regime as requested in the above decision.

3. Decision 41/92 also called for an examination of whether the new regime provided sufficient time-saving to permit reducing the number of meetings to two per year. As shown in Section II and Annex I of this document, the elimination of the two sub-committees in itself has not reduced the work of the Committee sufficiently to justify reducing the number of meetings. Additional methods will be needed in order to eliminate one out of the three annual meetings without jeopardising the efficient operation of the Fund. The holding of meetings has been the main medium through which the Executive Committee has discharged its responsibilities of managing the Fund, as prescribed in its terms of reference. These responsibilities have been transformed over the years into specific tasks and activities associated with the Fund’s operation, such as approving business plans and reviewing annual progress reports. Consequently, the number of such activities will influence the frequency with which the Executive Committee has to meet to carry out its duties. On the other hand the way that the Executive Committee discharges its responsibilities could also have an impact on the number of meetings required. In other words, if alternative methods other than meetings could be implemented to enable the Executive Committee to exercise its duties without compromising its oversight responsibility,



these may assist to reduce the frequency of meetings. In that context, the Executive Committee requested the Secretariat at its 43rd Meeting “to prepare a document, to be submitted to the 44th Meeting of the Executive Committee, on a potential procedure for intersessional approval of projects for countries at risk of non-compliance, when such projects were in the business plan for a given year and there was no disagreement between the Secretariat and the implementing agency.” (Decision 43/3 (c)(ii)).

4. The Executive Committee has been operating at the centre of the activities of the Multilateral Fund over the past ten years, and has been supported by a number of partners including the bilateral agencies, implementing agencies and the Secretariat. The mode of operating through three meetings a year has determined that the timing of the meetings should revolve around the annual business cycle of the Fund. As a result, any attempt to change the three-meeting format must be considered carefully as it will have a significant impact on the work patterns of the agencies and the Secretariat, as well as affecting the current business cycle of the Fund and the recipient Article 5 countries.

5. In Section III, the paper first briefly discusses the development and rationale for the current pattern of holding three meetings a year to identify the main drivers behind the frequency of the meetings of the Executive Committee. It then assesses the overall level and complexity of the tasks that will be performed by the Executive Committee now and in the near future in the context of enabling Article 5 countries to comply with the Montreal Protocol’s phase-out schedules. This is intended to provide a basis for assessing the feasibility and the implications of removing one meeting from the current three-meeting format, as well as considering what alternative procedures might be needed to accommodate the two-meeting format. It concludes with a number of options and addresses the advantages and disadvantages of each.

## **II. REVIEW OF THE OPERATION OF THE EXECUTIVE COMMITTEE WITHOUT THE SUB-COMMITTEES AND CONSIDERATION OF WHETHER THE EXISTING NO SUBCOMMITTEE STRUCTURE SHOULD BE RETAINED**

### **II.1 Methodology of conducting the review**

6. In order to assess whether no subcommittee structure should be maintained, it is necessary to consider if that structure has worked over the last two meetings, and whether the level of work at the 42nd and 43rd Meetings was representative of that at similar meetings in the recent past.

#### Effectiveness of the no subcommittee structure over the last two meetings and consideration of the representativeness of the workload of the 42nd and 43rd Meetings

7. In order to provide some structure to the review, the Secretariat proposes to follow the same criteria which were used in the paper submitted to the 41st Meeting in assessing the two alternatives for organizing the work of the Committee (UNEP/OzL.Pro/ExCom/41/79). The reasons for using the same criteria are that they remain valid for this review and provide consistency for assessing the results. For ease of reference, these criteria are reproduced below:

- *Efficiency*: Likelihood of optimizing the resources of the Executive Committee to complete the agenda of the Executive Committee within a 5-day week, assuming that the current duration of the Executive Committee meeting continues.
- *Participation in decision-making*: Possibility to enable every member of the Executive Committee equal opportunity to participate in debate and decision-making.
- *Avoidance of duplication*: Work flow streamlined and rationalized. Focus on key high-level issues.
- *Adjustment needed*: Possibility of minimizing the adjustment needed to move from the current system to a new one.

8. For an assessment of the representativeness of the workload of the first two meetings in 2004, statistics on the 42nd and 43rd Meetings are presented side-by-side with those of the first meetings (36th and 39th) and the second meetings (37th and 40th) in 2002 and 2003 respectively (see table in Annex I).

9. The reason that these two years have been chosen instead of earlier years is that the shift from approving individual stand-alone projects to sector/national phase-out plans started to gain momentum in 2002 after the Executive Committee decided at its 35th Meeting to establish a ceiling on the remaining CFC consumption eligible for funding for each country (Decision 35/57). This shift continues during 2004. Therefore, for the purposes of examining whether the workload of the two meetings in 2004 represents the recent work pattern of the Executive Committee, the data for 2002 and especially 2003 offer a more valid reference point than those from the earlier years.

10. The results of the review are included in Annex I.

## **II.2 Summary of findings and recommendations**

11. The review of the Secretariat has concluded that the Executive Committee's workload at the 42nd and 43rd Meetings in 2004 represents a normal level of work at comparable meetings in the recent past. The agendas for the meetings (including the adoption of the report) were completed within a 5-day period each time without difficulty. The strategic discussion at the beginning of each meeting enabled the Executive Committee to focus on macro management issues of resources and compliance monitoring which would have an impact on the operation of the Fund in future years.

12. The discussion in plenary provided each member of the Executive Committee with equal opportunity to participate in the deliberations and decision-making on all agenda items. The ad-hoc working groups resulted in time-saving at the plenary and enabled a full debate of the issues outside plenary sessions.

13. The removal of the two sub-committees and their respective reports avoided the duplicative procedure of adopting each of the sub-committee reports followed by the full report

of the meeting and enabled the Executive Committee to work in a more orderly fashion, improving efficiency and quality of the meeting.

14. Similar views regarding the new regime appeared to be shared by members of the Executive Committee and this was voiced during the conclusion of the 42nd Meeting and reflected in the report as follows: “The new procedure of discussing all items in plenary session was welcomed and it was noted that it eliminated potential duplication of effort.” However, although the elimination of the sub-committees has facilitated smoother and timely running of the meeting, it has not in itself provided enough time savings to enable a reduction in the number of annual meetings.

15. Based on the above, the Secretariat recommends that the new regime should continue for at least another year, subject to the Committee’s views.

### **III. THE ASSESSMENT OF MOVING TO A TWO-MEETING FORMAT AND THE POTENTIAL FOR AN INTERSESSIONAL APPROVAL PROCEDURE**

16. In order to fully evaluate the implications of moving to a two meeting format, it is useful to consider the reasons for the current three meeting format

#### **III.1 Development and rationale for the current format of three meetings a year**

17. The terms of reference, which were approved under Decision II/8 of the Second Meeting of the Parties mandate the Executive Committee, among other things, to:

- Develop and monitor the implementation of operational policies and guidelines;
- Develop 3-year plan and budget, including resource allocation to implementing agencies;
- Approve projects and country programmes;
- Review regularly performance reports of activities funded;
- Review and evaluate expenditures incurred; and
- Report annually to the Meeting of the Parties.
- Meet at least twice a year.

18. The frequency of meetings in these terms of reference was amended by a decision of the Meeting of the Parties in 1997, which stated *inter alia* that “The Executive Committee shall hold three meetings a year while retaining the flexibility to take advantage of the opportunity provided by other Montreal Protocol meetings to convene additional meetings where special circumstances make this desirable.” Holding three meetings a year has been the practice of the Executive Committee since the beginning, the amendment in 1997 reflected the evolution of the Multilateral Fund and the increasing management responsibilities of the Executive Committee.

19. The broadly defined responsibilities in the terms of reference have been developed over the years, with frequent adjustments, into specific activities of the Executive Committee in managing the operations of the Multilateral Fund. Following the annual business cycle these

activities are currently carried out by the Executive Committee over three meetings. The programme of work for the three meetings, taking into account the annual business cycle, is, generally speaking, as follows:

- First meeting: Approval of the annual business plans of the Fund, and the implementing agencies; approval of the work programmes of the implementing agencies; approval of the unfunded projects from the business plans of the preceding year; and review of issues arising from project/programme implementation.
- Second meeting: Approval of funding for new projects and programmes up to 50 per cent of the annual programme budget; reviews and decisions on policy and guidelines on fund management; review annual progress reports on funded projects and activities; evaluation of annual business plans of implementing agencies; review of evaluation reports from Senior Monitoring and Evaluation Officer on specific subjects; review of the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol.
- Third meeting: Approval of funding of new projects and programmes up to the balance of the annual programme budget; reviews and decisions on policy and guidelines on fund management; approval of the model rolling 3-year phase-out plan; review draft business plans of the implementing agencies for the following year; review of evaluation reports from Senior Monitoring and Evaluation Officer on specific subjects; and review the annual report of the Executive Committee to the Meeting of the Parties.

20. By definition the Multilateral Fund, which was created to enable Article 5 countries to comply with the Montreal Protocol control schedules, has to ensure that disbursement of its funds to the countries takes place ahead of the on-set of the control targets, because it usually takes no less than two years for an approved project to be completed and phase-out of ODS takes place. Therefore, the pressure for efficient fund disbursement has continued to increase as the programme approached and then entered the compliance period. The level of disbursement grew from US \$8 million annually to fund 70 activities in 1991 to US \$160 million to finance over 500 activities in 1997. Concurrent with this growth, issues of project eligibility for funding in light of the indicative list of incremental cost which guides funding decisions frequently generated long and intense policy discussions in the Executive Committee, and the complex nature of the decision-making made consistent face-to-face interaction among its members indispensable. It was the recognition of these facts, amongst others, that led the Executive Committee, in 1997, to propose the amendment to the terms of reference calling for 3 meetings a year

### **III.2 A review of the burden and complexities of the workload of the Executive Committee in the near future**

21. If the main drivers behind the frequency of the meetings of the Executive Committee were the burden and complexities of the workload, it is logical to review the current and the projected burden and complexity of the work in order to determine the possibility of reducing the

number of meetings from 3 to 2 per year. Therefore an overview of the workload is set out in the following table according to activity.

22. To assess the level of burden, quantification by number, such as the number of institutional strengthening projects, is provided where possible. For those activities where quantification by number is not possible, a “high” or “low” rating is given with a short explanation in the “comments” column. For the assessment of complexity, the criteria applied relate to the availability of established policies and guidelines. Where clear policies and guidelines exist, for instance for the funding eligibility of individual projects, the complexity is classified as “low”, and where the guidelines are still developing the complexity is determined to be “high”.

Item	Burden	Complexity	Comments
<b>Policies development and planning</b>			
• Guideline on project eligibility	Low	Low	Generally well established: issues will arise with application of guidelines
• Resources management and allocation	High	High	Criteria to balance between the need for acceleration from approved MYAs and the need for compliance in accordance with Montreal Protocol schedule
• Assistance to LVCs	High	High	Replenishment of over 80 RMPs in LVC prior to 2007
<b>Project implementation</b>			
• Project level monitoring	Low	Low	Well established
• MYA monitoring	High	High	Criteria under development
• Compliance monitoring	High	High	New indicators and systems needed
<b>Project approvals (on an annual basis)</b>			
• Country programme updates	4-5	Low	Well established
• Institutional strengthening and renewals	70	Low	Well established
• On-going MYAs	55	High	Criteria for monitoring under development
• New MYAs	30	High	No uniform cost-effectiveness thresholds for MYAs, although with a good number of precedents
• RMPs LVC replenishment	86	High	Criteria to be designed
• Work programmes and amendments	50	Low	Well established for project preparation

### Findings

23. The assessment of the future workload of the Executive Committee has resulted in the following conclusions:

- (a) In the next few years, there will still be a considerable number of activities to be approved by Executive Committee every year. Based on the projections by the implementing agencies and the Secretariat, there could be approximately 210 various activities for approval annually.

- (b) The above number does not include the enhancement of the refrigerant management plans (RMPs) for low-volume-consuming countries (LVCs). There are about 86 on-going RMPs for LVCs that should be reviewed in 2005 in accordance with Decision 31/48 to determine the level of their enhancement for the 2007-2010 final stage of phase-out. As these criteria do not yet exist, the review expected in 2005 hopefully will address the criteria and modalities of additional funding needed for each of these RMPs. The funding of all 86 RMPs should be done no later than the end of 2006 in order to enable the implementation of the newly funded activities to start in 2007 and to have an impact on the final phase-out before 2009.
- (c) On the policy side, there are significant challenges facing the Executive Committee. The assessment of the burden and complexity of the future work of the Executive Committee shows that the Fund is still in the middle of the transition from a project-focused operation to a compliance-driven one. This is because, while there are well established guidelines and procedures for the individual project-based business, similar structures and procedures are still being developed for the compliance period, such as the emerging strategic direction being taken by the Executive Committee on resources planning to address the balance between the need for compliance and acceleration of already approved agreements.
- (d) At the same time, there is an urgent need to develop a really effective compliance monitoring and problem-solving system. This is particularly needed to facilitate an understanding of the various situations in LVCs and the likely impediments these countries may be facing in trying to comply with the Montreal Protocol schedules. The revised criteria for the assessment of the progress reports and verification audits of the multi-year agreements, which are being submitted to the 44th Meeting in response to Decision 43/38, are intended to reinforce the current project-based monitoring system, and are likely to have a substantial impact on the level of work of both the Executive Committee and the Secretariat.

### **III.3 The possibility of reallocating the activities of the second meeting under the current three-meeting format to the first and the third meetings**

24. Reducing the number of meetings from three to two could be achieved by removing any of the three meetings. For this paper, the second meeting which takes place in July has been chosen to provide an example of possible rescheduling. Removing the second meeting would require a redistribution of the activities of the second meeting to the first and the third meetings and rescheduling the timing of the first and the third meetings, which currently take place in March/April and November/December, respectively. The first question that needs to be addressed is whether the activities that are currently on the agenda of the second meeting could be effectively rescheduled for either earlier or later in the year without adversely impacting on the operation of the Fund. The second question is whether the redistribution of the activities of the second meeting would not overload the agendas of the first and the third meetings. The third

question is how to ensure that the timing of the two meetings could accommodate the needs of the annual business cycle.

Question 1: The possibility of rescheduling the activities on the agenda of the second meeting

25. Annex II provides an item-by-item assessment of the flexibility for rescheduling the agenda of the second meeting of the year, together with brief explanations where necessary.

26. The analysis in Annex II shows that most of the activities currently on the agenda of the second meeting could be rescheduled, without causing major disruptions to the on-going programmes and projects. However, the institutional strengthening projects and renewals and work programme amendments are more time sensitive because delayed approval of such projects could result in disruptions in fund disbursements to ozone offices, and delayed approval of work programme amendments could result in delayed approvals of project preparation funds and subsequently late completion and submission of the national phase-out plans and RMPs. While it will require an effort by implementing agencies to reschedule funding requests in order to avoid delays, this should not present a real problem.

Question 2: The possibility of overloading the agendas of the first and the third meetings

27. Redistributing the agenda items of the second meeting to the first and the third meetings is not a simple add-on exercise because some of these items are currently placed on the mid-year meeting agenda as determined by the sequence of events in the project cycle. For instance, the evaluation of the business plans of the previous year can happen only after the progress reports on the implementation of the approved projects and programmes have been received and assessed. To ensure that any rationalization is done in the interest of the entire business cycle, the process of rearrangement needs to also examine relevant items which are currently on the agendas of the first and the third meetings and their effect on those issues usually addressed at the second meeting.

28. The annual business cycle currently starts off with the approval at the first meeting of the business plans, both of the Fund and of the implementing agencies. With the approval at the same meeting of the work programmes which primarily involve project preparation funding, the implementing agencies could start implementation of the business plans. Under the project-focused operating environment, the first meeting usually did not have many projects submitted to it since the business plans were only being approved at that meeting. The only projects that came to the first meeting were those left over from the business plans of the previous year. However, circumstances changed in 2004 and this has made the practice of approving the business plans at the first meeting impractical for a number of reasons:

- (a) There is no longer any carry-over of business plans to the following year;
- (b) Many of the on-going multi-year agreements (MYAs) have resulted in the submission of annual work plans and the request for funding tranches at the first meeting of the year. This is a break away from the practice of not allowing new approvals at the same meeting at which business plans are agreed;

- (c) It is possible that the timing of the first meeting under the two-meeting format may be postponed until after the March/April time-frame to accommodate a few other parameters in the planning. This would result in leaving the business plans of the implementing agencies in a position of uncertainty for too long a period of time.

29. Although an increasing share of the business plans is being covered in the MYAs, there is still a significant portion of the business to be determined through the approval of the business plans by the Executive Committee. Moving the business planning to the second meeting under the two-meeting format could avoid both inconveniences; the business plan would be approved before expenditures are incurred in the new year, and the implementing agencies could start off the business of the new year from 1 January of each year. The approval of the work programmes should take place at the same meeting.

30. If the centrepiece of business planning is resource planning to facilitate Article 5 countries in complying with their obligations, the assessment of the status/prospect of achieving compliance, which is currently on the agenda of the second (July) meeting, should be reviewed by the Executive Committee as an important reference for resource allocation and business planning at the second (last) meeting of the year.

31. The other business cycle related items on the agenda for the second meeting are the progress reports and the evaluation of the business plans of the previous year. As long as there is enough time between the results of the implementation of the business plans becoming available to the implementing agencies and the time of the first meeting, it would be advantageous to have the review of the progress reports on the agenda of the first meeting. The benefit is that the review uses the data fresh from the implementing agencies. However, the financial data from the on-going activities usually become available to the implementing agencies later in the year. As a result the progress reports to the first meeting will not include an assessment of the financial data. The financial part of the progress report and the evaluation of the business plan of the previous year would have to be reviewed at the second meeting of the year, together with the audited accounts of the Multilateral Fund and other finance-related items. Thereby, a rational way to conduct business could be provided by considering all the finance-related items at the same meeting. At the same time, the agencies could be asked to return funding from unexpended balances as soon as related projects are closed, without waiting for Executive Committee meetings.

32. To assess the likelihood of overloading the agenda of the first and the third meetings by redistributing the activities currently on the agenda of the second meeting, the projected workload of the Executive Committee in the future, as shown in Section III.2, is distributed between two meetings and presented in illustrative agendas in Annex III. However, it is not possible to put any estimate on the workload resulting from policy development since this is dealt with when specific issues are brought to the attention of the Executive Committee. Further, in the event that the major policy issues discussed earlier take more time, specialized sub-committees can, as has happened in the past, be established to meet between meetings.

33. The illustrative agendas for the two meetings presented in Annex III show that an estimated 120 and 140 activities would have to be approved at the first and second meetings



respectively, and this does not include those items which could not be quantified or predicted such as policy development work. The load on the second meeting could be over-burdensome. The second meeting would probably have to handle over half of the project approval work for the year since any submission which misses the first meeting would have to go to the second meeting. In addition, the second meeting would have to cover: the annual review of status of the Fund in assisting Article 5 countries in achieving their compliance obligations; a debate on the major issues and challenges in the new year; and to consider resource planning for the following year. Then, the meeting would have to review and approve the business plans for the new year as well as the rolling 3-year phase-out plan. The discussions could be time consuming and should be allowed an adequate time allocation in view of their importance.

Question 3: The possibility of scheduling the two meetings to accommodate the operational needs of the Fund

34. There are a number of factors which should be taken into consideration in the scheduling of the two meetings if this format were to be agreed:

- (a) There should be, as far as possible, a regular interval between any two meetings. This would provide better predictability for the implementing agencies in planning their annual activities and would contribute to a more even distribution of submissions;
- (b) The timing of the first meeting should allow at least two months between the end of February, when the implementing agencies receive the data on the implementation of the operational part of their business plans in the previous year, and the date of the meeting. This would enable the Secretariat to review and comment on this part of the progress reports;
- (c) The second meeting should be timed as close as possible to the end of the year but before the usual time of the Meeting of the Parties. This would allow the implementing agencies time to complete their business plans and the Executive Committee to include the outcome of the second meeting in the report to the Meeting of the Parties.

35. With these operational issues in mind, the likely dates for the two meetings per year could be mid May and early November. The other relevant deadlines would then be as follows:

Date of submission of progress reports by implementing agencies:	1 March
Date of submission of documents to the Secretariat (for the first meeting):	mid March
Date of submission of documents to the Secretariat (for the second meeting):	early September

**III.4 Level of delegated authority by the Executive Committee**

36. One way to reduce the burden of the Excom at its meetings would be to delegate increased authority to the Secretariat to move forward with non-controversial projects between meetings. Indeed, at the 43rd Meeting, the Executive Committee requested the Secretariat to explore the potential for a procedure for intersessional approval of projects for countries at risk

of non-compliance, when such projects were in the business plan for a given year and there was no disagreement between the Secretariat and the implementing agency.

37. The procedure for intersessional approval of projects exists under the Guidelines of the Multilateral Fund and was adopted by the Executive Committee at its 5th Meeting in 1991 under the subject of bilateral and regional cooperation (UNEP/OzL.Pro/ExCom/5/16 Annex IV). The procedures prescribe that “In some particular cases, in order to avoid delays in starting bilateral assistance projects, the Fund Secretariat pending the forthcoming meeting of the Executive Committee may consult with the Chairman and Vice-Chairman, and shall transmit the result of such consultations to the other members of the Committee for their information. Should any member notify objection to the proposed activities by telex, fax or mail within four weeks of receiving the documents, the proposal would be considered at the next Executive Committee meeting. If no member objected to the document within that time period, the Secretariat could advise the country not operating under Article 5, paragraph 1, whether or not the proposal satisfied the criteria stated above and therefore qualified as eligible.”

38. Subsequent to its adoption, the application of the intersessional approval procedure was extended in 1993 to include projects submitted by the implementing agencies, but was then suspended in 1995 for implementing agencies. In general, the procedure has been very sparingly applied because, firstly it is now only limited to bilateral cooperation, and secondly the issue of eligibility very often delayed the reaching of an agreement between the Secretariat and the bilateral agency and consequently the application of the procedure.

39. However, the Secretariat interprets that the intent of the Executive Committee for an intersessional approval procedure at this time is different to the existing one. The main reason for this view is that the request was put forward in the context of reducing the frequency of the Executive Committee meetings from three to two per year. While it could be extended to address other items, this analysis proceeds from the assumption that the procedure would be aimed at processing time sensitive funding requests during the longer intervals between meetings resulting from the two-meeting scenario, as compared to the intervals under the three-meeting format. Such a procedure should enable a fast response in approvals and disbursement of funds as long as the conditions set out in the relevant decision are met, namely:

- (a) That the activity/project is in the approved business plan; and
- (b) That it clearly meets guidelines and an agreement has been reached between the Secretariat and the implementing agency.

40. The approval authority would actually be delegated to the Secretariat by the Executive Committee, which would then be informed of the approvals after the fact. Alternatively, it could be on a no-objection basis as was the case with bilaterals.

41. Assuming this interpretation is correct, this procedure could certainly be different from the existing one where the Executive Committee retains the authority of approval. A new procedure, which delegated a level of authority solely to the Secretariat would be of a limited nature, and would enable a quick response where needed for assisting with time sensitive situations. It however must be ensured that any new procedure does not lead to a possible

compromise of the responsibility of the Executive Committee. The way to ensure that this is avoided would be to apply the procedure only to areas where there are well established policies and guidelines.

42. The projected workload analysis in Section III.2 includes both an assessment of the burden and the complexity of the activity. The criterion used to assess complexity is the availability of existing policies and guidelines. There are several areas where the level of complexity is determined to be “low” because of available guidelines. As a result these areas could become possible candidates for applying this new procedure. These are:

- Country programmes and updates;
- Institutional strengthening projects; and
- Project preparation requests.

43. However if the intent of the new procedure is to address time sensitive funding requests without having to wait for the meetings of the Executive Committee, which could be six months apart in future, the activities in the above categories may not be the ones to target. Also, as is shown in Section III.2, to avoid delay in approvals resulting from two meetings instead of three, an additional effort is needed by the implementing agencies to reschedule the submissions according to the new meeting schedule.

44. Based on the data from 2003 and 2004, there are approximately 70 institutional strengthening projects and about 50 project preparations that have to be approved annually. The high numbers are indicative of the project review workload of the Secretariat, but not indicative of the amount of time that the Executive Committee has to spend on approving them, because the availability of existing guidelines usually results in agreements between the Secretariat and the implementing agencies on these projects resulting in recommendations for blanket approval. Therefore, from the perspective of easing the time pressure at the meeting, applying the new procedure to those categories of projects might not achieve too much in time savings. On the other hand, if the new procedure is applied to funding requests which may impact on the ability of a country to comply with a particular phase-out schedule, such as RMPs or MYAs, this may result in a higher risk of compromising the responsibility of the Executive Committee. This is because, as can be seen from the analysis in Section III.2, there may not be adequate existing policies and guidelines for such projects for the Secretariat and agencies to follow, although there have been a significant number of precedents in the non-LVC MYAs that could provide a reference in reviewing and making recommendations for similar funding requests.

45. In view of the above analysis there could be a number of possibilities with regard to the intersessional approval procedure:

Possibility	Pros	Cons
1. Stay with existing intersessional approval procedure on a non-objectional basis and extend it to non-bilateral activities. No new procedure	<ul style="list-style-type: none"> <li>• Zero risk on compromising Executive Committee responsibility</li> <li>• Applicable to all funding requests irrespective of availability of guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Additional work for Executive Committee members between sessions</li> <li>• Long processing time resulting from sending the documents to Executive Committee members and waiting for the end of the prescribed response period.</li> </ul>

Possibility	Pros	Cons
2. Apply a new procedure of full delegated authority only to activities with well established policies and guidelines	Limited relief on the workload at the meetings	<ul style="list-style-type: none"> <li>• Low risk of compromising Executive Committee responsibility</li> <li>• No solution for compliance-related urgent requests</li> </ul>
3. Set a funding ceiling for applying the new procedure	<ul style="list-style-type: none"> <li>• A high ceiling could include RMPs and MYAs and address compliance-related urgent requests</li> <li>• A low ceiling would cover institutional strengthening and project preparation and result in limited relief on workload at the meetings</li> </ul>	<ul style="list-style-type: none"> <li>• High risk of compromising Executive Committee responsibility if high ceiling set</li> <li>• Low ceiling may not cover all urgent compliance-related requests</li> </ul>
4. Apply the existing non-objectional procedure to areas without established policies and guidelines where compliance is an issue; and Apply the new procedure to areas with well-established guidelines	<ul style="list-style-type: none"> <li>• Provide solution to compliance-related urgent requests without risk of compromising Executive Committee responsibility</li> <li>• Limited relief on the workload at the meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Additional work for Executive Committee members between sessions</li> <li>• Low risk of compromising Executive Committee responsibility</li> </ul>

### III.5 A summary of findings

46. This paper has analyzed the possibility of reducing the frequency of the annual meetings of the Executive Committee from three to two and the potential and options for introducing a procedure for a level of delegated authority to the Fund Secretariat by the Executive Committee during the intervals between the meetings. The main findings are:

- (a) The short history of the operation of the Executive Committee shows that the drivers behind the frequency of its meetings are the burden and the complexity of the work it does. Also, it should be noted that there is a requirement for holding three meetings a year introduced into the Terms of Reference by decision IX/16, and another Meeting of Parties decision would be needed to alter this.
- (b) An assessment of the current and the projected workload of the Executive Committee shows that the Fund is still in a transitional period of moving from a project-focussed operating environment to one enabling compliance since not all necessary policies and procedures are in place. It is important that the Executive Committee completes the transition within the next one to two years, and agrees on the policies and procedures to enable it to monitor the implementation of the national ODS phase-out programmes and assist Article 5 countries in meeting their Montreal Protocol phase-out schedules in a timely manner.
- (c) In removing a meeting from the current three meetings format, it is important to ensure that the activities currently scheduled for the meeting to be abolished can be rescheduled without adversely affecting activities of the Fund. Also the work of the two remaining meetings should not be overloaded by the activities redistributed from the cancelled meeting, and the timing of each must accommodate the needs of the operational activities of the Fund.

- (d) If the second meeting is removed, it is possible to reschedule most of the activities currently on the agenda of that meeting without too much disruption. However, an additional effort would be needed by the implementing agencies to plan better their submission of institutional strengthening projects and project preparations. Any delays in processing the project preparation requests and institutional strengthening projects and renewals by removing one meeting could lead to delayed completion of national phase-out plans and RMPs, and also disrupt fund disbursement to national ozone offices.
- (e) A two-meeting format would result in the rearrangement of the annual business cycle. The approval of the business plans for the following year should take place at the second meeting instead of the current first (March) meeting, to enable the implementing agencies to start implementing the business plans from the 1 January of the following year. The approval of the work programmes should take place at the same meeting since the majority of them are project preparations for developing the business plans. Other changes concern the assessment of the status/prospect of compliance, which would be moved to the second meeting to provide the basis for business planning. Also, due to the unavailability of the financial data, the operational part of the progress reports would need to be dealt with at the first meeting while the financial part of the progress report would be submitted to the second meeting to be reviewed together with other finance-related items such as the accounts of the Multilateral Fund (Details of the changes are shown in the illustrative agendas in Annex III). For both to be submitted together to the first meeting would require this meeting to take place at the beginning of June at the earliest.
- (f) Redistributing the work of the current three meetings to two meetings a year could overload the second meeting, since this meeting may have to bear more than half of the project approval work and the approval of the new business plans.
- (g) The timing of the two meetings might be: mid May for the first meeting, and early November for the second meeting, after taking into account a number of operational needs.
- (h) Considering the longer intervals between meetings if the Executive Committee meets only twice a year, together with the need to respond in a timely manner to compliance-related funding requests, a procedure for intersessional approvals resulting in the possibility of delegating a level of authority to the Secretariat to approve certain funding requests under specific agreed conditions may be needed. There are a number of possibilities for applying such a procedure, including reactivating and extending an existing procedure for intersessional processing of bilateral requests. These possibilities are assessed for the risk of compromising the responsibility of the Executive Committee, the likely relief on the workload of the Executive Committee meetings and the ability to address compliance-related urgent funding requests.

### III.6 Options

47. In the light of the findings in the paper regarding the possibility of changing the frequency of its meetings, the Executive Committee might wish to consider the following options:

- (a) Continue with the status quo

*Advantages:*

- Familiarity with arrangements in operations for over a decade;
- Ensured smooth and well-paced proceedings;
- Adequate time to allow completion of the transition of the Fund operation from being project-focussed to enabling compliance.

*Disadvantages:*

- No relief for the high frequency of travelling by Executive Committee members and difficulty in scheduling with other international environment meetings;
- Need forward planning for a different phase of the operations of the Executive Committee beyond the completion of the current transition period;

*Actions required:*

Business-as-usual, requiring no further action.

- (b) Introduce the two-meeting format from 1 January 2005:

*Advantage:*

Reduced number of meetings to be attended by Executive Committee members.

*Disadvantages:*

- No time allowed for the transition from the current format to a two-meeting format;
- Unable to approve the 2005 business plan at the 44th Meeting, the last meeting in 2004, since the new system is being considered at that meeting;
- Would hold up the business plans too long if they were approved at the first meeting in May 2005;
- No relief for the high frequency of travelling by Executive Committee members since the new scheduling under the two meeting format may not provide the opportunity to hold meetings back-to-back with the Open-ended Working Group and Meeting of the Parties.

- Inadequate time allowed to develop the new systems for the completion of the transition of the Fund from project-focussed to a compliance-focussed operating mode.

*Action required:*

Decision by the Executive Committee at the 44th Meeting to change the meeting frequency. The Executive Committee would also need to request the 16th Meeting of the Parties, to amend the Terms of Reference, but since the Executive Committee will meet after the Meeting of the Parties, this is not possible.

- (c) Continue the status quo in 2005 and move to a two-meeting format in 2006. In view of the risk of over-burdening the second meeting, retain the option of convening intersessionally an ad hoc working group to resolve complex policy issues, and explore and develop an intersessional approval procedure:

*Advantages:*

- Adequate time allow for making the necessary changes to complete the transition from project-focus to a compliance-focus operating mode;
- Advance notice to all partners to make necessary adjustments;
- Allow time to review the need and feasibility of applying the intersessional approval procedure, and develop operational details for applying such a procedure if it is considered feasible.

*Disadvantage:*

- The possibility of the second meeting of the year being overloaded;
- No relief for the high frequency of travelling by Executive Committee members since the new scheduling under the two meeting format may not provide the opportunity to hold meetings back-to-back with the Open-ended Working Group and Meeting of the Parties.

*Action required:*

- Decision by the Executive Committee to change the frequency of its meetings and request the Meeting of the Parties in 2005 to endorse an amendment to the Terms of Reference;
- Develop operational details for applying an intersessional approval procedure if it is considered to be necessary and feasible;
- Request the business plans and work programmes of 2006 to be submitted to the last meeting in 2005.

48. The Executive Committee may wish to decide on the feasibility of reducing the number of meetings and the possibility of intersessional approvals based on the findings and options set out above.





## Annex I

### REVIEW OF THE OPERATION OF THE EXECUTIVE COMMITTEE WITHOUT THE SUB-COMMITTEES

#### Statistics related to the 42nd and 43rd Meetings

	Number of Agenda Items	Number of Documents Submitted to the Meeting*	Number of Projects and Activities Submitted to the Meeting	Number of Policy Paper Submitted to the Meeting	Amount of Fund Approved for Projects (incl. support costs) (in US \$)
<b>1ST MEETING</b>					
<b>42nd Meeting (2004)</b>	17	54	79	5	79,553,469
<b>39th Meeting (2003)</b>	16	45	123	5	52,146,141
<b>36th Meeting (2002)</b>	14	41	263	4	53,756,116
<b>2ND MEETING</b>					
<b>43rd Meeting (2004)</b>	23	57	73	10	31,268,226
<b>40th Meeting (2003)</b>	16	54	49	9	25,266,370
<b>37th Meeting (2002)</b>	15	75	128	10	43,743,173

\* excluding information documents and conference room papers.

1. The 42nd and 43rd Meetings in 2004 compare fairly well with the first two meetings in 2002 and 2003 in the number of agenda items, number of documents including policy papers, and any variances are usually within an acceptable percentage. The number of projects and activities submitted and the amount of approvals offer a slightly more complicated picture. The significant drop in the number of projects in 2003 and 2004 from the high number in 2002 testifies to the shift from individual stand-alone projects to national/sector phase-out plans. However, the numbers in 2004, have broken the downward trend and exceeded those in 2003, both for the volume of projects and the amount of approvals.

2. Overall, the workload in the 42nd and 43rd Meetings could be assessed as comparable to the normal workload of the Executive Committee at similar meetings in recent years.

#### Review of the results of 42nd and 43rd Meetings

- (a) *Efficiency:* To judge the efficiency of the new regime, the review uses indicators such as: the number of days used to complete the agenda, including the adoption of the report, and the allocation of time for discussing strategic issues.

*Assessment:* For both meetings in 2004, the agenda was completed by close-of-business Thursday and the report was adopted on Friday afternoon. This does not in itself however provide the required level of time saving to enable three meetings to be reduced to two.

The organizational session which examined business plans, availability of resources and status of compliance prior to approving projects at each meeting enabled the Executive Committee to devote approximately half a day each time to

debate in greater depth than before strategic issues such as resource allocations and impediments to achieving compliance by countries. Decisions adopted at the meetings in these areas, especially decisions 42/3, 42/4, 43/3, 43/4, will have a major impact on the direction of the Fund and on the work of the Executive Committee in the years to come.

- (b) *Participation in decision-making:* The removal of the sub-committees has provided each member with the opportunity to participate in the deliberation and decision-making on all the items on the agenda. To assess whether the new format provides adequate time to enable full participation in the debate, the review looks at such indicators as whether enough time was allowed under each agenda item to exhaust the list of speakers, and whether there were instances of “rushing through of the agenda”.

Assessment: In analysing the proceedings of the two meetings, the Secretariat concluded that there seemed to be adequate time allocated under each item to enable those who wished to speak to do so. In several instances, when consensus was hard to reach, a working contact group provided a vehicle for continued participation and for achieving consensus. These working groups also avoided a possibly premature conclusion of the debate.

- (c) *Avoidance of duplication:* An indicator would be the removal of repetitive procedures and the inefficiency associated with them.

Assessment: The removal of the sub-committees has removed the practice of adopting the reports of the sub-committees three times, the first time by the respective sub-committees, the second time at the plenary when adopting the reports of the sub-committees and the third time when adopting the draft report of the Executive Committee.

The discontinuation of the sub-committee reports has reduced significantly the pressure on the Executive Committee to adopt two reports mid week after the substantive discussions during the sub-committee meetings. The ability to focus on one report only under the new regime eases the pace and assists in improving the quality.

- (d) *Adjustment needed:* An indicator of the smoothness of the operation under the new regime would be the extent to which adjustment would be needed to the procedures of the Executive Committee.

Assessment: There has not so far been a demonstrated need to make any changes in the procedures of the Committee after the removal of the two sub-committees. A new practice which has been introduced by the Secretariat to the proceedings of the 42nd and 43rd Meetings is an annotation to the entire agenda of the meeting.

**Annex II**

**ASSESSMENT OF THE FLEXIBILITY TO RESCHEDULE THE AGENDA ITEMS AT  
THE CURRENT SECOND MEETING**

<b>Item</b>	<b>Flexibility for rescheduling</b>	<b>Note</b>
<u>Planning and policy development</u>		
• Mid-year update on the implementation of the annual business plan and the 3-year business plan, including an expenditure update	Yes	
• Policy papers on issues which the Executive Committee is confronted with at the time, such as guidelines on criteria for MYAs.	Yes	
<u>Programme implementation and compliance monitoring</u>		
• Evaluation reports submitted by the Senior Monitoring and Evaluation Officer	Yes	
• Progress reports as of end of previous year	Yes	As long as it precedes the business plan evaluation
• Evaluation of the implementation of the previous year business plans	Yes	
• Project implementation delays and cancellations	Yes	
• Fund balances returned from cancelled and completed projects	Yes	
• Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol	Yes	Should precede the business plan approval
<u>Project approvals</u>		
• Country programmes and updates	Yes	
• Institutional strengthening projects and renewals	?	Could disrupt fund disbursement to ozone offices unless better planned for the two-meeting format
• Work programme amendments (project preparations)	?	Could delay completion of MYAs and RMPs unless better planned for the two-meeting format
• Annual tranches of MYAs	Yes	As long as approval is in the year
• New national/sector plans	Yes	
• RMPs and updates for LVCs	Yes	



**Annex III**  
**ILLUSTRATIVE AGENDAS**

Illustrative agenda (1<sup>st</sup> meeting of the year)

No.	Item	Number of projects (where applicable)	Annotations (where necessary)
1.	Opening of the meeting		
2.	Organizational matters:		
	(a) Adoption of the agenda		
	(b) Organization of work		
3.	Secretariat activities.		
4.	Status of contributions and disbursements		
5.	Status of resources and planning:		
	(a) Report on balances returned from cancelled and completed projects		
	(b) Update on the implementation of the current year business plan		
6.	Programme implementation		
	(a) Evaluation reports from SMEO		# cannot be predicted
	(b) Progress reports as at 31 December of previous year (operational part)		Due to the unavailability of finance data, reporting limited to operational activities
	(i) Consolidate progress report		
	(ii) Bilateral progress report		
	(iii) UNDP		
	(iv) UNEP		
	(v) UNIDO		
	(vi) World Bank		
	(c) Project implementation delays		
	(d) Report on implementation of approved projects with specific reporting requirements		
7.	Project proposals		
	(a) Overview of issues identified during project review		
	(b) Bilateral cooperation	18	Based on 2003-04 data, assuming 50% be submitted to the 1 <sup>st</sup> meeting
	(c) Work programme amendments	28	Based on 2003-04 data, assuming 50% be submitted to the 1 <sup>st</sup> meeting
	(i) UNDP		
	(ii) UNEP		
	(iii) UNIDO		
	(iv) World Bank		
	(d) Investment projects		Based on the 2003-04 data, assuming 50% be submitted to the 1 <sup>st</sup> meeting
	- MYAs on-going	21	
	- MYAs new	15	
	- RMPs LVC	43	
8.	Country programmes and updates	2	Based on the 2003-04 data, assuming 50% be submitted to the 1 <sup>st</sup> meeting
9.	Report of the production sector sub-subgroup		
10.	Policy issues (papers)	?	Cannot predict
11.	Other matters		
12.	Adoption of the report		
13.	Closure of the meeting		

## Annex III

Illustrative agenda (2<sup>nd</sup> meeting of the year)

No.	Item	Number of projects (where applicable)	Annotations (where necessary)
1.	Opening of the meeting		
2.	Organizational matters:		
	(a) Adoption of the agenda		
	(b) Organization of work		
3.	Secretariat activities.		
4.	Status of contributions and disbursements		
5.	Status of resources and planning for the current year business plans:		This is intended to provide an update of the implementation of the current year business plans after the 1 <sup>st</sup> meeting of the year.
	(a) Report on balances returned from cancelled and completed projects		
	(b) Update on the implementation of the current year budget		
6.	Programme implementation		
	(a) Consolidated project completion reports		
	(b) Evaluation reports from SMEO		Not possible to predict the number
	(c) Draft monitoring and evaluation work programme of following year		
	(d) Report on implementation of approved projects with specific reporting requirements		
	(e) Evaluation of the business plans of the previous year		
	(f) Report on project cancellations		
	(g) Report on implementation delays		
7.	Financial matters:		
	(a) Accounts of the Multilateral Fund for the previous year		
	(b) Reconciliation of accounts		
	(c) Financial part of the progress reports as at 31 December previous year		
	(d) Proposed Secretariat budget		
8.	Project proposals		
	(a) Overview of issues identified during project review		
	(b) Bilateral cooperation	19	Based on the total number of proposals from 2003, 50% distributed to the 2 <sup>nd</sup> meeting
	(c) Amendments to work programmes - current year	28	Includes institutional strengthening project preparation
	(d) Investment projects		
	- MYAs on-going	34	
	- MYAs new	15	
	- RMPs LVC	43	According to schedules in on-going MYAs, and business plan forecast and assume that 50% submitted to the 2 <sup>nd</sup> meeting
9.	Country programmes and updates	2	Based on 2003 numbers
10.	Report of the production sector sub-subgroup		
11.	Policy issues	?	Cannot predict
12.	Business planning for the following year		
	(a) Status/prospect of achieving compliance		
	(b) Three-year phase-out plan (rolling forward by one year)		
	(c) Major challenges in the new year		
	(d) The Multilateral Fund business plan in the new year		
	(e) Business plans of the implementing agencies		
	(i) Bilateral agencies		
	(ii) UNDP		
	(iii) UNEP		
	(iv) UNIDO		
	(v) World Bank		
	(f) Work programmes of the new year		
13.	Report of the Executive Committee to the Meeting of the Parties		
14.	Other matters		
15.	Adoption of the report		
16.	Closure of the meeting		

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