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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-first Meeting
Montreal, 19-23 March 2007

**ISSUES RELATED TO MONITORING AND REPORTING ON MULTI-YEAR
AGREEMENTS (FOLLOW-UP TO DECISIONS 49/6(E) AND 50/4)**

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

1. In decision 49/6 the Executive Committee requested the Fund Secretariat to “develop an appropriate reporting format for the tracking of cumulative progress achieved in the annual work programmes, summarizing in standardized overview tables the information requested in decision 47/50, with a view to simplifying and rationalizing the overall reporting requirements and to report back to the 51st Meeting of the Executive Committee”.

Overview tables

2. The Secretariat developed draft overview tables, which were discussed with the implementing agencies. The agreed format is attached in Annex I. The overview tables will replace the existing project cover sheets for all tranches of multi-year agreements (MYA).

3. The highlighted fields will contain data provided by the Secretariat. The blank fields in tables 7 to 10 will contain data provided by the implementing agencies. The Secretariat is creating a database to collect these data and to enable web-based data entry and consultation. A prototype version of the tables will be tested for project documents concerning tranches of MYAs that are submitted to the 52nd Meeting of the Executive Committee. In addition, the Secretariat is considering the provision of links to an electronic library of the relevant documents for preparing and reviewing an annual implementation report and funding requests for the next tranche.

Innovative approaches for monitoring and reporting implementation difficulties

4. At its 50th Meeting, the Executive Committee requested “the Fund Secretariat and the implementing agencies to address at the 51st Meeting, in the context of the document to be prepared in response to decision 49/6(e), innovative approaches for monitoring and reporting delays in multi-year agreements, including any implementation difficulties” (decision 50/40(b)). This section of the paper addresses a proposal for addressing implementation difficulties.

5. In their agreements with the Executive Committee, the agencies have committed to providing semi-annual progress reports. At its 17th Meeting, the Executive Committee agreed to require only one progress report per year and requested instead additional status and progress reports on projects with implementation delays. Projects with implementation delays were defined at that meeting as those projects for which planned completion dates were 12 months later than originally planned or where no disbursement had been recorded for projects 18 months after project approval.

6. At its 50th Meeting, the Executive Committee considered a paper on issues related to project completion dates that referred to decision 47/50(b)(ii) with respect to dates that reflect the completion of activities. It also referred to the decision from the 49th Meeting decision 49/12(b) to request the World Bank to submit completion dates for annual tranches (decision 49/12(b)). As indicated in “Paper on issues related to project completion date and fund disbursement raised in paragraphs (b) and (g) of decision 49/12” (UNEP/OzL.Pro/ExCom/50/55), the completion dates provided by the World Bank would not have enabled the current systems for monitoring delayed projects and MYAs to work properly. This would make it very difficult to monitor these projects in advance of the 2010 or 2011 completion dates, by which time it may be too late to take any actions to facilitate implementation.

7. Annual implementation plans of MYAs contain detailed progress reports, verification reports and work programmes. They provide the basis for Executive Committee decisions on releasing pre-agreed funds for MYA implementation. If consumption and/or production targets are met, funding for the next annual tranche of the MYA is released regardless of progress in the implementation of the activities specified in previous annual tranches. If the implementation of MYAs cannot be monitored under the current systems for monitoring delayed projects, an innovative system should be devised that is consistent with the principle that monitoring tools need to be used to assist agencies and countries in removing impediments to the implementation of activities in the MYAs (decision 47/50(b)(ii)).

8. The procedures for project cancellation are not to be used for MYAs because MYAs and most TPMPs are subject to penalty clauses and have flexibility clauses instead of procedures for project cancellation. Under the existing decision for implementation delays, for any projects that are not subject to project cancellation, the implementing agency could be asked to provide additional status reports on implementation difficulties. Implementation difficulties for MYAs could be monitored using similar means. In reviewing reports on projects not subject to project cancellation, the Secretariat proposes that the agencies should submit an additional status report for projects where there are implementation delays and where there has been no progress in resolving the delay. Under the current monitoring system, implementing agencies and the Secretariat normally agree to the need for an additional status report. In those cases where such an agreement was reached, the issue would be raised with the Executive Committee. The Executive Committee, Secretariat and implementing agencies often modify recommendations for additional status reports based on last minute information provided at or near the time of the actual Executive Committee meeting. In all cases, it is the Executive Committee that ultimately decides if an additional status report is required.

9. In lieu of using completion dates or annual progress and financial reports for all of the agencies' approved projects and activities as the basis for recommending an additional status report, a new approach would be for the recommendation to emanate from the consideration of the annual implementation programme. The recommendation would contain a reason for the status report and whether or not it has been reached by mutual agreement. The additional status report would be provided to the next meeting of the Executive Committee in the context of the implementation delay report. The report would be submitted in the format used for implementation delay reports but on an agreement-by-agreement instead of an annual tranche basis. It would address actions taken since the last report on the issue identified in the recommendation with an assessment on progress, some progress, or no progress. The issue should cover a specific implementation problem for which some action is expected before the next scheduled submission of the annual implementation plan. If there is some progress or no progress, an additional status report on the issue would be submitted to the following meeting. However, no status report would be required for a meeting to which an annual implementation plan is being submitted.

10. Remarks provided in the annual progress report database on all activities and projects funded by the Multilateral Fund concerning MYAs should address the latest status of the overall agreement in terms of actions taken since the last report, milestones achieved (and when those not achieved are expected to be achieved), and risks to the sustainability of the phase-out. This would result in the remarks column of the database containing the latest available information,

while the financial information would continue to be recorded on the basis of the accounts as at 31 December.

RECOMMENDATION

11. The Executive Committee may wish to consider:
- (a) Noting the report on issues related to monitoring and reporting on multi-year agreements as contained in UNEP/OzL.Pro/ExCom/51/14; and
 - (b) Deciding that:
 - (i) Implementation difficulties are to be defined as activities for which no progress was detected in the context of the review of annual implementation plans;
 - (ii) Status reports on implementation difficulties in multi-year agreements should be based on recommendations made during the review of annual implementation plans;
 - (iii) In cases where additional status reports are not agreed by the agency concerned, the Executive Committee will determine if a report is required;
 - (iv) Status reports should be presented in the format of projects with implementation delays and should be considered in the context of that agenda item; and
 - (v) Status reports should be submitted until progress on the specific issue has been assessed or until the next annual implementation plan is submitted.

DRAFT OVERVIEW TABLES FOR MULTI-YEAR AGREEMENTS
A5 Example country

(1) PROJECT TITLE: National ODS phase-out plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS

CODE	AGENCY	EXCOM PROVISION	Fulfilled	According to (Agency/ Country/ Verification/ Secretariat/ ExCom)
XY/PHA/39/INV/10	UN Agency	Approval	Yes	ExCom
XY/PHA/39/TAS/05	UN Agency	The sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar. Also, the subproject is approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	Yes	Verification
XY/PHA/39/TAS/08	UN Agency	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/39/TAS/09	UN Agency	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/46/INV/11	UN Agency	Approved on the understanding that the licensing and quota system would be implemented with the utmost urgency, and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.	no	Agency
XY/PHA/50/INV/14	UN Agency		n/a	n/a
XY/PHA/39/TRA/06	Other IA/BA	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/39/TRA/07	Other IA/BA	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a

Source: Inventory

(3) ARTICLE 7 DATA (ODP TONNES)

Chemical	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CFC	40.8	40.3	40.1	41.9	46.5	53.1	61.9	68.8	49.9	35.0	36.6	14.3
CTC	3.1	3.1	3.1	3.1	3.1	3.1	3.1	1.3	0.0	2.9	0.0	0.0
Halons	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MBR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TCA	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.6	0.1	0.0	0.0

Source: A7 Data from the Ozone Secretariat

(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Year: 2005

Chemical	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC					36.0								36.0
CTC													0.0
Halons													0.0
MBR													0.0
TCA													0.0

Source: Country Programme Data

(5) PHASE-OUT (ODP TONNES)

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total	Decision
Maximum Allowable ODS Consumption (Agreement; per substance if valid)	68.0	61.2	36.2	15.2	6.2	2.2	0.0		
Compliance Action Target (MOP)	68.0	61.2	36.2	15.2	6.2	2.2	0.0		Decision XV/26
Consumption Reported in implementation report submitted	42.0	36.6	14.3						
Consumption Reported in the Verification Report	42.0	36.6	14.3						
Reduction Under Plan		6.8		21.0	9.0	4.0	2.2	68.0	
Approved Phase-Out (Inventory)	9.1		25.0	21.0				55.1	
Actual Phase-Out (2005 PR)	9.1		25.0					34.1	
Remaining Phase-Out to be Achieved									

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

(6a) PROJECT COSTS (US\$)

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total
UN Agency								
Funding as per Agreement	181,068	172,322	72,322	42,322	22,322	22,322	22,322	535,000
Funds approved (Inventory)	181,068		172,322	72,322				425,712
Estimated Disbursement in Previous Progress Report	85,001		0	0				85,001
Funds Disbursed in Current Progress Report	66,969		0	0				66,969
Funds Obligated in Current Progress Report	21,576		0	0				21,576
Estimated Disbursement in Current Progress Report	54,955		30,000	0				84,955
Disbursement as per Annual Plan								
[Comments]								
Other IA/BA								
Funding as per Agreement	118,125							118,125
Funds approved (Inventory)	118,125							118,125
Estimated Disbursement in Previous Progress Report	63,314							63,314
Funds Disbursed in Current Progress Report	64,440							64,440
Funds Obligated in Current Progress Report	53,685							53,685
Estimated Disbursement in Current Progress Report	53,685							53,685
Disbursement as per Annual Plan								
[Comments]								

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

(6b) SUBMISSION SCHEDULES (planned and actual)

Submission year as per agreement	2003	2004	2005	2006
Planned submission as per Agreement	Apr-03	Apr-04	Apr-05	Apr-06
Tranche Number	I	II	III	
Revised Planned Submission (As per Submission Delays Decisions)	n/a	n/a	n/a	n/a
Date Approved	Apr-03	Jul-05	Nov-06	n/a

Source: Agreement, Inventory and Final ExCom Report Decisions

(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS

	Last year covered by tranche report submitted	
	Country Programme	Verification Report
Establishing general guidelines to control import (production and export) of ODS		
ODS Import/Export licensing or permit system in place of bulk ODSs	Yes	
Regulatory procedures for ODS data collection and reporting in place	Yes	
Requiring permits for import or sale of bulk ODSs	Yes	
Quota system in place for import of bulk ODSs	Yes	
Banning import or sale of bulk quantities of:		
CFCs	Yes	
Halons	No	
Other ODSs (CTC, TCA, methyl bromide)	Yes	
Banning import or sale of:		
Used domestic refrigerators or freezers using CFC	Yes	
MAC systems using CFC	Yes	
Air conditioners and chillers using CFC	Yes	
CFC-containing aerosols except for metered dose inhalers	Yes	
Use of CFC in production of some or all types of foam	Yes	
Enforcement of ODS import controls		
Registration of ODS importers	Yes	
Qualitative assessment of the operation of RMP		
The ODS import licensing scheme functions	Very well	
The CFC recovery and recycling programme functions	Not so well	

Source: Country Programme and Verification Report

(8) IMPLEMENTATION DETAILS

	Completed tranche covered by report submitted							Tranche currently implemented (preliminary data)					
	Activities			Budget				Explanations	Activities		Budget		Explanations
	Planned (annual)	Actual (annual)	Cumulative achievement as compared to overall plan [%]*	Planned (annual)	Actual (annual)	Cumulative achievement as compared to overall plan [%]*	Carryover		Planned	Actual	Planned	Actual	
Customs Training				23,600	19,500								
Train the Trainers	30	30											
Training of Customs Officers	At least 68	80											
Good Practices in Refrigeration				60,000	62,000					0			
Train the Trainers	20	32											
Training of Technicians by Trained Trainers	600	300							300	271			
Strengthening vocational schools									Yes				
Refrigeration Service investment component											45,000		
Recovery & Recycling, establish R&R Centers									3				
Service equipment supply other than R&R									0				
Conversion, ...									0				
Solvent Phase-Out Project	2.3 ODP tonnes	0		45,000	0				2.3 ODP tonnes	2.3 ODP tonnes	45,000	32,080	The project is completed
Methyl Bromide Component				20,000	18,026								
Methyl Bromide Workshop	1	1											
PMU & Monitoring				10,000	12,500								
Unforeseen Activities													

*Refers to latest revision of overall plan

(9) Annual plan submitted compared to overall plan

	Activities		Budget		Explanations
	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]*	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]*	
Customs Training			23,600		
Train the Trainers	60				
Training of Customs Officers	At least 100				
Good Practices in Refrigeration			60,000		
Train the Trainers	40				
Training of Technicians by Trained Trainers	300				
Strengthening vocational schools					
Refrigeration Service investment component					
Recovery & Recycling, establish R&R Centers					
Service equipment supply other than R&R					
Conversion, ...					
Solvent Phase-Out Project	2.3 ODP tonnes		45,000		
Methyl Bromide Component			20,000		
Methyl Bromide Workshop	1				
PMU & Monitoring			10,000		
Unforeseen Activities					

*Refers to latest revision of overall plan

(10) EXECUTIVE SUMMARY

Narrative Executive Summary of 255 characters that assesses for the MYA what results have been achieved in the year compared to the annual and the overall plan and what milestones are planned for the following year. This would be similar to the information included in the "Remarks" Column of the annual progress report and the remarks associated with implementation delays. It would also highlight implementation difficulties encountered and actions planned to overcome them.