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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty first Meeting  
Montreal, 17 -19 December 2003

**WORK OF THE SUB-COMMITTEES ON MONITORING, EVALUATION AND  
FINANCE AND PROJECT REVIEW (DECISION 40/52)**

## **Introduction**

1. At its 40<sup>th</sup> Meeting in July 2003, the Executive Committee considered a working paper by the Secretariat on reorganizing the work of the Committee, and that of its two sub-committees in order to accommodate the evolving changes in the operations of the Multilateral Fund. As an outcome of the discussion, the Executive Committee decided that the Committee itself rather than its subsidiary bodies would need to debate and decide in future on such issues as resource planning and allocation, and country compliance monitoring and assistance. At the same time, the Committee decided to delegate to the Secretariat in consultation with the implementing agencies such administrative matters as returned balances from completed projects, reporting the results as appropriate (Decision 40/52).

2. The Executive Committee was also aware of the fast growing number of multi-year plans in the Fund portfolio and their potential impact on the workload of the two sub-committees. At the same time, the Executive Committee was cognisant of the importance of these plans to the national effort for compliance and of its responsibility to ensure adequate oversight over them. The Committee cautioned that any restructuring should have a trial period of one year to allow review and adjustment.

3. The Committee had two proposals from its members on how to reorganize the work of the sub-committees. The first proposal was to abolish the two sub-committees and allow the Executive Committee to deliberate and decide on all the issues it is presented with. An informal working group would be convened by the Chairman of the Executive Committee to review and recommend on any matters of a complex and time consuming nature. The other proposal was to maintain the two standing sub-committees but reorganize their work programmes and terms of reference if necessary. The restructured sub-committees should have balanced workload and minimum duplication. Consequently, the Executive Committee decided to request the Secretariat to prepare a document for consideration at the 41<sup>st</sup> Meeting further exploring the options for restructuring its work and its sub-committees, and in particular, examining the issues involved in retaining the two sub-committees but with revised terms of reference or functions (Decision 40/52).

4. To implement the mandate, the Secretariat has analyzed in this paper the two proposals advanced by members of the Executive Committee, that is, abolishing the sub-committees or maintaining the current structure with adjustments. Since the Executive Committee created the two sub-committees in its early years to assist it in managing the expanding workload for project review and programme oversight, it is logical to examine the continued existence of the sub-committees in the context of the evolving workload of the Executive Committee as a whole and those of its sub-committees. The analysis starts from the agendas of the two sub-committees and assesses the current and projected workload under each of the items listed there. The same analysis is applied to the agenda of the Executive Committee. The Secretariat then places the two restructuring proposals into the evolving programme of work of the Executive Committee and its sub-committees to assess how each proposal meets the future needs of the Committee. The assessment uses such criteria as efficiency in completing the agenda, participation in decision making, avoidance of duplication, and adjustments needed. Finally, the Secretariat presents its conclusions.

5. It is not the mandate of this paper to address the frequency of meetings of the Executive Committee and it is assumed that the current pattern of holding 3 meetings a year continues.

### **Evolving Work Programmes of the Executive Committee and its Sub-Committees**

6. This section describes briefly each of the regular items on the agendas of the two sub-committees and the Executive Committee and assesses the underlying workload in the near future.

#### Sub-Committee on Monitoring, Evaluation and Finance (MEF)

- *Business planning:* By decision taken at the 40<sup>th</sup> Meeting, this item has been moved to agenda of the Executive Committee.
- *Assessment of country compliance potential:* Like the previous item, this component has been moved to the Executive Committee agenda. There is scope for a more analytical and qualitative annual assessment of country performance to be the basis for business planning by the Executive Committee.
- *Project balances:* Responsibility has been delegated by decision taken at the 40<sup>th</sup> Meeting to the Secretariat and implementing agencies, with outcomes being reported to the Executive Committee. It is proposed that this be reported as part of the Secretariat Activities in the future.
- *Project implementation delays:* It is a regular item on the agenda of each of the meetings of the MEF Sub-Committee. It usually takes a considerable amount of time of the MEF Sub-Committee to consider project-by-project the case for cancelling or not cancelling delayed projects. It has been an effective monitoring tool to move project implementation forward. However, it can be predicted that the case load of delayed projects will decrease as more ongoing projects are completed and fewer new stand-alone projects are being submitted. There is a need to continue monitoring the on-going projects until their completion. However, it could be more productive to request the Secretariat and the implementing agencies to deal with delays in the individual projects according to the established policies and procedures and bring to the attention of the Executive Committee only those project implementation delays which have been analyzed by the Secretariat and the implementing agencies to have essential impact on the compliance of the countries concerned and those where a decision or confirmation of cancellation is required. This will reduce the time that the Executive Committee has to spend on project level monitoring at its meetings and at the same time, provide a context for dealing with delays and cancellations. There appears to be a need to record project cancellations by meeting and therefore it is proposed to include project cancellations under consideration of reports on implementation of on-going projects, including sector and national plans.

- *Progress reports:* A project implementation monitoring tool which has focused primarily on individual projects. It usually takes up a considerable amount of time of the MEF Sub-Committee to consider both the consolidated progress report prepared by the Secretariat and those done by each implementing agency, and sometimes gives rise to duplication. The composition of the Fund portfolio is changing. The number of stand-alone projects is still significant and is likely to be always greater than the total of the multi-year phase-out plans and refrigerant management plans (RMPs); however, in terms of contributing to enabling countries to achieve compliance and the level of financial commitment by the Executive Committee, these plans will outweigh the stand-alone projects. They also provide important clues to the performance of countries. The RMPs for LVCs in most cases are the only projects for CFC phase-out in each of these countries, and therefore, the only instrument for the country to implement their CFC compliance obligations. The conditions under which the Executive Committee approves these RMPs require annual progress report being submitted to the Executive Committee although no approval of funding is expected. This is also true of many of the ongoing methyl bromide projects. Currently, progress reports are received for methyl bromide projects but very few have been provided for on-going RMPs. These reports if coordinated with other reports, from these countries such as institutional strengthening could be an important monitoring tool on the status of phase-out in the countries concerned.

On the other hand, for a number of the non-LVC countries, the Executive Committee has approved more than one multi-year phase-out plan, and in some cases, several of them. While it is important to monitor the performance of each of these plans individually, individual monitoring does not provide a country-wide perspective to assess how each contributes to national compliance. A country level synthesis would provide this perspective. Multi-year plans are annually funded on the basis of performance in the preceding year. However, currently there is no uniform criteria on the assessment of performance such as the level of independence of the agent conducting the performance verification, the authority of the agent, the procedure and the methodology for conducting the assessment, the level of details to be examined and reported on and other considerations. The project level monitoring activity does not currently include monitoring these multi-year plans, although an initial step to upgrade the level of monitoring to the country level was included in the last consolidated progress report submitted to the 40<sup>th</sup> Meeting.

Therefore, there is further room for upgrading the current project implementation monitoring to provide more qualitative and analytical reports for consideration at the meetings of the Executive Committee. Instead of separate progress reports by the Secretariat and each of the implementing agencies, there could be one synthesis report on progress at the country level, prepared by the Secretariat in consultation with the implementing agencies. It will draw on the database analysis of the Secretariat and the field input from the implementing agencies. There should be an immediate effort to develop criteria for assessing the annual performance report of the multi-year plans. The restructured progress report will provide the essential input for the assessment of

countries' compliance potential required for business planning by the Executive Committee.

- *Accounts of the Multilateral Fund:* An item which is standardized and straight forward and which usually does not raise complex or time consuming issues.
- *Proposed budget of the Fund Secretariat:* It is similar to the previous items and is usually dealt with in a straight forward manner.
- *Evaluation reports submitted by Senior Monitoring and Evaluation Officer (SMEO):* An item which already generates meaningful debate and takes up an average of 2 hours at each meeting of the MEF Sub-Committee. The item could assume greater importance when the SMEO commences in-depth examinations in some of the cross-cutting areas or countries where the phase-out programmes may appear not to be performing as planned.

7. In view of the above it would appear that there is room to streamline and rationalize the current agenda of the MEF Sub-Committee, and further room for the progress report to evolve from project level monitoring to country performance monitoring. In that context, several related items currently on the MEF Sub-Committee agenda could be reorganized and provide the opportunity to the Executive Committee to concentrate on those countries which appear from the analysis undertaken by the Secretariat and implementing agencies to be at risk of not achieving results as planned.

#### Sub-Committee on Project Review (PR)

- *Overview of issues identified during project review:* An item which used to occupy a considerable amount of time because of the large number of technical policy and incremental cost issues identified. However, the trend has been a decreasing number of such issues coming out of project proposals, and the trend is likely to continue.
- *Bilateral cooperation:* Project proposals submitted by donor countries and the number of projects has been gradually increasing over the years. The recent trend is that these requests are also moving toward multi-year phase-out plans to be managed either by a bilateral agency alone or jointly with one or more implementing agencies.
- *Work programmes and their amendments:* Over 90 percent are project preparation requests which used to take up a large segment of the time of the PR Sub-Committee. However, there has been a significant drop in the number of such requests since the shift from individual stand-alone projects to multi-year phase-out plans. Few stand-alone technical assistance projects are now being submitted.
- *UNEP CAP and work programmes:* The item will remain at the same level that it has been. UNEP continues to submit proposals for individual activities at most meetings in addition to its CAP programme.

- *Investment projects:* The item consumes a substantial proportion of the energy and time of the PR Sub-Committee. However, the work load is decreasing because the number of stand-alone individual projects is getting smaller and the issues standing in the way of approvals are fewer. However, the multi-year phase-out plans have introduced a new category of investment projects into the investment portfolio that the PR Sub-Committee reviews individually at its meetings. Additionally the Sub-Committee considers the annual funding tranches of the multi-year plans which are submitted in the form of annual performance reports and implementation plans. Since they require an explicit funding approval by the Executive Committee, they are currently treated in a similar way to individual investment projects. They will replace stand-alone projects, to become the main stay of the Fund project portfolio.

There are currently 37 ongoing multi-year plans for which annual funding tranches need to be approved. Of this number, 26 are sector plans and 11 are national phase-out plans. If the assumption is that each non-LVC Article 5 country will have either a national CFC phase-out plan or a number of sector plans, there will be at least another 30 multi-year plans to be added, bringing the multi-year plans to a minimum of 67. This does not include additional sector plans to be submitted for other ODS such as CTC and methyl bromide. Assuming that approximately one-third of these plans submit their annual funding tranche requests to each of the three meetings of the PR Sub-Committee, there will be about 20 to 25 to each meeting. Assuming again that the current trend of decreasing stand-alone investment projects continues, reviewing and approving 25 annual funding tranches would be a reasonable burden compared to reviewing over 80 stand-alone projects per meeting in the past.

In addition to the multi-year plans, there are some 77 ongoing RMPs (or updates) for LVCs. However, they do not have annual funding requests and therefore do not contribute regularly to the workload of the PR Sub-Committee.

8. In summary the PR Sub-Committee's agenda will remain as it is; however, there would be continued relief from two of the busiest items, work programmes/amendments and stand-alone investment projects as their numbers are getting fewer. Policy issues will continue to arise but can be expected to be less frequent. The annual funding requests from multi-year plans are likely to occupy the void so created on the agenda of the Sub-Committee.

#### The Agenda of the Executive Committee

9. The agenda of the Executive Committee includes such recurrent items as Secretariat activities, status of contributions and disbursement, report of the Executive Committee to the Meeting of the Parties, and country programmes in addition to the reports from the MEF and PR Sub-Committees. The agenda also includes non-recurrent items, which are mostly policy issues that the Executive Committee needs to consider. These ranged from such issues as small and medium-sized industries (SMEs), the production sector, and concessional lending, in the earlier years, to strategic planning of the Multilateral Fund in the recent past. These non-recurrent items will continue their presence on the agenda in the future since new issues will emerge. However, it is mostly likely that they will also be less frequent. As a result of the decrease in the non-

recurrent items, the agendas of recent Executive Committee meetings have become dominated by the reports of the two sub-committees.

### **Assessing the Restructuring Proposals**

10. The assessment in the proceeding section of the evolving programmes of work of the Executive Committee and its sub-committees provides the basis for examining the two proposals for restructuring the work of these bodies. The examination will use the following criteria:

- *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.

### Abolition of the Sub-Committees

11. Under this proposal, the Executive Committee would take over the current agenda of the PR Sub-Committee and the balance of the agenda of MEF Sub-Committee after the business planning and country performance assessment are moved back to the agenda of the Executive Committee. The strategic shift from funding individual projects to sector/national phase-out plans increasingly calls for a more strategic overview and directions by the Executive Committee for business planning, project approvals and programme oversight, and offers the possibility to the Executive Committee to resume its management responsibility as one body. By merging the two sub-committees, it could take the opportunity to streamline its procedures and enable all members' equal participation in debating and deciding on issues of importance.

12. It could take longer to decide on any agenda item since there are more members participating in the debate; however, once a decision is made, it is less likely to be reopened as it sometimes happens with the deliberation of the sub-committee reports despite the policy of not so doing. The proposal does not need any adjustment to the existing procedures and could activate the existing procedure of convening informal working groups to assist the Chairman in dealing with any complex or time-consuming issues on a need basis.

13. The assessment of the proceeding section shows that there is room for streamlining and rationalizing the agenda of the MEF Sub-Committee. It is also relevant to remember that the two time-consuming items on the MEF Sub-Committee agenda, business planning and project progress reporting, do not take place at the same meeting, the former at the first meeting of the

year and the latter at the second meeting. Assuming that some of the items could be reorganized as discussed in preceding section, it is highly likely the Executive Committee could complete the current agenda of the MEF Sub-Committee at each of the 3 meetings of the year within one working day.

14. The analysis shows that the PR Sub-Committee would see a continuous decrease in the number of funding requests both for work programmes and stand-alone projects; however, it has added 37 ongoing multi-year plans to its project review work and could eventually manage up to 80 such plans when all are approved. However, since these plans are submitted over 3 meetings, on average a maximum of 30 could be submitted at each meeting. Assuming that the Executive Committee maintains the current tempo of work of the PR Sub-Committee, it will likely be able to complete the agenda of the PR Sub-Committee in one and a half days.

15. The Executive Committee could use one and a half days to address the rest of the recurrent items and any non-recurrent items that represent the issues that Committee is currently faced with. That still leaves the fifth day for preparing and adopting the report. In order to assist in visualizing the workload as described, an illustrative Executive Committee agenda is provided in Annex I. Additionally, there would be a saving of one half of one day, currently used by the sub-committees to adopt their reports, which are then adopted again by the Executive Committee.

#### Maintaining the Two Sub-Committees

##### *Maintain the status quo*

16. Under the proposal of keeping the two sub-committees, one option would be to maintain the current functions and terms of reference of the two subsidiary bodies since it would appear to be the easiest way to proceed. However, after the Executive Committee decides to move the strategically important business planning and country performance assessment from the MEF Sub-Committee agenda back to its own agenda, that has effectively reduced the MEF Sub-Committee responsibility to managing progress reporting and the evaluation programmes. On the other hand, the current practice of PR Sub-Committee assuming the responsibility of both reviewing the verification report and approving the annual tranches of the ongoing multi-year plans will further imbalance the workload between the two sub-committees. This does not represent an efficient allocation of resources of the Executive Committee. It also deprives members of the MEF Sub-Committee of the opportunity to participate in the review of, and decision making on, multi-year plans, the most important part of the Fund operation in the coming years, because the policy of the Executive Committee is that the discussions and recommendations of the sub-committees are not reopened at the plenary.

17. Evidently, maintaining the status quo would not result in efficient use of Executive Committee resources, and ensure adequate participation of all members in decision making.

18. If the option of maintaining the status quo does not provide the desired outcome, an alternative which would involve minimum change may be preferable. In that situation, there are the following options.



*Separate responsibility for managing the **ongoing** multi-year plans*

19. Following the current terms of reference of the two sub-committees, the Executive Committee could separate the management of the ongoing multi-year plans into two parts, and assign the monitoring of the performance of the plan to the MEF Sub-Committee and the approval of the funding tranche of the following year to the PR Sub-Committee. While this separation follows the current terms of reference of the two sub-committees in principle, and contributes to workload balancing, it has operational disadvantages, because these plans are designed in such a way that the performance verification is the prerequisite for the release of the next tranche of funding. The separation of monitoring from assessing funding eligibility would be artificial and could lead to duplication and lack of coordination in decision making.

*Place management of the ongoing multi-year plans on the MEF agenda*

20. There are 37 multi-year sector/national plans under implementation as of July 2003. The key to managing these plans is monitoring their adherence to the ODS reduction targets set in their specific agreements. This activity is in line with the MEF Sub-Committee's mandate for programme oversight. In addition there are some 77 on-going RMPs for LVCs and methyl bromide projects for which periodic progress reports are mandatory although no new funding is expected. Together they would represent a significant workload for the MEF distributed over 3 meetings, and could redress the imbalance created by moving the business planning out of the MEF Sub-Committee agenda.

21. In the meantime, the PR Sub-Committee could continue operating on its existing agenda and approve the remaining national CFC phase-out plans and sector plans for the approximately 30 non-LVC countries, and RMP or TPMPs for some 30 LVCs.

22. This option would optimize the use of Executive Committee resources and maintain the current broad division of responsibility between the sub-committees along the lines of project approval and programme oversight. It also ensures a shared responsibility of the two sub-committees over the multi-year plans. It does not create any duplication since the MEF Sub-Committee would assume full responsibility over these ongoing plans, performance verification and recommending approval of the annual work programme.

23. However, the terms of reference of the MEF Sub-Committee may need to be revised to allow it to recommend funding of the annual work programmes of the plans. Revised terms of reference of the MEF Sub-Committee to facilitate this objective are attached in Annex II.

24. The option redresses the current imbalance in workload between the two sub-committees. However, it also starts creating another imbalance between the two which will show itself in one to two years time, because the continuous approval of the remaining multi-year plans will gradually reduce the workload of the PR Sub-Committee and move the work to the MEF Sub-Committee. By then it could be time to consider merging the two sub-committees back into the Executive Committee. In that sense, the current move could be an intermediate step.

## **Conclusions**

25. The Secretariat analyzes the two proposals for restructuring the work of the Executive Committee and that of its sub-committees and concludes as follows.

26. The proposal for abolishing the sub-committees is feasible. However, there is a need to streamline and rationalize some of the items on the current agenda of the MEF Sub-Committee. It would also contribute to better efficiency if the Secretariat and the implementing agencies could develop criteria for monitoring and assessing the performance reports of the multi-year plans.

27. It is possible to retain the two sub-committees and maintain a balanced workload between the two with minimum duplication provided that the monitoring of the ongoing multi-year phase-out plans is placed on the agenda of the MEF Sub-Committee. To implement the adjustment, it is necessary to revise the terms of reference of the MEF Sub-Committee. This proposal would likely be an intermediate step with a life time of approximately one to two years. When the Executive Committee approves all the remaining sector/national phase-out plans for all the non LVC countries, it would be time to consider abolishing the sub-committees and moving this work back to the agenda of the Executive Committee.

28. The intermediate step could provide the space to implement the streamlining of some of the items on the current MEF Sub-Committee agenda, and develop the criteria for monitoring the performance and assessing the annual work programmes of the multi-year plans. That would prepare well for a transition to the final merger of the sub-committees, should the Executive Committee wish to pursue that option.

## Annex I

### ILLUSTRATIVE AGENDA OF THE EXECUTIVE COMMITTEE FOR THE RESTRUCTURING PROPOSAL OF ABOLISHING THE TWO SUB-COMMITTEES

Assuming that the current pattern of 3 meetings per year continues and the annual business cycle remains unchanged, the agendas of the 3 meetings of the Executive Committee could be reorganized as follows. Annotations are provided where necessary.

#### 1<sup>st</sup> Meeting of the Year

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities (returned fund balances from completed and cancelled projects would be included here).
4. Status of contributions and disbursements.
5. Evaluation reports (submitted by the Senior Monitoring and Evaluation Officer).
6. Business planning in 20XX (the current year):
  - (a) Business plan of the Multilateral Fund;
  - (b) Business plans of agencies:
    - (i) Bilateral agencies;
    - (ii) UNDP;
    - (iii) UNEP;
    - (iv) UNIDO;
    - (v) World Bank.
7. Work programmes for 20XX:
  - (a) UNEP work programme;
  - (b) UNDP;

- (c) UNIDO;
  - (d) World Bank.
8. Consideration of on-going projects, including sector and national phase-out plans, and refrigerant management plans:
- (a) Issues identified in project review;
  - (b) Sector and national phase-out plans and RMPs;
  - (c) Reports on implementation of projects with reporting requirements (refers to RMPs, methyl bromide projects and certain multi-year phase-out plans which are required to report on progress although no funding is expected);
  - (d) Report on project cancellations.
9. Consideration of new requests for funding:
- (a) Overview of issues identified in project review;
  - (b) Bilateral co-operation;
  - (c) Investment projects.
10. Non-recurrent items as appropriate.

## **2<sup>nd</sup> Meeting of the Year**

- 1. Opening of the meeting.
- 2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
- 3. Secretariat activities (returned fund balances from completed and cancelled projects would be included here).
- 4. Status of contributions and disbursements.
- 5. Progress reporting as at 31 December 20XX-1(previous year):
  - (a) A synthesis report by the Secretariat and implementing agencies;
  - (b) Evaluation of the implementation of the 20XX-1 business plan (evaluation of the

performance of implementing agencies in 20XX-1).

6. Evaluation reports (submitted by Senior Monitoring Evaluation Officer).
7. Consideration of on-going projects, including sector and national phase-out plans, and refrigerant management plans:
  - (a) Issues identified in project review;
  - (b) Sector and national phase-out plans and RMPs;
  - (c) Reports on implementation of projects with reporting requirements (refers to RMPs, methyl bromide projects and certain multi-year phase-out plans which are required to report on progress although no funding is expected);
  - (d) Report on project cancellations.
8. Consideration of new requests for funding:
  - (a) Issues identified during project review;
  - (b) Work programme amendments;
  - (c) Bilateral co-operation;
  - (d) Investment projects.
9. Country programmes.
10. Non-recurrent items as appropriate.

### **3<sup>rd</sup> Meeting of the Year**

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities (returned fund balances from completed and cancelled projects would be included here).
4. Status of contributions and disbursements.

5. Accounts of the Multilateral Fund for the year 20XX-1 (this item is moved from the 2<sup>nd</sup> Meeting to enable the IAs to submit audited accounts).
6. Proposed budget of the Fund Secretariat for the following year.
7. Evaluation reports (submitted by Senior Monitoring and Evaluation Officer):
  - (a) Evaluation reports;
  - (b) Draft monitoring and evaluation work programme for the following year.
8. Consideration of on-going projects, including sector and national phase-out plans, and refrigerant management plans:
  - (a) Issues identified in project review;
  - (b) Sector and national phase-out plans and RMPs.
  - (c) Reports on implementation of projects with reporting requirements (refers to RMPs, methyl bromide projects and certain multi-year phase-out plans which are required to report on progress although no funding is expected);
  - (d) Report on project cancellations.
9. Consideration of new requests for funding:
  - (a) Issues identified during project review;
  - (b) Bilateral co-operation;
  - (c) Investment projects.
10. Country programmes and updates.
11. Fund assistance and enabling compliance in 20XX (a global review of Fund assistance delivered and its impact on the effort of countries in implementing their Montreal Protocol obligations, and identification of priorities for following year to provide guidance for business planning).
12. Updated 3-year rolling phase-out plan of the Multilateral Fund.
13. Report of the Executive Committee to the Meeting of the Parties.
14. Non-recurrent items as appropriate.

## Annex II

### AMENDMENT TO THE TERMS OF REFERENCE OF THE MEF SUB-COMMITTEE

1. The amendment would be necessitated by a decision of the Executive Committee (Decision 40/52) to move the consideration of the business plans and the business planning process of the Multilateral Fund from the functions of the MEF Sub-Committee to the functions of the Executive Committee, and the need to enable the MEF Sub-Committee to assume responsibility to consider and recommend on the performance reports and annual work programmes of the on-going sector and national ODS phase-out plans and refrigerant management plans.

2. The amendment concerns the last paragraph in the terms of reference of the MEF Sub-Committee, which were approved at the 21<sup>st</sup> Meeting of the Executive Committee (A copy is attached). The following words in the 1<sup>st</sup> sentence of the paragraph “business plans, and the business planning process under the Multilateral Fund” would be deleted and replaced by “performance reports and annual work programmes of on-going sector and national ODS phase-out plans, and as appropriate refrigerant management plans”. A new sentence would be added after the 1<sup>st</sup> sentence to read “It will report and make recommendations to the Executive Committee thereon”. The last paragraph, as amended would read:

“The Sub-Committee will address issues concerning monitoring and evaluation of approved projects, progress reports, performance reports and annual work programmes of on-going sector and national ODS phase-out plans and as appropriate, refrigerant management plans. It will report and make recommendations to the Executive Committee thereon. All the responsibilities of the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee are transferred to the Monitoring, Evaluation and Finance Sub-Committee.”





## Appendix

### TERMS OF REFERENCE OF THE MONITORING, EVALUATION, AND FINANCE SUB-COMMITTEE

The Executive Committee at its Twenty-first Meeting decided to create a standing sub-committee entitled the Monitoring, Evaluation and Finance Sub-Committee which will replace the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee.

The Sub-Committee will be a standing committee. It will be appointed for a period of one year coinciding with the term of the Chair and Vice-Chair of the Executive Committee. In accordance with past practice, the Chair of the Sub-Committee will be determined by the membership and alternate among members from one Meeting of the Parties to the next.

The Sub-Committee shall consist of three Executive Committee members from Parties operating under paragraph 1 of Article 5 of the Protocol and three members from Parties not so operating, as determined by the respective groups. The Treasurer and the Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies may be invited to participate. The Sub-Committee is empowered to require the attendance of any Implementing Agency on any matter causing concern to the Sub-Committee.

The Sub-Committee will be a closed Committee. Executive Committee members may be admitted as observers with the express agreement of the Chairman. With the concurrence of all members of the Sub-Committee, the Chairman could invite the observers to speak. Three representatives from non-governmental organizations (NGOs) - one nominated by environmental NGOs, one by industry NGOs and one by NGOs from the academic community - may observe the meeting of the Sub-Committee but may not participate.

The working language of the meeting of the Sub-Committee will be English.

The Sub-Committee will address issues concerning monitoring and evaluation of approved projects, progress reports, business plans, and the business planning process under the Multilateral Fund. All of the responsibilities of the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee are transferred to the Monitoring, Evaluation, and Finance Sub-Committee.

*UNEP/OzL.Pro/ExCom/21/36, Decision 21/35 (para. 49)*

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