1. The Project Information Document (PID) for the Montreal Protocol (MP) operation (either a component of a Bank-funded operation or a freestanding operation) is a key decision-making document for management and serves as the information document that interested parties may obtain through the Bank's Public Information Center (PIC). The PID is generally not longer than five pages and features the sections enumerated below.

2. Introductory Section. Identifies in tabular form the country and operation; the associated Bank-financed project (if applicable); the recipient, beneficiary, and financing plan; and tentative dates for appraisal and signing.

3. Country or Sector Background. Indicates that the country has ratified the MP, gives the date of ratification, and states that the country is eligible for assistance from the Ozone Projects Trust Fund (OTF). Also states (where applicable) that the proceeds of MP grants to nongovernmental institutions are not taxable. Identifies how the proposed operation is consistent with the kinds of assistance regarded as eligible by the Parties to the MP as indicated in their London agreement of June 1990 (Article IV, reproduced as OP 10.21, Annex B). Indicates the sectoral or subsectoral context of the proposed intervention (e.g., manufacturing, commerce, and application sector, such as solvents). Outlines the government's progress in preparing or implementing an MP country program and discusses any studies conducted to assist in formulating a country program. Discusses the existence of an agenda and timetable for implementation of proposed policy reforms to facilitate MP implementation. Also discusses the institutional arrangements for administering MP implementation, as well as any related issues, and any arrangements for institutional strengthening proposed or under implementation.

4. Objectives. Summarizes the goals of the operation, placing the objectives in the wider context of the implementation of the MP in that country.

5. Description. Describes the operation: at a minimum, lists the major components, their share of total costs, and the policy and institutional reforms that are required for effective implementation.

6. Incremental Costs. Calculates the incremental cost of the operation in both financial and economic (i.e., net of taxes, duties, and subsidies) terms. Calculates the unit abatement cost (incremental economic cost per unit of ozone depletion abatements), and establishes the operation's priority by showing that its unit abatement cost is low in comparison to other opportunities in the sector and the country. Calculates the incremental operational savings and benefits expected to result from the operation, demonstrating that it is financially attractive once allowance is made for funding under the Multilateral Fund for the Implementation of the Montreal Protocol (MFMP), applicable tax laws, and the noncash or uncertain nature of anticipated operational savings and benefits. Recommends the amount of MFMP grant financing on the basis of the incremental economic cost of the operation, minus the incremental economic operational savings and benefits, plus any additional amount. The additional amount must be explicitly justified on such grounds as the following:

   (a) the anticipated operational savings and benefits are uncertain, external to the enterprise, or nonmonetary;

   (b) the enterprise requires compensation for incremental transfer payments; or

   (c) the enterprise requires additional financial compensation for the technological and commercial risks and additional management costs involved.

7. Financing. Summarizes the external and domestic financing arrangements for the operation, highlighting complex cofinancing arrangements.
8. **Implementation.** Summarizes the implementation plans, including management arrangements, the names and responsibilities of participating agencies, and (if applicable) onlending arrangements. Examples: for financial intermediary operations, indicates criteria for the selection of financial intermediaries and subprojects; for sector investment loans, indicates criteria for subproject selection and supervision arrangements. In general terms, describes procurement and disbursement methods, including proposed arrangements for efficient execution of key procurement packages.

9. **Sustainability.** Indicates how the design of the operation contributes to the institutional and financial sustainability of the operation. Example: indicates how disposal or recycling fees and revenue from the sale of recycled chlorofluorocarbons contribute to cost recovery.

10. **Lessons from Previous Bank or IDA Involvement.** Summarizes the lessons learned from ongoing and completed operations and from the relevant Project Completion Reports/Implementation Completion Reports and special studies prepared by the Operations Policy Department, Research Administration, External Affairs, the Operations Evaluation Department, and other Bank units that review lessons learned by the Bank or others in designing and supervising operations with similar objectives. Indicates explicitly how the proposed operation reflects those lessons. Where relevant, for a recipient with a record of noncompliance with audit requirements, notes remedial measures to ensure compliance.

11. **Rationale for Funding from the MFMP.** Indicates the contributions of the operation to (a) MP implementation consistent with the country's obligations under the MP and any country program, and (b) sectoral policy objectives, institutional development, and other goals for phasing out ozone-depleting substances that would not be achieved without Bank involvement. Where possible, estimates the cost-effectiveness of the interventions to reduce ozone-depleting substances in U.S. dollars per unit of ozone-depleting substance avoided. For financial intermediary loans, summarizes, if appropriate, the role of IFC in the sector and explains how the operation fits into the coordinated strategy of the Bank, IFC, and MIGA for financial sector development.

12. **Issues and Actions.** Discusses outstanding project issues and how they should be handled. Indicates target ranges for, and the timing of, measures required by the government to ensure effective implementation and efficient use of MFMP financing. Discusses the adequacy of the operation's management capacity and, where applicable, cost recovery arrangements. Example: for financial sector operations, addresses unresolved issues of the terms and conditions under which MFMP resources are provided to enterprises and describes supervision and regulation issues relevant to loan recovery. Indicates proposed exceptions to procurement or cost-sharing guidelines and discusses issues related to the Bank's support for sensitive commodities or activities.

13. **Environmental Aspects.** Indicates the environmental category assigned to the operation. Where relevant, summarizes (a) major environmental and natural resource management issues; (b) the preparation status or conclusions of the environmental assessment; (c) required actions, such as consultation with affected groups and nongovernmental organizations; and (d) how major issues are to be addressed or how they have been resolved.

14. **Benefits.** Summarizes the main benefits of the operation. Where applicable, expresses these benefits in quantitative terms, including the amount and unit costs of emissions of ozone-depleting substances avoided; shows, where appropriate, the expected financial and economic rate of return. Where benefits are not quantified, provides other appropriate, preferably quantified, measures of performance to establish why this operation is better than alternative operations to implement the MP. Summarizes institution-building features and other intangible benefits.

15. **Risks.** Summarizes relevant project risks, including

   (a) operation-specific issues, such as institutional capacity of the implementing agency and its commitment to enforce an enabling policy reform function; and

   (b) broader issues, such as the conflict between incentives at the macroeconomic level and those required at the operation level. Summarizes the results of any sensitivity analysis and indicates key variables influencing the operation's success, specifically in terms of sustained reductions or elimination of the emissions of controlled substances. Cites appropriate design features that help address project risks.

16. **Staff Review Arrangements.** Lists the names of the task manager, the division chief, the country department director, and the peer reviewers. Also identifies the economic, scientific, and technical review functions to be carried out (as part of the technical review process) by peer reviewers, ozone layer technical advisers, and outside specialists.

1. "Bank" includes IBRD and IDA, and "loans" includes IDA credits and IDA grants.

BP 10.21 - Investment Operations Financed by the Multilateral Fund for the Implementation of the Montreal Protocol