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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

SECRETARIAT ACTIVITIES

*Reissued for technical reasons.

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 issuance of the document.

Introduction

1. This document presents activities of the Secretariat since the 61st Meeting of the Executive Committee.

Notification of the decisions of the 61st Meeting of the Executive Committee

2. The Report of the 61st Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/61/58), containing its decisions was conveyed to all Executive Committee members, other participants of the 61st Meeting and was placed on the Multilateral Fund's website and intranet. Additionally, decisions related to project approvals, implementation delays and annual tranche submission delays were communicated to 66 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions taken at the 61st Meeting was sent by email to all meeting participants, to UNEP OzonAction Branch for onward transmission to the regional networks, and was also placed on the Multilateral Fund's intranet and website.

Decisions requesting certain actions by the Chair of the Executive Committee, the Secretariat and/or implementing agencies

3. Pursuant to decision 61/50 the Secretariat finalized the Report of the Executive Committee to the 22nd Meeting of the Parties to the Montreal Protocol in the light of the discussions held and decisions taken at the 61st Meeting, which took place in November 2010. The report, in six United Nation languages, was conveyed to the Ozone Secretariat for onward transmission to the MOP.

Outstanding contributions of the Russian Federation

4. Following the 61st Meeting the Secretariat exchanged correspondence with the Ministry of Natural Resources and Environment of the Russian Federation on the matter of the outstanding contributions of the Russian Federation to the Multilateral Fund. Notwithstanding this, it was not possible to arrange a meeting of the stakeholders concerned in the margins of the 22nd Meeting of the Parties. In October 2010, the Secretariat was informed in an email from Mr. Vasiliev, the Russian Focal Point for Ozone Agreements and Advisor, Department of International Cooperation (Ministry of Natural Resources and Environment) of the Russian Federation, that the Russian Ministry of Finance (MINFIN) would examine the relevant documentation and conduct national negotiations to prepare an agreed position. Following these steps MINFIN would participate in the meeting proposed by the Executive Committee "to start discussions regarding ways and conditions to solve the problem of outstanding contribution of the Russian Federation". This meeting could take place in the margins of the 31st Meeting of the Open-ended Working Group of the Parties (OEWG). In the same email, Mr. Vasiliev underlined that the Ministry of the Environment had received an official letter from MINFIN and that it was the first such letter in which the Ministry of Finance stated that it is necessary to solve this problem.

5. At the request of the delegation of the Russian Federation, the Executive Secretary of the Ozone Secretariat and the Senior Economic Affairs Officer of the Fund Secretariat met with Mr. Ivanov, Director of the Department of International Cooperation and Mr. Vasiliev in the margins of the 45th Meeting of the Implementation Committee, to discuss the issue of the outstanding contributions to the Multilateral. In addition, in order to facilitate progress towards the meeting that would take place during the 31st OEWG in 2011, the Senior Administrative and Fund Management Officer and the Fund Treasurer met with the representatives of the Ministries of the Environment and Foreign Affairs during the 22nd Meeting of the Parties to provide them with copies of the official documents requested by Mr. Vasiliev in his email of 10 October, that regulate the procedures and conditions for payment of contributions to the Multilateral Fund, as well as documents setting out the Russian Federation's obligations to pay.

6. A report on the issue of the outstanding contributions of the Russian Federation was included in document UNEP/OzL.Pro.22/8, the Report of the Executive Committee to the 22nd Meeting of the Parties, and in the Chair's presentation of the aforementioned report to that meeting.

Review of tasks in preparation for the 62nd Meeting

7. The Secretariat has undertaken the following tasks in preparation for the 62nd Meeting.

Status of resources and planning

Balances and availability of resources

8. For the preparation of document UNEP/OzL.Pro/ExCom/62/4 the Secretariat reviewed the obligated balances from completed projects held by agencies, and any agency support costs associated with the funds remaining from those completed projects. The document includes a calculation of the total amount of resources available to the Executive Committee for approvals at the 62nd Meeting (US \$172,352,696 as at 29 October 2010).

2010-2014 Business plans and annual tranche submission delays

9. Documents UNEP/OzL.Pro/ExCom/62/5 and Add.1 provide the Secretariat's review of the status of the implementation of the 2010-2014 business plan in light of the submissions to the 62nd Meeting, allocation in the 2010-2014 business plans and approvals at the 60th and 61st Meetings. In addition to addressing non-HCFCs, the document considers the extent to which HCFC activities exceed the remaining budget of the current triennium 2009-2011 and the 2010-2014 planning period.

Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol

10. Documents UNEP/OzL.Pro/ExCom/62/6 and Add.1 include an update on the status of compliance of Article 5 countries that are subject to the Montreal Protocol's control measures. It covers information on Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance; data on the implementation of country programmes, including an analysis of ODS consumption data by sector; and information on projects with implementation delays and projects for which additional status reports had been requested. The document was conveyed to the Ozone Secretariat for transmission to the 45th Meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol.

Updated model rolling three-year phase-out plan: 2011-2013 (decision 59/5)

11. In accordance with decision 59/5 the Secretariat prepared an updated model three-year rolling phase-out plan for the 2011-2013 triennium to provide guidance for the preparation of the business plan of the Multilateral Fund. Based on the results of the model, no additional funding is required to enable Article 5 countries to achieve compliance with the Montreal Protocol 2010 phase out targets. The model proposed that 185.9 ODP tonnes of methyl bromide would have to be phased out to meet the 2015 control measure. The document also noted the amounts of ODS phase-out, excluding HCFCs, to be funded during the remainder of 2010 and in the 2011-2013 triennium and presented an estimated HCFC baseline of 33,800 ODP tonnes based on Article 7 data and consideration of forecasts for HCFC consumption.

Programme implementation

Monitoring and implementation: 2010 consolidated project completion report

12. Documents UNEP/OzL.Pro/ExCom/62/8 & Add. 1 presents a consolidated project completion report (PCR), analyzing the overview of results in the 17 investment and 60 non-investment projects submitted by bilateral and implementing agencies since the 59th Meeting in November 2009. Twenty-two PCRs for investment projects and 110 for non-investment projects are still outstanding. The lessons learned reported in PCRs are summarized in an annex to the document. No PCRs for multi-year agreements (MYAs) were requested as there is no format in place for these.

Report on implementation of approved projects with specific reporting requirements

13. Document UNEP/OzL.Pro/ExCom/62/9 contains the review and comments by the Secretariat of progress reports on the implementation of projects where specific reporting requirements are included in the corresponding multi-year agreements. The document also includes a progress report on the global project implemented by UNDP to assess methyl formate as blowing agent in the manufacture of polyurethane foam and an assessment of the progress made on the eight chiller projects with co-funding modalities that had been approved at either the 47th or 48th Meeting as per decision 59/8.

Project Review

Review of project submissions

14. The Secretariat prepared document UNEP/OzL.Pro/ExCom/62/10 which included an outline of and statistics on the submissions received from implementing and bilateral agencies for new HPMPs, tranches of approved multi-year agreements and projects and activities, amounting to US \$740,710,665, including agency support costs where applicable. The submission included: 17 HPMPs for low-volume consuming (LVC) countries and 9 HPMPs for non-LVC countries; sectoral HCFC phase-out plans (outside a complete HPMP) from China, Dominican Republic, Philippines, Sudan and Turkey; stand-alone HCFC phase-out investment projects for 11 countries; 8 HCFC demonstration projects in 2 countries; pilot ODS destruction projects for 3 countries; CFC phase-out activities for one country; 27 renewals of institutional strengthening projects; activities from the work programme amendments of the four agencies; the core units of UNDP, UNIDO and the World Bank; and the UNEP Compliance Assistance Programme (CAP).

15. Following review by the Secretariat, 33 projects and activities amounting to US \$4,350,761, including support costs are recommended for blanket approval, 83 projects and activities amounting to US \$691,084,067 including support costs were forwarded for individual consideration by the Executive Committee, and 26 projects and activities amounting to US \$19,649,044 including support costs were withdrawn by the relevant agencies. Three projects totalling US \$1,704,100 were not submitted for consideration by the Executive Committee in view of policy issues identified during project review.

16. A number of issues arose during the project review process and these are addressed in document UNEP/OzL.Pro/ExCom/62/10 including: the description of the baseline equipment in sector phase-out plans; the selection of flammable alternative technologies as replacement for HCFCs; and the selection of only one alternative technology for all the enterprises included in a sector phase-out plan. The Secretariat also identified a number of policy issues including: project proposals with policy issues not submitted to the 62nd Meeting; project preparation requests for ODS disposal activities in LVC countries; HCFC consumption over the 10 per cent baseline; accelerated phase-out of HCFCs beyond 2020 for LVC countries and increase in HPMP funding; high levels of recorded HCFC consumption in submitted HPMPs for LVCs; prioritization of HCFCs; cost-effectiveness threshold for rigid insulation refrigeration foam sub-sector; sub-sector on the assembly of refrigeration equipment in addition to refrigeration

manufacturing and service sectors; and funding of institutional strengthening projects as part of an HPMP.

Incremental costs related to retooling for manufacturing of tube-and-fin heat exchangers (decision 61/45)

17. In response to decision 61/45(c), the Secretariat prepared document UNEP/OzL.Pro/ExCom/62/55 on the level of incremental costs related to retooling for manufacturing of tube-and-fin heat exchangers for consideration by the Executive Committee.

Accounts of the Multilateral Fund

18. The Secretariat reviewed the document on the final 2009 accounts prepared by the Treasurer together with the 2009 accounts of the Secretariat and highlighted the changes since the presentation of the provisional accounts at the 61st Meeting. Document UNEP/OzL.Pro/ExCom/62/58 also contains information on the UNEP audit for the 2008-2009 biennium. The Board of Auditors audited the UNEP financial statements and included a general review of financial systems and internal controls, the administration and management of UNEP Funds operation including the Multilateral Fund. The reconciliation of the Multilateral Fund accounts is presented as document UNEP/OzL.Pro/ExCom/62/59.

Revised 2011, 2012 and proposed 2013 budgets of the Fund Secretariat

19. Document UNEP/OzL.Pro/ExCom/62/61 includes a revision of the 2011 budget to introduce the Secretariat's operational costs at the same level as those approved for 2010 and sets out a proposed 2013 budget to cover staff costs in that year.

Documents and policy papers prepared by the Fund Secretariat

20. Of the documents submitted for consideration at the 62nd Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Status of contributions and disbursements (jointly with the Treasurer);
- Report on balances and availability of resources;
- 2010-2014 business plans and annual tranche submission delays;
- Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol;
- Updated model rolling three-year phase-out plan: 2011-2013 (decision 59/5);
- 2010 consolidated project completion report;
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2010 Amendments to work programmes of UNDP, UNEP, UNIDO and the World Bank (4 documents);
- Comments on the Compliance Assistance Programme (CAP) budget for 2011;
- 2011 core unit costs for UNDP, UNIDO and the World Bank;
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 62nd Meeting (36 documents);
- Incremental costs related to retooling for manufacturing of tube-and-fin heat exchangers (decision 61/45);
- Report on the Multilateral Fund climate impact indicator (decision 59/45);

- 2009 Final accounts (jointly with the Treasurer);
- Reconciliation of the accounts (decisions 59/50);
- Comments on the proposals from the Treasurer re the Agreement between the UNEP as Treasurer of the Multilateral Fund and the Executive Committee; and,
- Revised 2011, 2012 and proposed 2013 budgets of the Fund Secretariat.

Meetings attended and missions undertaken

Missions of the Chief Officer

Beijing, China (13 – 19 September)

21. The Chief Officer attended the Commemorative meeting for International Ozone day in Beijing on 16 September, and the workshop on HCFC phase-out management plan held 17 September 2010. She also addressed the Joint Meeting of SEAP and South Asia Networks of ODS Officers that also took place in Beijing 18-20 September 2010, and gave a presentation on China's role in the Multilateral Fund and the latest decisions of the Executive Committee.

Geneva, Switzerland (26 September to 2 October)

22. Together with the UNEP Senior Management team, regional directors and other heads of multilateral environmental agreement secretariats, the Chief Officer participated in UNEP's Executive Management Team Retreat that took place from 30 September to 1 October 2010 in Geneva.

Bangkok, Thailand (November 2010)

23. The Chief Officer and other senior staff attended the 22nd Meeting of the Parties to the Montreal Protocol in Bangkok from 8 to 12 November. A Senior Project Management Officer also participated in the 45th Meeting of the Implementation Committee.

Missions of other staff

Beijing, China (27 July –30 July 2010)

24. A Senior Project Management Officer travelled to Beijing for discussions on the preparation and planning of China's HPMP, and to gain further knowledge of the HCFC issues for the refrigeration sectors in China.

Washington, United States of America (15-18 November 2010)

25. The Senior Economic Affairs Officer would attend the 39th Global Environment Facility (GEF) Council Meeting taking place from 16 to 18 November 2010.

Contributions to regional network and other relevant meetings

26. The Secretariat provided a comprehensive presentation on recent Executive Committee decisions and data reporting requirements to UNEP DTIE for the following network meetings:

- Joint Meeting of SEAP and South Asia Networks of ODS Officers held in Beijing China from 18 - 20 September 2010;
- Main Meeting of ODS Officers for West Asia Network & Meeting of West Asia Climate Change Focal Points held in Jeddah, Saudi Arabia on 19 and 21st September 2010;

- 14th Joint Meeting of the Ozone Officers Network of English-Speaking and French-speaking Africa held in Abidjan, Cote d'Ivoire from 27 to 30 September 2010;
- Joint Meeting of the Latin American and Caribbean Networks of Ozone Officers held in Mexico City, from 6 to 8 October 2010.

Inter-agency coordination meeting

27. In order to discuss issues arising from the review of HCFC phase-out management plans (HPMPs) and sectoral phase-out plans that had been submitted for consideration by the Executive Committee at its 62nd Meeting, an inter-agency coordination meeting was held on 23 September 2010. Participants included Secretariat staff, representatives of all four multilateral implementing agencies and one bilateral agency (Germany). Discussions at the meeting clarified a number of issues that would assist in the preparation of HPMPs for future meetings. In addition to the formal meeting, bilateral discussions between agencies and the Secretariat took place on 22 and 24 September.

Recruitment

28. The recruitment for the post of Senior Monitoring and Evaluation Officer (SMEO) was finalized and Ms. Angelica Domato took up duties as SMEO on 25 October 2010. The vacant P5 post of Senior Programme Officer has been launched in the United Nations Careers Portal, INSPIRA, and the vacancy announcement appeared on 21 October 2010. The vacancy notice can be found through the vacancies link under www.un.org/en/employment/.

Preparation for the 62nd Meeting of the Executive Committee

29. Logistic arrangements were made for the 62nd Meeting of the Executive Committee, to be held at the International Civil Aviation Organization, Montreal, Canada from 29 November to 3 December 2010. Letters of invitation and passwords to access meeting documentation on the intranet were provided to members of the Executive Committee, the President of the Bureau of the Twenty-second Meeting of the Parties, the President and Vice President of the Implementation Committee, the Executive Director of UNEP, the Executive Secretary of the Ozone Secretariat, the implementing agencies and non-governmental organizations.

Information activities

30. The Report of the 61st Meeting of the Executive Committee in Arabic, English, French and Spanish, and a post-meeting summary were posted on the public web site (www.multilateralfund.org).

31. A site containing documents in Arabic, English, French and Spanish, and logistical information on the 62nd Meeting was created on the Multilateral Fund intranet. All documents for general distribution were additionally placed on the public web site.

32. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 62nd Meeting:

- Inventory of Approved Projects as of July 2010;
- Country Programme Summary Sheets as of July 2010;
- Policies, Procedures, Guidelines and Criteria as of July;
- Phase-out plans and projects as of July 2010;
- HCFC phase-out management plans as of July 2010.
