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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-third Meeting
Montreal, 28-30 March 2001

**Status Report
on the implementation of the fixed-exchange-rate mechanism
(Follow-up to Decision 32/2)**

1. Decision ExCom 32/2 of the 32nd meeting of the Executive Committee of the Multilateral Fund in paragraph (d) requests “*the Treasurer to submit to each meeting of the Sub-Committee on Monitoring, Evaluation and Finance in 2001, for information purposes, updated reports on the fixed exchange rate mechanism, bearing in mind that the Meeting of the Parties intends to conduct a review of the mechanism by the end of 2001.*” The preceding paragraph (c) urges “*Parties eligible to use the fixed exchange rate mechanism to inform the Treasurer by the 33rd Meeting of the Executive Committee of their intention to do so.*”
2. Paragraph 6 of decision XI/6 of the Parties states: “*That the Meeting of the Parties should review the implementation of the mechanism at the end of 2001 for consideration at the technical segment of the Meeting of the Parties to determine the impact of the mechanism on the operations of the Multilateral Fund and its impact on the funding of the phase-out of ozone-depleting substances in Article 5 countries during this triennium so that the ozone-depleting substances phase-out process is not adversely affected.*”

3. Following the 32nd meeting of the Executive Committee, the Treasurer followed-up on contacts with Parties regarding their intention of using the fixed exchange rate mechanism while making payments to the Multilateral Fund. An increased number of countries confirmed that they would use the mechanism, including some which have already partially paid their contributions for year 2000.
4. The full list of the Parties intending to use the mechanism consists of the following countries
 - (a) Australia
 - (b) Austria
 - (c) Belgium
 - (d) Canada
 - (e) Czech Republic
 - (f) Denmark
 - (g) Finland
 - (h) France
 - (i) Germany
 - (j) Greece
 - (k) Ireland
 - (l) Italy
 - (m) New Zealand
 - (n) Switzerland
 - (o) United Kingdom
5. In calculating the extent of loss/(gain), the same methodology has been used as was employed in the presentation to the 32nd meeting of the Executive Committee. With regard to the promissory notes established in national currencies, the exact extent of the loss/(gain) for the portion of the promissory note encashed is established based on the actual amount of United States dollars realized when these notes were encashed.
6. The net results of the calculations shown in page 1 of Annex I are that, as at 28 February 2001, the Fund has experienced a net loss amounting to United States dollars 5.95 million or about 4.056 per cent of the total pledges for year 2000 or 11.86 per cent of the year 2000 pledges for the Parties using the fixed-exchange rate mechanism.
7. New Zealand dollar still remains the highest in depreciation against the United States dollar with a rate of 21.5 per cent for the period under consideration, with a monthly average rate of 1.434 per cent. At the low end are the Canadian dollar, the Czech Koruna, the Swiss Franc and the British Pound with the period's respective rates at 0.77 per cent, 8.155 per cent, 10.268 per cent and 11.121 per cent, while the respective monthly average rates are 0.051 per cent, 0.544 per cent, 0.685 per cent and 0.741 per cent. Should these currencies strengthen against the US dollars in the coming months, these shortfalls would, of course, be somewhat made-up.

INDICATIVE PERFORMANCE OF THE FIXED-EXCHANGE-RATE MECHANISM IN THE PAYMENTS TO THE MULTILATERAL FUND BY THE PARTIES USING THE MECHANISM

Parties	Qualified for FERM Use	Pledges as at 11th Meeting of the Parties				Payments/Encashments Made		Payments Portion for Year 2000			Payments Portion for Future Years			Total (Loss) or Gain in Payments in US Dollars	Outstanding for 2000	
		US Dollars	National Currencies	Rates of Exchange	National Currencies	National Currencies	US Dollar Value Realized	National Currencies	US Dollar Value Realized	(Loss)/Gain in US Dollars	National Currencies	US Dollar Value Realized	(Loss)/Gain in US Dollars		National Currencies	US Dollar
Australia	Yes	2,482,262	Australian Dollar	1.560	3,872,327	4,274,564	2,582,632	3,872,327	2,339,606	(142,656)	402,237	243,026	(14,818)	(157,474)	0	0
Austria	Yes	1,576,118	Euro	0.940	1,481,551	1,485,597	1,275,385	1,481,551	1,271,912	(304,206)	4,046	3,473	(831)	(305,037)	0	0
Belgium	Yes	1,847,459	Euro	0.940	1,736,611	1,741,231	1,564,829	1,736,611	1,560,677	(286,782)	4,620	4,152	(763)	(287,545)	0	0
Canada	Yes	3,690,227	Canadian Dollar	1.490	5,498,439	5,498,439	3,570,415	5,498,439	3,570,415	(119,812)	0	0	0	(119,812)	0	0
		922,557	Canadian Dollar	1.490	1,374,610										1,374,610	922,557
		4,612,784	Canadian Dollar	1.490	6,873,049	5,498,439	3,570,415	5,498,439	3,570,415	(119,812)	0	0	0	(119,812)	1,374,610	922,557
Czech Republic	Yes	202,668	Czech Koruna	35.060	7,105,530	7,105,530	188,771	7,105,530	188,771	(13,897)	0	0	0	(13,897)	0	0
Denmark	Yes	1,157,383	Danish Krone	7.020	8,124,832	8,124,832	1,019,235	8,124,832	1,019,235	(138,148)	0	0	0	(138,148)	0	0
Finland	Yes	907,817	Finnish Markka	5.600	5,083,777	5,083,777	791,927	5,083,777	791,927	(115,890)	0	0	0	(115,890)	0	0
France	Yes	10,694,928	Euro (French Franc)	0.940	10,076,065	10,076,065	8,715,565	10,076,065	8,715,565	(1,979,363)	0	0	0	(1,979,363)	0	0
		259,179	Euro (French Franc)	0.940	243,628	243,628	259,179	243,628	259,179	0	0	0	0	0	0	0
		10,954,107	Euro (French Franc)	0.940	10,319,693	10,319,693	8,974,744	10,319,693	8,974,744	(1,979,363)	0	0	0	(1,979,363)	0	0
Germany	Yes	13,689,841	Euro (Deutsche Mark)	0.940	12,868,451	12,868,451	11,398,096	12,868,451	11,398,096	(2,291,745)	0	0	0	(2,291,745)	0	0
		2,737,969	Euro (Deutsche Mark)	0.940	2,573,690	2,573,690	2,365,524	2,573,690	2,365,524	(372,444)	0	0	0	(372,444)	0	0
		16,427,810	Euro (Deutsche Mark)	0.940	15,442,141	15,442,141	13,763,620	15,442,141	13,763,620	(2,664,190)	0	0	0	(2,664,190)	0	0
Greece	Yes	587,904	Euro (Drachma)	0.940	552,630											
Ireland	Yes	375,186	Irish Pound	0.740	277,638	277,634	301,807	277,634	301,807	(73,374)	0	0	0	(73,374)	4	5
Italy	Yes	9,098,273	Euro (Italian Lira)	0.940	8,552,377											
New Zealand	Yes	370,162	New Zealand Dollar	1.870	692,203	790,000	369,019	692,203	323,337	(46,825)	97,797	45,682	(6,616)	(53,441)	0	0
Switzerland	Yes	1,866,667	Swiss Franc	1.500	2,800,000	2,800,000	1,714,846	2,800,000	1,714,846	(151,821)	0	0	0	(151,821)	0	0
		168,385	Swiss Franc	1.500	252,578	252,578	146,976	252,578	146,976	(21,409)	0	0	0	(21,409)	0	0
		2,035,052	Swiss Franc	1.500	3,052,578	3,052,578	1,861,822	3,052,578	1,861,822	(173,230)	0	0	0	(173,230)	0	0
United Kingdom	Yes	8,525,444	British Pound	0.620	5,285,775	5,285,775	7,773,199	5,285,775	7,773,199	(752,245)	0	0	0	(752,245)	0	0
TOTAL	N.A.	50,179,959	N.A.	N.A.	N.A.	N.A.	34,596,195	N.A.	34,550,512	(5,943,265)	N.A.	45,682	(6,616)	(5,949,880)	N.A.	5

INDICATIVE PERFORMANCE OF THE FIXED-EXCHANGE-RATE MECHANISM IN THE PAYMENTS TO THE MULTILATERAL FUND BY BY THE PARTIES USING THE MECHANISM

Parties	Qualified for FERM Use	Pledges as at 11th Meeting of the Parties				Payments/Encashments Made		Payments Portion for Year 2000			Payments Portion for Future Years			Total (Loss) or Gain in Payments in US Dollars	Outstanding for 2000	
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Austria	Yes	1,576,118	Euro	0.940	1,481,551	1,485,597	1,275,385	1,481,551	1,271,912	(304,206)	4,046	3,473	(831)	(305,037)	0	0
Belgium	Yes	1,847,459	Euro	0.940	1,736,611	1,741,231	1,564,829	1,736,611	1,560,677	(286,782)	4,620	4,152	(763)	(287,545)	0	0
Canada	Yes	3,690,227	Canadian Dollar	1.490	5,498,439	5,498,439	3,570,415	5,498,439	3,570,415	(119,812)	0	0	0	(119,812)	0	0
		922,557	Canadian Dollar	1.490	1,374,610										1,374,610	922,557
		4,612,784	Canadian Dollar	1.490	6,873,049	5,498,439	3,570,415	5,498,439	3,570,415	(119,812)	0	0	0	(119,812)	1,374,610	922,557
Czech Republic	Yes	202,668	Czech Koruna	35.060	7,105,530	7,105,530	188,771	7,105,530	188,771	(13,897)	0	0	0	(13,897)	0	0
Denmark	Yes	1,157,383	Danish Krone	7.020	8,124,832	8,124,832	1,019,235	8,124,832	1,019,235	(138,148)	0	0	0	(138,148)	0	0
Finland	Yes	907,817	Finnish Markka	5.600	5,083,777	5,083,777	791,927	5,083,777	791,927	(115,890)	0	0	0	(115,890)	0	0
France	Yes	10,694,928	Euro (French Franc)	0.940	10,076,065	10,076,065	8,715,565	10,076,065	8,715,565	(1,979,363)	0	0	0	(1,979,363)	0	0
		259,179	Euro (French Franc)	0.940	243,628	243,628	259,179	243,628	259,179	0	0	0	0	0	0	0
		10,954,107	Euro (French Franc)	0.940	10,319,693	10,319,693	8,974,744	10,319,693	8,974,744	(1,979,363)	0	0	0	(1,979,363)	0	0
Germany	Yes	13,689,841	Euro (Deutsche Mark)	0.940	12,868,451	12,868,451	11,398,096	12,868,451	11,398,096	(2,291,745)	0	0	0	(2,291,745)	0	0
		2,737,969	Euro (Deutsche Mark)	0.940	2,573,690	2,573,690	2,365,524	2,573,690	2,365,524	(372,444)	0	0	0	(372,444)	0	0
		16,427,810	Euro (Deutsche Mark)	0.940	15,442,141	15,442,141	13,763,620	15,442,141	13,763,620	(2,664,190)	0	0	0	(2,664,190)	0	0
Greece	Yes	587,904	Euro (Drachma)	0.940	552,630											
Ireland	Yes	375,186	Irish Pound	0.740	277,638	277,634	301,807	277,634	301,807	(73,374)	0	0	0	(73,374)	4	5
Italy	Yes	9,098,273	Euro (Italian Lira)	0.940	8,552,377											
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Switzerland	Yes	1,866,667	Swiss Franc	1.500	2,800,000	2,800,000	1,714,846	2,800,000	1,714,846	(151,821)	0	0	0	(151,821)	0	0
		168,385	Swiss Franc	1.500	252,578	252,578	146,976	252,578	146,976	(21,409)	0	0	0	(21,409)	0	0
		2,035,052	Swiss Franc	1.500	3,052,578	3,052,578	1,861,822	3,052,578	1,861,822	(173,230)	0	0	0	(173,230)	0	0
United Kingdom	Yes	8,525,444	British Pound	0.620	5,285,775	5,285,775	7,773,199	5,285,775	7,773,199	(752,245)	0	0	0	(752,245)	0	0
TOTAL	N.A.	50,179,959	N.A.	N.A.	N.A.	N.A.	34,596,195	N.A.	34,550,512	(5,943,265)	N.A.	45,682	(6,616)	(5,949,880)	N.A.	5

