



United Nations
Environment
Programme

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/35/2
1 November 2001



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-fifth Meeting
Montreal, 5-7 December 2001

SECRETARIAT ACTIVITIES

1. This document reports on the activities undertaken by the Fund Secretariat since the 34th Meeting of the Executive Committee.

Notification of the Decisions of the 34th Meeting of the Executive Committee

Article 5 countries

2. Decisions taken by the Executive Committee at its 34th Meeting regarding project approvals and other relevant decisions were communicated to the governments of Article 5 Parties concerned.

Transfer of resources from the Multilateral Fund

3. Resources covering all funding requests approved at the 34th Meeting were transferred to the implementing agencies; approved bilateral activities were credited to the contributions of the countries concerned, as pertinent.

Review of submissions to the 35th Meeting

Draft 2002 business plans

4. The Fund Secretariat prepared the draft consolidated business plan of the Multilateral Fund for the year 2002 on the basis of the submissions of the implementing agencies. In addition it also reviewed and commented on the draft 2002 business plans of bilateral agencies, UNDP, UNEP, UNIDO and the World Bank.

Monitoring and Evaluation

5. The Secretariat prepared a desk study on the aerosol sector; followed-up on the evaluation report on foam projects (Decision 33/2); consolidated project completion reports submitted by bilateral and implementing agencies; reported on the performance indicators and proposal on modifications; and prepared final recommendations on evaluation of investment projects on the solvent sector.

6. The draft monitoring and evaluation work programme for the year 2002 was prepared and submitted to the 35th Meeting of the Executive Committee.

Implementation delays and completed projects with balances

7. The Secretariat requested the implementing agencies to provide updated information on some projects experiencing delays that were considered at the 34th Meeting. The Secretariat also identified completed projects with balances. The Secretariat compiled and analysed the submissions of the implementing and bilateral agencies, accordingly.

Progress reports of UNEP and the World Bank

8. Pursuant to Decisions 34/7 and 34/9, the Secretariat reviewed and commented on the additional reports submitted by UNEP and the World Bank on the status of implementation of the approved projects as at 31 December 2000.

Proposed budget of the Fund Secretariat for the year 2002

9. Pursuant to the Executive Committee decision at its 3rd Meeting, the proposed budget of the Fund Secretariat and the Executive Committee for the year 2002 was prepared and is being submitted to the 35th Meeting.

Bilateral co-operation

10. The Fund Secretariat processed requests under bilateral co-operation and provided comments and recommendations where necessary.

2001 Work programme amendments

11. The Fund Secretariat reviewed and commented on the requests submitted by UNDP, UNEP, UNIDO and the World Bank on amendments to their 2001 work programmes.

UNEP 2002 Work Programmes and project preparation advances for UNDP, UNIDO and the World Bank

12. The Fund Secretariat reviewed and commented on activities included in the UNEP 2002 Work programme, as well as on requests for project preparation advances pertaining to the year 2002 work programmes of UNDP, UNIDO and the World Bank.

Investment projects

13. Investment project proposals submitted by UNDP, UNIDO, the World Bank and bilateral agencies were reviewed by the Fund Secretariat according to the established guidelines and criteria. Project evaluation sheets and recommendations, as appropriate, are submitted for consideration of the Executive Committee.

Country programmes

14. The Fund Secretariat reviewed and commented on one country programme.

Strategic planning of the Multilateral Fund in the compliance period

15. Pursuant to Decision 34/65, the Secretariat revised the paper on specific proposals for changes in procedures, implementation mechanisms and modalities of the "Framework on the objectives, priorities, problems, and modalities for strategic planning of the Multilateral Fund in the compliance period" which was submitted at the 34th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/34/53). The paper reviewed the funding policies of the Multilateral

Fund, proposed changes as appropriate to such policies and recommended modalities and operational guidelines to implement these policy changes.

16. Pursuant to Decision 34/66, the Secretariat prepared a document that included a definition of the starting point for determining the sustained reduction of each Article 5 country, taking into consideration the need to address alternative approaches proposed by members of the Executive Committee at the 34th Meeting.

Guidelines on country programme updates

17. In compliance with Decision 33/55 the Secretariat invited comments on the draft guidelines for the preparation of the country programme updates from the members of the Executive Committee which was considered at the 34th Meeting. A revised version of the document was prepared taken into account the views expressed by some members of the Executive Committee. The Secretariat then prepared the final draft based on additional comments.

CFC Production Sector

18. The technical audit of the ODS Production Sector in DPR Korea was completed by the consultant contracted by the Secretariat and the final report will be submitted to the 35th Meeting. At the same time, contracting work for the CFC technical audit in Mexico, and the CTC/TCA audit in China have been initiated.

An issue paper on support cost

19. Pursuant to Decision 34/19, the Secretariat prepared an issue paper on agencies' support costs in consultation with the Treasurer and the implementing agencies.

Report on the study of alternatives to CFCs in rigid foam applications

20. Pursuant to Decision 31/49, the Executive Committee approved the terms of reference for a study on CFC alternatives in the manufacture of rigid foam. On 29 May 2001 a contract was issued to a consulting firm to undertake the study. The study has been completed and submitted to the 35th Meeting of the Executive Committee.

Documents and Policy Papers prepared by the Fund Secretariat

21. Of the documents submitted for consideration at the 35th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda of the Executive Committee
- Provisional and annotated agendas of both Sub-Committees
- Secretariat activities
- Consolidated draft business plan of the Multilateral Fund for the year 2002

- Report on the implementation of the monitoring and evaluation work programme for the year 2001
- Draft monitoring and evaluation work programme for the year 2002
- Completed projects with balances
- Report on the performance indicators and proposal on modifications
- Project implementation delays
- Consolidated progress report
- Overview of issues identified during project review
- Comments and recommendations on bilateral co-operation
- Comments and recommendations on 2001 work programme amendments of UNDP, UNEP, UNIDO and the World Bank
- Comments and recommendations on the 2002 work programme of UNEP and work programme advances for UNDP, UNIDO and the World Bank
- Comments and recommendations on investment projects and project evaluation sheets
- Funding of technology that is not in the public domain
- Comments and recommendations on Albania's country programme
- Strategic planning: proposals on implementing the framework on the objectives, priorities, problems and modalities for strategic planning of the Multilateral Fund in the compliance period (Decision 33/54)
- Definition of starting point for determining the sustained reduction for each Article 5 country (Decision 34/66)
- Guidelines for the preparation of country programme updates (Decision 33/55)
- Report on the study of alternatives to CFCs in rigid foam applications

Other Reports

22. The Secretariat prepared the following reports which were considered at the Thirteenth Meeting of the Parties:

- Annual report of the Executive Committee to the 13th Meeting of the Parties
- Report of the Executive Committee on process agents to the 13th Meeting of the Parties (pursuant to Decision X/14)
- Report (with Treasurer) on the fixed exchange rate mechanism submitted to the 13th Meeting of the Parties

Meetings attended and missions undertaken

23. During the reporting period, the Secretariat participated in the following:

- 21st Open-ended Working Group Meeting, Montreal, 24-26 July 2001
- A meeting with the World International Patent Organisation to discuss issues on data confidentiality; Geneva, 27 August 2001

- Discussions with UNEP DTIE staff and to attend the Informal Advisory Group Meeting, Paris, 28-31 August 2001
- Meetings with Executive Director, Deputy Executive Director of UNEP and with UNON staff, Nairobi, 3-5 September 2001
- Meeting of African countries ODS officers network and GTZ workshop on chemical management, Windhoek, Namibia, 8-16 September 2001
- Evaluation mission of solvent projects in China, Beijing, 18-26 September 2001
- Regional workshop on ODS replacement technologies, Bangkok, 19-21 September 2001
- Main meeting of the Southeast Asia regional network, Hanoi, 24-28 September 2001
- Meetings with the Ministry of the Environment and high level officials in Turkey, Ankara, 24-25 September 2001 (Chief Officer together with the Chairman and Vice-Chairman of the Executive Committee)
- International technical conference on polyurethane foams, Ohio, USA, 1-3 October 2001
- 27th Meeting of the Implementation Committee, 2nd Meeting of the Bureau of the XIIth Meeting of the Parties, and XIIIth Meeting of the Parties to the Montreal Protocol in Colombo (14-19 October 2001)
- Informal meeting with Ministers of the Environment and high officials from the Governments of Argentina, Burkina Faso, China, Cuba, Indonesia, Kenya, Macedonia, Malawi, Mongolia, Sri Lanka and Togo, held in Colombo, (17 October 2001)

24. In response to an official invitation from the Government of Turkey, the Chief Officer joined a mission, with the Chairman and Vice-Chairman of the Executive Committee, to Ankara, Turkey, to meet with the Undersecretary of the Ministry of the Environment and other high-level Government officials, to discuss issues related to the ODS phase-out compliance and Turkey's needs to achieve its compliance with the Montreal Protocol (24-25 September 2001).

25. The Fund Secretariat together with the Ozone Secretariat co-organised an informal meeting with Ministers of the Environment and high officials from the Governments of Argentina, Burkina Faso, China, Cuba, Indonesia, Kenya, Macedonia, Malawi, Mongolia, Sri Lanka and Togo who attended the XIIIth Meeting of the parties to the Montreal Protocol, in Colombo (17 October 2001). The Meeting was also attended by the Chairman of the Executive Committee, the President of the Implementation Committee and the UNEP Deputy Executive Director. Specific issues related to the phase out of ODSs in Article 5 countries were discussed, including the current low price of CFCs, the illegal import of CFCs and the dumping of second hand CFC-based refrigeration equipment.

Co-ordination meeting

26. A co-ordination meeting with representatives of the implementing agencies took place on 6-7 September and discussed, among others, the preparation of the 2002 business plans of the implementing agencies and 2002 resource availability; follow-up on issues related to the foam sector, including project duration, technology transfer and trial costs; format for reporting undertakings from countries; enterprise consumption and country data; and monitoring and evaluation issues.

Planning for the 35th Meeting of the Executive Committee

27. The Secretariat communicated and discussed with the implementing agencies the various actions required to be undertaken by them and by the Secretariat as a result of decisions taken at the 34th Meeting of the Executive Committee as well as actions outstanding from reports of earlier meetings of the Executive Committee.

Review and Update of Databases, Documents and Operational Guidelines by the Fund Secretariat

28. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines:

- Inventory of Approved Projects as at July 2001
- Policies, Procedures, Guidelines and Criteria as at July 2001
- Country Programmes Summary Sheets as at July 2001
- Project Completion Reports Summary Sheets
- Update of the web site of the Fund Secretariat

Preparation for the meetings of the Executive Committee and its Sub-Committees

29. The Fund Secretariat has arranged for the Meetings of the Sub-Committee on Project Review, the Monitoring, Evaluation and Finance Sub-Committee and the 35th Meeting of the Executive Committee to be held in Montreal, Canada. Letters of invitation and meeting documentation have been dispatched to members of the Executive Committee, the President of the Bureau, the implementing agencies and NGOs.

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