



**United Nations  
Environment  
Programme**

Distr.  
LIMITED

UNEP/OzL.Pro/ExCom/44/2  
3 November 2004

ORIGINAL: ENGLISH



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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**SECRETARIAT ACTIVITIES**

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

## **Notification of the Decisions of the 43<sup>rd</sup> Meeting of the Executive Committee**

1. The report of the 43<sup>rd</sup> Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members and other participants of the 43<sup>rd</sup> Meeting. Additionally, decisions related to project approvals were sent to the relevant Article 5 countries, and to bilateral and implementing agencies.
2. Decisions requesting certain actions by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee for follow-up.
3. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 43<sup>rd</sup> meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

## **Meeting of the Parties to the Montreal Protocol**

4. The terms of reference of the Executive Committee (UNEP/OzL.Pro.9/12, Annex V) require the Executive Committee to report annually to the Meeting of the Parties. The Secretariat prepared a report (UNEP/OzL.Pro.16/10) summarizing the decisions of the 41<sup>st</sup>, 42<sup>nd</sup> and 43<sup>rd</sup> Meetings of the Executive Committee, which had been held since the 15th Meeting of the Parties. The report was distributed to the Parties prior to the 16<sup>th</sup> Meeting and electronically to members of the Executive Committee.

## **Review of submissions to the 44<sup>th</sup> Meeting**

5. The Secretariat has undertaken the following tasks in preparation for the 44<sup>th</sup> Meeting.

### Status of resources and planning

6. In accordance with decision 41/92, the Secretariat prepared information on the availability of resources vis-à-vis the business plans and the status of compliance.
7. This information included a review of the obligated total balances from completed projects held by agencies and any agency support costs associated with those funds remaining from those completed projects, and a calculation of the total amount of resources available to the Executive Committee for approvals at the 44<sup>th</sup> meeting. Resources comprise cash and promissory notes recorded in the Status of Contributions plus the amount of funds returned from completed projects in the form of balances.
8. The Secretariat also reviewed the status of the implementation of the 2004 business plans in the light of the submissions to the 44<sup>th</sup> Meeting and previous approvals at the 42<sup>nd</sup> and 43<sup>rd</sup> Meetings. In response to decision 43/3, the Secretariat examined those priority projects that remained in the 2004 business plans following the 43<sup>rd</sup> Meeting that are considered essential to assist countries to return to compliance and/or achieve compliance with the 2005 control measures of the Montreal Protocol. In response to decision 42/3, the potential need for a window to accelerate phase-out and maintain momentum was assessed.

Status/prospects of article 5 countries in achieving compliance with the control measures of the Montreal Protocol (follow-up to decision 43/4)

9. The Secretariat prepared an annual update on the prospect of achieving compliance by Article 5 countries with the control measures of the Montreal Protocol. It also reviewed by country, the status of implementation of national phase-out programmes by those Article 5 countries that have been found to be in non-compliance by the Meeting of the Parties, that appear to be in non-compliance or that are at risk of future non-compliance for CTCs and compiled information on impediments to achieving compliance for each country in these categories. The Secretariat also analysed Article 5 countries' ODS consumption data by sector.

Model rolling three-year phase-out plan 2005-2007

10. The Secretariat prepared a status report on the process in implementing the Fund's model rolling three-year phase-out plan up to the time of the 44<sup>th</sup> Meeting. This provides an analysis of the amount of ozone depleting substances (ODS) that has to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 Montreal Protocol targets, and also that required to phase-out the remaining ODS to meet the 2010 targets.

Qualitative performance indicators

11. As a follow up to decision 42/5(b) the Government of Canada submitted a proposal to the Secretariat on qualitative performance indicators for measuring the performance of implementing agencies. The implementing agencies and the Secretariat considered further proposals on such indicators including those resulting from discussions at a Coordination Meeting with implementing agencies in October 2004. Proposals on qualitative performance indicators will be presented at the 44<sup>th</sup> Meeting.

Administrative cost regime and core unit funding

12. Administrative costs of UNDP, UNIDO, and the World Bank had changed in November 1998 from a flat rate of 13 per cent applied to all projects, to a graduated scale (decision 26/41), and to a lower scale in December 2002 that included a core unit grant of US \$1.5 million per year per agency (decision 38/68). In response to decision 41/94(d) the Secretariat reviewed the current administrative cost regime and made proposals for core unit cost funding for the year 2005.

Monitoring and Evaluation

13. The Senior Monitoring and Evaluation Officer prepared a consolidated project completion report (PCR), analyzing the individual PCRs submitted by bilateral and implementing agencies for the period since the 41<sup>st</sup> meeting. He also finalized the report on the evaluation of halon banking projects for countries with low volumes of installed capacities after consultation with all stakeholders and clarification of outstanding issues. A draft monitoring and evaluation work programme for 2005 was also prepared.

14. Responding to decision XIV/7 of the 14<sup>th</sup> Meeting of the Parties to the Montreal Protocol, the Executive Committee decided to undertake an evaluation of projects on customs officers training and licensing system projects which will be presented to the Seventeenth Meeting of the Parties (decision 43/41). The first step of the evaluation, a desk study, has been completed and the main phase based on surveys, case studies and field visits should be completed in time for the 45<sup>th</sup> Meeting of the Executive Committee.

#### Project Review

15. The Secretariat reviewed 173 projects and activities from 74 Article 5 countries with a total level of funding, as submitted, of US \$146 million. In addition, two country programmes from Cape Verde and Sao Tome and Principe, and production sector projects in China and Venezuela were reviewed.

#### Reconciliation of the 2002 and 2003 accounts (follow-up to decision 43/39)

16. At its 38<sup>th</sup> Meeting, the Executive Committee requested that a full reconciliation of the Accounts of the Fund, with the data in the implementing agencies' progress reports, be presented to the third meeting of the Executive Committee each year (decision 38/9). The Executive Committee considered the reconciliation of the 2002 accounts at its 43<sup>rd</sup> Meeting and urged the World Bank to submit its 2002 audited accounts to the 44<sup>th</sup> Meeting. The document provides a reconciliation of the 2002 and 2003 accounts of the implementing agencies and provides explanations for differences between the agencies' progress reports, annual accounts, and the Secretariat's Inventory of Approved Projects.

#### Report on operation of the Executive Committee without Sub-Committees and potential for an inter-sessional approval procedure (follow-up to decisions 41/92 and 43/3 (c))

17. At the 41st meeting, the Executive Committee decided to eliminate the Sub-Committee on Monitoring, Evaluation and Finance and the Sub-Committee on Project Review and to examine all items in plenary on a trial basis for one year (decision 41/92). The Secretariat prepared a report on the operation of the 42<sup>nd</sup> and 43<sup>rd</sup> meetings to enable the Executive Committee to decide whether to continue with the new regime without the two Sub-Committees and to examine whether it provided the Executive Committee with sufficient time-saving to permit reducing the number of meetings to two per year.

#### Criteria for the assessment of the progress reports and verification audits of multi-year agreements (follow-up to decision 43/38)

18. In response to decision 43/38, the Secretariat prepared a revised version of the criteria for the assessment of the progress reports and verification audits of multi-year agreements (MYAs). During the revision the Secretariat took into account comments from the implementing and bilateral agencies and comments from Executive Committee members including the Governments of Argentina, Bangladesh, Canada and Japan.

Production Sector

19. At the 43<sup>rd</sup> meeting the Secretariat was authorized to proceed with the technical audit of methyl bromide production in China. A consultant was selected for the audit, however since it was not possible to visit the methyl bromide producers before the beginning of November, he was unable to complete the report in time for the 44<sup>th</sup> Meeting.

20. The Secretariat received a proposal from the Government of China through the World Bank concerning the accelerated phase-out of the production and consumption of CFCs and halons. The project will be submitted to the 44<sup>th</sup> meeting under the bilateral cooperation programme of the United States of America.

21. In following-up the discussion on the Venezuelan CFC production closure project at the 43<sup>rd</sup> meeting, the Secretariat clarified the selection of the parameters used by the consultant for the technical audit, in calculating the cost scenario for the Venezuela CFC production closure project, and provided the result to members of the Government of Venezuela, the World Bank and the members of the Sub-group on the Production Sector.

22. At the 43<sup>rd</sup> meeting the Executive Committee authorized the Secretariat to proceed with the technical audits of the ODS production in Romania. A consultant has been selected to carry out the audit and will commence work on it in January 2005.

**Documents and policy papers prepared by the Fund**

23. Of the documents submitted for consideration at the 44<sup>th</sup> Meeting, the following were prepared by the Fund Secretariat:

- (i) Provisional agenda and annotated agenda of the Executive Committee;
- (ii) Secretariat activities;
- (iii) Balances report and availability of resources;
- (iv) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
- (v) Model rolling three-year phase-out plan 2005-2007;
- (vi) 2004 business plans (follow up to decision 42/3 (d) and (e));
- (vii) Qualitative performance indicators;
- (viii) Review of the administrative cost regime and its core unit funding budget (follow up to decision 41/94 (d));
- (ix) 2004 consolidated project completion report;

- (x) Draft monitoring and evaluation work programme for the year 2005;
- (xi) Project implementation delays;
- (xii) Report on implementation of approved projects with specific reporting requirements;
- (xiii) Overview of issues identified during project review;
- (xiv) Bilateral cooperation;
- (xv) Comments and recommendations the 2004 work programme amendments of UNEP, UNDP, UNIDO and the World Bank;
- (xvi) Comments and recommendations on Compliance assistance programme (CAP) budget and the work programme of UNEP for the year 2005;
- (xvii) Project evaluation sheets and comments and recommendations on all the projects and activities submitted to the 44<sup>th</sup> Meeting;
- (xviii) Comments on the country programmes of Cape Verde and Sao Tome and Principe;
- (xix) Reconciliation of the 2002 and 2003 accounts (follow-up to decisions 38/9 and 43/39);
- (xx) Revised 2005, revised 2006 and proposed 2007 budgets of the Fund Secretariat
- (xxi) Report on operation of the Executive Committee without sub-committees and potential for an inter-sessional approval procedure (follow-up to decisions 41/92 and 43/3 (c));
- (xxii) Criteria for the assessment of the progress reports and verification audits of multi-year agreements (follow-up to decision 43/38).

## **Meetings attended and missions undertaken**

### **Missions of the Chief Officer**

*Geneva, Switzerland (10-19 July 2004)*

24. Following the 43<sup>rd</sup> Meeting of the Executive Committee the Chief Officer remained in Geneva to attend the 2<sup>nd</sup> Meeting of the Bureau of the 15<sup>th</sup> Meeting of the Parties, the 24<sup>th</sup> Open-Ended Working Group Meeting, and the 32<sup>nd</sup> Implementation Committee Meeting under the Non-compliance Procedures of the Montreal Protocol. The Chief Officer was accompanied by Senior Programme Officers.

*Paris, France (September 2004)*

25. During September 2004, the Chief Officer participated in the Compliance Assistance Programme (CAP) Advisory Meeting at UNEP DTIE.

*Beijing, People's Republic of China (13-18 September 2004)*

26. Following the CAP meeting, the Chief Officer, Chair of the Executive Committee (Ms. Marcia Levaggi), the Vice Chair (Mr. Paul Krajnik) and the Deputy Chief-Officer (Economic Cooperation) attended meetings in Beijing (People's Republic of China) with the Vice-Minister of the State Environmental Protection Agency (SEPA), representatives of international agencies and other invitees. Following this they participated in the "China 2004 International Ozone Day Celebration" and the international workshop on ODS substitute technologies in Xian.

*Bangkok, Thailand (19 - 22 September 2004)*

27. The Chief Officer, Chair and Vice-Chair met with senior officials from Department of Industrial Works and reviewed the progress of the implementation of the national ODS phase-out plan. They also attended meetings with senior officials from the Department of Agriculture to discuss issues on methyl bromide and compliance with the Montreal Protocol control measures.

*London, United Kingdom (23-24 September 2004)*

28. The Chief Officer held a meeting with the officials from the Department of Environment, Food and Rural Affairs on Executive Committee issues.

**Missions of other Secretariat Staff**

29. The Administrative and Fund Management Officer travelled to Prague (Czech Republic) in September 2004 to make arrangements for the 44<sup>th</sup> Meeting of the Executive Committee.

30. In the context of the evaluation of the Refrigeration Management Plan (RMP) in Romania, the Senior Monitoring and Evaluation Officer and consultants travelled to Romania and visited the National Ozone Unit for briefings and discussions (10-14 September 2004). He then travelled on to Senegal for discussions regarding the desk study on customs training and licensing systems (14 -18 September 2004).

**Inter-Agency Coordination Meeting**

31. The implementing agencies and the Fund Secretariat held an Inter-Agency Coordination Meeting on 13-14 October 2004. The meeting facilitated preparations for the 44<sup>th</sup> Meeting of the Executive Committee and allowed for discussions on criteria for the assessment of the progress reports and verification audits of multi-year agreements, qualitative performance indicators, performance of the 2004 business plans, the accounts of the Multilateral Fund, resource allocation, and in particular the status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol. The Chief Officer also briefed agencies on the Secretariat's paper on the operation of the Executive Committee without sub-committees.

### **Secretariat staffing**

32. Mr. Stephan Sicars joined the Secretariat as a Senior Project Management Officer on 1 September 2004.

### **Preparation for the meetings of the Executive Committee**

33. Logistical arrangements were made for the 44<sup>th</sup> Meeting of the Executive Committee, to be held at the Hilton Hotel, Prague, Czech Republic from 29 November to December 2004. Letters of invitation and meeting documentation were dispatched to members of the Executive Committee, the President of the Bureau of the 15<sup>th</sup> 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, the Treasurer and NGOs.

### **Information Activities**

34. The post meeting summary and list of decisions was added to the web site for the 43<sup>rd</sup> Meeting available on the intranet. A web site for the 44<sup>th</sup> meeting, containing documents and logistical information, was set up on the Multilateral Fund intranet. Electronic documents were also made available on an ftp site. The Evaluation and Production Sector areas of the intranet were updated prior to the 44<sup>th</sup> meeting.

35. Chinese, English, French and Spanish reports of the 43<sup>rd</sup> meeting, a post meeting summary and a news release were posted on the public web site ([www.multilateralfund.org](http://www.multilateralfund.org)).

36. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 44<sup>th</sup> meeting:

- Inventory of Approved Projects as of July 2004,
- Policies, Procedures, Guidelines and Criteria as of July 2004,
- Country Programme Summary Sheets as of July 2004,
- Project Completion Reports Summary Sheets.

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