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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-eighth Meeting
Montreal, 3-7 April 2006

SECRETARIAT ACTIVITIES

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 issue of the document.

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 47th Meeting of the Executive Committee

1. The report of the 47th Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 47th Meeting and to Parties to the Montreal Protocol. Additionally, decisions related to project approvals and implementation delays were sent to 64 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions made at the 47th Meeting was sent by email to all meeting participants, Parties to the Montreal Protocol, and was placed on the Multilateral Fund's intranet and web site. A press release was issued shortly after the meeting.

Decisions requesting certain actions by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee for follow-up

2. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 47th Meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

3. In response to decision 47/53, the Secretariat revised the draft primer (document UNEP/OzL.Pro/ExCom/47/58) based on comments made at the 47th Meeting and those submitted to Secretariat in January 2006. The draft primer was circulated to the 2005 Executive Committee members for final clearance and subsequently dispatched to 2006 Executive Committee members in March 2006.

4. As a follow up to decisions 42/42 and 47/48 the Chief Officer sent a memorandum dated 29 November 2005 to inform UNON of the Executive Committee's decision to withhold US \$100,000 from the annual transfer for 2006 of US \$500,000 for treasury services pending a report from the Secretariat on the distribution of functions between the P4 and a P5 positions. Since no feedback was received on the issue of staffing in the Treasurer's function from UNON, the Chair of the Executive Committee wrote on 19 December 2005 to the Executive Director of UNEP seeking clarification on the appointment of the P5 post. The Chief Officer met with the representative of the Treasurer, during the 17th Meeting of the Parties, who provided a verbal feedback in respect of UNON internal structural constraints to appoint an additional staff member at P5 level to perform only the Multilateral Fund treasury functions. The Chief Officer conveyed to the representative of the Treasurer her concern over the increased involvement of the Fund Secretariat in Treasury matters covering a number of tasks presented in the Appendix 1 to the Agreement between the Executive Committee and UNEP on the service of the Treasurer. The Chief Officer also took the opportunity of her attendance at the UNEP Governing Council in Dubai in February 2006 to raise the issue again with both the Executive Director and the Deputy Executive Director and pressed upon the need to receive a response from UNEP before the 48th meeting of the Executive Committee. She received assurance from UNEP that a reply would reach the Executive Committee before its 48th meeting.

5. In response to decision 47/55, the Secretariat finalized the Report of the Executive Committee to the Seventeenth Meeting of the Parties (MOP) in the light of the discussions and decisions taken at the 47th Meeting of the Executive Committee. The report was presented to the 17th MOP by the Chair of the Executive Committee.

Review of tasks in preparation for the 48th Meeting

6. The Secretariat has undertaken the following tasks in preparation for the 48th Meeting.

Status of resources and planning

Report on balances and availability of resources

7. In accordance with decision 41/92, the Secretariat prepared information on the availability of resources. This information included a review of the obligated and un-obligated balances from completed projects held by agencies and any agency support costs associated with the funds remaining from those completed projects, and a calculation of the total amount of resources available to the Executive Committee for approvals at the 48th 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, as presented in document UNEP/OzL.Pro/ExCom/48/3.

Financial Planning for the 2006-2008 triennium

8. The Secretariat prepared a document on financial planning (UNEP/OzL.Pro/ExCom/48/5) to assist the Executive Committee to address relevant elements of decision XVII/40 taken by the Parties at their Seventeenth Meeting regarding the replenishment of the Multilateral Fund. The 2006-2008 budget approved by the Parties consists of US \$69.6 million in carry over from the 2003-2005 triennium and interest and other sources and US \$400.4 million in new pledges. The Secretariat proposed annual budgets and resource availability in light of the expected cash flow during the triennium, the forward commitments approved in principle by the Executive Committee at previous meetings, the funds available for new activities, and bilateral contributions for the Executive Committee's consideration.

2006-2008 business plans

9. The implementing agencies and the Fund Secretariat held a coordination meeting on 23-24 January 2006 to consider inter alia business and financial planning in the light of the replenishment of the Multilateral Fund agreed at the Seventeenth Meeting of the Parties, the planned activities in countries with phase-out required to comply with the 2007 and 2010 control measures and the updated model rolling three-year phase-out plan (see also paragraphs 25 and 26). The Secretariat compiled the business plans of the bilateral and multilateral implementing agencies into a consolidated business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/48/6) for consideration by the Executive Committee which includes a brief summary of the status/prospects of compliance with the upcoming control measures of the Montreal Protocol.

Monitoring and Evaluation

10. The Senior Monitoring and Evaluation Officer (SMEO) prepared a final report on the intermediate evaluation of refrigerant management plans and national phase-out plans in non-low-volume-consuming countries, focusing on the refrigeration servicing sector. The synthesis

report which summarizes eleven country case studies is presented as document UNEP/OzL.Pro/ExCom/48/12.

11. In response to decision 47/6 the SMEO prepared a report on progress achieved with regard to establishing consistency and full information in project completion reports (PCRs) submitted, obtaining PCRs for projects completed before the end of 2002 and identifying reasons why PCRs had not been submitted. He also prepared guidelines for PCR reporting of non-investment projects and recommendations on how to make best use of the lessons learned reported in PCRs. The progress report and guidelines are presented as UNEP/OzL.Pro/ExCom/48/14.

12. As part of the 2006 monitoring and evaluation work programme, the SMEO prepared a desk study on the evaluation of CTC process agents projects and phase-out agreements which is presented as document UNEP/OzL.Pro/ExCom/48/15.

Monitoring projects and multi-year agreements

13. In addition to preparing its report on project implementation delays (UNEP/OzL.Pro/ExCom/16), the Secretariat prepared a document in response to decision 47/50 concerning delays in the submission of annual tranches and disbursement of funds for tranches and obligations. Document UNEP/OzL.Pro/ExCom/48/17 enables the Committee to monitor the approval of annual tranches and the release of funds to implementing agencies, with the aim of ensuring that there are no impediments to completing the planned activities of the annual tranche.

Project Review

14. The Secretariat reviewed 142 projects and activities from 76 Article 5 countries with a total level of funding, as submitted, of US \$73,407,382. In addition, a country programme update from Bangladesh was reviewed.

Experts' Meeting on the extent of current and future requirements for the collection and disposition of non-reusable and unwanted ODS in Article 5 countries

15. Following decision 47/52 the Secretariat made arrangements to hold an Experts' Meeting at the International Civil Aviation Organization (ICAO) from 13-15 March 2006 that assessed the extent of current and future requirements for the collection and disposition of non-reusable and unwanted ODS in Article 5 countries.

16. The meeting was attended by technical experts in the subject areas under discussion. Eight Executive Committee members from Article 5 and eight from non-Article 5 countries also participated as well as representatives of implementing and bilateral agencies. A report with the findings and conclusions of the meeting, including data collected on unwanted, recoverable, reclaimable, non-reusable and virgin ODS in Article 5 countries, data provided by implementing agencies, Executive Committee members and national ozone units, and data from the regional networks and ODS recovery and disposal workshops conducted by Japan is being submitted for consideration by the Executive Committee in document UNEP/OzL.Pro/ExCom/48/42.

Miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee (follow up to decision 47/47)

17. The Secretariat, in cooperation with the implementing agencies and the Treasurer, prepared a report on the treatment of miscellaneous income in the financial statements of the implementing agencies of the Multilateral Fund. The report, submitted to the Executive Committee as UNEP/OzL.Pro/ExCom/43, makes recommendations for a consistent approach to reporting on these items.

Documents and policy papers prepared by the Fund Secretariat

18. Of the documents submitted for consideration at the 48th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Report on balances and availability of resources;
- Financial planning for the 2006-2008 triennium;
- Consolidated 2006-2008 business plan of the Multilateral Fund;
- Final report on the intermediate evaluation of refrigeration management plans and national phase-out plans in non-low volume consuming countries focusing on the refrigeration servicing sector;
- Recommendations contained in the “Report of the Executive Committee on the evaluation of Customs Officers Training and Licensing System Projects to the twenty-fifth meeting of the Open-ended Working Group” (follow-up to decision XVII/16 of the Seventeenth Meeting of the Parties to the Montreal Protocol);
- Issues related to project completion reports (follow-up to decision 47/6);
- Desk study on the evaluation of CTC process agent projects and phase-out agreements;
- Project implementation delays;
- Annual tranche submission delays (follow-up to decision 47/50)
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2006 work programmes of UNDP, UNIDO and the World Bank and the 2006 work programme amendments of UNEP;
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 48th Meeting;
- Comments on the country programme update of Bangladesh;
- Report on options for a consistent approach to the application of miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee and any consequences of alternative approaches (follow-up to decision 47/47);
- Revised 2006, 2007 and 2008 budgets of the Fund Secretariat.

Meetings attended and missions undertaken

Missions of the Chief Officer

Montreal, Canada (28 November 2005)

19. The Chief Officer and other senior officers from the Secretariat attended the opening sessions of the United Nations Climate Change Conference (COP 11 and COP/MOP 1).

Dakar, Senegal (7-16 December 2005)

20. The Chief Officer, accompanied by the Chair of the Executive Committee and a number of senior officers of the Secretariat, attended the 17th Meeting of the Parties to the Montreal Protocol including the contact group established by the Parties on the 2006-2008 replenishment of the Multilateral Fund. The Chair and the two Senior Programme Management Officers also attended the 35th Meeting of the Implementation Committee.

21. In the course of these meetings one of the Senior Programme Management Officers held discussions with representatives from the Governments of Costa Rica and Guatemala on vital phase-out projects.

Dubai, United Arab Emirates, (4-9 February 2006)

22. The Chief Officer and Deputy Chief Officer (Economic Cooperation) attended the International Conference on Chemicals Management (ICCM). At the ICCM, delegates completed negotiations and adopted the Strategic Approach to International Chemicals Management (SAICM), including a high-level declaration, overarching policy strategy and global plan of action. After the ICCM the Chief Officer attended the 9th Special Session of the Governing Council /Global Ministerial Environment Forum (GCSS-9/GMEF). She also attended bilateral meetings in the margins of the ICCM and Governing Council with the Executive Director (ED) and Deputy ED of UNEP and senior UNEP staff to discuss issues related to the Multilateral Fund.

Missions of other Secretariat Staff

Guatemala, (30 January – 2 February 2006)

23. A Senior Programme Officer participated in a meeting on the status of the phase-out of methyl bromide (MB) in Guatemala and held discussions with Governmental officials and melon producers on the phase-out of controlled uses of MB in Guatemala. The Executive Secretary of the Ozone Secretariat and representatives of UNEP and UNIDO also attended the meeting. A progress report on the implementation of the MB project in Guatemala has been submitted to the 48th Meeting of the Executive Committee as follow-up to decision 47/8(a).

Jakarta, Indonesia (1-3 February 2006)

24. The Deputy Chief Officer (Technical Cooperation) attended meetings with high level officials including the Minister of Environment to address difficulties faced by Indonesia in controlling and reporting on the import of ODS in the context of the implementation of Indonesia

national phase-out plan. The meetings were also attended by representatives of multilateral implementing agencies.

Inter-Agency Coordination Meeting

25. In order to facilitate preparations for the 48th Meeting, the implementing agencies and the Fund Secretariat held an Inter-Agency Coordination Meeting from 23-24 January 2006, as referred to in paragraph 9 above. Participants included Secretariat staff, all four multilateral implementing Agencies, one bilateral agency (Canada) and the Executive Secretary of the Ozone Secretariat.

26. The meeting enabled the Secretariat and agencies to discuss a wide range of issues including the mandates handed down from the Seventeenth Meeting of the Parties, business planning for 2006-2008, draft guidelines on project completion reports (PCR) for non-investment projects and other PCR-related matters and submissions to the 48th Meeting. Further information on the meeting can be found on the Multilateral Fund intranet.

Secretariat staffing

27. The appointment of the Senior Project Management Officer replacing Mr. Valery Smirnov is in the process of being finalized.

Preparation for the meetings of the Executive Committee

28. Logistical arrangements were made for the 48th Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 3-7 April 2006. Letters of invitation and meeting documentation were provided to members of the Executive Committee, the President of the Bureau of the 17th 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 NGOs.

Information Activities

29. Reports of the 47th Meeting of the Executive Committee in Arabic, English, French and Spanish, a post-meeting summary and a news release were posted on the public web site (www.multilateralfund.org).

30. An area containing documents and logistical information on the 48th Meeting was created on the Multilateral Fund intranet. Documents for general distribution were additionally placed on the public web site. Copies of the Multilateral Fund booklet were made available at the 17th MOP, the ICCM and UNEP Governing Council and at the publications exhibition at the United Nations Climate Change Conference in Montreal.

31. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 48th Meeting:

- Inventory of Approved Projects as of December 2005,
- Country Programme Summary Sheets as of December 2005,
- Policies, Procedures, Guidelines and Criteria as of December 2005.
