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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fourth Meeting
Montreal, 7-11 April 2008

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 issuance 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 53rd Meeting of the Executive Committee

1. The report of the 53rd Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 53rd Meeting and to Parties to the Montreal Protocol. Additionally, decisions related to project approvals and implementation delays were sent to 83 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions made at the 53rd Meeting was sent by email to all meeting participants and Parties to the Montreal Protocol, and was placed on the Multilateral Fund's intranet and website.

Decisions of the 53rd Meeting of the Executive Committee requesting certain actions by the Secretariat and/or implementing agencies

2. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 53rd Meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

3. In accordance with decision 53/21, UNEP submitted to the Secretariat a revised Compliance Assistance Programme (CAP) budget at the amount of US \$8,243,090 plus agency support costs of 8 per cent amounting to US \$659,447, representing a 3 per cent increase on the previous year consistent with decision 47/24.

Review of tasks in preparation for the 54th Meeting

4. The Secretariat has undertaken the following tasks in preparation for the 54th Meeting.

Report on balances and availability of resources

5. In accordance with decision 31/2 and 41/92, the Secretariat prepared information on the availability of resources (document UNEP/OzL.Pro/ExCom/54/4). This 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 54th Meeting. Resources consist of cash and promissory notes recorded in the Status of Contributions plus the amount of funds returned from completed projects in the form of balances.

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

6. The Secretariat revised the format of the status of compliance document. The new format is presented as document UNEP/OzL.Pro/ExCom/54/5. Part I provides an update of the status of compliance of Article 5 countries that are subject to the Montreal Protocol's control measures; part II contains information on Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance; part III presents data on the implementation of country programmes, including an analysis of the ozone depleting substances (ODS) consumption data by sector; part IV gives the results of the first risk assessment

including information on projects with implementation delays; and, part V addresses an issue related to 2006 progress report submissions.

2008-2010 business plans

7. The implementing agencies and the Fund Secretariat held a coordination meeting on 29-30 January 2008 to consider business planning in the light of the ODS phase-out required to comply with the 2010 control measures of the Montreal Protocol. Activities planned for countries that needed assistance to comply with the 2010 control measures were considered, as well as activities currently classified as not required for compliance, including HCFC surveys and project preparation, metered dose inhaler (MDI), accelerated methyl bromide, and ODS disposal activities.

Monitoring and Evaluation

Final report on the evaluation of management and monitoring and verification of national phase-out plans (NPPs) in non LVC countries

8. The Senior Monitoring and Evaluation Officer completed the final report on the evaluation of management, monitoring and verification of NPPs in non-LVC countries. The synthesis report which summarizes eight country case studies is presented as document UNEP/OzL.Pro/ExCom/54/12.

Desk study on the evaluation of institutional strengthening (IS) projects

9. The Senior Monitoring and Evaluation Officer prepared the desk study on the evaluation of IS projects as the first phase of an evaluation of the results and achievements of IS projects. The desk study, presented as document UNEP/OzL.Pro/ExCom/54/13, reviews information on IS projects available in the Multilateral Fund Secretariat. It identifies issues for the full evaluation of IS projects which will focus on the future scope, management and funding of IS projects beyond 2010. The final report is scheduled to be submitted to the 55th Meeting of the Executive Committee.

Annual tranche submission delays

10. Document UNEP/OzL.Pro/ExCom/54/14 presents information on annual tranche submission delays. For the 55th and 56th Meetings information on submission delays will be included in the document concerning the review of the implementation of the 2008 business plans in accordance with decision 53/3(c).

Report on implementation of approved projects with specific reporting requirements

11. The Secretariat reviewed progress reports submitted by bilateral and implementing agencies on behalf of the Governments of Afghanistan and Fiji, in light of the original project proposals, ODS data reported by the respective Governments under Article 7 of the Protocol, and relevant decisions taken by the Executive Committee and the Meeting of the Parties. Progress reports on the implementation of NPPs or TPMPs (terminal phase-out management plans) from Cuba, Panama and Uruguay submitted by the Government of Canada and UNDP were also received by the Secretariat. Funding for their corresponding tranches was not requested at this time, since these projects have experienced some delays. The Government of Japan also

submitted a progress report on the implementation of the Mongolia TPMP from January to December 2007. The Secretariat's review and comments are presented in document UNEP/OzL.Pro/ExCom/54/15.

Project Review

12. The Secretariat received for consideration at the 54th Meeting multi-year agreements, projects and activities amounting to US \$64,188,678. This amount includes the total value of new multi-year agreements proposed for approval in principle. It also covers 239 funding requests, which include specific annual tranches and other projects/activities amounting to US \$55,522,883 (including agency support costs where applicable).

13. Following review by the Secretariat 41 activities with a total value of US \$20,108,786 have been being forwarded for blanket approval representing 17.2 per cent of the total number of funding requests received and 36.2 per cent of the value of the requested funding level. A total of 165 projects and activities, which include activities under work programme and work programme amendments, as well as investment projects, are being recommended by the Secretariat for individual consideration for a number of reasons as described in document UNEP/OzL.Pro/ExCom/54/16. These projects are 69 per cent of the total number of funding requests and 51.4 per cent of the value of the requested funding level.

HCFCs

Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys

14. In response to decision 53/37(h) the Secretariat, in cooperation with the implementing agencies, developed draft guidelines for the preparation of HCFC phase-out management plans (HPMPs) as document UNEP/OzL.Pro/ExCom/54/53. This document addresses the timing and the general approach to adopting guidelines for the development of HPMPs, the policy issues related to the development of the guidelines, and outlines specific activities that should be undertaken with respect to data collection, preparation, consultation and finalization of draft guidelines for the preparation of HPMPs.

Preliminary discussion paper providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out

15. In response to decision 53/37(i) the Secretariat prepared a preliminary discussion document on cost considerations surrounding the financing of HCFC phase-out. The document is based on a review of existing principles and guidelines for determining eligible incremental costs currently applied to Multilateral Fund projects, and examines the relevance of those guidelines and principles to HCFC phase-out. It also gives a description of alternative technologies, and an outlook regarding possible costs of addressing HCFC reductions in the foam and refrigeration sectors. As indicated in decision 53/37(i) document UNEP/OzL.Pro/ExCom/54/54 will be issued on 25 March 2008

Reconciliation of 2006 accounts (follow-up to decision 53/42 (c) and (d))

16. In accordance with decision 53/42(c) and (d) the Secretariat prepared a report (document UNEP/OzL.Pro/ExCom/54/55) on the methodology used by the implementing agencies when reporting on expenditures incurred against the programme support costs for approved projects and UNEP's report on its findings on reconciling the amount of US \$105,494 and the actions it proposed to take to reconcile the data in its progress report with that in its final financial statement.

Assessment of the administrative costs required for the 2009-2011 triennium (follow-up to decision 50/27)

17. In January 2008, the contract for the independent assessment of the administrative costs for the 2009-2011 triennium was initiated by the consulting firm selected: PricewaterhouseCoopers (PwC). The Consultant attended the inter-agency coordination, met with representatives of the TEAP Replenishment Task Force, and initiated site visits to agencies in February and March. A progress report prepared by PwC, document UNEP/OzL.Pro/ExCom/54/56, provides a review of the objectives, the study approach, an outline for the final report, and site visits.

Report on the operation of the Executive Committee

18. In response to decision 53/40 and in light of decision XIX/11 of the Nineteenth Meeting of the Parties that granted the Executive Committee "*the flexibility to hold two or three meetings annually, if it so decided*", the Secretariat resubmitted a report that provides an update on issues relating to the number of Executive Committee meetings per year. Document UNEP/OzL.Pro/ExCom/54/57 addresses the implications of decision XIX/6 on the workload of the Executive Committee, especially over the next two years and proposes options for the Committee's consideration.

Revised staffing structure for the Secretariat

19. Further to decision 53/43(e), and in light of the future work and operation of the Multilateral Fund, the Secretariat is making as staff restructuring proposal that would enable it to continue to support the Executive Committee in the most efficient and cost effective manner. The proposal is presented as document UNEP/OzL.Pro/ExCom/54/58.

Documents and policy papers prepared by the Fund Secretariat

20. Of the documents submitted for consideration at the 54th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Status of the Fund (in collaboration with the Treasurer)
- Report on balances and availability of resources;
- Status on implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol.;
- Consolidated 2008-2010 business plan of the Multilateral Fund;

- Comments on agencies' business plans for the years 2008-2010;
- Final report on the evaluation of management, monitoring and verification of national phase-out plans (NPPs) in non LVC countries;
- Desk study on the evaluation of institutional strengthening projects;
- Annual tranche submission delays;
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2008 work programme amendments of UNEP and the 2008 work programmes of UNDP, UNIDO and the World Bank (four documents);
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 54th Meeting, in respect of 111 Article 5 countries;
- Comments on the country programme of Eritrea and country programme update of Nigeria;
- Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h));
- Preliminary discussion paper providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out (decision 53/37 (i));
- Reconciliation of 2006 accounts (follow-up to decision 53/42 (c) and (d) (in collaboration with the Treasurer);
- Report on the operation of the Executive Committee (decision 53/40);
- Revised staffing structure for the Secretariat (decision 53/43 (e)).

Study on the collection and treatment of unwanted ozone-depleting substances in Article 5 and non-Article 5 countries

21. The Fund Secretariat reviewed a draft report a study on the collection and treatment of unwanted ozone-depleting substances in Article 5 and non-Article 5 Countries carried out by ICF International. Based on comments from the Secretariat the study as prepared by the consultants has been finalized and is presented as document UNEP/OzL.Pro/ExCom/54/Inf.3. The final report will be submitted for consideration at the Twenty-Eighth Meeting of the Open-ended Working Group in accordance with the request of the Meeting of the Parties (decision XVIII/9).

Meetings attended and missions undertaken

Missions of the Chief Officer

Bali, Indonesia (2-12 December 2007)

22. The Chief Officer attended the United Nations Climate Change Conference and associated meetings hosted by the Government of Indonesia. During the meeting a side event took place on negotiating a post-Kyoto climate treaty: lessons from the Montreal Protocol (4 December) organized by the Government of Sweden. The Ozone Unit of the Government of Indonesia also held a seminar on the phase-out of ODS refrigerants and the correlation of the

ozone layer protection programme with climate change. The Chief Officer gave a brief introduction on the success of the Multilateral Fund.

London, United Kingdom (14 December)

23. On her return journey from Bali, the Chief Officer attended a meeting with UK foam experts on 14 December 2007, in order to obtain information on the experience in transitioning from HCFCs to non-ODS alternatives in foam blowing applications.

Vienna, Austria (16-19 February 2008)

24. The Chief Officer took part in a seminar on alternative substances and technologies to phase out HCFCs in Article 5 countries and CEITs (Countries with Economies in Transition) held from 18-20 February 2008. She gave a presentation on the achievements of the Multilateral Fund and future challenges to phase out HCFCs.

The Principality of Monaco (20-23 February 2008)

25. The Chief Officer attended the 10th Special Session of the UNEP Governing Council and the Global Ministerial Environment Forum from 20-22 February 2008. There she took part in an interactive dialogue during the Committee of the Whole on Multilateral Environmental Agreements and environmental governance and made a brief statement on the contribution by the Multilateral Fund to phasing out ozone depleting substances and at the same time bringing benefits to the global climate.

Washington D.C., United States of America (4 March 2008)

26. The Chief Officer met with representatives of the U.S. Environmental Protection Agency and U.S. Department of State to discuss Multilateral Fund matters and to meet with Ms. Amy Fraenkel, the Director of the UNEP Regional Office for North America (RONA).

Missions of other Secretariat staff

Beijing, China (4-20 December 2007)

27. The Deputy Chief Officer and a Senior Project Management Officer participated in the International Symposium on ODS phase-out and technology development of HCFC substitution (7-8 December 2007) in order to improve the understanding of the HCFC-related situation in China. The Secretariat staff also met representatives of trans-national corporations, and requested their assistance on work on technical and cost considerations being undertaken by the Secretariat. In addition to the symposium with stakeholders from the Chinese foam industry, a meeting was held with the China home appliances industry association and the China Association of HCFC Producers to discuss the accelerated phase-out of HCFCs.

28. Following these meetings the Deputy Chief Officer attended an event organized by the State Environmental Protection Administration (SEPA), and the China Tobacco Monopoly Association (17-18 December 2007) for the celebration of the successful conclusion of the phase out of CFC-11 in the tobacco fluffing sector in China where he delivered a statement on behalf

of the Chief Officer, congratulating SEPA, the Tobacco Monopoly Association and UNIDO on the successful completion of the sector plan.

*Teheran and Isfahan, Islamic Republic of Iran (7-11 December 2007)
New Delhi, India (12-15 December 2007)*

29. The Senior Monitoring and Evaluation Officer travelled to the Islamic Republic of Iran and India with two consultants to prepare country case studies for the evaluation of the management, monitoring and verification of national CFC phase-out plans (NPPs). Together with the consultants he held discussions with the staff in the national ozone units and project management units as well as selected stakeholders about the management of the respective NPPs, the results achieved and the lessons learned, the monitoring system in place and the verification process.

New York, United States of America (21-22 January 2008)

30. A Senior Project Officer attended part of the ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Winter Meeting, in order to discuss HCFC phase-out issues, available HCFC alternatives, and other related issues with refrigeration experts. He also attended the AHR Expo, a major exhibition for the air-conditioning, heating, refrigeration and ventilation industry.

Langkawi, Malaysia (16- 21 March 2008)

31. The Senior Monitoring and Evaluation Officer participated in South East Asia and the Pacific (SEAP) and South Asia (SA) regional network meetings (17-19 March) and briefed evaluation consultants about the preparation of regional and country case studies for the 2008 evaluation of IS projects.

Bangkok, Thailand (February 2008) and Doha, Qatar (February 2008)

32. The Senior Administration Officer joined the Ozone Secretariat on a mission to Thailand and Qatar to make arrangements for the 55th and 56th Meetings of the Executive Committee.

33. The Government of Qatar committed itself to cover the cost differentials of holding the 56th Meeting of the Executive Committee in Doha (Qatar), as opposed to having it in Montreal, through a Host Government agreement. It intends to provide the IT facilities (staff and hardware) and a meeting management system for a paper-free meeting with the aim of setting an example to other international meetings. It is expected that both the Multilateral Fund and the Ozone Secretariats will work closely with the meeting organizers at the 55th Meeting and the 28th Meeting of the Open-Ended Working Group (OEWG) to be held in Bangkok in July 2008 to assess how the paper-less system would operate at the 56th meeting to be held in November 2008 in Doha.

Meeting on cost-effective and environmentally friendly alternatives to HCFCs

34. Staff from the Fund Secretariat plan to attend the technical meeting on cost-effective and environmentally friendly alternatives to HCFCs organized by the European Commission. The meeting is to be held in Montreal (5-6 April 2008) immediately preceding the 54th Meeting of the Executive Committee. Invited participants include representatives of industry, international

experts, and Article 5 country representatives. The meeting seeks to provide information to Article 5 stakeholders on the technical tools needed to phase-out HCFCs.

Cooperation with Multilateral Environmental Agreements (MEAs) and other organizations

35. The Chief Officer received a letter dated 26 November 2007 from the Joint Executive Secretary of the Secretariat of the Rotterdam Convention (RC) on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, regarding decision RC-3/5 of the RC Conference of the Parties adopted by at its third meeting. Decision RC-3/5 requests the Rotterdam Convention Secretariat *“to build upon existing sources of relevant global funding by inviting the Global Environment Facility and the Multilateral Fund Executive Committee, within their mandates, and the Parties to the Montreal Protocol to identify those areas that can support implementation of appropriate and relevant objectives of the Convention such as foundational chemical management, and to report on the results of its efforts”*. The letter together with the text of Decision RC-3/5 is attached as Annex I; a link to document UNEP/FAO/RC/COP.3/13, *“Study of possible options for lasting and sustainable financial mechanisms”*, is available on the website and intranet. The Secretariat would welcome the Executive Committee’s guidance on how to respond and to take this request forward.

36. The Chief Officer also received a letter dated 7 December 2007 from the Head of the Chemicals Branch of UNEP Division of Technology, Industry and Economics (UNEP DTIE), inviting a representative of the Fund Secretariat to attend the SAICM (Strategic Approach to International Chemicals Management) Donors Meeting in Paris on 11 February 2008. The meeting had been arranged as an opportunity for donors to have an exchange of views on possible strategies and means for strengthening the financial base for SAICM implementation, as well as funding for the second session of the International Conference on Chemicals Management to be held in May 2009 in Geneva. Donor governments considered that their discussions could be assisted by the presence of the relevant multilateral funding agencies and related secretariats. The Secretariat did not attend the meeting but offered to provide the Secretariat with information on the operation of the Multilateral Fund. The letter from UNEP DTIE and a link the SAICM website including the meeting document *“SAICM implementation: engagement of the Global Environment Facility and the Multilateral Fund for the Implementation of the Montreal Protocol”*, are available on the intranet.

37. The Chief Officer received a further letter dated 22 January 2008 from the Head of the Chemicals Branch (UNEP DTIE) together with a status report on the Quick Start Programme (QSP) and the QSP Trust Fund prepared by the SAICM Secretariat. This correspondence is available on the intranet. The SAICM Secretariat expresses the desire to facilitate information exchange with the Fund Secretariat on projects of mutual interest and looks forward to ongoing collaboration.

38. The Chief Officer received a third letter, dated 3 March 2008, from the Head of the Chemicals Branch (UNEP DTIE) drawing attention to the first meeting of the Ad hoc Open-ended Working Group on Mercury and in particular to one of the tasks assigned to the Chemicals Branch as the secretariat to the Ad hoc Working Group:

“On technology support, to provide information, based on experience with existing legally binding and voluntary arrangements, on how sustainable

technology transfer and support could be facilitated for global mercury control actions.”

39. The letter, a copy of which is attached as Annex II, requested the Fund Secretariat to provide comments on experience in building the technical capacity of developing countries under the Multilateral Fund and whether there are particular aspects of the process that made it either sustainable or non-sustainable.

Inter-Agency Coordination Meeting

40. In order to facilitate preparations for the 54th Meeting, the implementing agencies and the Fund Secretariat held an Inter-Agency Coordination Meeting from 29-30 January 2008. Participants included Secretariat staff, all four multilateral implementing agencies, two bilateral agencies (Canada and Japan) and the Deputy Executive Secretary of the Ozone Secretariat. The meeting enabled the Secretariat and agencies to discuss a wide range of issues including business planning for 2008-2010, submissions to the 54th Meeting, and monitoring and evaluation issues in 2007.

41. Participants also discussed HCFC activities and the need to initiate these in 2008 given the historic timeframe for completing plans and implementing projects, as well as the 2013 freeze on HCFCs.

Staff issues/ Staff training

42. The Secretariat has continued with its language training programme. On 7 May a team building course is to be held for Secretariat staff. The course was originally scheduled for November 2007 but was cancelled due to work commitments of the Secretariat staff.

Preparation for the meetings of the Executive Committee

43. Logistical arrangements were made for the 54th Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 7-11 April 2008. Letters of invitation and meeting documentation were provided to members of the Executive Committee, the President of the Bureau of the 19th 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 observers (NGOs/IGOs).

44. The Fund Secretariat also provided administrative assistance for the technical meeting organized by the European Commission on cost-effective and environmentally friendly alternatives to HCFCs to be held in Montreal from 5-6 April 2008 (see paragraph 34).

Information Activities

45. Reports of the 53rd 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).

46. A 54th Meeting site containing documents in Arabic, Chinese, English, French and Spanish, and logistical information on the 54th Meeting was created on the Multilateral Fund intranet. All documents for general distribution were additionally placed on the public web site.

47. The Secretariat further refined and developed the web-based system for multi-year agreements (MYA) overview tables. In addition to continuous debugging and adapting the system to operate on the different platforms and browsers used by the implementing agencies, work is underway to also provide a data entry mechanism for new phase-out agreements and terminal phase-out management plans (TPMPs). In order to assist the agencies in completing the tables for the 54th Meeting, the Secretariat engaged a consultant to provide quality control checks on incoming data and advice on how to improve data consistency and completeness of entries. In order to reduce the paper documentation for the meeting, the MYA tables are not attached to the meeting documents but are available through the online system from both the website and intranet.

48. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 54th Meeting:

- (a) Executive Committee Primer, January 2008;
- (b) Inventory of Approved Projects as of November 2007;
- (c) Policies, Procedures, Guidelines and Criteria as of November 2007;
- (d) Phase-out plans and projects as of November 2007.



ROTTERDAM CONVENTION

SECRETARIAT FOR THE ROTTERDAM CONVENTION
ON THE PRIOR INFORMED CONSENT PROCEDURE
FOR CERTAIN HAZARDOUS CHEMICALS AND PESTICIDES
IN INTERNATIONAL TRADE



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Geneva, 26 Nov 2007

Subject: Implementation of COP Decision 3/5 Financial Mechanisms

Dear Ms. Nolan,

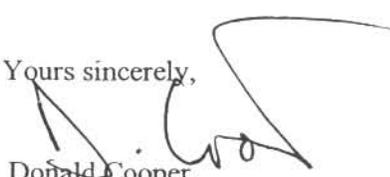
The third meeting of the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (COP-3) was held in Geneva from 9 to 13 October 2006.

My purpose in writing is to draw your attention to Decision RC-3/5 *Financial Mechanisms* taken at that meeting. A copy of the decision is enclosed for your ease of reference, together with a copy of our letter to Parties regarding implementational aspects of that decision. While the decision mainly addresses the issue of sustainable financing for Parties' implementing the Rotterdam Convention, it is also of relevance to your role in supporting the Parties' implementation of Montreal Protocol.

In considering opportunities for sustainable financing, COP-3 recognized that much of the foundational chemicals management required to support implementation of the Rotterdam Convention was also required for implementation of other chemicals and wastes conventions. The difference between this foundational chemicals management and activities required to implement the specific provisions of the Rotterdam Convention are elaborated in Section C of UNEP/FAO/RC/COP.3/13 "*Study of Possible Options for lasting and sustainable financial mechanisms*" a copy of which is enclosed for ease of reference. I am sure that you will recognize this as an issue that Parties to the Montreal Protocol would also encounter in addressing ozone depleting substances.

Decision RC 3/5 request that the Executive Committee of the Multilateral Fund identify areas within its mandate that can support implementation of appropriate and relevant objective of the Convention such as foundational chemical management. I would be pleased to consult with you on ways in which the Rotterdam Convention secretariat can work with you in this endeavour.

Yours sincerely,


Donald Cooper

Joint Executive Secretary

Ms. Maria Nolan
Chief Officer
The Secretariat of the Multilateral Fund for the
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RC-3/5: Financial mechanism

The Conference of the Parties,

Recognizing the need for lasting and sustainable financial support for sound chemicals management including implementation of the Rotterdam Convention,

Building on existing strategies for the mobilization of resources to support the implementation of multilateral environmental agreements and approaches dealing with the sound management of chemicals,

Supporting the implementation of the Bali Strategic Plan for Technology Support and Capacity-building and other ongoing activities in this regard,

Recognizing that sizeable development assistance flows to build foundational capacities in sound chemicals management should be available to developing countries and countries with economies in transition that intend to mainstream sound chemicals management objectives into their national development plans and assistance requests, but that challenging obstacles exist that prevent those countries from accessing those funds in their efforts to achieve sound chemicals management,

Highlighting the importance of strengthening linkages and coordinating resource mobilization strategies of other multilateral chemicals agreements, approaches and processes, including the Stockholm Convention on Persistent Organic Pollutants, the Montreal Protocol on Substances that Deplete the Ozone Layer to the Vienna Convention on the Protection of the Ozone Layer, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Strategic Approach to International Chemicals Management, including its Quick Start Programme, and the Chemicals Branch of United Nations Environment Programme's Division of Technology, Industry and Economics,

Welcoming work undertaken by the United Nations Environment Programme in identifying modalities for mainstreaming chemicals management issues into national development strategies, including poverty reduction strategy plans,

Welcoming the secretariat's study of possible options for lasting and sustainable financial mechanisms,³ specifically its identification of the difference between foundational chemicals management capacities, upon which the ability to regulate chemicals effectively is based, and activities required to implement the specific provisions of the Convention,

Acknowledging that the needs for foundational capacities may be most effectively addressed within the broader frameworks of the international chemicals and wastes agreements cluster and overarching sustainable development strategies such as those set out in the Millennium Development Goals and the Monterrey Consensus of the International Conference on Financing for Development,

Acknowledging also that a strategic, multifaceted approach to securing lasting and sustainable financial resources is required for the effective implementation of the Convention and should explore and take advantage of all reasonably available opportunities and utilize existing institutions and processes whenever it is feasible to do so,

1. *Invites* developing country Parties and Parties with economies in transition:

(a) To incorporate sound chemicals management into national development plans such as poverty reduction strategy plans in order to promote mainstreaming as part of multilateral and bilateral financing;

(b) To include capacity-building and technology transfer for the implementation of the Convention, including their maintenance, in the regional implementation of the Bali Strategic Plan;

2. *Recommends* individual developing countries and countries with economies in transition which are Party to both the Stockholm Convention and the Rotterdam Convention:

(a) To use their national implementation plans under the Stockholm Convention as a basis for defining gaps in their chemicals management infrastructure for implementation of the Rotterdam Convention, noting that the Rotterdam Convention secretariat, in conjunction with the United Nations Institute for Training and Research, is field testing supplementary guidance to assist countries in doing so;

(b) To propose to the Global Environment Facility projects within its mandate that may contribute to implementation of the Stockholm Convention and contribute indirectly to the implementation of the Rotterdam Convention by building foundational chemicals management capacity;

3. *Recommends* that individual developing country Parties and Parties with economies in transition:

(a) Propose projects under the Strategic Approach to International Chemicals Management's Quick Start Programme that will build foundational capacities in sound chemicals management necessary for their adequate implementation of the Rotterdam Convention;

(b) Propose projects under the Quick Start Programme that will support activities directed at enabling the implementation of sound chemicals management objectives by mainstreaming them into national development strategies, noting that this type of enabling activity is among the strategic priorities of the Quick Start Programme;

(c) Request the secretariat to facilitate the identification of donors that will provide them with technical support to assist them in integrating sound chemicals management objectives into their national development assistance requests, noting that the provision of such technical support is among the financial considerations included in subparagraph 19 (c) (i) of the Strategic Approach to International Chemicals Management's Overarching Policy Strategy;

4. *Requests* individual developed country (donor) Parties and the Governments of other countries, in support of the above actions by developing countries and countries with economies in transition, to communicate to the secretariat of the Strategic Approach to International Chemicals Management, individual developing country Parties and individual Parties with economies in transition their willingness to provide the technical support referred to in the Overarching Policy Strategy;

5. *Requests* the secretariat to consult with the Basel Convention secretariat, the Stockholm Convention secretariat, the Strategic Approach secretariat and other appropriate entities to help identify ways in which the secretariat might, as part of a multi-faceted strategy for securing financial resources, assist Rotterdam Convention developing country Parties and Parties with economies in transition in their efforts to integrate sound chemicals management objectives into their national development assistance requests;

6. *Invites* Parties to provide information on which to base an assessment of the cost of implementing the specific requirements of the Convention in developing countries and in countries with economies in transition;

7. *Encourages* donors to continue contributing generously to the Convention's Voluntary Special Trust Fund;

8. *Requests* the secretariat, in a facilitative role, to work closely with relevant implementing, executing, and finance agencies (including among others the World Bank, the United Nations Development Programme, the United Nations Environment Programme and the United Nations Industrial Development Organization) and the Global Environment Facility to enhance their understanding of and support for the aims and objectives of the present decision;

9. *Requests* the secretariat to continue to consult with the secretariats of the Stockholm Convention, the Basel Convention and the Strategic Approach to International Chemicals Management to explore ways to make more effective use of and build upon existing sources of relevant global funding by inviting the Global Environment Facility and the Multilateral Fund Executive Committee, within their mandates, and the Parties to the Montreal Protocol to identify those areas that can support implementation of appropriate and relevant objectives of the Convention such as foundational chemical management, and to report on the results of its efforts;

10. *Invites* Parties, for the longer term, to consider the need for the Global Environment Facility to broaden its programming activities, including the possibility of a chemicals-related focal area, with a view to targeted and sustainable funding of priority needs within recipient countries for the implementation of those objectives of the Convention that relate to the incremental costs of achieving global environmental benefits;

11. *Requests* the secretariat as part of its activities in the context of paragraphs 8 and 9 to continue exploring as appropriate possibilities for new sources of funding to support the implementation of the Rotterdam Convention.



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

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Geneva, Switzerland

Geneva, 3 March 2008

Dear Ms Nolan,

The Governing Council of the United Nations Environment Programme, at its 24th meeting in February 2007, acknowledged widespread concerns over the serious adverse effects of mercury on human health and the environment and the urgent need for international action. It recognized that current efforts to reduce risks from mercury are not sufficient to address the global challenge posed by mercury.

As one of the actions to address this challenge, it established an ad hoc Open Ended Working Group (OEWG) to review and assess the options of enhanced voluntary measures and new or existing legal instruments. The first meeting of this group was held from 12 to 16 November 2007, and the report of this meeting is available at <http://www.chem.unep.ch/mercury/OEWG/Documents.htm>.

The meeting set out a program of intersessional work for the secretariat in preparation for the second meeting of the OEWG, which will be held from 6 to 10 October 2008. One of the tasks within this work is the following:

On technology support, to provide information, based on experience with existing legally binding and voluntary arrangements, on how sustainable technology transfer and support could be facilitated for global mercury control actions.

In this regard, I am writing to you in your capacity as the Executive Secretary of a multilateral environmental agreement that may have experience in technology transfer or technical support of developing countries. I would welcome your comments on experience in building the technical capacity of developing countries under your MEA, and in particular, whether there are particular aspects of the process that made it either sustainable or non-sustainable.

I will appreciate your could provide your submission on or before 30 March 2008, to allow the secretariat sufficient time to prepare its report for the October meeting. Thank you in advance for your cooperation in this regard.

Yours sincerely,

Per Bakken
Head
Chemicals Branch, DTIE
United Nations Environment Programme

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