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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixtieth Meeting  
Montreal, 12-15 April 2010

**SECRETARIAT ACTIVITIES**

## **Notification of the Decisions of the 59<sup>th</sup> Meeting of the Executive Committee**

1. The report of the 59<sup>th</sup> Meeting (UNEP/OzL.Pro/ExCom/59/59), containing the decisions of the Executive Committee, was conveyed to all Executive Committee Members, other participants of the 59<sup>th</sup> Meeting, and to Parties to the Montreal Protocol. Furthermore, decisions related to project approvals, implementation delays and annual tranche submission delays were communicated to 93 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions taken at the 59<sup>th</sup> Meeting was sent by email to all meeting participants, to UNEP OzonAction Branch for onward transmission to the regional networks, and was also placed on the Multilateral Fund's intranet and website.

### **Decisions requesting certain actions by the Chair of the Executive Committee, the Secretariat and/or implementing agencies**

2. The Secretariat sent instructions to the Treasurer to transfer funds to the four implementing agencies regarding the net allocations approved at the 59<sup>th</sup> Meeting, shortly after finalization of the Report of the 59<sup>th</sup> Executive Committee Meeting, and to offset bilateral project approvals against the concerned countries' contributions.

#### Status of the CFC phase-out plan in Antigua and Barbuda and gazetting of the licencing system in Barbados

3. In accordance with decision 59/3(c) on 17 December 2009 the Chair of the Executive Committee wrote to the Ministry of the Environment of Antigua and Barbuda requesting the expedited implementation of the country's CFC phase-out plan in the light of the complete phase-out of CFCs by 1 January 2010.

4. The Chair also wrote to the Minister of the Environment of Barbados as a follow-up to decision 59/4(b)(ii) requesting that gazetting of the licensing system be expedited to enable implementation of ongoing projects for implementation of the refrigerant management plan (RMP), implemented by UNDP and UNEP, in the light of the impending 1 January 2010 deadline for phase-out of most ozone depleting substances (ODS). A reply, received from the Ministry of Environment of Barbados on 22 January 2010, provided an update on the status of activities related to the refrigerant management plan and information on progress of the gazetting process.

### **Review of tasks in preparation for the 60<sup>th</sup> Meeting**

5. The Secretariat has undertaken the following tasks in preparation for the 60<sup>th</sup> Meeting.

#### Status of resources and planning

##### *Balances and availability of resources*

6. The Secretariat prepared information on balances and the availability of resources that included a review of the obligated total balances from completed projects held by agencies, and any agency support costs associated with the funds remaining from those completed projects. It also included a calculation of the total amount of resources available to the Executive Committee for approvals at the 60<sup>th</sup> Meeting. A total of US \$132,931 including agency support costs is to be returned as balances and thus, as at 12 March 2010, US \$116,319,321 was available for approvals by the Executive Committee at its 60<sup>th</sup> Meeting.

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

7. The Secretariat prepared an update on the status of compliance of Article 5 countries in response to decisions 32/76(b) and 46/4. The document presented as UNEP/OzL.Pro/ExCom/60/6 also contains information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance, data on the implementation of country programmes, including an analysis of the ODS consumption data, by sector. The document also includes information on projects with implementation delays.

8. With reference to country programme (CP) data reporting, only 129 of the required 143 countries provided 2008 CP data in time for analysis in document UNEP/OzL.Pro/ExCom/60/6 and only four countries had submitted 2008 country programme data using the web-based system. The Secretariat is also requesting the Executive Committee's approval to modify the country programme data reporting format to include information relevant to the accelerated HCFC phase-out including whether HCFC control measures are included in licensing systems.

2010-2012 business plans

9. The implementing agencies and the Fund Secretariat reviewed their business plans including funding for multi-year agreements (MYAs) and standard costs, ODS disposal, and HCFC phase-out in a coordination meeting from 28 to 29 January 2010 (see paragraph 33). Activities in agencies plans address the 2013 and 2015 Montreal Protocol control measures and the total phase-out of methyl bromide in 2015, rather than the traditional three-year time frame. The Secretariat prepared a consolidated version of the implementing and bilateral agencies' 2010-2012 business plans reviewing the extent to which the business plans address the needs identified in the compliance-oriented model rolling three-year phase-out plan for 2010-2012, the resource allocation for 2010 and 2011, compliance and performance indicators. It was noted that the values of agencies' activities included in the business plans exceed the budgets for 2010 and 2011 by US \$111.8 million and US \$231.4 million, respectively and the Secretariat made suggestions on how to address the overrun.

Programme implementation

*Annual tranche submission delays*

10. The Secretariat prepared information on delays in the submission of annual tranche due to the 60<sup>th</sup> Meeting including those that have been delayed for more two consecutive meetings (document UNEP/OzL.Pro/ExCom/60/13). There were no MYA tranches submitted to the 60<sup>th</sup> Meeting that needed to be withdrawn.

Review of approved projects with specific reporting requirements

11. Document UNEP/OzL.Pro/ExCom/60/14 contains the review and comments by the Secretariat of progress reports on the implementation of projects where specific reporting requirements are included in the corresponding multi-year agreements. Thirteen projects (9 national phase-out plans/terminal phase-out management plans in the consumption sector and 4 production phase-out projects) had been submitted by the implementing agencies. The Secretariat considered the progress reports in light of the original project proposals, ODS data reported by the respective Governments under Article 7 of the Montreal Protocol, and relevant decisions taken by the Executive Committee and the Meeting of the Parties.

### Project Review

12. The Secretariat received 102 funding requests including new MYAs, tranches of approved MYAs, as well as projects and activities amounting to US \$55,684,552, including agency support costs where applicable. Following the project review process by the Secretariat, 48 projects and activities amounting to US \$8,129,123 were recommended for blanket approval; 40 projects and activities amounting to US \$40,464,688 are being forwarded for consideration by the Executive Committee; and 14 projects and activities amounting to US \$5,276,332 were withdrawn by relevant agencies. The Secretariat prepared an overview of issues identified during project review (document UNEP/OzL.Pro/ExCom/60/15) which included an outline of and statistics on the submissions received from implementing and bilateral agencies and five policy issues.

#### *Policy issues arising from project review*

13. During the process of project review the Secretariat identified a number of policy issues for the Executive Committee's consideration. One issue regarded projects in business plans and the corresponding project submissions. Others covered issues related to requests for institutional strengthening (IS) renewals; the treatment of final tranches of ODS phase-out plans in 20 Article 5 countries where the requested level of funding was over US \$5 million; and consideration of projects for the conversion of domestic and/or commercial refrigeration enterprises where the total HCFC consumption is used as a foam blowing agent as part of the rigid insulation refrigeration foam sub-sector.

### HCFC policy issues

14. The Secretariat prepared four documents to facilitate the Executive Committee's consideration of issues related to the eligibility of funding HCFC phase-out projects.

#### *Relevant aspects of component upgrade in HCFC conversion projects (decision 59/13(b))*

15. In accordance with decision 59/13(b) the Secretariat prepared a document providing information on the eligibility of component upgrades to improve the climate impact of the HCFC conversion projects (document UNEP/OzL.Pro/ExCom/60/45).

#### *Outstanding HCFC policy issues (decision 59/46)*

16. The Secretariat prepared a summary of the progress made at the 59<sup>th</sup> Meeting on the status of criteria for funding HCFC phase-out in the consumption sector in document UNEP/OzL.Pro/ExCom/60/46. A draft text of a decision setting out an alternative proposal for funding HCFC phase-out in the refrigeration servicing sector, which was presented to the contact group at the 59<sup>th</sup> Meeting but was not considered due to lack of time, is also included.

#### *Cost for conversion of component manufacturing versus incremental operating cost (decision 59/14)*

17. At its 59<sup>th</sup> Meeting the Executive Committee deferred consideration of issues regarding refrigeration or air-conditioning systems using HCFCs that arose during the review of a project for Jordan to the 60<sup>th</sup> Meeting (decision 59/14). The Secretariat prepared document UNEP/OzL.Pro/ExCom/60/47 to provide background on the appropriateness and feasibility of the Multilateral Fund covering the conversion of the manufacturing of components as opposed to funding the incremental operating costs for the manufacturers of the final products, and raises the specific question of whether the conversion of the manufacture of heat exchangers would be considered as an incremental cost.

Revised template for draft agreements for HCFC phase-out management plans (HPMPs) (decision 59/16(b))

18. Following the adoption of decision 59/16(b) the Secretariat wrote to Executive Committee Members and bilateral and implementing agencies inviting them to submit comments on the preliminary template for draft agreements for HPMPs considered at the 59<sup>th</sup> Meeting. Based on the comments received, the Secretariat prepared a revised version of the agreement as document UNEP/OzL.Pro/ExCom/60/48 for consideration by the Executive Committee.

Production sector

19. The Secretariat prepared a number of documents for the meeting of the Sub-group on the Production Sector on HCFC production phase-out issues which would take place in the margins of the 60<sup>th</sup> Meeting of the Executive Committee. Production sector documents are available on the Executive Committee intranet.

Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility (decisions 59/45(b)) and 59/48)

20. In accordance with decision 59/48, the Secretariat consolidated the material presented during the 59<sup>th</sup> Meeting on the Special Funding Facility as document UNEP/OzL.Pro/ExCom/60/50 together with issues related to decision XIX/6 paragraph 11(b) of the Nineteenth Meeting of the Parties. The document contains information on the incentives associated with Multilateral Fund climate impact indicator and on a Special funding facility. It also includes the proposal on the Special Funding Facility from Sweden presented during the 59<sup>th</sup> Meeting together with additional contributions in response to decision 59/48 received from Australia, Germany, and the United States of America and summarizes the work to-date in the light of decisions taken by the Executive Committee and the Meeting of the Parties.

Project-related costs in UNIDO's annual report on administrative costs (decision 59/28(c))

21. Based on discussions during the Secretariat's mission to UNIDO (see paragraph 26), the Secretariat prepared document UNEP/OzL.Pro/ExCom/60/51 which presents UNIDO's proposed methodology to distinguish project related staff costs associated with projects from administrative costs and also includes the comments of the Secretariat

Historical analysis of the cost of Executive Committee Meetings (decision 57/43(d))

22. In accordance with decision 57/43(d) the Secretariat prepared an historical analysis of the cost of Executive Committee Meetings as document UNEP/OzL.Pro/ExCom/60/52.

Budget of the Multilateral Fund Secretariat (follow-up to decision 59/52)

23. The Secretariat prepared document UNEP/OzL.Pro/ExCom/60/53 in response to decision 59/52. It provides information on the calculation of the annual increase in salary components of the budgets of other agencies consulted and also information on the Fund Secretariat's budgeting methodology and calculation.

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

24. Of the documents submitted for consideration at the 60<sup>th</sup> Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated provisional agenda;

- Secretariat activities;
- Status of contributions and disbursements;
- Outstanding contributions to the Multilateral Fund by the Russian Federation (decision 59/54);
- Report on balances and availability of resources;
- Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol;
- Consolidated 2010-2012 business plan of the Multilateral Fund;
- Comments on agencies' business plans for the years 2010-2012;
- 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 2010 work programmes of UNEP, UNDP, UNIDO and the World Bank (4 documents);
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 60<sup>th</sup> Meeting (14 documents);
- Relevant aspects of component upgrade in HCFC conversion projects (decision 59/13(b));
- Outstanding HCFC issues: cut-off date, level of incremental operating costs, funding provided to the servicing sector, and incremental capital costs (decision 59/46);
- Cost for conversion of component manufacturing vs. incremental operating cost (decision 59/14);
- Revised template for draft agreements for HCFC phase-out management plans (decision 59/16(b));
- Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility (decisions 59/45(b) and 59/48);
- Methodology for identifying project-related costs in UNIDO's annual report on administrative costs (decision 59/28(c));
- Historical analysis of the cost of Executive Committee Meetings (decision 57/43(d));
- Budget of the Multilateral Fund Secretariat (follow-up to decision 59/52).

### **Cooperation with other Multilateral Environmental Agreements (MEAs) and other organizations**

25. A Senior Programme Officer took part in the review of the Technology and Economic Assessment Panel's report, "Low global warming potential alternatives for HCFCs" being prepared in accordance with decision XXI/9 of the Twenty-first Meeting of the Parties to the Montreal Protocol.

### **Meetings attended and missions undertaken**

#### Missions of the Chief Officer

*Vienna, Austria (5-10 February 2010)*

26. The Chief Officer and a Senior Project Management Officer met with the Deputy Director and Managing Director of UNIDO and staff from UNIDO's Montreal Protocol and Finance Branches to discuss issue related to UNIDO's core unit costs in preparation for the Executive Committee's discussions at its 60<sup>th</sup> Meeting on a methodology to assist UNIDO in identifying project related costs (decision 59/28). The results of this meeting are presented in document UNEP/OzL.Pro/ExCom/60/51.

*Bali, Indonesia (20-27 February 2010)*

27. The Chief Officer participated in the simultaneous extraordinary meetings of the Conferences of the Parties to the Basel, Rotterdam and Stockholm conventions (22 to 24 February 2010) and the 11<sup>th</sup> Special Session of the Governing Council of UNEP (24-26 February 2010), where she had the opportunity to discuss administrative matters with the UNEP Executive Director, and also to interact with delegations on current Multilateral Fund issues.

*Shanghai and Beijing, China (18-24 March 2010)*

28. The Chief Officer together with the Executive Secretary of Ozone Secretariat attended the first day of Technology and Economic Assessment Panel's (TEAP) Medical Technical Options Committee (MTOC) meeting (21 March 2010) to advise on the current status of implementation of CFC metered-dose inhaler projects. Both then attended meetings with the Vice Minister of Environmental Protection (MEP) in Beijing (22 and 23 March 2010) and senior officials of MEP and the Foreign Economic Cooperation Office of the State Environmental Protection Administration to discuss future development related to HCFCs, the Montreal Protocol and the Multilateral Fund. The Chief Officer and the Executive Secretary also had a meeting with representatives of the ODS production, refrigeration and foam industry associations to discuss the preparation of China's HPMP and future challenges as regards to HCFC phase-out.

Missions of other staff*Miami, United States of America (20-22 January 2010)*

29. A Senior Project Management Officer attended a workshop, introduction to emissions trading, and the "Carbon Markets North America 2010" conference which focused on the implications of the proposed federal cap-and-trade system, and the outcomes from United Nations Climate Change Conference held in Copenhagen in December 2009.

*Beirut, Lebanon (30 March to 1 April 2010)*

30. A Senior Project Management Officer will be attending the Follow-up Meeting of the Ozone Officers Network for West Asia (30 March to 1 April 2010). A presentation will be made focusing on recent decision relating to HCFC phase-out and the preparation of HPMPs to the Follow-up Meeting of the Ozone Officers Network for West Asia (30 March to 1 April 2010). He will also participate in the in the closing ceremony for the project to phase-out of methyl bromide project in Lebanon (30-31 March 2010).

**Contributions to regional network and other relevant meetings**

31. The Secretariat provided a comprehensive presentation on recent Executive Committee decisions to UNEP DTIE for the meeting of English-speaking Caribbean network ozone officers held from 2 to 5 March 2010. In response to a request from the Government of Japan, a presentation on recent decisions regarding HCFC phase-out activities was provided for the joint Government of Japan and UNIDO seminar on alternative technologies to phase out HCFC in Article 5 countries, which took place in Tokyo (Japan) from 8 to 12 March 2010.

**Re-location of Fund Secretariat office**

32. The Fund Secretariat relocated to its new premises, 1000, De la Gauchetière Street West, (Montreal) in December 2009. The move was carried out with minimal disruption to the work of the Secretariat.

### **Inter-agency coordination meeting**

33. In order to facilitate preparations for the 60<sup>th</sup> Meeting, the implementing agencies and the Fund Secretariat held an inter-agency coordination meeting from 28-29 January 2010. Participants included Secretariat staff, the Executive Secretary and Deputy Executive Secretary of the Ozone Secretariat, representatives of all four multilateral implementing agencies and four bilateral agencies (Canada, Germany, Italy and Japan). The meeting enabled participants to discuss a wide range of issues including financial planning for the second and third years of the 2009-2011 triennium in view of the remaining replenishment budget, business planning for 2010-2012 in light of the HCFC control measures, and submissions to the 60<sup>th</sup> Meeting.

### **Recruitment and selection progress report**

34. The selection process for the post of Deputy Chief Officer has been completed and a recommendation from the Fund Secretariat was forwarded to the UNEP Executive Director in December 2009. The selection process for the two P3 posts has also been completed and the selected candidates took up their appointments prior to the 60<sup>th</sup> Meeting in March 2010. A selection panel for the post of Senior Monitoring and Evaluation Officer was formed and a short-list of candidates for interview prepared.

### **Staff training**

35. Two Senior Programme Officers travelled to New York (15-17 December 2009) to participate in module II of the United Nations management development programme, a mandatory leadership and management course for senior United Nations staff. A training course on Microsoft Office 2007 is scheduled for all Secretariat staff immediately following the 60<sup>th</sup> Meeting in April 2010.

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

36. Logistic arrangements were made for the 60<sup>th</sup> Meeting of the Executive Committee, to be held at the International Civil Aviation Organization, Montreal, Canada from 12 to 15 April 2010. In compliance with decision 57/39(b) of the 57<sup>th</sup> Meeting of the Executive Committee, the 60<sup>th</sup> Meeting has a four-day duration instead of the customary five-day. Letters of invitation and passwords to access meeting documentation on the intranet were provided to members of the Executive Committee, the President of the Bureau of the Twenty-first 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.

### **Preparation for other meetings**

37. The Fund Secretariat is assisting the Ozone Secretariat with preparations and arrangements for the meetings of the TEAP Foams Technical Options Committee (FTOC), which is to be held in the Fund Secretariat's offices from 17 to 19 May 2010.

### **Information activities**

38. The report of the 59<sup>th</sup> Meeting of the Executive Committee in Arabic, Chinese, English, French and Spanish and a post-meeting summary were posted on the Multilateral Fund public web site ([www.multilateralfund.org](http://www.multilateralfund.org)). A 60<sup>th</sup> Meeting site was created on the intranet containing documents and logistical information for the 60<sup>th</sup> Meeting. Documents for general distribution were placed on the public web site. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines in preparation for the 60<sup>th</sup> Meeting:

- Inventory of Approved Projects as of November 2009;

- Country Programme Summary Sheets as of November 2009;
- Policies, Procedures, Guidelines and Criteria as of November 2009;
- Phase-out plans and projects as of November 2009;
- Executive Committee Primer (2010).

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