



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
Post Meeting Summary of Decisions of the 60th Meeting of the Executive Committee of the
Multilateral Fund for the Implementation of the Montreal Protocol

Introduction

The 60th Meeting of the Executive Committee, which took place in Montreal, Canada from 12 to 15 April 2010, was attended by the representatives of 13 of the Executive Committee member Parties and by participants co-opted from 21 other countries (see attached list). Mr. Javier Camargo of Colombia presided over the meeting as Chair of the Executive Committee in 2010. The Executive Secretary and Deputy Executive Secretary of the Ozone Secretariat, the President of the Bureau, representatives of the implementing agencies, the Treasurer, the Co-Chair of the Technical and Economic Assessment Panel (TEAP), the President of the Implementation Committee, and representatives from the Alliance for Responsible Atmospheric Policy, Greenpeace and Institute for Governance and Sustainable Development also attended the meeting.

The 60th Meeting was the first meeting in 2010, the year in which the Committee would turn its attention fully to the phase-out of HCFCs and other remaining ODS. Members considered the finalization of guidelines for the phase-out of HCFC consumption and a number of issues regarding the phase-out of HCFC production and pharmaceutical grade CFCs for metered dose inhalers (MDIs). In addition to these and other policy items the Executive Committee followed its customary programme of work for the first meeting of the year including financial planning and consideration of the three-year business plans of the bilateral and implementing agencies, and agencies' work programmes.

The Committee approved investment projects and work programme activities with a value of just over US \$31 million, plus US \$2.45 million in support costs for bilateral / implementing agencies, and took a total of 51 decisions including the approval of the first tranches of two HCFC phase-out management plans (HPMPs). The most significant decisions and discussions are summarized below.

Financial matters

Status of contributions and disbursements, balance and availability of resources (decisions 60/1)

The balance of the Fund stood at US \$117,754,981, of which US \$87,083,523 were in cash and US \$30,671,458 in promissory notes. The Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

Status of resources and planning

Report on balances and availability of resources (decision 60/3)

Taking into account the return of balances from completed and cancelled projects, the total funds available at the 60th Meeting were US \$117,968,389. Bilateral and implementing agencies returned US \$213,408 in project and supports costs to the Fund including funds returned from Sweden and

transferred to UNIDO for phase-out plans for Romania and Serbia. The agreements for Romania and Serbia were amended with the verbatim text of decision 60/3 (b).

Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol (decision 60/4)

The Executive Committee considered the latest report on the status/prospects of Article 5 countries in achieving compliance with Montreal Protocol control measures for ODS except HCFCs. The analysis was based on the latest available data, either country programme data or data reported under Article 7, as of 24 February 2010.

Only four countries had submitted 2008 country programme data using the web-based system, which had been available since April 2007. Given the continuing low level of use of the on-line system UNEP and the Secretariat were requested to identify problems associated with this issue in order to determine how best to encourage timely reporting using such systems.

The Secretariat would also modify the country programme data reporting format to include information relevant to HCFC phase-out. UNEP was requested to hold a session on the revised format for country programme data reporting at its network meetings.

2010-2012 business plans (decisions 60/5 and 60/6)

Consolidated business plan (decision 60/5)

The Executive Committee noted the consolidated 2010-2012 business plan of the Multilateral Fund and that it contained activities for compliance with the 2015 control measures of the Montreal Protocol and the Committee adopted a budget of US \$193.9 million for 2010, while noting the budget of US \$203 million for 2011, established by decision 57/4.

The individual business plans submitted by the agencies had included activities that exceeded the budgets for 2010 and 2011 by US \$111.8 million and US \$231.4 million, respectively. Accordingly, the Executive Committee requested bilateral and implementing agencies to revise the plans and submit them to the 61st Meeting. The Secretariat was requested to prepare a revised consolidated business plan for the 61st Meeting based on the agencies' revised plans. Business plans submitted to the 61st Meeting should address planning for the period 2010 to 2014 and the 63rd Meeting 2011 to 2014.

The revised business plans of the agencies should take into account the criteria for funding HCFC phase-out in the consumption sector adopted by the Executive Committee (see decision 60/44), and a number of policy items set out in decision 60/5 including a requirement to:

- integrate terminal phase-out management plan activities beyond 2010 into HCFC phase-out management plans;
- remove new project preparation requests for ODS disposal included in the business plans, except those required by decision 59/10 and requests for countries that had been considered at the 59th Meeting;
- maintain additional HCFC demonstration projects beyond those for which project preparation had already been approved and HCFC demonstration projects with no phase-out;
- remove activities for HCFC demonstration projects scheduled to be submitted after 2010; and
- modify the business plans for HPMP, HCFC demonstration and HCFC investment project preparation to correspond to the values approved for such activities in the light of

decisions 55/13 and 56/16.

Implementing agencies were also requested to indicate more detailed information on the level and type of HCFCs being addressed and the level of climate co-benefits that could be achieved through HCFC phase-out activities required to achieve compliance.

The Committee also requested that a status report on establishing or modifying licensing systems, legislation and regulations funded in the context of HPMP preparation (decision 54/39(e)) be submitted to the 61st Meeting as part of the agencies' progress reports.

Bilateral and implementing agencies business plans (decision 60/6)

Pursuant to decision 60/5 on the consolidated 2010-2012 business plan of the Multilateral Fund, the Executive Committee noted with appreciation the 2010-2012 business plans on bilateral cooperation submitted by Canada, the Czech Republic, France, Germany, Italy and Japan and noted the 2010-2012 business plans of UNDP, UNEP, UNIDO and the World Bank.

UNEP was requested to remove a number of activities from its revised submission to the 61st Meeting and to submit a complete list of special compliance assistance activities with the Compliance Assistance Programme (CAP) budget so that the Executive Committee would be able to examine and approve the budget in a more holistic manner. The approved CAP budget and the list of special compliance activities from the approved CAP budget should be included in business plans submitted to the first Meeting of the Executive Committee in the year following the approval of the budget (decision 60/6).

Programme implementation

Annual tranche submission delays (decision 60/7)

The Executive Committee reviewed all annual tranches of MYAs due for submission to the 60th Meeting noting that 25 of the 55 annual tranches had been submitted on time but that 30 had not been.

Project proposals (decisions 60/9 to 60/42)

Projects submitted to the 60th Meeting not included in business plan or not required for compliance (decision 60/9)

A number of projects that had been submitted to the 60th Meeting had either not been included in the business plans of the implementing agencies, or were not required for compliance. The Committee decided to defer consideration of new activities not required for compliance and not previously considered by the Executive Committee until after their consideration in the context of business plans at the first Meeting of the year.

Funding of institutional strengthening renewals (decision 60/10)

In line with decision 59/47, the Executive Committee decided to extend the date for funding institutional strengthening (IS) projects approved at the 59th Meeting for a period not exceeding two years up to December 2011 (see also decision 60/14(b)). The Secretariat was also requested to prepare a document on objectives, indicators and formats pertaining to requests for the renewal of IS projects

for the 61st Meeting in order to consider the issue of the options for funding IS projects further at the 61st Meeting.

Final tranches of ODS phase-out plans not submitted to the 60th Meeting (decision 60/11)

The Executive Committee would allow outstanding funding tranches of NPPs or TPMPs in Article 5 countries to be submitted to the 61st Meeting on the understanding that the governments concerned would consider implementing activities to sustain zero consumption of CFCs and other activities to facilitate the phase-out of HCFCs. Funding tranches of NPPs or TPMPs not submitted to the 61st Meeting should be integrated into the relevant HCFC phase-out management plans of the countries concerned.

HCFC phase-out projects with a requested level of funding of over US \$5 million (decision 60/12)

HCFC projects in the consumption sector with a level of funding of more than US \$5 million should be submitted by agencies as only one project proposal covering all the enterprises in the relevant sector or sub-sector. Such project proposals should be submitted 12 weeks in advance of the Meeting at which they would be considered.

Accelerated phase-out of HCFCs (decision 60/15)

Several HCFC projects submitted to the 60th Meeting proposed levels of HCFC phase-out greater than the 10 per cent required to meet the 2015 HCFC control measure. The Executive Committee decided that projects which accelerated the phase-out of consumption of HCFCs could be considered on a case-by-case basis for low-volume-consuming (LVC) countries that had a strong national level of commitment in place to support accelerated phase-out.

Project approvals (decisions 60/14, 60/16 – 60/41)

The Executive Committee approved 109 investment projects and work programme activities in 71 countries including additional funding for institutional strengthening in 35 countries for a period up to December 2011 (decision 60/10 and decision 60/14(b)). A further seven countries that had submitted institutional strengthening projects to the 60th Meeting received funding for a period up to 31 December 2011 in accordance with decision 59/47 (decision 60/14(a)).

2013 and 2015 HCFC control measures

HCFC phase-out management plans (decisions 60/37 and 60/38)

The Executive Committee approved the first two HCFC phase-out management plans (HPMPs). The HPMP agreement between the Maldives and the Executive Committee approved in principle US \$1.1 million on an exceptional basis for an accelerated HCFC phase-out by 2020 (decision 60/37). The Committee noted with appreciation the commitment by the Government of Maldives to accelerate its HCFC phase-out by 10 years in advance of the Montreal Protocol schedule. Funds of US \$1.03 million were also approved in principle for the former Yugoslav Republic of Macedonia and included funding for IS until 2020 (decision 60/38).

HPMP preparation

Funding was approved for preparation of HPMPs or HCFC sector plans in Botswana, Iraq, Jordan, Viet Nam, Somalia and for the 12 Pacific Island countries (PIC) through regional approach (decision 60/24). A number of countries (Bahrain, Ecuador, Guatemala, Mongolia, Morocco, Qatar, Saudi

Arabia, Uruguay and Bolivarian Republic of Venezuela) received funding for preparation of HCFC phase-out investment activities in various sectors.

HCFC projects

Project preparation was approved for 2 demonstration projects in China regarding the conversion from HCFC technologies in the extruded polystyrene foam (XPS) (decision 60/20). Two demonstration projects were approved for China, one for commercial refrigeration and one for solvent sector (decisions 60/20, 60/39 and 60/40), and a further demonstration project was approved for Colombia for the validation of the use of super-critical CO₂ in the manufacture of sprayed polyurethane rigid foam was approved on an exceptional basis (decision 60/29).

Funding was approved for a project for the validation of the use of HFO-1234ze as blowing agent in the manufacture of XPS boardstock for Turkey at a level of US \$165,000 (decision 60/33) and US \$2.17 million was approved for a demonstration project for Jordan for the phase-out of HCFC-22 and HCFC-141b used in the manufacture of air-conditioning equipment (decision 60/41). The Committee also approved projects for the phase-out of HCFCs in the manufacture of insulating polyurethane (PU) rigid foam in three countries: Croatia at a funding level of US \$210,000 (decision 60/31); Colombia at a funding level of US \$5.6 million (decision 60/30); Pakistan with a total level of funding of US \$4.8 million (decision 60/32).

Methyl bromide (MB)

The Executive Committee approved an agreement for the national phase-out of methyl bromide (MB) for Chile with total funding in principle of US \$1,730,917 (decision 60/34). In addition a tranche for the MB phase-out plan for Mexico, technical assistance project for Mozambique (soil fumigation) and project preparation for Kenya (post-harvest sector) were also approved.

ODS disposal projects

Preparatory funding for a pilot demonstration project on ODS waste management and disposal was approved for Nigeria (decision 60/26). The requests for project preparation for a pilot project for ODS disposal in India (decision 60/21) and a demonstration project for Mexico (decision 60/42) were deferred to the 61st Meeting.

HCFCs

HCFC policy items deferred until the 61st Meeting

The Executive Committee deferred the agenda items on of the issue of component upgrade in HCFC conversion projects (decision 60/43), the cost for conversion of component manufacturing vs. incremental operating cost (decision 60/45) and the revised template for draft agreements for HCFC phase-out management plans (decision 60/46) until its 61st Meeting

Guidelines for phase-out of HCFC consumption (decision 60/44)

The Executive Committee concluded its extensive discussions on HCFC consumption phase-out policy issues that had taken place over a number of meetings with the approval of detailed guidelines for phase-out in the HCFC consumption sector. These guidelines set out the criteria for funding available for Article 5 countries to enable them to comply with the Montreal Protocol's accelerated HCFC phase-out schedule. Full details can be found in the Report of the 60th Meeting.

Production sector (decision 60/47)

The Sub-group on the Production Sector (Colombia, Grenada and India, representing Article 5 countries, and Canada, Switzerland and the United States of America, representing non-Article 5 countries) was convened to address the issues below:

Production sector agreements for China and India (decision 60/47(b),(c))

The Executive Committee decided to modify production sector agreements for China and India to allow the production for export of pharmaceutical-grade CFCs for 2010 for purposes of meeting essential use requirements of other countries with a number of specific criteria to be fulfilled. China and India must have reporting and verification systems in place that collect specific documentation on the manufacture and import of the non- and pharmaceutical grade CFC and information regarding amounts produced, the production for export of pharmaceutical-grade CFCs, the amounts of raw materials consumed for the production run, non- and pharmaceutical grade CFCs produced, destroyed and exported and provided verifications by means of audit reports.

Technical audit of HCFC production (decision 60/47(e))

The Executive Committee adopted the terms of reference for the technical audit of HCFC production sector in Article 5 countries (Annex IX of document UNEP/OzL.Pro/ExCom/60/54).

Next meeting of the sub-group

The sub-group would address matters regarding the remaining elements of a final decision with respect to the HCFC production sector at the next meeting of the Executive Committee.

Incentives associated with the Multilateral Fund climate impact indicator and a special funding facility (decision 60/48)

The Executive Committee requested the Secretariat to base the report of the Executive Committee on the special funding facility to the 30th Meeting of the of the Open-ended Working Group of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer based on Annex V of document UNEP/OzL.Pro/ExCom/60/50, the “Excerpt from Report of the 59th Meeting of the Executive Committee, Agenda item 12: Further Concept Paper for a Special Funding Facility for Additional Income from Loans and Other Sources (decision 58/37)”.

Other matters

Consumption arising from HCFC-141b contained in pre-blended foam chemicals (decision 60/50)

One member presented a proposal for a decision on HCFC consumption arising from HCFC-141b contained in pre-blended foam chemicals. Since the Executive Committee had already requested the Fund Secretariat to prepare for the 61st Meeting a brief discussion paper on this issue (decision 59/12), the Executive Committee decided to defer consideration of the matter to the 61st Meeting.

61st and 62nd Meetings of the Executive Committee (Decision 60/51)

The Executive Committee decided to hold its 61st Meeting in Montreal from 5 to 9 July 2010, thus amending decision 59/56 and its 62nd Meeting in Montreal from 22 to 26 November 2010.

Report of the 60th Meeting

A complete record of all decisions made at the 60th Meeting, including those covered in this document, can be found in the “Report of the Sixtieth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol” (UNEP/OzL.Pro/ExCom/60/54) which is published on the Multilateral Fund’s website (www.multilateralfund.org). The report is available in Arabic, English, French, and Spanish.

Annex I - Attendance at the 60th Meeting of the Executive Committee

Executive Committee Members	Co-opted countries
Non Article 5	
Canada (Vice Chair)	Australia
Belgium	Netherlands
France	Germany, Italy and the United Kingdom
Japan	
Switzerland	Sweden
United States of America	
Article 5	
Colombia (Chair)	Argentina and Brazil
Grenada	Cuba, Mexico, Saint Lucia and Saint Vincent and the Grenadines
India	China, Indonesia and Malaysia
Morocco	Comoros and Mali
Namibia	Kenya
Saudi Arabia	Jordan, Kuwait and Qatar
Senegal	