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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Sixteenth Meeting
Montreal, 15-17 March 1995

SECRETARIAT ACTIVITIES

1. This document reports on the activities undertaken by the Fund Secretariat since the Fifteenth Meeting of the Executive Committee during the period end-December 1994 to January 1995.

2. The Secretariat has received the following documents for consideration by the Executive Committee:

Financial Matters

3. Report from the Treasurer on Contributions and Fund Disbursements (UNEP/OzL.Pro/ExCom/16/3).

Intersessional Approval

4. In accordance with the request by the Executive Committee at its Fifteenth Meeting, UNEP/OzL.Pro/ExCom/15/45 paragraphs 64 and 117), the Secretariat received the following requests for intersessional approval from:

- UNEP for US \$120,000 for a regional workshop on aerosol conversion for the SEAP region (UNEP/OzL.Pro/ExCom/16/IS/1).
- UNIDO for US \$6,216,134 to the Islamic Republic of Iran (Phase II of the conversion of domestic refrigerator production facilities to phase out CFC-11 and CFC-12 at Arj, Azmayesh, Bahman, Iran Poya and Pars Appliances) (UNEP/OzL.Pro/ExCom/16/IS/2).

5. The Secretariat is in the process of sending its comments and recommendations on these two requests to members of the Executive Committee in accordance with the established rules.

Bilateral Cooperation

6. A joint request was also received from the Governments of Germany and the United States of America to credit US \$1,336,918 and US \$1,643,865, respectively, against their 1994 contributions in bilateral cooperation with China (Changeover of Foam Blowing Agent to Cyclopentane and Refrigerant Cycle to Isobutane in One Plant) (UNEP/OzL.Pro/ExCom/16/6).

7. The Government of the United States of America also requested to credit US \$523,937 against its 1995 contribution, in bilateral cooperation with Argentina (US \$170,000) and China (US \$353,937) (UNEP/OzL.Pro/ExCom/16/6).

Agencies Progress Reports

- UNEP (UNEP/OzL.Pro/Excom/16/7).

Agencies 1995 Work Programme:

- UNDP (UNEP/OzL.Pro/Excom/16/9).
- UNEP (UNEP/OzL.Pro/Excom/16/10).
- UNIDO (UNEP/OzL.Pro/Excom/16/11).
- The World Bank (UNEP/OzL.Pro/Excom/16/12).

Documents prepared by the Secretariat for the Sixteenth Meeting of the Executive Committee:

- Secretariat Activities (UNEP/OzL.Pro/Excom/16/2).
- Consolidated 1995 Work Programme (UNEP/OzL.Pro/Excom/16/8).
- Report of the ad hoc working group on Project Preparation and Evaluation (UNEP/OzL.Pro/ExCom/16/13)
- Proposal on a Modified Fund Management System: Sequential Funding (UNEP/OzL.Pro/Excom/16/14).
- The Administrative Costs of the Financial Mechanism - a Supplementary Note (UNEP/OzL.Pro/Excom/16/4). This Supplementary Note is prepared in response to the request of the Executive Committee at its Fourteenth Meeting following its review of a draft paper on the Administrative Costs of the Financial Mechanism. The note intends to introduce revised reporting formats by implementing agencies and Fund Treasurer.

8. The Executive Committee, at its Fifteenth Meeting, requested the Fund Secretariat in consultation with sector experts and the Implementing Agencies to prepare discussion papers on issues of a general nature which arose from the Meeting of the Sub-Committee on Project Review. The Fund Secretariat prepared a framework for each paper, and invited the implementing agencies to take the lead in preparing draft papers. The following draft papers were prepared:

- Technology Upgrades, World Bank (UNEP/OzL.Pro/ExCom/16/15).
- Incremental operating costs and savings in the halon portable fire extinguisher sub-sector, World Bank (UNEP/OzL.Pro/ExCom/16/16).
- Methodology for calculation of operational costs in methylene chloride projects, UNDP (UNEP/OzL.Pro/ExCom/16/17).
- Methodology for treatment of test equipment requirements in the domestic refrigeration sector, UNIDO (UNEP/OzL.Pro/ExCom/16/18).

9. In addition, the implementing agencies submitted a framework for the paper on Relationship between contingency, support and institutional strengthening costs (UNEP/OzL.Pro/ExCom/16/5). The paper itself will be finalized shortly before the Sixteenth Meeting.

10. The discussion papers, as presented to the Sixteenth Meeting, are a joint effort between the Implementing Agencies and the Fund Secretariat.

11. The Secretariat provided comments regarding bilateral assistance, UNEP progress report and 1995 work programmes of the implementing agencies. The results of these activities are reflected in the Secretariat's comments and recommendations submitted to this meeting.

Other documents prepared by the Fund Secretariat:

- Update of the Inventory of Approved Projects as at December 1994.
- Update of Policies, Procedures, Guidelines and Criteria as at December 1994.

12. The Secretariat provided comments on the Draft Report of the Study on the Financial Mechanism of the Montreal Protocol to COWIconsult.

13. Upon a request received from the Secretariat of the Global Environment Facility, the Fund Secretariat provided comments on projects concerning the phase out of ozone-depleting substances in Hungary and Russia.

Documents for Open-Ended Working Group meetings

14. Upon the request of the Ozone Secretariat, the Fund Secretariat dispatched to all Parties to the Montreal Protocol, before 31 December 1994, the Report on the Review under Paragraph 8 of Article 5 and Meeting the needs of Article 5 countries for controlled substances during the grace and phase-out periods.

Nominations for the Production Sector:

15. Pursuant to the recommendation included in paragraph 155 in the report of the Fifteenth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/15/45), two experts were nominated by the non-Article 5 members of the Committee. However, no nominations were received from the Article 5 members of the Committee.

Meetings:

16. The Secretariat participated/will participate in the following meetings:

- The OORG MAC's Working Group Meeting, World Bank, Washington D.C., USA, 18 January 1995.
- The UNEP Informal Advisory Group Meeting, Paris, France, 20 January 1995.
- The Meeting of the Steering Panel for the Review of the Financial Mechanism of the Montreal Protocol, Paris, France, 1-3 February 1995.
- The Asian Regional Workshop on Ozone Depletion and Management of ODS Phase-out in Small and Medium Enterprises, New Delhi, India, 7-10 February 1995.
- The Global Environment Facility Third Council Meeting, Washington D.C., USA, 22-24 February 1995.
- The UNEP Technical and Economic Assessment Panel, Montreal, Canada, 6-7 March 1995.

17. The Secretariat made preparations for and hosted the following meetings:

- Ad hoc Working Group to consider issues regarding project preparation and evaluation, Montreal, Canada, 27 January 1995.
- Coordination Meeting with the Implementing Agencies, Montreal, Canada, 28 January 1995.

Parties operating under Article 5 paragraph 1:

Outcome of the Fifteenth Meeting of the Executive Committee:

18. The Secretariat notified Article 5 countries of projects and other relevant activities approved at the Fifteenth Meeting of the Executive Committee.

Parties not operating under Article 5 paragraph 1:

19. Decisions taken by the Executive Committee at its Fifteenth Meeting regarding requests for bilateral contributions submitted by the Governments of Canada and the United States of America were communicated to the governments concerned.

Preparation for the Sixteenth Meeting of the Executive Committee:

20. The Secretariat has arranged for the joint Meeting of the Sub-Committee on Financial Matters and the Sub-Committee for Project Review (13-14 March 1995) and for the Sixteenth Meeting of the Executive Committee, including translation of documentation, hiring of conference staff (interpreters, translators, etc.), and provision of logistics. Letters of invitation and meeting documentation have been dispatched to members of the Executive Committee, President of the Bureau, Implementing Agencies, and NGOs.