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

Fifth Meeting
Montreal, 18-22 November 1991

BILATERAL AND REGIONAL COOPERATION

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Introduction

1. Several members of the Executive Committee have sent their views on bilateral co-operation as presented at the fourth meeting of the Executive Committee in document UNEP/OzL.Pro/ExCom/4/2/Rev.1, Annex III. The Secretariat has incorporated some of these views in the present document.

2. In its decision II-8 to establish the Multilateral Fund, the Parties agreed that "Bilateral and, in particular cases agreed by a decision of the Parties, regional co-operation may, up to twenty percent and consistent with any criteria specified by decision of the Parties, be considered as a contribution to the Multilateral Fund, provided that such co-operation as a minimum:

- (a) Strictly relates to compliance with the Provisions of the Protocol;
- (b) Provides additional resources; and
- (c) Meets agreed incremental costs."

Two of the functions of the Executive Committee pursuant to this decision are:

"To assess annually whether the contributions through bilateral co-operation, including particular regional cases, comply with the criteria set out by the Parties for consideration as part of the contributions to the Multilateral Fund", and; "To report annually to the meeting of the Parties on the activities exercised under the functions outlined above, and to make recommendations as appropriate".

3. The procedures for assessing bilateral and regional cooperation are outlined below. However, in order to benefit from the 20 per cent provision, approval of regional cooperation is subject to a decision of the Parties. Only amounts given in the form of grants or the equivalent to countries operating under Article 5, paragraph 1, may be considered to be bilateral cooperation and deductible from contributions to the Multilateral Fund.

Operational aspects

4. Countries not operating under Article 5, paragraph 1, and intending to withhold up to 20 per cent of their contribution for the purpose of bilateral or regional assistance should, to the extent possible, indicate this in writing to the Fund Secretariat, specifying the year to which it should be credited. The Secretariat shall circulate such information to all countries not operating under Article 5, paragraph 1, and to the implementing agencies.
5. The countries not operating under Article 5, paragraph 1, shall submit to the Secretariat, as early as possible, the documentation for assessment of their bilateral or regional contributions.
6. The documentation shall identify beneficiary countries and the activities related to implementation of the Montreal Protocol in these countries, with timetables and estimated budgets. A country not operating under Article 5, paragraph 1, shall also indicate in its documentation whether an agreement has been reached with a beneficiary country and the relationship with the country programme of the beneficiary country.
7. If the bilateral or regional assistance will be in the form of a contribution in kind, both the country not operating under Article 5, paragraph 1, and the beneficiary country shall agree on the financial cost of such contribution according to the measures adopted by the Executive Committee for costing contributions in kind.
8. The Fund Secretariat shall prepare an assessment of all proposals for bilateral or regional assistance against project eligibility criteria set out by the Executive Committee, in its Implementation Guidelines and shall report this assessment to the Executive Committee.
9. The Executive Committee shall assess these proposals in light of the recommendations provided by the Secretariat.
10. In some particular cases, in order to avoid delays in starting bilateral assistance projects, the Fund Secretariat pending the forthcoming meeting of the Executive Committee may consult with the Chairman and Vice-Chairman, and shall transmit the result of such consultations to the other members of the Committee for their information. Should any member notify objection to the proposed activities by telex, fax or mail within four weeks of receiving the document, the proposal would be considered at the next Executive Committee meeting. If no member objected to the document within that time period, the Secretariat could advise the country not operating under Article 5, paragraph 1, whether or not the proposal satisfied the criteria stated above and therefore qualified as eligible.
11. A progress report on bilateral or regional activities, including financial reporting, should be submitted by the donor country to the Secretariat semi-annually.

12. The amount representing the annual bilateral cooperation would be credited for the year designated by the country not operating under Article 5, paragraph 1, as part of its contribution.

Regional Cooperation

13. The Executive Committee in its annual report to the meeting of the Parties shall provide recommendations in respect of contributions of specific Parties to the Multilateral Fund made through regional cooperation.

14. The amount representing regional cooperation accepted by the Parties shall be credited against contributions due from a country not operating under Article 5, paragraph 1, to the Multilateral Fund for the year designated by the country.