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

Seventh Meeting
Montreal, 23-26 June 1992

REPORT BY THE FUND SECRETARIAT

1. This document reports on activities undertaken by the Fund Secretariat since the 6th Meeting of the Executive Committee. It also records the status of contributions and disbursements as of 31 May 1992.

Documentation prepared by the Secretariat for the 7th Meeting of the Executive Committee:

2. The Secretariat has prepared the following documents:
- Draft Report of the Sixth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/6/L.1);
 - Institutional strengthening for the phase-out of ozone depleting substances (ODS) in countries operating under paragraph 1 of Article 5 (UNEP/OzL.Pro/ExCom/7/20);
 - Draft guidelines for presentation of projects and criteria for project approval (UNEP/OzL.Pro/ExCom/7/12);
 - Further definition of Incremental costs (UNEP/OzL.Pro/ExCom/7/21);
 - Proposed Guidelines for cost assessment of bilateral and regional activities (UNEP/OzL.Pro/ExCom/7/22);
 - Whether support from the Fund could be given retroactively (UNEP/OzL.Pro/ExCom/7/23);

- Should the Fund finance activities relating to enterprises that are wholly or partly owned by Transnational corporations (UNEP/OzL.Pro/ExCom/7/24);
- Whether the Fund should finance activities related to enterprises that are wholly or partly owned by countries that are not Parties to the Protocol(UNEP/Ozl.Pro/ExCom/7/25);
- Concessional loans versus grants (UNEP/Oz.L.Pro/ExCom/7/26);
- Magnitude of the Fund required for the next three-year period (UNEP/Oz.L.Pro/ExCom/7/27);
- Requests for bilateral contributions (UNEP/Ozl.Pro/ExCom/7/4).

Documentation Received at the Secretariat:

3. The Secretariat has received the following documents which have been submitted for consideration of the Executive Committee:

- Brazil project proposal (UNEP/Ozl.Pro/ExCom/7/13);
- Chile Country Programme (UNEP/Ozl.Pro/ExCom/7/8)
- China project proposal (UNEP/Ozl.Pro/ExCom/7/14);
- Jordan project proposal (UNEP/Ozl.Pro/ExCom/7/15);
- Thailand project proposal (UNEP/Ozl.Pro/ExCom/7/16);
- Tunisia project proposal (UNEP/Ozl.Pro/ExCom/7/17);
- Turkey project proposal (UNEP/Ozl.Pro/ExCom/7/18);
- Venezuela project proposal (UNEP/Ozl.Pro/ExCom/7/19);
- UNEP Progress report (UNEP/Ozl.Pro/ExCom/7/6);
- World Bank progress report (UNEP/Ozl.Pro/ExCom/7/7).

4. The Secretariat has also received the following documents which have been submitted to the meeting of the Executive Committee for information:

- Procedure for investment operations financed by the Interim Multilateral Fund from the World Bank (UNEP/Ozl.Pro/ExCom/7/Inf.2);
- Rationale for funding institutional strengthening from the Interim Multilateral Fund, from the World Bank (UNEP/Ozl.Pro/ExCom/7/Inf.3);

- Operational interpretations of incremental costs and eligible expenditures, from the World Bank (UNEP/OzL.Pro/ExCom/7/Inf.4).

Meetings:

5. The Fund Secretariat participated in the following meetings:

- Japan-Thai-US Trilateral Conference on phasing-out ozone depleting solvents in Thailand, Bangkok, Thailand (11-23 March 1992). The Chief Officer represented the Fund Secretariat at this conference and made a presentation on the implementation of the Multilateral Fund; en-route to the meeting in Thailand, the Chief Officer had a brief stop-over in London to discuss with the proposed consultants on the preparation of a draft paper on further defining incremental costs;
- World Bank, Washington, D.C., (26-27 March 1992). The Chief Officer undertook discussions with Bank officials regarding the implementation of the Bank's work programmes and investment projects;
- US/EPA, Washington, D.C., with the Vice-Chairperson of the Executive Committee. The following issues were discussed: future programmes for the implementation of the Montreal Protocol, financial resources needed for the next three-year period of the Fund, sector-based approach, bilateral co-operation, and financing activities of transnational corporations using ozone depleting substances in Article 5 countries;
- Industries in Canada (Toronto and Ottawa, 29 March-2 April 1992). As arranged by Environment Canada, staff from the Secretariat visited several of the industrial facilities where they were briefed on new technologies, transitional substances under development, their proposed applications and cost-effectiveness, and problems associated with the safe disposal and destruction of ODS's. A meeting was also arranged with the staff of the National Research Council of Canada. The Secretariat is grateful to the Government of Canada for this opportunity;
- Vth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol, Geneva (6-15 April 1992). The Chief Officer briefed delegates on the status of the implementation of the Fund (UNEP/OzL.Pro/WG.1/6/5);
- Egypt (Cairo, 15 April 1992). En-route to Nairobi, the Chief Officer had a meeting with H.E. The Minister of Environment, Government of Egypt, and other senior Egyptian officials regarding Egypt's country programme and project proposals;
- UNEP Headquarters (Nairobi, 20-24 April 1992). The Chief Officer undertook discussions with UNEP staff on operational and policy procedures concerning the Executive Committee meetings and the functioning of the Secretariat.
- Joint Commonwealth of Independent States - United States Conference on CFCs and

halons, Virginia, USA (20-21 April 1992). At the invitation of the US Government, presentation on bilateral co-operation and in-kind contribution was made by a representative of the Fund Secretariat;

- Ozone Operational Resource Group meeting, Washington, D.C., (22 April 1992). A representative from the Fund Secretariat attended the meeting as an observer;
- UNEP Workshop on the Ozone Layer, Caracas, Venezuela (12-15 May 1992). The Chief Officer and the Programme Officer from the region, represented the Fund Secretariat at this Regional workshop under UNEP's work programme;
- Mission to China (30 May-10 June 1992). At the invitation of the Government of China, the Chief Officer visited China to participate at a workshop on China's Country Programme and project proposals.

Work Programmes:

6. The Secretariat notified Article 5 countries of the activities relevant to them included in the work-programmes of the implementing agencies approved at the 6th meeting of the Executive Committee.

Country Programmes:

7. Since the 6th Meeting of the Executive Committee, although one of the implementing agencies had informed the Secretariat of the completion of preparation of 5 country programmes only one Country Programme (Chile, on 29 May 1992) has been received at the Secretariat.

Project proposals:

8. The following project proposals have been received at the Secretariat since the 6th meeting of the Executive Committee:
 - Project (from Venezuela) for the conversion of an expanded polystyrene sheet facility to use hydrocarbons as blowing agent (UNEP/OzL.Pro/ExCom/7/19).

A copy of this proposal was sent to the World Bank (13 April 1992), designated as the implementing agency by the Government of Venezuela.

Communication from governments:

9. The Secretariat has received the following communications from governments:
 - Burkina Faso: enquiry about the operation of the Fund (response sent on 16 April 1992);
 - Sudan: enquiry about the operation of the Fund

(response sent on 16 April 1992);

- Zambia: enquiry about the operation of the Fund (response sent on 16 April 1992);
- Nigeria: enquiry of modalities for the implementation of the approved projects (response sent on 29 May 1992);
- Fiji: request for funds to purchase halon-recharge/recovery unit (response sent on 21 May 1992, and request referred to UNEP).

Administration:

Staff Recruitment

10. The recruitment for the post of Information Officer is in progress.

Procurement of Equipment

11. No new equipment has been procured during this period.

Preparation for the seventh meeting of the Executive Committee

12. The Secretariat has co-ordinated all the arrangements for the seventh meeting of the Executive Committee including translation of all documentation to the 7th meeting, hiring of conference staff (interpreters, translators, etc.) and provision of other logistics. Letters of invitation and meeting documentation were sent to members of the Executive Committee, implementing agencies, regional development banks, and one NGO.

Status of the Fund

13. Total contributions to the Fund received by UNEP as at 30 April 1992 was US\$ 42,056,623. Out of this, US\$ 37,648,138* represents contributions for 1991 (against pledges for US\$ 53,320,777) and US\$ 4,408,485 for 1992 (against pledge of US\$ 73,339,613).

14. Contributions outstanding for 1991 is US\$ 15,672,639 and for 1992 is US\$ 68,931,128.

15. Annex I provides details of contributions received as reported by UNEP.

Status of Fund (as at 30 April 1992)**US \$****Income**

1.	Contributions received as at 30 April 1992	42,056,623
2.	Interest accrued in 1990/91 (as at 30 April 1992)	707,509

Total income (as at 3 February 1992) **42,764,132**

Commitments and disbursements

1.	Fund Secretariat (1991 and 1992)	4,301,700
2.	Programme Support costs (1991-92)	165,490
3.	Disbursement to UNDP (1991-1992)	6,116,195
4.	Disbursement to UNEP (1991-1992)	3,597,920
5.	Disbursement to the World Bank (1991-1992)	19,205,000

Total commitments and disbursements (as at 31 May 1992) **33,386,305**

BALANCE **9,377,827**

* does not include US\$ 480,000 as bilateral contribution pending approval of the Executive Committee.

Note: The amounts allocated for projects for China, Ecuador, Egypt, Malaysia and Mexico are included in the disbursements to the implementing agencies (the World Bank and UNDP).

ANNEX I

STATUS OF CONTRIBUTIONS TO THE INTERIM MULTILATERAL FUND as reported by UNEP, as at 30 April 1992 (in US dollars)

	1991		1992	
	Pledge	Outstanding	Pledge	Outstanding
Australia	985,407		1,326,980	256,871
Austria	464,459		625,456	625,456
Bahrain	12,553	12,553	16,904	16,904
Belgium	734,348	734,348	988,896	988,896
Belarus	207,124	207,124	278,919	278,919
Bulgaria			126,782	126,782
Canada	1,939,432		2,611,699	2,611,699
Czechoslovakia			557,839	557,839
Denmark	433,077		583,195	583,195
Finland	320,100		431,057	0
France	3,922,799	3,922,799	5,282,564	5,282,564
Germany	5,874,784		7,911,167	7,911,167
Greece	251,059	248,941	338,084	338,084
Hungary	131,806	131,806	177,494	177,494
Iceland	18,829		25,356	25,356
Ireland	112,977		152,138	0
Italy	2,504,315		3,372,389	1,082,074
Japan	7,142,633		9,618,492	9,618,492
Liechtenstein	6,276		8,452	8,452
Luxembourg	37,659		50,713	50,713
Malta	6,276	12	8,452	8,452
Netherlands	1,035,619		1,394,597	1,394,597
New Zealand	150,635		202,850	202,850
Norway	345,206		464,866	0
Poland			473,318	473,318
Portugal	112,977	112,977	152,138	152,138
Russian Federation	6,270,202	6,270,202	8,443,650	8,443,650
Singapore	69,041	69,041	92,973	92,973
South Africa	282,442	282,442	380,345	380,345
Spain	1,223,913		1,648,160	1,648,160
Sweden	759,454		1,022,704	1,022,704
Switzerland	677,860		912,827	912,827
Ukraine	784,560	784,560	1,056,513	1,056,513
United Arab Emirates	119,253	119,253	160,590	160,590
United Kingdom	3,050,369	2,087,410	4,107,721	4,107,721
United States of America	13,333,333	689,171	18,333,333	18,333,333
TOTAL	53,320,777	15,672,639	73,339,613	68,931,128

- Total collected during 1991 as at 31 December 1992: US \$26,967,889.00, plus US \$703,333.93 extra-ordinary contributions from Canada.
- Total collected during 1992 as at 30 April 1992: US \$15,088,734.00.
- Interest earned as at 30 April 1992: US \$707,509.00.