

An introduction to the Executive Committee of the Multilateral Fund for the implementation of the Montreal Protocol

FOREWORD

This primer is intended to provide new members of the Executive Committee with a guide to the functioning of the Multilateral Fund for the Implementation of the Montreal Protocol (Multilateral Fund), and its Executive Committee, as well as information necessary to understand the meetings of the Executive Committee and relevant procedures, with the objective of enabling new members to effectively participate in these meetings.

The primer is presented as follows:

- **Part I:** provides background information on the Multilateral Fund, its aims, and key concepts that underpin its activities. It outlines the institutions of the Multilateral Fund with brief descriptions of their different roles and provides an explanation of the interactions among them.
- **Part II:** describes how the Multilateral Fund operates, starting with financial planning and going through project review and approval to project monitoring and the evaluation of completed projects.
- **Part III:** describes the functions of the Executive Committee and the conduct of its meetings. It, furthermore, guides the new Committee members through the meeting process with an item-by-item explanation of the meeting agenda.
- **Annex I:** provides the Terms of Reference of the Multilateral Fund.
- **Annex II:** provides the Terms of Reference of its Executive Committee.
- **Annex III:** provides the Rules of Procedure for meetings of the Executive Committee.

Comprehensive information on the decisions adopted by the Executive Committee, policies and procedures of the Executive Committee as well as funding agreements between the Committee and Article 5 countries can be found in [QuiriO₃](#). Information can also be found in the document Policies, Procedures, Guidelines and Criteria of the Multilateral Fund, which is updated after each Executive Committee meeting, and the two supplements containing a compendium of HCFC phase-out management plans (HPMPs) and HCFC production phase-out management plans (HPPMPs); and a compendium of Kigali HFC implementation plans (KIPs) relating to HFC phase-down.

There are plenty of other resources available on the Multilateral Fund website,¹ including pre-session documents for the consideration of the Executive Committee at each meeting,² reports of the Executive Committee meetings, guides and submission forms to provide implementing agencies and Article 5 countries with clear advice on the preparation and submission of project proposals, information material and publications.

The Membership of the Executive Committee for each year is available at <https://www.multilateralfund.org/about/governance>.

¹ <https://www.multilateralfund.org>

² Pre-session documents in languages other than English for meetings before the 30th meeting are available upon request.

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ACRONYMS

Acronyms used in this document

CAP	Compliance Assistance Programme
CFC	Chlorofluorocarbon
CP	Country programme
CRP	Conference room paper
FERM	Fixed-exchange-rate mechanism
GWP	Global warming potential
HCFC	Hydrochlorofluorocarbon
HFC	Hydrofluorocarbon
HPMP	HCFC phase-out management plan
HPPMP	HCFC production phase-out management plan
IACM	Inter-agency coordination meeting
ICAO	International Civil Aviation Organization
KIP	Kigali HFC implementation plans
KMS	Knowledge management system
MEA	Multilateral environmental agreement
MOP	Meeting of the Parties to the Montreal Protocol
MPO	Montreal Protocol Officer
MYA	Multi-year agreement
NGO	Non-governmental organization
NOO	National ozone officer
NOU	National ozone unit
ODS	Ozone-depleting substance
OWWG	Open-ended Working Group of the Parties to the Montreal Protocol
PCR	Project completion report
SEO	Senior Evaluation Officer
SMEO	Senior Monitoring and Evaluation Officer
TEAP	Technology and Economic Assessment Panel
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization

Part I: THE MULTILATERAL FUND

Purpose of the Multilateral Fund

The Multilateral Fund was established by the Parties to the Montreal Protocol as its financial mechanism, in accordance with Article 10 of the Protocol, to assist developing countries in complying with the targets of the Protocol, an international agreement that sets out a timetable for the phase-out of ozone-depleting substances (ODS) in both developed and developing countries.³ The Multilateral Fund provides assistance to countries that are Parties to the Montreal Protocol and whose annual per capita consumption and production of chlorofluorocarbons (CFCs) and halons were less than 0.3 kg on the date of entry into force of the Montreal Protocol or any time thereafter until 1 January 1999. The countries that meet these criteria are referred to as “Article 5 countries”. Contributions to the Multilateral Fund are provided by the non-Article 5 countries.

The Kigali Amendment, which was adopted at the Twenty-eighth Meeting of the Parties to the Montreal Protocol (MOP) on 15 October 2016 and entered into force on 1 January 2019, added hydrofluorocarbons (HFCs), non-ODS greenhouse gases, that do not damage the ozone layer but have a high global warming potential (GWP), to the list of substances controlled under the Protocol. The table below summarizes the Montreal Protocol’s hydrochlorofluorocarbons (HCFC) and HFC control measures for Article 5 Parties that are currently funded by the Multilateral Fund.⁴

Table 1: Montreal Protocol compliance schedule for HCFCs and HFCs (freezes and reductions refer to baseline levels)

Controlled substance	Article 5 countries	
Annex C – Group I: HCFCs	The HCFC baseline for compliance is the average of 2009 and 2010 production and consumption The HCFC control measures are: - Freeze at average 2009-2010 level on 1/1/2013 - 10% reduction by 1/1/2015 - 35% reduction by 1/1/2020 - 67.5% reduction by 1/1/2025 - 97.5% reduction by 1/1/2030* - Total phase-out by 1/1/2040 *The annual average of 2.5% is restricted to the servicing of refrigeration and air-conditioning equipment existing during the period 2030-2040 (i.e., the servicing tail)	
Annex F – Groups I and II: HFCs	<u>Group 1 Parties⁵</u> <i>Baseline is average HFC consumption for 2020-2022 + 65% of</i>	<u>Group 2 Parties⁶</u> <i>Baseline is average HFC consumption for 2024-2026 + 65% of</i>

³ The [Terms of Reference of the Multilateral Fund](https://www.multilateralfund.org/about/governance), which cover the roles of implementing agencies, the budget and contributions to the Fund, administration of the Multilateral Fund’s functions and financing of activities can be found in annex I of this primer, and are available on the Multilateral Fund website at <https://www.multilateralfund.org/about/governance>.

⁴ Further information is available in Chapter VII (Controlled substances) of the Policies, Procedures, Guidelines and Criteria (PPGC) document.

⁵ Group 1 Article 5 Parties include all Article 5 Parties except Group 2 Parties.

⁶ Group 2 Article 5 Parties include: Bahrain, India, the Islamic Republic of Iran, Iraq, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates.

Controlled substance	Article 5 countries	
	<i>HCFC baseline</i> The HFC control measures are: - Freeze on 1/1/2024 at baseline level - 10% reduction by 1/1/2029 - 30% reduction by 1/1/2035 - 50% reduction by 1/1/2040 - 80% plateau by 1/1/2045	<i>HCFC baseline</i> The HFC control measures are: - Freeze on 1/1/2028 at baseline level - 10% reduction by 1/1/2032 - 20% reduction by 1/1/2037 - 30% reduction by 1/1/2042 - 85% plateau by 1/1/2047

Institutions of the Multilateral Fund

The Multilateral Fund operates under the authority of the Parties to the Montreal Protocol, who decide on its overall policies, the composition of the Executive Committee and every three years, on the level of replenishment of the Fund.

The institutions of the Multilateral Fund are:

- The Executive Committee of the Multilateral Fund
- The Multilateral Fund Secretariat
- The bilateral and implementing agencies
- The Treasurer of the Multilateral Fund

Executive Committee of the Multilateral Fund

The Executive Committee manages the Multilateral Fund and is responsible for developing operational policies, procedures, guidelines and criteria, drawing up the three-year plan and budget for the Multilateral Fund, approving country programmes and specific projects and monitoring their implementation, and overseeing the Multilateral Fund's administration.⁷

The Executive Committee has equal representation from non-Article 5 countries and Article 5 countries (seven from each). During the MOP, which takes place towards the end of the year, Parties select Executive Committee members for the following calendar year. Selection is based on equitable geographic representation. For Article 5 countries, seats are allocated as follows: two seats to the Parties of the African region; two seats to the Parties of the Asian and Pacific region; two seats to the Parties of the Latin American and the Caribbean region; and one rotating seat among the regions mentioned and the Eastern European and Central Asian region. The Chair and Vice-Chair of the Executive Committee alternate annually between the Article 5 and non-Article 5 countries.

The Committee primarily discharges its responsibilities at its meetings.⁸ Two meetings per year are

⁷ Further information is available in Chapter II (Executive Committee) of the PPGC document. The [Terms of Reference of the Executive Committee](https://www.multilateralfund.org/about/governance) can be found in annex II of this primer, and are available on the Multilateral Fund website at <https://www.multilateralfund.org/about/governance>

⁸ The Rules of Procedure for meetings of the Executive Committee can be found in annex II of this primer.

convened⁹ with the possibility of an additional brief meeting if required to consider project proposals or specific requests from the Parties to the Montreal Protocol.¹⁰

The Executive Committee reports annually to the MOP on the activities exercised under its mandate by means of a written report presented to the high-level segment of the meeting by the Chair of the Executive Committee.¹¹

Multilateral Fund Secretariat

The role of the Multilateral Fund Secretariat is to assist the Executive Committee in the discharge of its functions. The Secretariat is based in Montreal, Canada, and consists of internationally recruited professional staff and local support staff. The Secretariat is headed by the Chief Officer, who reports directly to the Executive Committee.

The Terms of Reference of the Secretariat¹² cover the development of the three-year plan and budget, and a system of fund disbursement; management of the business planning cycle of the Fund; monitoring the expenditures and activities of the implementing agencies; preparation of policy papers and other documents; review and assessment of project-related submissions of the bilateral and implementing agencies; liaison between the Executive Committee, governments, and the bilateral and implementing agencies; and servicing the meetings of the Executive Committee.¹³

The Secretariat provides assistance to the Executive Committee within the framework of its specific roles and responsibilities, principally in the form of information, analysis and recommendations in pre-session documents, as well as clarifications and further information provided on request during the meetings. It also responds to direct queries from Executive Committee members on Fund matters, briefs the Chair and Vice-Chair on agenda items for forthcoming meetings, and provides information related to meeting logistics.

The Secretariat's responsibilities do not extend to the implementation of the Montreal Protocol, as this is done by the implementing agencies under specific agreements between them and the Executive Committee. On some occasions, as established, the Secretariat corresponds and/or interacts directly with Article 5 countries. Following each Executive Committee meeting, the Chief Officer communicates the Executive Committee's decisions regarding the approval or non-approval of projects, tranche submission delays, project cancellations, or other matters, to relevant Article 5 countries by means of an official letter. In addition, the Secretariat prepares annual letters requesting the submission of country programme (CP) data and on the assessment of the performance of implementing agencies. The Secretariat has the opportunity to interact with Montreal Protocol officers (MPOs)/national ozone officers (NOOs) at the OzonAction regional network meetings to, inter alia, explain decisions of the Executive Committee. Network meetings also provide an occasion for the Secretariat to hold discussions with implementing agencies, and in some cases with individual countries on specific matters.

The Secretariat receives submissions from implementing agencies that include project proposals, progress reports, reports on projects with specific reporting requirements, work programmes, verification reports, financial reports, project completion reports (PCRs) and business plans. The

⁹ Meetings are preferably scheduled between late May and the third week of June for the first meeting, and between late November and the second week of December for the last meeting.

¹⁰ Decisions 73/70 and 77/60

¹¹ The report of the Executive Committee to the MOP is prepared by the Secretariat and submitted to the Ozone Secretariat following clearance by the Chair of the Executive Committee.

¹² The [Terms of Reference of the Secretariat](https://www.multilateralfund.org/about/secretariat) can be found in annex III of the PPGC document and are available on the Multilateral Fund website at <https://www.multilateralfund.org/about/secretariat>

¹³ Further information can be found in Chapter III (Fund Secretariat) of the PPGC document.

Secretariat reviews project proposals and during this process, it interacts with the relevant implementing agencies via email, telephone and online meetings. The outcome of this exchange is subsequently confirmed through correspondence and reflected in the relevant pre-session project documents for each meeting.¹⁴

A knowledge management system (KMS) is being implemented by the Secretariat to benefit all Multilateral Fund stakeholders and raise the profile of the Fund, as approved by the Executive Committee.¹⁵ The KMS includes country profiles; a meeting portal with improved access to meeting documents; a handbook for accessing and searching Executive Committee decisions (**QuiriO₃**); a data portal with filters and dashboards that include access for public users; and a portal for online submission of projects, CP data, reports, etc.¹⁶

Bilateral and implementing agencies

In delivering financial and technical assistance, the Multilateral Fund works together with implementing agencies: the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), the World Bank, and a number of bilateral agencies.

The four implementing agencies work under the overall guidance and supervision of the Executive Committee. The roles of UNDP, UNEP and the World Bank as implementing agencies for projects approved under the Multilateral Fund were outlined in decision II/8 of the Second MOP. Detailed arrangements, covering financial aspects and reporting requirements, are set out in the individual agreements concluded between the Executive Committee and UNDP, UNEP and the World Bank in 1991. In 1992, a similar agreement was signed with UNIDO.¹⁷

The Parties to the Montreal Protocol decided that Parties contributing to the Multilateral Fund could use up to 20 per cent of their annual contribution to carry out activities with developing countries on a bilateral basis (bilateral agencies).¹⁸

The bilateral and implementing agencies work directly with Article 5 countries under the overall guidance of the Executive Committee. In terms of the project cycle, agencies hold consultations with Article 5 countries from the time of business planning through the project preparation phase, during the review of submissions by the Secretariat, and, if necessary, at the time of consideration of the project proposal during the Executive Committee meeting.¹⁹ Once a project is approved, agencies are responsible for its implementation in the respective Article 5 country and for carrying out in-country implementation support missions.

OzonAction regional network meetings provide a platform to coordinate the agencies' Fund activities. Agencies also attend the meeting of the Open-ended Working Group of the Parties to the Montreal Protocol (OEWG), MOP, and inter-agency coordination meetings (IACM), which are opportunities to, inter alia, coordinate and resolve issues regarding project activities.

¹⁴ Further information on the project review, recommendation and approval process is provided in part II of this primer.

¹⁵ Decision 91/6

¹⁶ The KMS is being implemented mainly through the Multilateral Fund's website <https://www.multilateralfund.org/>

¹⁷ The text of the agreements between the implementing agencies and the Executive Committee, including the amendments approved in 1998, are available in annexes II.4, II.5, II.6 and II.7 of the PPGC document.

¹⁸ Further information is available in Chapter IV (Bilateral cooperation) and Chapter V (Implementing agencies) of the PPGC document.

¹⁹ Document UNEP/OzL.Pro/ExCom/68/47 outlines the procedures currently in force for the proposal of activities in the bilateral and implementing agencies' business plans and the submission of project proposals on behalf of governments of Article 5 countries and indicates all relevant decisions.

Lead and cooperating implementing agencies

Multi-year agreements (MYAs), such as HPMPs and KIPs, can be implemented by two or more implementing agencies. The standard Agreement for multi-year projects between the relevant Article 5 country and the Executive Committee states that the lead agency is responsible for ensuring coordinated planning, implementation and reporting of all activities, including coordination with cooperating agencies, to ensure appropriate timing and sequencing of activities throughout implementation. The lead implementing and the cooperating agency(ies) are required to reach consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under the agreement to facilitate a coordinated implementation of the plan, including regular coordination meetings. However, each agency must report separately on its respective project components for all projects/tranches approved for that agency in its annual progress reports. Bilateral and implementing agencies routinely correspond and cooperate to coordinate activities, and lead and cooperating implementing agencies may undertake joint missions to Article 5 countries and participate in national coordination meetings or national stakeholders' consultation meetings organized by Article 5 countries.

Assessment of implementing agencies by Article 5 countries

Article 5 countries have an opportunity each year to raise any concerns with the Executive Committee regarding the organizational and cooperation aspects of their interactions with implementing agencies through the assessment of the performance of implementing agencies carried out as part of the evaluation of the previous year's business plan. National Montreal Protocol units/national ozone units (NOU) are requested to provide a confidential assessment report for each implementing agency working in their country, specifying a rating for three main qualitative performance indicators: organization and cooperation; technical assistance/training; and impact.²⁰ The Secretariat compiles the results of the individual reports and presents information to the Executive Committee, while maintaining the confidentiality of the information. In cases where the NOU gives an agency a less-than-satisfactory or unsatisfactory rating against one of the performance indicators, the Executive Committee requests the agency(ies) concerned to undertake open and constructive discussions with the NOU to resolve any problems and to report back to the Executive Committee on the outcome.

Inter-agency coordination meeting

In the preparatory phase for Executive Committee meetings, an IACM is organized by the Secretariat between 10 and 14 weeks before each Executive Committee meeting, primarily to address the Secretariat's initial analysis of business plans, matters related to project proposals, including issues identified from the review of already submitted projects, progress reports and other matters. Reports of inter-agency coordination meetings are available on the Fund website, and a summary of the proceedings is included in the Secretariat activities pre-session document submitted to each meeting of the Executive Committee.

Multilateral Fund Treasurer

The Fund Treasurer is responsible for receiving and administering pledged contributions from non-Article 5 countries, and disbursing funds to the Secretariat and the implementing agencies, based on the decisions of the Executive Committee. Since the fifth meeting of the Executive

²⁰ The assessment includes several questions pertaining to each of the three indicators to enable the determination of an overall assessment for each main indicator. NOUs provide a rating of 1 to 4 for the indicators with the best being 4 (highly satisfactory), 3 (satisfactory), 2 (less satisfactory), and 1 (unsatisfactory) and/or a narrative response to the question.

Committee, UNEP has acted as the Fund Treasurer.²¹ The responsibilities of the Treasurer are carried out by staff based at UNEP headquarters and by the Chief of Administration based in the Secretariat.

The Treasurer attends each meeting of the Executive Committee and is responsible for preparing several documents: the status of contributions and disbursements (for each meeting), the accounts of the Multilateral Fund, and any other documents requested by the Executive Committee or by the MOP.²²

²¹ The text of the Agreement between the Executive Committee and UNEP as the Treasurer is available in Annex I.6 of the PPCG, and the text of the Agreements between implementing agencies and UNEP as the Treasurer are available in Annexes I.7, I.8, I.9 and I.10 of the same document.

²² Further information is available in Chapter I (Financial mechanism) of the PPGC document.

Part II: HOW THE MULTILATERAL FUND OPERATES

Financial planning

Replenishment of the Multilateral Fund

The Multilateral Fund has been replenished every three years since 1994 by the Parties to the Montreal Protocol. As mandated by the Parties and to facilitate discussions on the replenishment, the Technology and Economic Assessment Panel (TEAP) of the Montreal Protocol prepares a study analyzing relevant aspects and calculates an appropriate replenishment level to finance the Fund's work over the next triennium. After reviewing the TEAP-calculated funding needs, the OEWG meeting normally asks for additional information and forwards a recommendation on the replenishment to the MOP. A final decision on the replenishment budget is taken at the MOP in the final year of the preceding triennium.

Contributing Parties have the option of payment in their national currency under a fixed exchange rate mechanism (FERM), which was implemented initially for 2000–2002 and extended for each subsequent replenishment. Contributions to the Multilateral Fund are made by non-Article 5 Parties based on a scale of contributions decided by the Parties at their annual meeting. These contributions may be made either in cash, through the use of promissory notes, or up to 20 per cent as bilateral contributions.

Resource allocation

Once the replenishment of the Multilateral Fund is decided, the Executive Committee carries out a financial planning exercise each time the Parties adopt a triennial budget.²³ The result of this is an allocation for each year of the triennium, taking account of the total budget available, annual scale of contributions, business planning and the status of compliance. A part of the total budget will, by then, have already been committed by the Executive Committee to include funds for MYAs and those earmarked for standard costs incurred by the Fund (institutional strengthening; the budget of the Fund Secretariat and Executive Committee meetings; the Treasurer's fees; implementing agencies' core unit administrative costs for UNDP, UNIDO and the World Bank, and UNEP's Compliance Assistance Programme (CAP)).

Business planning

In 2002, the Executive Committee adopted the three-year rolling phase-out plan²⁴ as the basis for business planning in the Multilateral Fund. This approach is based on the approval of the phase out/phase-down of certain amounts of controlled substances in Article 5 countries during a triennium to enable them to comply with the Montreal Protocol. Compliance requirements and status for all Article 5 countries are presented in the document **Country programme data and prospects for compliance**, which serves as a guide for the preparation of the Multilateral Fund's business plan.²⁵

²³ The financial planning for a triennium is presented in the document on the update on the implementation of the business plans.

²⁴ Decision 38/66

²⁵ Decision 67/6(c)

Each year, the bilateral and implementing agencies submit their **business plans** to the Secretariat, which compiles the information provided by the agencies into the **Consolidated business plan of the Multilateral Fund**. This document also addresses any policy issues raised in the business plans.

The implementing agencies' business plans are submitted to the Executive Committee along with the comments and recommendations of the Secretariat. They contain all the projected activities for a given year, together with performance indicators that provide the basis for the evaluation of the agencies' performance. The Secretariat monitors the implementation of business plans to inform the Executive Committee of the extent to which the planned activities were achieved.²⁶

Country programme implementation data reporting

Article 5 countries must submit their annual CP data report to the Secretariat in order to receive assistance from the Multilateral Fund. CP data should be submitted eight weeks prior to the first meeting of the year of the Executive Committee, if possible, and no later than 1 May (decision 74/9(b)(iv)). The Secretariat uses this data when analysing the status of compliance of Article 5 countries.

The Secretariat continuously updates the manual for CP data reporting that is made available to Article 5 countries to guide their online submissions following the current formats approved by the Executive Committee.²⁷

Project review and approval

Projects and activities financed by the Multilateral Fund

Financial assistance by the Multilateral Fund covers the incremental costs of investment projects and also the costs of other activities, such as institutional strengthening projects, project preparation, technical assistance, training, as well as the activities carried out under UNEP CAP.

Implementing agencies submit funding proposals for projects and activities to the Secretariat according to a strict deadline of a specified number of weeks in advance of the Executive Committee meeting at which they are to be considered.

All projects submitted to the Fund must receive the requesting Party's approval before consideration by the Executive Committee.²⁸ Countries that are not in compliance with the Montreal Protocol cannot receive funding from the Multilateral Fund until the underlying issues of non-compliance have been dealt with by the Implementation Committee of the Montreal Protocol.

Country-compliance-driven approach

The Multilateral Fund assists Article 5 countries to comply with the targets of the Protocol. A country is in compliance when it meets the provisions set out in the Montreal Protocol. The level of controlled substances for phase-out/phase-down is calculated for each country so that resources

²⁶ Further information is available in Chapter I (Financial mechanism) of the PPGC document.

²⁷ Further information is available in Chapter VIII (Country programme) of the PPGC document.

²⁸ The procedures for the submission of project proposals from bilateral and implementing agencies on behalf of governments of Article 5 countries are available in document UNEP/OzL.Pro/ExCom/68/47.

can be appropriately targeted to all countries, irrespective of their size, and based on a strategy and plan designed by the countries. The calculation of the funds is based both on an agreed starting point for aggregate reduction in controlled substances and on the activities put forward in the strategy and plan by the countries. MYAs are established with countries to assist them in meeting the phase-out/phase-down targets set out in the Montreal Protocol.

Incremental cost approach

The Multilateral Fund provides financing for the incremental costs of the phase-out/phase-down of substances controlled by the Montreal Protocol.²⁹

Incremental costs are the additional costs that an Article 5 country needs to incur to comply with the Montreal Protocol, over and above what it would have spent under a “business-as-usual” scenario without the Protocol obligations. For example, in the manufacturing sectors, the incremental costs to convert an enterprise that uses a controlled substance in its manufacturing process to an alternative substance is the difference in costs associated with manufacturing with the alternative substance relative to the costs of using the controlled substance. Where such a conversion results in savings, no incremental costs are provided. Where there are costs, the incremental costs may comprise incremental capital costs, which are the additional costs associated with procuring or using the equipment needed to manufacture with the alternative, and incremental operating costs, which are the additional costs associated with using the alternative substance. Incremental costs not related to manufacturing include technical assistance (e.g., in the refrigeration servicing sector, the costs to train technicians in good servicing practices and to procure equipment to enable technicians to implement those good servicing practices), institutional strengthening, policy and regulatory support, and demonstration and pilot projects.

Institutional strengthening

Institutional strengthening is an important part of the Multilateral Fund’s activities and provides sufficient funding in all Article 5 countries for a full-time NOO/MPO.³⁰ Article 5 countries have the flexibility to submit requests for institutional strengthening funding either as part of their HPMPs or separately.³¹ Institutional strengthening projects and renewals are approved at a minimum level of funding of US \$60,000 per year, and from the 92nd meeting onwards, the duration of implementation phases was increased from two to three years.³² A country may have no more than two institutional strengthening projects ongoing at the same time.³³

Strategic planning of projects and activities

The strategic planning framework adopted in 2001 has the goal of providing support to enable each Article 5 country to comply with the Montreal Protocol while fostering a “country-driven” approach towards compliance. Funding is based on a commitment by the country to achieve sustainable, permanent reductions in consumption and production of controlled substances.³⁴

²⁹ The Parties to the Montreal Protocol agreed on an indicative list of such costs at their Fourth Meeting in 1992.

³⁰ Further information is available in Chapter X (Institutional strengthening) of the PPGC document, and in the Guide on the submission of IS projects produced by the Secretariat).

³¹ Decision 59/17

³² Decision 91/63(d)

³³ Decision 77/8

³⁴ Decision 35/56. Information on the adjusted funding policies of the Multilateral Fund is available in document UNEP/OzL.Pro/ExCom/34/53.

An important element of the strategic planning process introduced in 2001 was the starting point for determining the sustained reduction of each Article 5 country, namely, the remaining consumption eligible for funding.³⁵

ODS phase-out and HFC phase-down

National ODS phase-out plans, HPMPs and KIPs map out a detailed plan of action to eliminate the entire remaining ODS or HCFC consumption, or to phase down HFC consumption in a country. These plans, governed by MYAs between the Executive Committee and the government concerned, specify, inter alia, the annual reduction target to be achieved; the total funding level from the Multilateral Fund agreed in principle; and a schedule for the disbursement of funds. If the country does not comply with the agreement or with the Montreal Protocol compliance targets, it is not entitled to receive funding in accordance with the schedule contained in the agreement and a penalty might be applied.

Energy efficiency while phasing-down HFCs

Considering paragraph 22 of decision XXVIII/2 requesting the Executive Committee to develop cost guidance associated with enhancing the energy efficiency of low- and/or zero-GWP replacement technologies and equipment when phasing down HFCs, the Executive Committee has decided on different funding modalities to provide incentive funding to maintain and/or enhance energy efficiency in the context of HFC phase-down, while introducing alternatives to HCFCs and HFCs with low- and/or zero-GWP refrigerants in the servicing sector, to enhance energy efficiency in the manufacture of low- and/or zero-GWP replacement technologies and/or components, and to support end-user projects using a revolving-fund mechanism.³⁶

The review, recommendation and approval process

The Secretariat reviews project submissions and ensures that projects submitted to the Multilateral Fund follow policies, procedures, guidelines and criteria elaborated in the decisions made by the Executive Committee at its meetings.³⁷ The Secretariat checks that submissions from agencies have all the relevant documentation and that CP data is up to date and consistent with the Article 7 data submitted to the Ozone Secretariat.

Starting from the 85th meeting, bilateral and implementing agencies are required to apply the gender policy for Multilateral Fund-supported projects³⁸ throughout the project cycle. Starting from the 94th meeting,³⁹ agencies must include the mandatory gender requirements and performance indicators agreed by the Executive Committee when submitting stages of MYA projects.

Proposals for projects and activities are reviewed by the Secretariat based on the policies, procedures, guidelines and criteria governing the determination of incremental costs and policy issues that have evolved through successive decisions of the Executive Committee. During its review, and as necessary, the Secretariat seeks agreement with the relevant implementing agencies about technical issues, activities and incremental costs. The Secretariat also identifies any emerging policy issues to bring to the attention of the Executive Committee. Adjustments can still

³⁵ Decision 35/57 and see also decision 96/50.

³⁶ Decisions 89/6, 91/65, 94/60, 95/87, and 96/51

³⁷ Further information is available in Chapter IX (Project proposals) of the PPGC document.

³⁸ At its 84th meeting, the Executive Committee approved the operational policy on gender mainstreaming for Multilateral Fund-supported projects, decision 84/92.

³⁹ Decision 92/40

be made to the project proposals during this process, for example, on the level of costs, or scope of activities.

Summaries of the proposals reviewed by the Secretariat and of the discussions with the relevant bilateral and implementing agencies are submitted to the Executive Committee at its meetings, along with recommendations. The Secretariat recommends projects for the consideration of the Executive Committee in two ways, as blanket approval or for individual consideration by the Executive Committee.

Projects that meet all the eligibility requirements and have no outstanding policy or other issues may be approved based on the Secretariat's recommendation for 'blanket approval'. These can include requests for project preparation, institutional strengthening, and tranches of MYAs. A list of these projects is submitted to the meeting in the **Projects recommended for blanket approval** document. Projects may be approved by the Executive Committee without any further discussion, or the Committee may decide to consider them individually.

The projects listed in the document **Projects recommended for individual consideration** are individually reviewed by the Executive Committee, which makes decisions based on the policy or other issues that these projects may include. All new stages of MYAs are to be considered individually. Approval could be with or without conditions. If these proposals are rejected, the implementing agency may submit them again at a future date or seek alternative projects.

Depending on the type of request, the details of the projects listed for both 'blanket approval' and 'individual consideration' can be found in either the **Work programme amendments of implementing agencies** or the **Bilateral cooperation** document, and in the **Project proposal** document for the country concerned.

An overview of the project review, recommendation and approval process is set out in table 2.

Table 2: Steps of the project review, recommendation and approval process

Process step	Remarks
1. Submission of project proposal by bilateral and implementing agencies to the Secretariat by the appropriate deadline	Project proposals are submitted according to a timetable set out in decision 81/30.
2. Review by the Secretariat	The Secretariat checks that submissions have all the relevant documentation as required by the Executive Committee, including the government's endorsement letter. ⁴⁰ Proposals are reviewed based on the policies, procedures, guidelines and criteria governing the determination of incremental costs and other relevant matters.
3. Secretariat's comments sent to the implementing agency and follow-up questions	The Secretariat provides its initial comments and requests a response within five working days. Responses to any follow-up questions are expected in a shorter time frame, which usually depends on the extent of questions.
4. Agency's consideration of comments, appropriate consultation with the Article 5 country and response to the Secretariat	Agencies must obtain the authorization of the country before providing a response to the Secretariat on matters that involve changes to submitted project proposals.

⁴⁰ The Secretariat receives endorsement letters for each project proposal submitted or, in the case of institutional strengthening projects, a signed renewal form. For business plans, agencies are expected to have letters for all entries and are requested to provide such letters upon request by the Secretariat.

Process step	Remarks
5. Review of the agency's response by the Secretariat	The Secretariat reviews the responses to ascertain whether they fully address the comments or, as necessary, poses additional questions. If all issues are addressed and no further policy or financial issues are raised, no further comments are provided.
6. Conclusion	Steps 3, 4 and 5 are an iterative process that must be completed within the limited time frame for project review. The project proposals are submitted to the Executive Committee, noting whether an agreement has been reached between the implementing agency and the Secretariat on the activities and costs of the project. The project document includes a recommendation and, as necessary, a funding agreement between the Committee and the respective country. In cases where the Secretariat and the agency have not agreed on all issues, an explanation is provided in the document of the underlying basis of the disagreement for consideration prior to deliberation on the project (decision 20/15). Projects for which agreement cannot be reached on major technical eligibility issues two weeks prior to the meeting are deferred (decision 25/15). If cost-related issues associated with projects are not resolved one week before the meeting of the Executive Committee, the projects concerned will not be considered by the Committee at that meeting.

After project approval

Following approval, the Secretariat instructs the Treasurer to disburse funds to the appropriate implementing agency(ies). In the case of projects implemented by bilateral agencies, the Treasurer credits the amount of the approved funds as bilateral contributions of the relevant non-Article 5 Parties. Following verification that proper project components are in place, the agency disburses funds to the national entities involved in project implementation. On some occasions, the Executive Committee approves funds for tranches of MYAs with a provision that the release of funds is made only subject to the fulfilment of conditions. In order to monitor the fulfilment of these conditions, the lead implementing agency coordinates with the Article 5 country and confirms to the Secretariat that the conditions for release of funds have been met prior to disbursing the funds.

Together with the recipient Article 5 country, each agency is responsible for the implementation and supervision of its own projects. Bilateral and implementing agencies are required to report to the Executive Committee on the progress of their work.

Within six months of project completion, the agencies must submit a PCR to the Secretariat. Any unused balances must be returned to the Multilateral Fund.

Monitoring

The Executive Committee has considered monitoring since its 5th meeting in 1991. The Secretariat monitors activities at the project level and at the agency level. Bilateral and implementing agencies also submit data on projects with implementation delays to each meeting.

Each year, the agencies provide an annual progress report on the implementation of approved projects and activities. The information in these reports is used to assess the performance of implementing agencies against approved performance indicators.

Monitoring of projects involves periodic reporting to gauge the project's progress or lack of progress. The Secretariat scrutinizes data on the performance of projects reported by agencies in their progress reports. Projects that are experiencing delays and projects with financial balances are monitored more closely and are reported to each Executive Committee meeting.

A project is classified as having a delay if it is to be completed more than 12 months late or if disbursement occurred 18 months or more after project approval. Projects with implementation delays are subject to the Executive Committee's procedures for project cancellation.⁴¹ These procedures are also applied to MYA projects since the adoption of the relevant policy at the 84th meeting.⁴² Institutional strengthening projects are continuously monitored but are not subject to standard cancellation procedures.

The Executive Committee considers the document **Reports on projects with specific reporting requirements**. Two of these reports are prepared for each meeting of the Executive Committee: one is for reports on projects with specific reporting requirements which, after the Secretariat's review, have no outstanding issues and therefore do not require the Executive Committee to consider them individually; and the other is for reports on projects with specific reporting requirements which, after the Secretariat's review, present outstanding issues and require the Executive Committee to consider them individually. These documents also address projects for which status reports were requested on the basis of a project implementation issue having been identified in the annual review of agencies' progress reports, as well as projects with implementation delays.

Tranche submission delays of MYAs are monitored at Executive Committee meetings. The Committee decided that a separate sub-agenda item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations should be included in the meeting agenda.⁴³ Thus, the Committee requested the Fund Secretariat to proceed with the inclusion of information on submission delays in the context of its review of the implementation of business plans.⁴⁴ The **Tranche submissions delays** document presents a review of the tranches due, but not submitted to the meeting, an analysis of the reasons for non-submission, and the actions taken by the Secretariat on decisions on tranche submission delays made by the Executive Committee at the preceding meeting.⁴⁵

Information from the PCRs received from bilateral and implementing agencies⁴⁶ is consolidated into the **Consolidated project completion report**. While the Secretariat is responsible for monitoring the project-related part of the PCRs, the evaluation, including lessons learned as reported in the PCRs, is the responsibility of the evaluation function of the Multilateral Fund. PCRs are considered only at the first Executive Committee meeting of the year.⁴⁷

Evaluation

The primary objective of the Multilateral Fund's independent evaluation function is to assess the effectiveness of programmes and projects, learn from the evaluations and apply the lessons learned to improve the design, implementation and sustainability of future projects. Content-based evaluation facilitates informed decision-making and learning among stakeholders involved in project design, approval and implementation.

⁴¹ Decision 26/2

⁴² Decision 84/45

⁴³ Decision 47/50(d)

⁴⁴ Decision 53/3(c)

⁴⁵ Further information is available in Chapter XI (Monitoring and evaluation) of the PPGC document.

⁴⁶ Guidelines on information to be included by implementing agencies in PCRs is available in decision 48/12.

⁴⁷ Decision 95/11

In 1995, the Executive Committee approved the preparation of evaluation guidelines and since then all project proposals have included milestones for the completion of the various stages of the project. A “monitoring and evaluation function” and a position for a Monitoring and Evaluation Officer were established by the Executive Committee in 1997.⁴⁸ The job description of a Senior Monitoring and Evaluation Officer (SMEO) was then approved, created in 1998 and filled in 1999.

In 2025, the Executive Committee approved the Evaluation policy for the Multilateral Fund⁴⁹ to guide the work of a Senior Evaluation Officer (SEO) in managing the evaluation unit and delivering the approved evaluation work programme. The monitoring component of the function (implying, in practice, the project-related part of the PCRs) as originally established, was transferred to the Fund Secretariat. The evaluation part of the PCRs, which mainly refers to the lessons learned, remains the responsibility of the SEO, as explained above. The SEO is expected to prepare short information documents for the dissemination of key findings, lessons learned and recommendations, and to share this information through the Fund’s website.

An evaluation work programme and associated budget are approved by the Executive Committee every two years, and the SEO reports yearly on its implementation.⁵⁰

The SEO interacts directly with Article 5 countries during evaluation missions undertaken by himself or herself, or by evaluation consultants. According to the Evaluation policy, bilateral and implementing agencies should respond to requests for information emanating from the evaluation unit to facilitate the information needed by consultants to prepare evaluation reports and should monitor the implementation of the evaluation recommendations that relate to their work, and report through the SEO to the Executive Committee on progress in implementation.

⁴⁸ Decision 22/19(h)

⁴⁹ Decision 96/4. The policy is available at <https://www.multilateralfund.org/about/evaluation>.

⁵⁰ Further information is available in Chapter XI (Monitoring and evaluation) of the PPGC document.

PART III: MEETINGS OF THE EXECUTIVE COMMITTEE

The Executive Committee and its role have been described in part I of this primer, under the section on institutions of the Multilateral Fund. The Committee discharges its functions primarily through its meetings, which are held twice per year.

Rules of Procedure

The Rules of Procedure for meetings of the Executive Committee set out provisions regarding the place and dates of meetings, observers at meetings, preparation of the meeting agenda, adoption of decisions, and official languages for the conduct of meetings. The Rules of Procedure are available in annex III of this primer.

Meeting preparations

The Secretariat coordinates preparations for meetings of the Executive Committee. It prepares the **Provisional agenda** in agreement with the Chair and the Vice-Chair and conveys it to Executive Committee members and observers at least six weeks before the meeting, together with invitations and an Information Note.

Consideration of agenda items and groups

All agenda items are examined in plenary, with **contact groups** set up by the Chair to deal with specific issues as necessary. The work of such groups is often crucial to resolve issues. Contact groups always report to the Chair in plenary. These groups have no formal decision-making status.

The Chair could also decide to establish **informal groups, consultations** or **huddles** among members to attempt mutual persuasion or informal negotiation. These take place outside the formal Executive Committee discussions, and results are reported back to the Chair in plenary.

The **sub-group on the production sector** is a subsidiary body of the Executive Committee, which is usually constituted at every meeting to oversee activities in the production sector for controlled substances and to ensure that the related activities complement activities in the consumption sector. The sub-group has no formal decision-making status but submits a report on its deliberations, including recommendations, to the plenary.

During discussions of projects at Executive Committee meetings, members or co-opted members, should refrain from speaking on projects in which they have a direct interest.

Agenda items are organized according to the illustrative agendas for the first and last meetings of the year agreed by the Executive Committee at the 77th meeting,⁵¹ and as further adjusted by the Committee. Table 3 provides a guide to the consideration of each agenda item at a typical Executive Committee meeting, including a brief description of each item and the possible or expected action by the Executive Committee. Some agenda items are included only at the first or last meeting of the year, as indicated.

⁵¹ As described in document UNEP/OzL.Pro/ExCom/77/71.

Table 3: Consideration of agenda items

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
1	Opening of the meeting	The meeting is opened by the Chair, who places it in the context of the Multilateral Fund's overall work plan and draws members' attention to important issues to be covered.
2	Organizational matters	
2(a)	Adoption of the agenda	The Provisional agenda sets out the plan of work for the meeting. The accompanying Provisional annotated agenda , which serves as a main guide to the meeting, contains a brief background to the matters under each item and the action expected of the Executive Committee. <u>Action:</u> The Executive Committee reviews the provisional agenda and may request any clarifications or make suggestions for additional items to be added, before adopting the agenda.
2(b)	Organization of work	The Chair proposes the order in which the plenary will cover each item on the agenda. Items may or may not be considered in the order indicated on the adopted agenda. The Chair also makes arrangements for any groups that the Executive Committee may wish to set up during the week to address specific matters.
3	Secretariat activities	The Chief Officer presents a report on Secretariat activities carried out since the preceding meeting. The report usually covers follow-up actions to Executive Committee decisions; a review of the preparation for the current meeting; information on meetings attended and missions undertaken by Secretariat staff; cooperation with multilateral environmental agreements (MEAs) and other relevant organizations; administrative matters; a summary of the outcomes of the IACM held in preparation for the meeting, and an update on other relevant activities. <u>Action:</u> The Executive Committee reviews the report on Secretariat activities and requests any additional information or clarifications as necessary, before taking note of the report and/or adopting related decisions.
4	Financial matters	
4(a)	Status of contributions and disbursements	The Treasurer provides a document on the Status of contributions and disbursements of the Multilateral Fund containing information on the Multilateral Fund's status, such as income (including contributions, bilateral cooperation, and interest earned) and allocations and provisions, including data on gains and losses of the FERM. The document also provides aggregate information on the status of the triennium. During the meeting, the Treasurer provides a verbal update on the latest information on the status of contributions. <u>Action:</u> The Executive Committee reviews the report from the Treasurer and addresses issues relating to the timely payment of contributions by contributing Parties. The Executive Committee usually takes note of the report and takes decisions as necessary.

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
4(b)	Report on balances and availability of resources	The Report on balances and availability of resources provides a review of total balances from all completed projects (including projects with balances that have been held for over 12 months following project completion and from projects completed as a result of an Executive Committee decision, (referred to as “by decision”), any agency support costs associated with them, and a calculation of the total amount of resources available to the Executive Committee for new approvals during the meeting. The total committable amount is the sum of the returned balances from all completed projects and the resources of the Multilateral Fund from the Treasurer’s report on the status of contributions and disbursements. <u>Action:</u> The Executive Committee reviews the total financial resources available for approvals at the meeting in progress and any issues relating to returning project balances and the proposed solutions.
4(c)	Accounts of the Multilateral Fund	<i>This agenda item is considered only at the last meeting of the year</i>
4(c)(i)	Final [preceding year] accounts	The Final [preceding year] accounts are prepared annually based on financial information provided to the Treasurer by the Secretariat. The document includes financial data on the income and expenditure of the Multilateral Fund for the two preceding years, as well as for the cumulative period between 1991 and the preceding year. These data are typically consistent with audited or certified accounts, including details of the Secretariat’s expenditure in the preceding year recorded in the accounts of the United Nations Office at Nairobi (UNON) compared to the approved budget, and certified or provisional accounts of the implementing agencies for the two preceding years and for the cumulative period between 1991 and the preceding year. <u>Action:</u> The Executive Committee reviews the final accounts to ensure the accounts are in order.
4(c)(ii)	Reconciliation of the [preceding year] accounts	Differences between the funds approved and the income reported by the implementing agencies can occur in the accounts of the Fund. To address these differences, the Executive Committee requested the Treasurer, the Secretariat, and the implementing agencies to provide a full Reconciliation of the [preceding year] accounts of the Fund, together with the data in the implementing agencies’ progress reports. <u>Action:</u> The Executive Committee notes the reconciliation report and requests any actions to be taken as necessary.
4(d)	Approved [next two years] budgets and proposed [the year after the next two years] budget of the Fund Secretariat	<i>This agenda item is considered only at the last meeting of the year</i> The budget of the Secretariat for the following three years (Approved [next two years] budgets and proposed [the year after the next two years] budget of the Fund Secretariat document) includes staff budget lines and operational costs related to the approved, revised, and proposed budgets. <u>Action:</u> The Executive Committee reviews the three-year budget of the Secretariat and approves it based on its discussions.

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
5	Country programme data and prospects for compliance	The Executive Committee reviews country programme data and the prospects for compliance of Article 5 countries at each meeting, and this is set out in the Country programme data and prospects for compliance document. The document includes, inter alia, an analysis of the status of and prospects for compliance of Article 5 countries based on the Article 7 data reported to the Ozone Secretariat and on country programme data reported to the Fund Secretariat, information on licensing and quota systems, an analysis of the HCFC and HFC data contained in country programme data reports and sectoral distribution of consumption, information on the prices of controlled and alternative substances, timeliness of submissions and data discrepancies between country programme and Article 7 data. <u>Action:</u> The Executive Committee reviews the status of compliance of Article 5 countries, and data on the implementation of country programmes, and may request bilateral and implementing agencies to assist those countries identified in the report as having eligible consumption that are not already included in business plans. It may propose specific actions regarding countries that appear to be in non-compliance or that have been found to be in non-compliance by the Parties to the Montreal Protocol. The Committee may also address issues related to the reporting of country- programme data.
6	Evaluation	
6(a)	Evaluation of the performance of implementing agencies against their [preceding year] business plans	<i>This sub-agenda item is considered at the first meeting of the year if that meeting is convened on or after 1 July, and at the second meeting of the year if it is convened earlier (decision 77/60(d)(ii)).</i> The Evaluation of the performance of implementing agencies against their [preceding year] business plans document presents a quantitative evaluation of the performance of the implementing agencies with respect to the performance targets set in their preceding year's business plans, and a trend analysis of each agency's performance indicators, as well as a qualitative assessment of the performance of implementing agencies based on input received from NOUs. The Executive Committee considers the results of the analysis of the quantitative performance indicators of implementing agencies and the results of the dialogue between agencies and countries that provided less-than-satisfactory ratings on qualitative performance indicators. <u>Action:</u> The Executive Committee notes the evaluation of the implementing agencies' performance against their preceding year's business plans and takes any other action as necessary.
6(b)	Desk studies and evaluation activities	Evaluation desk studies/evaluations, normally of a specific sector, are conducted to evaluate the project cycle from project preparation through implementation to completion and to assess whether the objectives of projects, in terms of phase-out/phase-down and funding approved, were achieved. They are prepared by independent consultants under the coordination of the SEO, according to the evaluation work programme approved by the Executive Committee. Usually desk studies are initially conducted, based on reports and documents available to the SEO. As necessary, the Executive Committee approves a full evaluation, that includes field visits and consultations with the NOUs, bilateral and implementing agencies and other stakeholders, based on which a final evaluation report is produced.

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
		<u>Action:</u> The Executive Committee reviews the proposed evaluation studies and relevant terms of reference, progress, or final reports and may decide to note them or make recommendations.
6(c)	Draft biennial evaluation work programme and budget/ Annual report on the implementation of the evaluation work programme for [the current year] and the updated work programme for [the following year]	<i>This agenda item is considered only at the last meeting of the year.</i> The Draft evaluation work programme and budget document for the next biennium is submitted by the SEO to the Executive Committee for its consideration and approval. It describes the evaluation activities foreseen for the next biennium together with the relevant proposed budget. As the work programme is biennial, the following year the SEO submits an annual report on the implementation of the evaluation work programme for [the current year] and the updated work programme for [the following year]. <u>Action:</u> The Executive Committee reviews the work programme and may decide to approve it and its associated budget, with or without changes. The following year the Committee reviews the annual report on the implementation of the evaluation work programme and the updated work programme for the following year and may note them or make recommendations.
7	Programme implementation	
7(a)	Progress and financial reports as at 31 December [of the preceding year]	<i>The consolidated progress report and the relevant progress reports of the bilateral and implementing agencies are considered at the first meeting of the year if that meeting is convened on or after 1 July, and at the second meeting of the year if it is convened earlier (decision 77/60(d)(i)b).</i>
7(a)(i)	Consolidated progress report	Bilateral and implementing agencies are required to provide the Executive Committee with an annual Progress report on the implementation of projects and activities approved by the Executive Committee. These progress reports include information on projects approved under the regular contributions to the Multilateral Fund; a summary of progress in implementation of projects for the preceding year and cumulative since 1991; a review of the status of implementation of each ongoing project at the country level; identification of projects with implementation delays and the potential impact on the phase-out/phase-down of controlled substances, and projects with outstanding issues for consideration by the Executive Committee. Based on the progress reports submitted by each agency, the Secretariat prepares the Consolidated progress report, which summarizes the progress and financial information provided both in narrative and spreadsheet formats. <u>Action:</u> The Executive Committee notes the Consolidated progress report as at 31 December [of the preceding year] and that bilateral and implementing agencies will report at the next Executive Committee meeting on projects with implementation delays and ongoing projects recommended for additional status reports.
7(a)(ii)	Bilateral agencies progress report	The Executive Committee considers the Progress report of bilateral agencies as at 31 December [of the preceding year] to ensure that the projects will be completed successfully.

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
		<u>Action:</u> Based on the progress report, the Executive Committee may request bilateral agencies to provide further status reports on the projects to a future meeting in the context of the agenda item/document on Reports on projects with specific reporting requirements . The Executive Committee may also take decisions with respect to the completion and/or cancellation of projects, the due date for PCRs, projects with implementation delays, and other issues arising from the review of reports
7(a)(iii), 7(a)(iv), 7(a)(v), 7(a)(vi)	UNDP, UNEP, UNIDO, World Bank	Consideration of the Progress report of [UNDP] [UNEP] [UNIDO] [World Bank] as at 31 December [of the preceding year] . <u>Action:</u> As above on the bilateral cooperation; decisions may also include those on the return of balances.
7(b)	Reports on projects with specific reporting requirements	The documents on Reports on projects with specific reporting requirements include reports received by the Secretariat for ongoing projects with specific reporting requirements pursuant to Executive Committee decisions. The specific reports generally provide summaries of progress achieved so far, issues encountered during implementation, and comments and recommendations by the Secretariat. Two documents are issued, the first one includes those projects that, after the Secretariat's review, have no outstanding issues and therefore do not require the Executive Committee to consider them individually. The second document contains projects which, after the Secretariat's review, present outstanding issues and therefore require the Executive Committee to consider them individually to provide further guidance. <u>Action:</u> The Executive Committee first considers the document on projects with no outstanding issues. It then considers those the Secretariat recommended for individual consideration and makes any decisions as appropriate.
7(c)	Consolidated project completion report	<i>This agenda item is considered only at the first meeting of the year.</i> The Consolidated project completion report provides an analysis of PCRs for MYAs and individual projects received by the Secretariat. PCRs are prepared using formats approved by the Executive Committee. ⁵² The consolidation assesses the quality and timely submission of PCRs by bilateral and implementing agencies and provides a summary of lessons learned. <u>Action:</u> The Executive Committee notes the consolidated PCR and may make decisions relating to issues addressed in the document.
8	Business planning	
8(a)	Update on the status of implementation of the [current triennium]	The Secretariat monitors the implementation of business plans by means of the document Update on the status of implementation of the three-year consolidated business plan of the Multilateral Fund , which informs the Executive

⁵² The Executive Committee approved a universal PCR format to be used by bilateral and implementing agencies once the KMS provided the required functionalities for online submission of PCRs (decision 94/5).

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
	consolidated business plan	Committee of the extent to which the planned activities were achieved. <u>Action:</u> The Executive Committee notes the update on the status of implementation of the business plan and takes any appropriate actions. At the last meeting of the year, the Executive Committee examines any remaining projects and activities in the consolidated business plan that have not been submitted, together with the resulting impact on compliance. The Committee may request bilateral and implementing agencies to include these activities in their business plans for the following year.
8(b)	Tranche submission delays	<i>This agenda item is considered only at the first meeting of the year.</i>⁵³ The information on delays in the submission of tranches of MYA projects against the business plan schedule is presented in the Tranche submission delays document. This document presents the follow-up on decisions on tranche submission delays addressed at the preceding meeting; an analysis of the tranches that were not submitted to the current meeting; and reasons for the withdrawal of tranches that were submitted to the current meeting but were subsequently withdrawn during the review process. <u>Action:</u> The Executive Committee notes those tranches with delayed submissions, adjusts submission dates, and takes appropriate actions as required.
8(c)	Consolidated business plan of the Multilateral Fund for [the following triennium]	<i>This agenda item is considered only at the last meeting of the year.</i> Since the contributions to the Multilateral Fund are paid annually by contributing Parties, the activities of the Multilateral Fund are organized mainly based on an annual cycle. At the end of each year, the cycle starts with the preparation of agencies' business plans for the following year. The business plans of the agencies reflect the activities that need to be financed and implemented during the year. Business plans for the following year are integrated into the rolling three-year business plans. The Secretariat consolidates the business plans of individual agencies into the Consolidated three-year business plan of the Multilateral Fund in the light of decisions and guidelines from the Executive Committee, and the need to provide immediate assistance to those countries that might be at risk of non-compliance with their Montreal Protocol obligations. The issues that the Executive Committee considers in reviewing the consolidated business plan and agencies' business plans include the extent to which the needs of countries at risk of non-compliance are being addressed; the adequacy of the number of countries being covered and respective funding; and the clarity and appropriateness of proposed targets. <u>Action:</u> The Executive Committee considers and endorses the Consolidated three-year business plan. It does not approve specific projects or the associated funding levels.
8(d)	Business plans of the bilateral and	<i>This agenda item is only considered at the last meeting of the year.</i>

⁵³ Decision 95/91

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
	implementing agencies for [the following triennium]	
8(d)(i), 8(d)(ii), 8(d)(iii), 8(d)(iv), 8(d)(v)		Consideration of the Bilateral agencies, UNDP, UNEP, UNIDO and World Bank's business plans for [the following triennium]. <u>Action:</u> The Executive Committee notes the business plans of the bilateral agencies.
9	Project proposals	
9(a)	Overview of issues identified during project review	The Overview of issues identified during project review provides an overview of requests that were submitted by bilateral and implementing agencies to the meeting (part I) and an overview of their status following project review by the Secretariat including those withdrawn, recommended for blanket approval, and recommended for individual consideration (part II). Part III of the document presents the issues identified during the project review process together with the Secretariat's recommendations. Part IV presents reports on the implementation of decisions and follow-up on previous discussions relating to project review. <u>Action:</u> The Executive Committee commences its project review deliberations by looking at any policy issues that the Secretariat may have highlighted from submissions to the meeting. The Executive Committee discusses each of the policy issues raised in the document and takes appropriate decisions.
9(b)	Bilateral cooperation	The document Bilateral cooperation provides an overview of project proposal requests from the bilateral agencies of donor countries and considers whether these are eligible in light of the maximum level of bilateral cooperation available for the donor country for that year or the triennium. <u>Action:</u> The Executive Committee considers the document and decides whether to request the Treasurer to offset the costs of the bilateral projects approved at the meeting against the annual contributions of the relevant Parties.
9(c)	Projects recommended for blanket approval	The document Projects recommended for blanket approval contains summary information on the projects recommended for blanket approval and a recommendation by the Secretariat for the consideration of the Executive Committee. Projects can be recommended for blanket approval if there are no pending issues, and the funding level does not exceed US \$5 million (including agency support costs). <u>Action:</u> The Executive Committee may decide to approve all or some of the projects submitted for blanket approval as recommended by the Secretariat, or to consider them individually, in which case approval may be subject to conditions.

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
9(d)	Projects recommended for individual consideration	The document Projects recommended for individual consideration provides summary information on the projects and activities submitted for individual consideration referencing the full project documentation in either the [Agency's] work programmes/work programme amendments for [year] or relevant country Project proposal[s] submitted by bilateral and implementing agencies. <u>Action:</u> The Executive Committee considers the projects and activities individually and may decide to approve them subject to conditions.
9(e)	UNEP Compliance Assistance Programme (CAP) budget for [the following year]	<i>This agenda item is only considered at the last meeting of the year.</i> The UNEP CAP budget [for the following year] presents the proposed work programme for the following year and associated budget. It covers primarily the costs of implementing the programme, including project staff located in the UNEP CAP Paris headquarters office and the regional offices, as well as a progress report on the implementation of the current year's programme. Requests for increases in the CAP budget are limited to 3 per cent, unless the Executive Committee is given evidence that inflationary pressures justify otherwise.⁵⁴ <u>Action:</u> The Executive Committee reviews and approves the CAP budget for the following year.
9(f)	[Following year] core unit costs for UNDP, UNIDO and the World Bank	<i>This agenda item is considered only at the last meeting of the year.</i> The administrative cost regime has three aspects: Core unit costs for UNDP, UNIDO and the World Bank; agency fees (with different rates for UNEP and bilateral agencies); and the CAP budget. Core unit costs and agency fees constitute administrative costs that are intended to provide UNDP, UNIDO and the World Bank with funds for administrative tasks, personnel, and other general administrative services associated with project implementation. An increase rate of 0.7 per cent per year is allowed for core unit costs as per decision 67/15. <u>Action:</u> The Executive Committee reviews the administrative cost regime and approves the core unit costs for UNDP, UNIDO and the World Bank.
10	Policy matters	Policy documents are prepared by the Secretariat pursuant to decisions of the Executive Committee and/or the MOP. <u>Action:</u> The Executive Committee considers each policy matter and makes decisions as appropriate.
11	Report of the Executive Committee to the Meeting of the Parties	<i>This agenda item is considered at the first meeting of the year if that year's MOP is scheduled to take place before the last Executive Committee meeting of the year; otherwise, it is considered at the second meeting.</i> The Executive Committee is required to report to the MOP each year through the Chair of the Executive Committee. The Draft report of the Executive Committee to the Meeting of the Parties prepared by the Secretariat, sums up the activities of the Executive Committee during the reporting period, highlighting the important policies and guidelines that have been adopted, the funding that has been disbursed, and the amount of controlled substances

⁵⁴ As per decision 47/24(a)(iii)

No.	Agenda items and sub-items	Description, document(s) (in bold text) and action expected
		phase-out/phase-down that has been achieved. Before the report is presented by the Chair to the MOP, it is reviewed and cleared by the Executive Committee at the meeting prior to the MOP. <u>Action:</u> The Executive Committee decides to authorize the Secretariat to finalize the report in light of the discussions held and decisions taken at the meeting and, following clearance by the Chair, submit it to the Ozone Secretariat for distribution to the Parties. In the case where it is not possible for the Executive Committee to review the draft report at an Executive Committee meeting, the Executive Committee may decide on the process to clear the report.
12	Report of the sub-group on the production sector	The sub-group on the production sector, a subsidiary body of the Executive Committee, assists the Executive Committee in developing guidelines for funding projects targeted at the phase-out/phase-down of the production of controlled substances and reviews and recommends the approval of projects in the production sector. The sub-group is re-constituted at the first meeting of each year and is composed of eight members (four Article 5 country members and four non-Article 5 country members). <u>Action:</u> The Executive Committee considers the Report of the sub-group on the production sector and the draft decisions from the sub-group and takes action as appropriate.
13	Other matters	Under this agenda item, the Executive Committee discusses, if so agreed during the adoption of the agenda, any matters that are not covered by other agenda items and takes action as necessary. One regular matter under this agenda item is the consideration of the dates and venues of future Executive Committee meetings, presented by the Chief Officer.
14	Adoption of the report of the meeting	A Draft report of the meeting of the Executive Committee (L.1), which contains a draft of the proceedings and all the decisions taken at the meeting up to the end of the fourth day, is prepared by the Secretariat and reviewed by the Chair. The L.1 report is posted in the password-protected section of the Multilateral Fund's website one or two hours in advance of the final session of the meeting. <u>Action:</u> The Executive Committee adopts the report of the meeting based on the draft report contained in the L.1 document and comments made by any members of the Executive Committee or clarifications by the Secretariat or implementing agencies during its adoption. Substantive discussions cannot be opened on any agenda item at this point. Following the meeting, the Secretariat finalizes the Report of the meeting of the Executive Committee. The report is conveyed to all Executive Committee members and all other participants and posted on the Fund's website. A document summarizing decisions is also prepared by the Secretariat and posted on the Fund's website.

Logistical arrangements for meetings

Meeting documents

Meeting documents are issued in advance of the meeting (pre-session documents), during the meeting (in-session documents), and the final report of the meeting is issued as a post-session document in the month following the meeting.

Pre-session documents are normally issued four weeks before the meeting. Occasionally, a document may not be ready by the four-week deadline, but all documents must be issued no later than two weeks before the meeting (with the exception of documents indicating corrections or revisions that can be issued at any time). In the event that an Executive Committee meeting was scheduled immediately following a session of the OEWG or MOP, all new documents should be made available to Committee Members 15 days before the start of that Executive Committee meeting.⁵⁵

Limited and restricted documents

The Executive Committee decided to restrict access to any project documents that a Party requested to be classified as confidential until its consideration of the matter, and decided to apply, with regard to the review of confidential documents, the procedure set out in Part III of the “Guidelines for the financing of projects using technology that is not in the public domain”.⁵⁶ The Secretariat maintains a list of confidential documents issued from the 53rd meeting onwards that may be made available, as appropriate, upon request.⁵⁷ Limited-distribution documents are posted in a password protected area of the website for access by Executive Committee members only, while restricted documents are distributed directly to the heads of Executive Committee delegations. Limited and restricted documents mainly concern the production sector.⁵⁸

Table 4 provides a list and definition of the types of meeting documents issued.

Table 4: Types of Executive Committee meeting documents

Document	Definition
Pre-session documents	Official meeting documents prepared in advance of the meeting by the Secretariat and available in the relevant United Nations official languages ⁵⁹ according to the membership of the Executive Committee. They are classified in the “General access” category.

⁵⁵ Decision 59/35

⁵⁶ Annex XIV to document UNEP/OzL.Pro/ExCom/38/70/Rev.1, as approved in decision 38/63 and other decisions taken by the Executive Committee related to the handling of confidential documents and information.

⁵⁷ Decision 67/34

⁵⁸ Documentation for meetings of the sub-group on the production sector are limited or restricted although the report of the sub-group is presented as a “General distribution” document to Executive Committee meetings. Limited distribution documents are posted in the password protected production sector area on the website for access by Executive Committee members only. In the absence of an agreement by the Executive Committee on the composition of the sub-group on the production sector, the documents for the first meeting of the sub-group in a given year would be conveyed only to the heads of Executive Committee delegations, with the consent of the country or countries concerned (decision 73/70(d)).

⁵⁹ The United Nations official languages are Arabic, Chinese, English, French, Russian and Spanish.

Document	Definition
In-session documents ⁶⁰	
Conference room papers (CRPs)	CRPs serve to explain in detail the position of (an) Executive Committee member(s) on a complex issue or to put forward a recommendation. Their origin is clearly identified. Part or all of a CRP can be included in the final report of the meeting if agreed by the plenary. CRPs have official numbers and are issued in English only.
Non-papers	(An) Executive Committee member(s) may draft a non-paper for different reasons: for information purposes; to put forward possible proposals in order to elicit comments from other members; or to generate support. Contrary to CRPs they have no official numbers. Non-papers are issued in English only.
L.1	The L.1 is the draft report of the meeting. It contains the conclusions and decisions of the meeting up to the end of the fourth day. It is translated into all official languages required by the Executive Committee before it is adopted by the plenary. The “L” stands for “limited distribution”, as it is distributed only to meeting participants for the limited purpose of adopting its content.
Post-session documents	
Report of the meeting	The report of the meeting is a key document as it records all the substance of the discussions and all the decisions adopted at the meeting. Additional texts resulting from the meeting are included in the annexes to the report. It is translated into all official languages required by the Executive Committee and classified in the “General access” category.

Letters of invitation

Executive Committee members should reply to the invitation letter as soon as possible after it is sent, providing the names of members of their delegation, including those from any co-opted countries.

Information Note

Information on logistics is prepared as an Information Note and sent to members by email. It provides practical details on the meeting venue, local hotel rates, etc. Participants make their own travel and hotel arrangements except for those who receive financial support as their travel is arranged by the Secretariat.

Financial and other support

Financial support, including the cost of travel and a subsistence allowance for each day of the meeting, is provided by the Multilateral Fund to:

- Three attendees from each delegation from Article 5 parties⁶¹ and one additional Article 5 delegate of one Article 5 party that is not eligible through the existing rotation system for a seat on the Executive Committee for the year in question in line with decision XXXIV/17 of the Parties,⁶² and

⁶⁰ Available in a password-protected section of the Fund’s website. Usernames and passwords can be requested from the Secretariat (mlf-secretariat@un.org).

⁶¹ See UNEP/OzL.Pro/2/3 (Appendix II to decision II/8, paragraph 6); UNEP/OzL.Pro/4/15 (Annex X to decision IV/8, paragraph 6), UNEP/OzL.Pro.34/9/Add.1 (decision XXXIV/17).

⁶² Decision 91/6(b)(ii)

- The President of the Bureau of the MOP (or her/his representative) if she/he is a national of an Article 5 country.⁶³

Additionally, the Executive Committee decided that the travel of the Chair or Vice-Chair of the Executive Committee, irrespective of whether they represented countries operating under Article 5, could be supported if such travel was required to enable them to represent the Executive Committee.⁶⁴

The Secretariat will provide a visa letter to assist in obtaining visas necessary for attending the meeting to all Executive Committee members who require one. Visas are to be requested by each individual wishing to attend the meeting.

Observers

The Secretariat also notifies the following individuals/bodies that are authorized to participate as observers. Observers are allowed, upon invitation of the Chair, to participate without the right to vote in the proceedings of any meeting. They include:

- Representatives of the implementing agencies;
- Representatives of the Ozone Secretariat;
- The President of the Bureau of the MOP; and
- The President and Vice-President of the Implementation Committee.

Furthermore, the Secretariat notifies non-governmental organizations (NGOs) and other organizations qualified in the field related to the work of the Executive Committee that have informed the Secretariat of their wish to be represented at meetings. These organizations can only attend provided there is no objection from the Committee members.⁶⁵ Apart from the above, Executive Committee meetings are not open to the general public.

Time and venue of meetings

Meetings are usually held in Montreal, Canada (Rule 3), and the premises of the International Civil Aviation Organization (ICAO) have been the traditional venue.

The Executive Committee may decide to hold a meeting outside Montreal if, for example, the timings of the Montreal Protocol and Executive Committee meetings coincide (decision XIX/11). In such cases, the Fund Secretariat and the Ozone Secretariat coordinate arrangements to the greatest extent possible.

⁶³ See document UNEP/OzL.Pro/ExCom/5/16, paragraph 65.

⁶⁴ See document UNEP/OzL.Pro/ExCom/11/36, paragraph 24.

⁶⁵ The Secretariat was requested to continue informing members, by correspondence, of requests for observer status made by NGOs as long as the requests had been received at least one week ahead of the meeting of the Executive Committee in question; and, if no objections were received from members within three working days of receipt of the correspondence, to notify the NGOs that they had been permitted by the Executive Committee to attend the meeting as observers (decision 77/67).

In order for the meeting to take place outside Montreal, the Executive Committee requires an invitation from the host country. Following this invitation, the Secretariat arranges a host country agreement. The additional costs of such meetings, if any, should be borne by the host country.

Registration

On arrival at the meeting venue, participants should register and collect an identification badge.

Schedule of meetings

The Executive Committee normally meets daily in two plenary sessions:

- 10 a.m. to 1 p.m.
- 3 p.m. to 6 p.m.

Sessions outside these hours may be arranged as and when needed. Meetings of any contact or informal groups or presentations are arranged in consultation with the Secretariat and are announced by the Chair. Such groups normally meet at times adjacent to the plenary meeting times although, in some circumstances, the plenary may be suspended to allow a contact group meeting to take place.

Closed meetings

Occasionally, the Executive Committee may decide that parts of its meetings involving sensitive matters may be closed to observers.

Interpretation

Simultaneous interpretation is provided during the plenary meetings into all the United Nations official languages of the Executive Committee members. Interpretation is not normally provided for meetings of other groups.

List of participants

A list of meeting participants is prepared and circulated during the meeting.

ANNEX I: TERMS OF REFERENCE OF THE MULTILATERAL FUND¹

A. Establishment

1. A Multilateral Fund is established.

B. Roles of the implementing agencies

2. Under the overall guidance and supervision of the Executive Committee in the discharge of its policy-making functions:
 - (a) Implementing agencies shall be requested by the Executive Committee, in the context of country programmes developed to facilitate compliance with the Protocol, to cooperate with and assist the Parties within their respective areas of expertise; and
 - (b) Implementing agencies shall be invited by the Executive Committee to develop an inter-agency agreement and specific agreements with the Executive Committee acting on behalf of the Parties.
3. Implementing agencies shall apply only those considerations relevant to effective and economically efficient programmes and projects which are consistent with any criteria adopted by the Parties.
4. Specifically:
 - (a) The United Nations Environment Programme shall be invited by the Executive Committee to cooperate and assist in political promotion of the objectives of the Protocol, as well as in research, data gathering and the clearing-house functions;
 - (b) The United Nations Development Programme and such other agencies which, within their areas of expertise, may be able to assist shall be invited by the Executive Committee to cooperate and assist in feasibility and pre-investment studies and in other technical assistance measures;
 - (c) The World Bank shall be invited by the Executive Committee to cooperate and assist in administering and managing the programme to finance the agreed incremental costs;
 - (d) Other agencies, in particular regional development banks, shall also be invited by the Executive Committee to cooperate with and assist it in carrying out its functions.
5. The Executive Committee shall draw up reporting criteria and shall invite the implementing agencies to report regularly to it in accordance with those criteria.

¹ As adopted by decision IV/18 of the 4th Meeting of the Parties to the Montreal Protocol. The terms of reference for the Interim Multilateral Fund had been adopted by decision II/8 of the 2nd Meeting of the Parties to the Montreal Protocol.

6. The Executive Committee shall invite the implementing agencies, in fulfilling their responsibilities in respect of the Multilateral Fund, to consult each other regularly. It shall also invite the heads of the agencies or their representatives to meet at least once a year to report on their activities and consult on cooperative arrangements.
7. The implementing agencies shall be entitled to receive support costs for the activities they undertake, having reached specific agreements with the Executive Committee.

C. Budget and contributions

8. The Multilateral Fund shall be financed in accordance with Paragraph 6 of Article 10 of the amended Protocol. In addition, contributions may be made by countries not Party to the Protocol, and by other governmental, intergovernmental, non-governmental and other sources.
9. The contributions referred to in paragraph 6 of Article 10 of the amended Protocol are to be based on the scale of contributions decided by the annual Meeting of the Parties. Bilateral and, in particular cases, regional cooperation by a country not operating under paragraph 1 of Article 5 may, according to criteria adopted by the Parties, be considered as a contribution to the Multilateral Fund up to a total of twenty per cent of the total contribution by that Party as decided by the annual Meetings of the Parties.
10. All contributions other than the value of bilateral and agreed regional cooperation referred to in paragraph 9 above shall be in convertible currency or, in certain circumstances, in kind and/or in national currency.
11. Contributions from States that become Parties not operating under paragraph 1 of Article 5 after the beginning of the financial period of the mechanism shall be calculated on a pro rata basis for the balance of the financial period.
12. Contributions not immediately required for the purposes of the Multilateral Fund shall be invested under the authority of the Executive Committee and any interest so earned shall be credited to the Multilateral Fund.
13. Budget estimates, setting out the income and expenditure of the Multilateral Fund prepared in United States dollars, shall be drawn up by the Executive Committee and submitted to the regular meetings of the Parties to the Protocol.
14. The proposed budget estimates shall be dispatched by the Fund Secretariat to all Parties to the Protocol at least sixty days before the date fixed for the opening of the regular meeting of the Parties to the Protocol at which they are to be considered.
15. Resources remaining in the Interim Multilateral Fund shall be transferred to the Multilateral Fund established under the financial mechanism.

D. Administration

16. The World Bank shall be invited by the Executive Committee to cooperate with and assist it in administering and managing the programme to finance the agreed incremental costs of Parties operating under paragraph 1 of Article 5. Should the World Bank accept this invitation, in the context of an agreement with the Executive Committee, the President of the World Bank shall be the Administrator of this programme, which shall operate under the authority of the Executive Committee.

17. The Executive Committee shall encourage the involvement of other agencies, in particular the regional development banks, in carrying out its functions effectively in relation to the programme to finance the agreed incremental costs.
18. The Fund Secretariat operating under the Chief Officer, co-located with the United Nations Environment Programme (UNEP) at Montreal, Canada, shall assist the Executive Committee in the discharge of its functions. The Multilateral Fund shall cover Secretariat costs, based on regular budgets to be submitted for decision by the Executive Committee.
19. In the event that the Chief Officer of the Fund Secretariat anticipates that there may be a shortfall in resources over the financial period as whole, he shall have discretion to adjust the budget approved by the Parties so that expenditures are at all times fully covered by contributions received.
20. No commitments shall be made in advance of the receipt of contributions, but income not spent in a budget year and unimplemented activities may be carried forward from one year to the next within the financial period.
21. At the end of each calendar year, the Chief Officer of the Fund Secretariat shall submit to the Parties accounts for the year. The Chief Officer shall also, as soon as practicable, submit the audited accounts for each period so as to coincide with the accounting procedures of the implementing agencies.
22. The Fund Secretariat and the implementing agencies shall cooperate with the Parties to provide information on funding available for relevant projects, to secure the necessary contacts and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.
23. The financing of activities or other costs, including resources channelled to third party beneficiaries, shall require the concurrence of the recipient Governments concerned. Recipient Governments shall, where appropriate, be associated with the planning of projects and programmes.
24. Nothing shall preclude a beneficiary Party operating under paragraph 1 of Article 5 from applying for its requirements for agreed incremental costs solely from the resources available to the Multilateral Fund.

ANNEX II: TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE ¹

1. The Executive Committee of the Parties is established to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources, for the purpose of achieving the objectives of the Multilateral Fund under the Financial Mechanism.
2. The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee members. Seven seats allocated to the group of Parties operating under paragraph 1 of Article 5 shall be allocated as follows: two seats to Parties of the African region, two seats to Parties of the region of Asia and the Pacific, two seats to Parties of the region of Latin America and the Caribbean, and one rotating seat among the regions referred, including the region of Eastern Europe and Central Asia. The members of the Executive Committee shall be endorsed by the Meeting of the Parties.²
- 2 bis. The members of the Executive Committee whose selection was endorsed by the Eighth Meeting of the Parties shall remain in office until 31 December 1997. Thereafter, the term of office of the members of the Committee shall be the calendar year commencing on 1 January of the calendar year after the date of their endorsement by the Meeting of the Parties.³
3. The Chairman and Vice-Chairman shall be selected from the fourteen Executive Committee members. The office of Chairman is subject to rotation, on an annual basis, between the Parties operating under paragraph 1 of Article 5 and the Parties not so operating. The group of Parties entitled to the chairmanship shall select the Chairman from among their members of the Executive Committee. The Vice-Chairman shall be selected by the other group from within their number.
4. Decisions by the Executive Committee shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions shall be taken by a two-thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting.
5. The meetings of the Executive Committee shall be conducted in those official languages of the United Nations required by members of the Executive Committee. Nevertheless, the Executive Committee may agree to conduct its business in one of the United Nations official languages.

¹ As adopted by decision IV/18 of the 4th Meeting of the Parties to the Montreal Protocol. The terms of reference of the Executive Committee under the Interim Multilateral Fund had been adopted by decision II/8 of the 2nd Meeting of the Parties to the Montreal Protocol.

² Amended by decision XVI/38 of the 16th Meeting of the Parties to the Montreal Protocol.

³ Amended by decision IX/16 of the 9th Meeting of the Parties to the Montreal Protocol.

6. Costs of Executive Committee meetings, including travel and subsistence of Committee participants from Parties operating under paragraph 1 of Article 5, shall be disbursed from the Multilateral Fund as necessary.
7. The Executive Committee shall ensure that the expertise required to perform its functions is available to it.
8. The Executive Committee shall have the flexibility to hold two or three meetings annually, if it so decides, and shall report at each Meeting of the Parties on any decision taken there. The Executive Committee should consider meeting, when appropriate, in conjunction with other Montreal Protocol meetings.⁴
9. The Executive Committee shall adopt other rules of procedure on a provisional basis and in accordance with paragraphs 1 to 8 of the present terms of reference. Such provisional rules of procedure shall be submitted to the next annual meeting of the Parties for endorsement. This procedure shall also be followed when such rules of procedure are amended.
10. The functions of the Executive Committee shall include:
 - (a) To develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources;
 - (b) To develop the plan and budget for the Multilateral Fund, including allocation of Multilateral Fund resources among the agencies identified in paragraph 5 of Article 10 of the Amended Protocol;
 - (c) To supervise and guide the administration of the Multilateral Fund;
 - (d) To develop the criteria for project eligibility and guidelines for the implementation of activities supported by the Multilateral Fund;
 - (e) To review regularly the performance reports on the implementation of activities supported by the Multilateral Fund;
 - (f) To monitor and evaluate expenditure incurred under the Multilateral Fund;
 - (g) To consider and, where appropriate, approve country programmes for compliance with the Protocol and, in the context of those country programmes, assess and where applicable approve all project proposals or groups of project proposals where the agreed incremental costs exceed \$500,000;
 - (h) To review any disagreement by a Party operating under paragraph 1 of Article 5 with any decision taken with regard to a request for financing by that Party of a project or projects where the agreed incremental costs are less than \$500,000;
 - (i) To assess annually whether the contributions through bilateral cooperation, including particular regional cases, comply with the criteria set out by the Parties for consideration as part of the contributions to the Multilateral Fund;
 - (j) To report annually to the meeting of the Parties on the activities exercised under the functions outlined above, and to make recommendations as appropriate;

⁴ Amended by decision XIX/11 of the 19th Meeting of the Parties to the Montreal Protocol.

- (k) To nominate, for appointment by the Executive Director of UNEP, the Chief Officer of the Fund Secretariat, who shall work under the Executive Committee and report to it; and
- (l) To perform such other functions as may be assigned to it by the Meeting of the Parties.

ANNEX III: RULES OF PROCEDURE FOR MEETINGS OF THE EXECUTIVE COMMITTEE

APPLICABILITY

Unless otherwise provided for by the Montreal Protocol or by the decision of the Parties, or excluded by the Rules of Procedure hereunder, the Rules of Procedure for meetings of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer shall apply mutatis mutandis to the proceedings of any meeting of the Executive Committee.

Rule 1

These Rules of procedure shall apply to any meeting of the Executive Committee for the Interim Multilateral Fund under the Protocol on Substances that Deplete the Ozone Layer convened in accordance with Article 11 of the Protocol.

DEFINITIONS

Rule 2

For the purposes of these rules:

1. "Executive Committee" means the Executive Committee for the Interim Multilateral Fund as established by decision II/8 at the Second Meeting of the Parties to the Montreal Protocol.
2. "Committee members" means Parties selected as members of the Executive Committee for the Interim Multilateral Fund.
3. "Meeting" means any meeting of the Executive Committee for the Interim Multilateral Fund.
4. "Chairman" means the Committee member selected Chairman of the Executive Committee.
5. "Secretariat" means the Multilateral Fund Secretariat.
6. "Fund" means the Interim Multilateral Fund.

PLACE OF MEETINGS

Rule 3

The meetings of the Executive Committee shall take place at the seat of the Fund Secretariat, unless other appropriate arrangements are made by the Fund Secretariat in consultation with the Executive Committee.

DATES OF MEETINGS

Rule 4

1. Meetings of the Executive Committee shall be held at least twice every year.
2. At each meeting, the Executive Committee shall fix the opening date and duration of the next meeting.

"The Executive Committee shall have the flexibility to hold two or three meetings annually, if it so decides, and shall report at each Meeting of the Parties on any decision taken there. The Executive Committee should consider meeting, when appropriate, in conjunction with other Montreal Protocol meetings." (Paragraph 8 of the Terms of reference of the Executive Committee as modified by the Meeting of the Parties in its decision XIX/11).

Rule 5

The Secretariat shall notify all Committee members of the dates and venue of meetings at least six weeks before the meeting.

OBSERVERS

Rule 6

1. The Secretariat shall notify the President of the Bureau and the implementing agencies inter alia UNEP, UNDP, UNIDO and the World Bank of any meeting of the Executive Committee so that they may participate as observers.
2. Such observers may, upon invitation of the Chairman, participate without the right to vote in the proceedings of any meeting.

Rule 7

1. The Secretariat shall notify any body or agency, whether national or international, governmental or nongovernmental, qualified in the field related to the work of the Executive Committee, that has informed the Secretariat of its wishes to be represented, of any meeting so that it may be represented by an observer subject to the condition that their admission to the meeting is not objected to by at least one third of the Parties present at the meeting. However, the Executive Committee may determine that any portion of its meetings involving sensitive matters may be closed to observers. Nongovernmental observers should include observers from developing and developed countries and their total number should be limited as far as possible.
2. Such observers may, upon invitation of the Chairman and if there is no objection from the Committee members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency which they represent.

AGENDA

Rule 8

In agreement with the Chairman and the Vice Chairman, the Secretariat shall prepare the provisional agenda for each meeting.

Rule 9

The Secretariat shall report to the meeting on the administrative and financial implications of all substantive agenda items submitted to the meeting, before they are considered by it. Unless the meeting decides otherwise, no such item shall be considered until at least twenty-four hours after the meeting has received the Secretariat's report on the administrative and financial implications.

Rule 10

Any item of the agenda of any meeting, consideration of which has not been completed at the meeting, shall be included automatically in the agenda of the next meeting, unless otherwise decided by the Executive Committee.

REPRESENTATION AND CREDENTIALS**Rule 11**

The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee members. The members of the Executive Committee shall be formally endorsed by the Meeting of the Parties.

Rule 12

Each Committee member shall be represented by an accredited representative who may be accompanied by such alternate representatives and advisers as may be required.

OFFICERS**Rule 13**

If the Chairman is temporarily unable to fulfil the obligation of the office, the Vice Chairman shall in the interim assume all the obligations and authorities of the Chairman.

Rule 14

If the Chairman or Vice Chairman is unable to complete the term of office the Committee members representing the group which selected that officer shall select a replacement to complete the term of office.

Rule 15

1. The Secretariat shall:

- (a) Make the necessary arrangements for the meetings of the Executive Committee, including the issue of invitations and preparation of documents and reports of the meeting;
- (b) Arrange for the custody and preservation of the documents of the meeting in the archives of the international organization designated as secretariat of the Convention; and

- (c) Generally perform all other functions that the Executive Committee may require.

Rule 16

The Chief Officer of the Secretariat shall be the Secretary of any meeting of the Executive Committee.

VOTING

Rule 17

Decisions of the Executive Committee shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions shall be taken by a two thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting.

LANGUAGES

Rule 18

The meeting of the Executive Committee shall be conducted in those official languages of the United Nations required by members of the Executive Committee. Nevertheless, the Executive Committee may agree to conduct its business in one of the United Nations official languages.

AMENDMENTS TO RULES OF PROCEDURE

Rule 19

These rules of procedure may be amended according to Rule 17 above and formally endorsed by the Meeting of the Parties to the Montreal Protocol.

OVERRIDING AUTHORITY OF THE PROTOCOL

Rule 20

In the event of any conflict between any provision of these rules and any provision of the Protocol, the Protocol shall prevail.