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

Twelfth Meeting
Montreal, 28-30 March 1994

DRAFT TERMS OF REFERENCE FOR THE REVIEW UNDER PARAGRAPH 8 OF ARTICLE 5 OF THE MONTREAL PROTOCOL

(Report on the Effectiveness of Financial Cooperation and Technology Transfer to Article 5 Parties)

Introduction

1. The Fifth Meeting of the Parties requested the Executive Committee to prepare a report with respect to the review referred to in paragraph 8 of Article 5, taking into account Section II, paragraph 4, of Decision IV/18.

2. Paragraph 8 of Article 5 states: "A meeting of the Parties shall review, not later than 1995, the situation of the Parties operating under paragraph 1 of this Article, including the effective implementation of financial cooperation and transfer of technology to them, and adopt such revisions that may be deemed necessary regarding the schedule of control measures applicable to those Parties".

3. Decision IV/18 paragraph 4 states: "To evaluate and review, by 1995, the Financial Mechanism established by Article 10 of the Protocol and section I of the present decision, with a view to ensuring its continued effectiveness, taking into account chapters 9, 33 and 34, and all other relevant chapters, of Agenda 21 as adopted by the United Nations Conference on Environment and Development, held in Rio de Janeiro in June 1992".

4. The Parties further requested that the report referred to in paragraph 1 above shall include consideration of:

"(a) The operation of the Fund to date;

(b) The rate at which low- and non-ozone-depleting-substance technologies are being transferred to or developed by Parties operating under Article 5, including the report on the actual implementation of these technologies;

(c) The progress made and problems encountered by Article 5 Parties in implementing their country programmes;

(d) The current plans of Article 5 Parties as articulated in their country programmes;

(e) The financial implications of various phase-out strategies, including a comparison in achieving the targets set in the London and the Copenhagen Amendments;

(f) The feasibility of achieving the greatest possible reduction as soon as possible.

The comments of the Parties will be invited on the draft report in a manner so as to be available to the Open-ended Working Group and the Meeting of the Parties if required."

5. This document presents a draft terms of reference for the report referred to above, and is presented for the Committee's consideration at its twelfth meeting.

Terms of Reference

6. The report shall address:

(a) Address all the items in paragraph 4 above;

(b) Take into consideration the document UNEP/OzL.Pro/ExCom/10/36 (Report on the Operation of the Fund adopted at the 10th Meeting of the Executive Committee) and update it;

(c) Assess, based on the country programmes approved by the Executive Committee, the current status of ODS technologies used in Article 5 countries and the level of consumption of ODS in Article 5 countries;

(d) Provide information on legislation being enacted in Article 5 countries in consonance with the strategies and action plans included in the country programmes;

(e) Establish a relationship between the availability of controlled substances and the rate of implementation of activities for their phase-out in Article 5 countries;

(f) Describe market dynamics impacting the phase-out of controlled substances in Article 5 countries;

(g) Assess non-ODS technologies transfer between Article 5 countries; and,

(h) Consider the schedule of control measures applicable to Article 5 Parties and the possible need for revision of the schedule. A close link should be established with the combined Report of the Scientific Assessment Panel and the Technology and Economic Assessment Panel on the control measures necessary to be applicable to Parties operating under paragraph 1 of Article 5 of the Montreal Protocol requested by Decision V/19 of the Parties.

Modalities

7. The report should be prepared by a consultant. The Committee may wish to request the Secretariat to invite consultants to offer their bids. A small standing Sub-committee consisting of four committee members with equal representation of Parties operating under Article 5 and Parties not so operating should be established. The Sub-committee shall examine, with the assistance of the Fund Secretariat, the bids offered and select the consultant.

8. The consultant shall design a detailed questionnaire to be approved by the Sub-committee. The questionnaire should be based on the above terms of reference. The questionnaire should be circulated to all Article 5 Parties that are receiving assistance from the Fund, to Parties not operating under Article 5 and have ongoing bilateral cooperation with Article 5 countries, members of the Executive Committee, and to the Fund's implementing agencies.

9. The consultant shall establish contacts with the Chairmen of the Scientific Assessment Panel and the Technology and Economic Assessment Panel to address the issue raised above in paragraph 6 (h).

10. The consultant should visit a representative sample of Article 5 countries after completing a preliminary analysis of responses to the questionnaire.

11. The consultant shall prepare a draft report which should be reviewed by the Sub-committee.

12. The Sub-committee shall determine the modalities of inviting comments of Parties on the draft report.

13. A revised report, incorporating comments received from Parties, should be submitted to the Fund Secretariat two months in advance of the last Executive Committee meeting in 1994. The Secretariat will subsequently process the report and will circulate to members of the Executive Committee four weeks in advance of the last meeting of the Committee in 1994.

<u>Budget</u>

14. The Committee may wish to determine the necessary financial resources for the preparation of the report. The Committee may wish to authorize the Treasurer to transfer the approved funds to the Fund Secretariat.