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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-third Meeting
Montreal, 4-8 April 2011

SECRETARIAT ACTIVITIES

Notification of the Decisions of the 62nd Meeting of the Executive Committee

1. The Report of the 62nd Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/62/62), containing its decisions was conveyed to all Executive Committee members, other participants of the 62nd Meeting and was placed on the Multilateral Fund's website and intranet. Additionally, decisions related to project approvals, implementation delays and annual tranche submission delays were communicated to 58 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions taken at the 62nd Meeting was sent by email to all meeting participants, to UNEP OzonAction Branch for onward transmission to the regional networks, and was also placed on the Multilateral Fund's intranet and website.

Decisions requesting certain actions by the Chair of the Executive Committee, Executive Committee members, the Secretariat and/or implementing agencies

2. The Secretariat sent instructions to the Treasurer to transfer funds to the four implementing agencies regarding the net allocations approved at the 62nd Meeting and to offset bilateral project approvals against the concerned countries' contributions.

Resource mobilization for HCFC co-benefits (decisions 62/20, 62/22 and 62/23)

3. In accordance with decisions 62/20, 62/22 and 62/23, intersessional consultations on the proposals for resource mobilization for HCFC co-benefits took place in advance of the 63rd Meeting led by the delegation of Switzerland. The Secretariat set up an intranet site with a discussion forum and background documents to facilitate the process.

Intersessional consultations on the HCFC phase-out management plan for China (decision 62/60(c))

4. Decision 62/60(c) requested China and interested members of the Executive Committee to hold intersessional consultations on HCFC phase-out in China with a view to facilitating discussions at the 63rd Meeting. In response to the aforementioned decision, the Secretariat sent a letter to the members of the Executive Committee for the year 2011 informing them about the intersessional consultation and requested names of representatives that planned to attend. Based on the responses received, the Government of China arranged for the consultation to take place in Beijing, from 22 to 24 February 2011 and sent a letter of invitation to those representatives of the Executive Committee planning to attend. In addition invitations were sent to each implementing agency requesting the attendance of one representative from each. The Deputy Chief Officer and a Senior Project Management Officer attended the meeting as resource persons (see paragraph 23). In order to facilitate the consultation process the Secretariat set up an intranet site containing the project documents that relevant bilateral and implementing agencies had submitted on behalf of the Government of China for consideration by the Executive Committee at its 62nd Meeting, and provided an integrated version of documents UNEP/OzL.Pro/ExCom/62/26 and Add.1. The presentations made during the consultation meeting were also posted on the intranet site.

Technical audit in China (decision 62/63)

5. Following the approval of the request by the Government of China for a technical audit of its production sector, the Fund Secretariat initiated the contracting process. A bid package was submitted to the Procurement Office of the United Nations Office in Nairobi on 31 January 2011. During her mission to Nairobi the Senior Administrative and Fund Management Officer followed up on the matter (see paragraph 24) in an effort to expedite the procurement exercise.

Report of the Executive Committee to the Open-Ended Working Group on the progress made in reducing emissions of controlled substances from process-agent uses

6. In accordance with decision 62/68 the Secretariat set up a discussion forum on its intranet site, open to all Executive Committee members, to enable members to provide a first round of feedback on the Report of the Executive Committee to the 31st Meeting of the Open-Ended Working Group on the progress made in reducing emissions of controlled substances from process-agent uses (UNEP/OzL.Pro/ExCom/62/Inf.2). The Secretariat collated the feedback submitted by 19 December 2010 and posted a revised version of the document on the intranet for further comment by Committee members in January 2011. On completion of this process the revised version of the report was sent to the Ozone Secretariat for inclusion by the Technology and Economic Assessment Panel in the joint report requested in decision XXI/3 of the Twenty-first Meeting of the Parties.

Review of tasks in preparation for the 63rd Meeting

7. The Secretariat has undertaken the following tasks in preparation for the 63rd Meeting.

Status of resources and planning

Balances and availability of resources

8. For the preparation of document UNEP/OzL.Pro/ExCom/63/4 the Secretariat reviewed the obligated balances from completed projects held by agencies, and any agency support costs associated with the funds remaining from those completed projects. The document includes a calculation of the total amount of resources available to the Executive Committee for approvals at the 62nd Meeting (US \$139,253,870 as at 11 March 2011).

Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol

9. The document presented as UNEP/OzL.Pro/ExCom/63/6 contains nine parts. The Secretariat prepared an update on the status of compliance of Article 5 countries in response to decisions 32/76(b) and 46/4, on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance, data on the implementation of country programmes, and information on projects with implementation delays. It also contains sections on HPMP development, the status of implementing the HCFC control measures agreed in 2007, co-financing, country programme format and web-based reporting, and dialogues on the 2009 performance indicators.

2011-2014 business plans

10. The Fund Secretariat together with the bilateral and implementing agencies reviewed their business plans including funding for HCFC phase-out, multi-year agreements (MYAs) and standard costs, and ODS disposal in a coordination meeting held in Montreal from 26 to 28 January 2011 (see paragraph 27). The agencies plan not only address the years from 2011 to 2014 pursuant to decision 60/5(o)(ii) but also include activities planned after 2014. The Secretariat prepared a consolidated version of the bilateral and implementing agencies' 2011-2014 business plans, as document UNEP/OzL.Pro/ExCom/63/7), analyzing the business plans in the light of decisions taken in 2010 in particular with respect to decisions related to the 2010-2014 business plans and HCFC guidelines.

Programme implementation

Monitoring and Evaluation

11. A draft Monitoring and Evaluation work programme for 2011 and 2012 was prepared, as document UNEP/OzL.Pro/ExCom/63/13, based on the discussions held at the 58th Meeting regarding short-term and medium-term needs (decision 58/5) and further discussions that the Senior Monitoring and Evaluation had with various stakeholders.

Annual tranche submission delays

12. The Secretariat prepared information on the submission of annual tranches due to the 63rd Meeting according to decision 61/5(f) as document UNEP/OzL.Pro/ExCom/63/14 and noted that four out of the five annual tranches that were due, had been submitted.

Review of approved projects with specific reporting requirements

13. Document UNEP/OzL.Pro/ExCom/63/15 contains the review and comments by the Secretariat of progress reports on the implementation of projects where specific reporting requirements are included in the corresponding multi-year agreements. Eight projects (four national phase-out plans/terminal phase-out management/sector plans in the consumption sector, a halon phase-out programme, two methyl bromide phase-out plans and one HCFC demonstration project) had been submitted by bilateral and implementing agencies. The Secretariat considered the progress reports in light of the original project proposals, ODS data reported by the respective Governments under Article 7 of the Montreal Protocol, and relevant decisions taken by the Executive Committee and the Meeting of the Parties.

Project Review

14. The Secretariat prepared document UNEP/OzL.Pro/ExCom/63/16 which included an outline of and statistics on the 111 funding requests received from implementing and bilateral agencies for new HPMPs, tranches of approved multi-year agreements and projects and activities, amounting to US \$688,157,691, including agency support costs where applicable. The submission included 22 HPMPs for low-volume-consuming (LVC); the HPMP for the Pacific Island Countries (PIC) covering 12 Article 5 Parties; 7 HPMPs for non-LVC countries; sectoral HCFC phase-out plans (outside a complete HPMP) including demonstration projects in the foam, solvents and refrigeration servicing sectors from China; one stand-alone investment project in the aerosol sector in Mexico; pilot ODS destruction projects in 2 countries; CFC phase-out activities for two countries; 10 renewal requests for institutional strengthening projects; and, 14 non-investment projects from relevant bilateral and implementing agencies.

15. Following the project review process, 17 projects and activities totalling US \$1,290,147 including support costs are recommended for blanket approval, 90 projects and activities totalling US \$644,154,233 including support costs were forwarded for individual consideration by the Executive Committee. The total level of resources available for approvals by the Executive Committee at the 63rd Meeting is US \$139,253,870, as of 9 March 2011 (UNEP/OzL.Pro/ExCom/63/4), which is lower than the US \$167,035,210 being requested at the same Meeting.

Multi-year agreement tables database for HCFC phase-out management plans (decision 59/7)

16. A report on the multi-year agreement tables database for HCFC phase out management plans was prepared as document UNEP/OzL.Pro/ExCom/63/57 in accordance with decision 59/7.

Multilateral Fund Climate Impact Indicator (decisions 59/45 and 62/62)

17. At the 62nd Meeting a trial version of the Multilateral Fund Climate Impact Indicator was posted on an intranet site for perusal by Executive Committee members. Following the deferral of consideration of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII) to the 63rd Meeting, the Secretariat added a number of background documents to the site and opened a discussion forum to allow Executive Committee members to comment and exchange information on the model. The comments were appended to document UNEP/OzL.Pro/ExCom/63/58 submitted to the 63rd Meeting.

Production sector

18. The Secretariat prepared a number of documents on HCFC production phase-out issues for the meeting of the Sub-group on the Production Sector which would take place in the margins of the 63rd Meeting of the Executive Committee. Production sector documents are available to members of the Executive Committee on the Multilateral Fund intranet.

Documents and policy papers prepared by the Fund Secretariat

19. Of the documents submitted for consideration at the 63rd Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated provisional agenda;
- Secretariat activities;
- Status of contributions and disbursements (jointly with the Treasurer) ;
- Report on balances and availability of resources;
- Availability of cash flow for the 2011 budget;
- Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol;
- Consolidated 2011-2014 business plan of the Multilateral Fund;
- Comments on agencies' business plans for the years 2011-2014;
- Draft Monitoring and Evaluation work programme for the years 2011 and 2012;
- Annual tranche submission delays;
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2011 work programmes of UNEP, UNDP, UNIDO and the World Bank (4 documents);
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 63rd Meeting (34 documents);
- Comments and recommendations on the Country Programme of Timor-Leste;
- Report on multi-year agreement tables database for HCFC phase-out management plans (decision 59/7);
- Report on the Multilateral Fund Climate Impact Indicator (decisions 59/45 and 62/62).

Cooperation with other Multilateral Environmental Agreements (MEAs) and other organizations

20. The Fund Secretariat was invited by the UNEP Executive Director to provide comments on document UNEP/GC.26/INF/21, "Evolution of the relationship between the United Nations Environment Programme and the multilateral environmental agreements (MEAs) that UNEP administers: Note by the Executive Director". In its response the Fund Secretariat expressed its concern regarding footnote 10 on

page 9 of the aforementioned document referring to the fact that the Board of Auditors had questioned the inclusion of the Trust Fund for the Multilateral Fund in the financial statements of UNEP and had recommended that the Trust Fund be “legally classified as an integral part of UNEP or else be presented separately” without clarifying that it has a special status within UNEP as tacitly implied elsewhere in document UNEP/GC.26/INF/21. In its response to the Auditors¹, UNEP had indicated that the issue of consolidation of the Multilateral Fund accounts with those of UNEP would be decided and started with the implementation of the International Public Sector Accounting Standards (IPSAS). The Fund Secretariat reminded UNEP of the special status of the Multilateral Fund. A corrigendum was then issued (document UNEP/GC.26/INF/21/Corr.1) which stated that the Multilateral Fund was excluded from the list of MEAs on the basis of its distinctly different relationship with UNEP.

Meetings attended and missions undertaken

Missions of the Chief Officer

Nairobi, Kenya (21-25 February 2011)

21. The Chief Officer and the Senior Administrative and Fund Management Officer attended the 26th session of the Governing Council / Global Ministerial Environment Forum (GC/GMEF) of the United Nations Environment Programme (UNEP) that was held from 21 to 24 February 2011. Apart from being able to follow developments on the issue related to document UNEP/GC.26/INF/21 noted in paragraph 20 above, the Chief Officer also had the opportunity to discuss with senior UNEP staff in Nairobi matters related to the Fund Secretariat such as pending staff appointments.

Kathmandu, Nepal (24-25 March 2011)

22. The Chief Office will participate in a compliance mission to Nepal to address issues relating to its HCFC phase-out management plan and the ratification of the Copenhagen Amendment by the Government of Nepal. In addition to the Chief Officer, the members of the mission will include the Executive Secretary of the Ozone Secretariat, and representatives from UNDP and UNEP. Meetings will take place with high level Government officials involved in the ratification process including the Cabinet Secretary, the Honourable Minister of Environment and the Secretary of the Ozone Cell (Ministry of Industry) in order to encourage Nepal to ratify the remaining amendments to the Montreal Protocol and ensure strong political commitment towards compliance and the phase-out of HCFCs.

Missions of other staff

Beijing, China (22-24 February 2011)

23. The Deputy Chief Officer and a Senior Programme Management Officer attended the intersessional consultations on the HCFC phase-out management plan for China as resource persons (see paragraph 4).

Nairobi, Kenya (22-26 February 2011)

24. During her mission to Nairobi the Senior Administrative and Fund Management Officer the Senior Administrative and Fund Management Officer met with officials from the delegation of the Government of Indonesia to discuss issues related to the 65th Meeting of the Executive Committee, including the host Government agreement and the joint Fund and Ozone Secretariats' fact-finding mission to Bali. The mission to Nairobi also provided the opportunity to expedite the procurement exercise related

¹ A/65/5/Add.6: Financial report and audited financial statements for the biennium ended 31 December 2009 and Report of the Board of Auditors

to the technical audit for the production sector and follow up on a number of administrative issues including the finalisation of the recruitment process of the Senior Programme Officer.

Bali, Indonesia (28-February – 4 March 2011)

25. At the invitation of the Government of Indonesia, the Senior Administrative and Fund Management Officer and the Associate Information Technology Officer together with a representative of the Ozone Secretariat travelled to Bali to assess conference facilities for the Montreal Protocol meetings in November and the feasibility of holding a paperless meeting.

Contributions to regional network and other relevant meetings

26. The Secretariat provided a comprehensive presentation on recent Executive Committee decisions to the Compliance Assistance Programme team (Regional Office for Latin America and the Caribbean) for the meeting of English-speaking Caribbean network ozone officers held from 1 to 4 March 2010 in Antigua and Barbuda.

Inter-agency coordination meeting

27. In order to facilitate preparations for the 63rd Meeting, the implementing agencies and the Fund Secretariat held an inter-agency coordination meeting in Montreal from 26 to 28 January 2011. Participants included Secretariat staff, representatives of all four implementing agencies and two bilateral agencies (Germany and Japan). The meeting enabled participants to discuss a wide range of issues including resource allocation/financial planning, data requirements of business plans, calculation of climate benefits in business plans, stage II of HPMPs, adjustments to business plans based on existing Executive Committee decisions, the country programme (CP) data format and CP web-based portal use, accelerated phase-out of HCFCs in advance of the schedule agreed by the Parties at their 19th Meeting, monitoring and evaluation work programme and project completion format for MYAs. An indicator in the inventory of approved projects for climate impact, resource mobilization, cost-effectiveness for manufacturers in low-volume-consuming (LVC) countries, and the intersessional consultations on the HCFC proposals for China were also discussed.

Recruitment and selection progress report

28. The selection process for the post of Senior Programme Management Officer has been completed by the Fund Secretariat and a candidate selected. The recommendation on the candidate selected is currently with UNEP in Nairobi pending feedback from the Central Review Body and approval by the Executive Director.

Staff training

29. All staff attended a training course “Working Together: Professional Ethics & Integrity in our Daily Work” that took place on 14 December 2010 in the Fund Secretariat. In December 2010 a number of staff also attended a training course on first-aid and defibrillator use that was arranged together with ICAO, the lead United Nations agency in Montreal.

Preparation for the meetings of the Executive Committee

30. Logistic arrangements were made for the 63rd Meeting of the Executive Committee, to be held at the International Civil Aviation Organization, Montreal, Canada from 4 to 8 April 2011. Letters of invitation and passwords to access meeting documentation on the intranet were provided to members of the Executive Committee, the President of the Bureau of the Twenty-second Meeting of the Parties, the

President and Vice President of the Implementation Committee, the Executive Director of UNEP, the Executive Secretary of the Ozone Secretariat, the implementing agencies and NGOs.

Information activities

31. The report of the 62nd Meeting of the Executive Committee in Arabic, English, French and Spanish and a post-meeting summary were posted on the Multilateral Fund public web site (www.multilateralfund.org). A 63rd Meeting site was created on the intranet containing documents and logistical information for the 63rd Meeting. Documents for general distribution were placed on the public web site. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines in preparation for the 63rd Meeting:

- Inventory of Approved Projects as of December 2010;
- Country Programme Summary Sheets as of December 2010;
- Policies, Procedures, Guidelines and Criteria as of December 2010;
- Phase-out plans and projects as of December 2010;
- HCFC phase-out plans and projects as of December 2010;
- Executive Committee Primer (2011).
