



**MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**

**Post Meeting Summary of Decisions of the 70th Meeting of the Executive Committee of the
Multilateral Fund for the Implementation of the Montreal Protocol**

Introduction

The 70th meeting of the Executive Committee, which took place in Bangkok, Thailand from 1 to 5 July 2013, was attended by the representatives of 13 of the Executive Committee member Parties and by participants co-opted from 22 other countries (see attached list). Ms. Fiona Walters of the United Kingdom of Great Britain and Northern Ireland presided over her second meeting as Chair of the Executive Committee in 2013. Representatives of the implementing agencies, the Treasurer, the Ozone Secretariat (including the Executive Secretary and Acting Deputy Executive Secretary), the President of the Implementation Committee, the Co-chair of the Technology and Economic Assessment Panel (TEAP), and representatives from the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, the European Commission, the Global Environment Facility, and Shecco also attended the meeting.

The Executive Committee considered the 2012 progress reports of the bilateral and implementing agencies, the evaluation of the implementation of the 2012 business plans, the provisional accounts of the Multilateral Fund, and several items related to HCFC phase-out policies. In addition the Committee continued its consideration of the operation of the Executive Committee and the recruitment process for the position of the Chief Officer of the Multilateral Fund Secretariat. The Sub-group on the Production Sector met in the margins of the meeting to continue its deliberations on a number of matters including the agreement for the HCFC production phase-out management plan (HPPMP) for China. One item proposed in the provisional agenda, the desk study on the evaluation of the preparatory phase of the phasing out of HCFCs, was deferred until the 71st meeting.

The Committee took a total of 27 decisions and approved investment projects and work programme activities for 44 countries, including a large number tranches of HCFC phase-out management plans (HPMPs) and requests for the extension of institutional strengthening (IS) projects, with a value of just over US \$6 million plus US \$1.78 million in support costs for bilateral and implementing agencies including support costs for the HPPMP for China.

Status of contributions and disbursements (decision 70/1)

As at 28 June 2013, the balance of the Multilateral Fund stood at US \$78.7 million of which US \$45.3 million was in cash and US \$33.4 million in promissory notes due for encashment during the period 2013 to 2016. Regarding pledges to the Fund, 52.8 per cent for 2013 had been paid and the balance on the gain from the fixed-exchange-rate mechanism stood at US \$21.2 million. The Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

Status of resources and planning

Report on balances and availability of resources (decision 70/2)

Bilateral and implementing agencies returned funding and support costs of US \$1,096,796 to the Multilateral Fund. The Executive Committee requested implementing agencies with projects completed from 2004 to 2009 to return balances as soon as possible. The Executive Committee also noted that the Swedish International Development Agency had informed the Secretariat that the Government of Sweden would no longer have a Multilateral Fund bilateral programme.

2013-2015 business plans and tranche submission delays (decision 70/3)

Forty-two out of 70 tranches of multi-year agreements (MYAs), from 28 countries due for submission to the 70th meeting had been submitted on time. Letters would be sent to the governments of 25 countries urging them to submit delayed or withdrawn tranches of MYAs to the 71st meeting.

Status reports and compliance (decision 70/4)

Country programme implementation

The Executive Committee noted that 40 of the 46 country programme implementation reports for the year 2012 had been submitted through the web-based system (decision 70/4 (a)(ii)).

Additional reports on approved projects

The Executive Committee requested specific bilateral and implementing agencies to provide information regarding the establishment of licensing systems in two countries and a number of reports on specific approved projects to the 71st meeting. The Committee also noted reports on the implementation of approved methyl bromide (MB) phase-out projects in four countries and made a number of requests to follow up on specific issues. With respect to resource mobilization activities, the World Bank was requested to submit a final report on the study for climate co-benefits for consideration at the 71st meeting (decision 70/4 (b)-(g)).

Programme implementation

Monitoring and evaluation activities

With respect to the consolidated MYA project completion report (PCR) the Executive Committee requested bilateral and implementing agencies to provide an exhaustive submission schedule for PCRs for MYAs due to the Secretariat, and to submit their respective PCRs for MYAs according to that schedule (decision 70/5).

Following its consideration of the report on the MYA database for HPMP, bilateral and implementing agencies were requested to fill in the missing information in the MYA database and to update it no later than eight weeks prior to the 71st meeting. Bilateral agencies not directly involved in project implementation can request the implementing agencies to report the information required on their behalf (decision 70/6).

Consolidated progress report and 2012 progress reports of bilateral and implementing agencies (decisions 70/7 - 70/12)

The Executive Committee noted the consolidated progress report and annual progress reports on the implementation of approved projects and activities submitted by the bilateral and implementing agencies. Agencies were asked not to incur any new commitments and to return, by the end of 2013, any fund balances for projects approved before 2009, for substances with 1 January 2010 phase-out targets, plus any project preparation fund balances for some approved HPMPs (decision 70/7).

The Committee cancelled one regional project in Africa (customs enforcement networks for preventing illegal trade of ODS) implemented by France and requested bilateral and implementing agencies to submit additional status reports on a number of approved projects to the 71st meeting

Following the consideration of UNEP's progress report the Executive Committee requested UNEP to provide a status report to the 71st meeting on the extent to which UNEP had implemented measures to ensure that all professional staff time paid with Compliance Assistance Programme (CAP) funds was used for Multilateral Fund Montreal Protocol activities as per decision 50/26(a)(iii), and also to ensure that regional network coordinators were directly accountable to the Network and Policy Manager in the OzonAction branch, based on the CAP organigram presented in the 2010 CAP budget¹, and according to the CAP structure indicated in the original description of the CAP programme² (decision 70/10).

Evaluation of the implementation of the 2012 business plans (decision 70/13)

The Executive Committee noted the implementing agencies' performance, as assessed against targets in their 2012 business plans. Regarding the qualitative assessment of agencies based on input received from national ozone officers, the Committee requested relevant agencies to hold discussions with those countries where their respective services had been perceived to be "less than satisfactory" or "unsatisfactory" and to report to the 71st meeting on the results.

Performance indicators (decision 70/14)

The Executive Committee considered the relevance of some performance indicators and the redefinition of others given that the main project modality of the Multilateral Fund had shifted from individual to multi-year projects. The Committee noted that full achievement, that is, 100 per cent achievement, of agencies' individual performance targets, would not be assessed in future reports on the evaluations of the business plans of the implementing agencies. The Executive Committee requested the Secretariat to prepare, in consultation with the implementing agencies and other interested parties, a revised draft of the paper on performance indicators for consideration at the 71st meeting.

Project proposals (decisions 70/15 to 70/19)

The Executive Committee approved 60 investment projects and work programme activities in 44 countries at a total value of US \$6,080,757 plus support costs of US \$432,455³. These approvals included the extension of IS projects for 21 countries.

¹ UNEP/OzL.Pro/ExCom/59/17

² UNEP/OzL.Pro/ExCom/35/4

³ The amount of support costs exclude the support costs for the HPPMP for China for the World Bank (US \$1,344,000) approved by decision 70/26(d).

Verification reports for low-volume consuming (LVC) countries (decision 70/15(c))

The Executive Committee requested relevant bilateral and implementing agencies to include in their respective work programme amendments for submission to the 71st meeting, funding for verification reports for stage I of HPMPs for 17 Article 5 countries⁴.

Bilateral cooperation (decision 70/16)

The Treasurer would offset the costs of the bilateral project approved at the 70th meeting at the amount of US \$180,267 (including agency fees) against the balance of Germany's bilateral contribution for 2012-2014.

HCFC consumption phase-out (decisions 70/15, 70/17 and 70/19)

The Committee approved funding of US \$4,179,223 (including support costs) for tranches of stage I of HPMPs for 25 countries⁵ and updated the HPMP agreements for 14 of those countries to reflect their established HCFC baselines for compliance. In approving the second tranche of the HPMP for Seychelles the Executive Committee recognized that the consumption of ODS used for servicing foreign-owned ships would be included in the country's domestic consumption in its annual report under Article 7 of the Montreal Protocol (decision 70/19(c)).

HCFC consumption phase-out projects not considered

Requests for the second tranche of funding for stage I of the HPMPs for the Islamic Republic of Iran and Nigeria were withdrawn as the levels of disbursement for the previous tranches were below 20 per cent. The request for funding for preparation of stage II of the HPMP for Mexico was also withdrawn as the Executive Committee had not yet concluded its discussions on the draft guidelines for funding the preparation of stage II HPMPs.

Other investment projects or work programme activities

Funding was approved for the preparation of stage I of the HPMP for South Sudan and the fourth tranche of the MB phase-out plan for Viet Nam.

Recording disbursement for stage I of HPMPs (decision 70/20)

The Committee noted that the World Bank had already established practices to enable it to reflect disbursements from the Foreign Economic Cooperation Office/Ministry of the Environment (FECO/MEP) of China to final beneficiaries for the stage I of the HPMP for China and requested UNDP and UNIDO to adjust their annual progress and financial reports in order to do the same. The Committee also requested implementing agencies to submit to the Treasurer an annual audited

⁴ The 17 countries are: Albania, the Bahamas, Plurinational State of Bolivia, the Central African Republic, Cuba, Fiji, Gambia, Lao People's Democratic Republic, Malawi, Mongolia, the Niger, Saint Lucia, Sao Tome and Principe, Serbia, Sri Lanka, Turkmenistan, and Uganda.

⁵ These included: second tranches of HPMPs for three countries (Bhutan, Cambodia and Seychelles); second tranches of stage I of HPMPs for Albania, Benin, Burkina Faso, Chad, Comoros, Costa Rica, Democratic Republic of Congo, Ecuador, Honduras, Jamaica, Lebanon, Madagascar, Malawi, Pakistan, Panama, Rwanda, Sao Tome and Principe, Sierra Leone, Sri Lanka, Swaziland; the third tranches of stage I of the HPMP for the Bolivarian Republic of Venezuela; the fourth tranche of the stage I of the HPMP for the former Yugoslav Republic of Macedonia.

financial statement to be provided by FECO/MEP eight weeks prior to an Executive Committee meeting or earlier, and the Treasurer to record in the accounts of the Fund interest earned from balances held by FECO/MEP under stage I of the HPMP for China.

Draft guidelines for funding the preparation of stage II of HPMPs

Discussion of the draft guidelines for funding the preparation of stage II of HPMPs were not concluded and would be continued at the 71st meeting.

Criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44 (decision 70/21)

The Executive Committee considered the policy paper on the criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44. Relevant bilateral and implementing agencies were requested to submit to the Secretariat, information regarding incremental capital and operating costs incurred under stage I of HPMPs. The Secretariat would include this information in a revised version of document UNEP/OzL.Pro/ExCom/70/52 for the 71st meeting. Discussion of the criteria was deferred to the 72nd meeting at which the goal would be to reach an agreement on such criteria at that meeting.

The Executive Committee also decided to allow Article 5 countries that wished to do so, to submit stage II of HPMPs in the absence of an agreement on guidelines and provisions on funding for preparation of stage II, and prior to a decision by the Executive Committee on criteria for funding HCFC phase-out in the consumption sector for stage II. Any such proposals would be considered on the basis of the existing guidelines for stage I of HPMPs, and the funding level approved for stage II would not be modified on the basis of the criteria eventually adopted for funding HCFC consumption phase-out in stage II HPMPs.

Minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector

Due to limited time, consideration of the paper on minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector⁶ was deferred to the 71st meeting.

Demonstration projects for the disposal of unwanted ODS (decision 70/22)

The Executive Committee requested the Secretariat to continue using the interim guidelines for the funding of demonstration projects for the disposal of unwanted ODS (decision 58/19), and apply them to the remaining demonstration projects for the disposal of unwanted ODS to be submitted no later than the 72nd meeting.

Operation of the Executive Committee (decision 70/23)

The Executive Committee decided to convene two meetings of the Executive Committee in 2014 on a trial basis, preferably in mid-April/early-May for the first meeting, and prior to the Twenty-sixth Meeting of the Parties for the second/last meeting. If needed an intersessional meeting would be organized to discuss any urgent policy issues or project proposals that would need to be addressed between these two meetings. The two meeting scenario was approved on the understanding that the submission of agenda items would need to be adjusted, tranche requests for stage I of HPMPs would be submitted to either the first or the last meeting of the year as per a revised submission

⁶ UNEP/OzL.Pro/ExCom/70/53

schedule⁷, and requests for the renewal of IS projects could be submitted to the meeting immediately preceding the set date, namely, six months before the end of the previously approved period. The two meetings per year scenario would be reviewed at the last meeting of 2014.

Provisional accounts (decision 70/24)

The Executive Committee noted the Multilateral Fund's provisional 2012 provisional accounts. The Committee also noted the actions taken by the Treasurer in 2012 to reflect the adjustments resulting from the reconciliation of the 2011 accounts exercise and the responses by the Treasurer pertaining to the United Nations Board of Auditors' findings and recommendations on the Fund's 2011 accounts (decision 68/43(c)(i)). Since UNEP had not yet addressed the issue of mitigating exchange rate risks, the Committee requested the Treasurer to follow the matter up with UNEP and to report back at the 71st meeting. The Executive Committee also requested UNEP to update the Committee at its 71st meeting on the procedures set by the UNEP-wide standard on cash advances and the potential impact on Multilateral Fund-funded project implementation.

Report of the Executive Committee to the Twenty-fifth Meeting of the Parties to the Montreal Protocol (decision 70/25)

The Secretariat would finalize the draft report of the Executive Committee to the Twenty-fifth Meeting of the Parties to the Montreal Protocol in light of the discussions and decisions taken at the 70th meeting for submission to the Parties through the Ozone Secretariat.

Production sector (decision 70/26)

The Executive Committee decided that the administrative fee for the World Bank for the HPPMP in China should be 5.6 per cent for the total duration of the HPPMP and approved a total of US \$1,344,000 for the World Bank as support costs associated with the first tranche of stage I of the HPPMP for China. The Executive Committee decided that the World Bank might, on a one-time exceptional basis, provide the first tranche of funding for stage I to commence implementation in advance of approval of the relevant agreement between the Government of China and the Executive Committee, pursuant to decision 69/28. The World Bank would have to seek prior approval for any allocation of funds between sectors as a safeguard measure whenever grant agreements combined more than one sector in a shared grant agreement.

Recruitment process for the position of Chief Officer of the Multilateral Fund Secretariat (decision 70/27)

The Executive Committee noted the progress report on the selection of the Chief Officer of the Multilateral Fund Secretariat, as presented by the Chair of the Executive Committee and Co-chair of the Selection Panel to the 70th meeting, and authorized the Chair to forward the Selection Panel's report and recommendation, on behalf of the Executive Committee and through the Executive Director of UNEP, to the Senior Review Group and to the United Nations Secretary-General. The Chair of the Executive Committee was requested to closely monitor the process and report to the 71st meeting.

⁷ Annex XXIV of the Report of the 70th meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/70/59)

Other matters

Information documents

Regarding the Report of the Executive Committee to the Open-ended Working Group on progress made in reducing emissions of controlled substances from process agents, the representative of Finland said that, in view of decision XXI/3, it might be necessary for the Meeting of the Parties to consider whether additional reporting would be necessary in the future and to regularize the practice accordingly.

Retirement of Mr. Moses Ajibade

The Executive Committee members thanked Mr. Moses Ajibade for his diligence and responsiveness in the performance of his duties as Treasurer of the Multilateral Fund. Mr. Ajibade would retire later in 2013.

Retirement of Ms. Maria Nolan

The Executive Committee expressed its gratitude to Ms. Maria Nolan, the Chief Officer of the Multilateral Fund Secretariat, for her dedicated work, and her success in pursuing and expanding on the work initiated by the first Chief Officer. Statements of appreciation were made at the close of the meeting by the representatives of Belgium, Canada, Finland, India, Kuwait, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Uruguay, by representatives of the implementing agencies, the Executive Secretary of the Ozone Secretariat, and by the Deputy-Chief Officer of the Multilateral Fund Secretariat on behalf of the Secretariat staff. The Chief Officer would be retiring later in 2013.

Report of the 70th meeting

A complete record of all decisions made at the 70th meeting can be found in the “Report of the Seventieth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol” (UNEP/OzL.Pro/ExCom/70/59) which is published on the Multilateral Fund’s website (www.multilateralfund.org). The report is made available in Arabic, English, French, and Spanish.

Annex I - Attendance at the 70th meeting of the Executive Committee

Executive Committee Members	Co-opted countries
Non-Article 5*	
Belgium	Netherlands
Canada	Australia
Finland	Sweden
Japan	
United Kingdom of Great Britain and Northern Ireland (Chair)	France , Germany and Italy
United States of America	
Article 5	
India	China and Islamic Republic of Iran
Kuwait	Bahrain, Lebanon and Malaysia
Mali	Democratic Republic of the Congo
Nicaragua	Cuba, Mexico and Panama
Serbia **	Montenegro and Turkmenistan
Uganda	Egypt and Mauritius
Uruguay	Argentina, Brazil and Colombia

*Bulgaria did not attend.

**Serbia was represented by Montenegro and Turkmenistan.