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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Seventy-sixth Meeting
Montreal, 9-13 May 2016

REVIEW OF THE OPERATION OF THE EXECUTIVE COMMITTEE (DECISION 73/70(H))

Background

1. At the 73rd meeting the Executive Committee discussed the trial of the two meetings per year regime in 2014, which had been agreed under decision 70/23, and decided to continue convening two meetings of the Executive Committee from 2015 onwards with the possibility of holding an additional brief meeting if required to consider project proposals, and to review the two meetings per year regime at the first Executive Committee meeting in 2016 (decision 73/70). Annex I to the present document contains the text of decisions 70/23 and 73/70.

2. The Secretariat prepared this document pursuant to decision 73/70(h) based on the operation of the two meetings per year regime in 2014 and 2015. The document also addresses issues on the accountability of implementing agencies raised at the 75th meeting during the discussion of the procedures of the operation of the Executive Committee. The main findings of the analysis and the aforementioned procedural issues were discussed with the bilateral and implementing agencies at the Inter-agency coordination meeting (IACM)¹ and agencies' feedback is reflected in the present document.

3. A summary of the experience of the two meetings per year regime in 2014 and 2015 can be found in Annex II. For the information of the Executive Committee the rules of procedure are attached as Annex III

Conclusion of analysis of the experience of two meetings per year in 2014 and 2015

4. Following its analysis, the Secretariat concluded the following with regard to the arrangements for the two meetings per year regime:

¹ Montreal, 1 to 2 March 2016.

- (a) The Executive Committee was able to handle the high workload in 2015 over two five day meetings;
- (b) The revised arrangements for project proposals worked satisfactorily, including the schedule for submitting tranches of HCFC phase-out management plans (HPMPs) (decision 70/23(b)(i)), the arrangements for institutional strengthening (IS) projects (decision 70/23(b)(ii)), blanket approval for tranche requests for HPMPs with a funding level of up to US \$5 million (decision 70/23(b)(iii)), and the approval of tranches of HPMPs pending submission of verification of the achievement of ODS reduction targets (decision 72/19);
- (c) Fewer standard documents² were prepared each year;
- (d) The annual cycle more easily accommodates a 14 week (or longer) deadline for the submission of project proposals for new stages of HPMPs which allowed the Secretariat and the bilateral and implementing agencies to successfully address the majority of issues associated with those HPMPs;
- (e) The annual schedule provided the Secretariat with additional time to discuss relevant matters with bilateral and implementing agencies including the two IACMs per year; and
- (f) Bilateral and implementing agencies have more time for implementing projects in the field.

5. The Secretariat also noted that the annual cost of Executive Committee meetings has been reduced by approximately US \$430,000³, and that Executive Committee members travel twice rather than three times per year.

Optimizing the two meetings per year regime

6. During its review, the Secretariat identified a number of adjustments that could optimize the functioning of the two meetings per year regime taking into account the future workload of the Executive Committee.

Annual progress report

7. In 2014 and 2015, the agenda item on progress reporting was considered by the Executive Committee at the second meeting of the year, which was four months later than in the three meetings per year regime in operation before 2014. Thus, the information contained in the 2014 and 2015 progress reports was 10 or 11 months out-of-date when it was considered by the Executive Committee.

8. Consideration of the annual progress report earlier at the first full meeting of the year would resolve the issue of timeliness and would also help to balance the workload between the first and last meetings. In order to allow time for bilateral and implementing agencies to submit their annual progress reports to the first meeting of the year by the required deadline, it would be preferable to schedule the first meeting in June.

² Standard documents include, the Provisional agenda, Annotated provisional agenda, Secretariat activities, Status of contributions and disbursements, Report on balances and availability of resources, Tranche submission delays, Country programme data and prospects for compliance, and the Overview of issues identified during project review.

³ This amount is based on the estimated costs for an additional meeting of the Executive Committee presented in document UNEP/OzL.Pro/ExCom/73/58.

Reports on the implementation of country programmes

9. Documents on “Country programme (CP) data and prospects for compliance”⁴, which provided *inter alia* data and the analysis of ODS consumption, production and prices of HCFCs and alternative substances in Article 5 countries, were considered at the 74th and 75th meeting, respectively and also submitted to the Implementation Committee. The CP analysis prepared for the 74th meeting in 2015 was based on 2013 data as data for 2014 was not available at the time of preparation of the document⁵. For the 75th meeting, the CP analysis was based on 2014 data but was incomplete since only 111 out of 145 countries had provided CP data as 6 October 2015⁶.

10. Given that CP data are key to assessing countries’ prospects for compliance in time to address potential problems, the Executive Committee requested Article 5 countries to submit CP data reports eight weeks prior to the first meeting of the Executive Committee of the year, if possible, and no later than 1 May, on the understanding that the deadlines for CP data submission would need to be revisited in the event that the Executive Committee were to decide to revert to holding three meetings a year (decision 74/9). While some countries indicated that they would be able to submit the CP data report prior to 1 May, the Secretariat would still not have sufficient time to prepare the analysis of the previous year’s CP data for the first meeting in May. Holding the first full meeting in June would allow the Secretariat to provide a more meaningful analysis of ODS data and prospects of compliance providing that a sufficient number of countries submitted their CP data in a timely manner.

Submission of verification reports under the two-meeting regime

11. Since tranche submissions for the first meeting of the year are due in March, official data from several countries on their HCFC consumption is not available therefore making it difficult to include the verification of the previous year’s consumption in the submission to the first meeting⁷. If the first meeting were scheduled in June, the deadline for submission of the tranche to the Secretariat would fall in April, which would allow the submission of the HPMP verification report along with the tranche request.

Future workload of the Executive Committee and submission deadlines

12. The workload of the Executive Committee from 2016-2018 will include the standard agenda items addressed at each meeting, and potential additional work arising from the Meeting of the Parties (MOP)⁸. Table 1 sets out the number of projects and activities contained in the 2016-2018 consolidated business plan of the Multilateral Fund up to 2020 and indicates that the workload of the Executive

⁴ UNEP/OzL.Pro/ExCom/74/11 and UNEP/OzL.Pro/ExCom/75/19 were considered at the 74th and 75th meeting in May and November 2015, respectively and also submitted to the 54th and 55th meetings of the Implementation Committee (ImpCom) in July and October 2015, as UNEP/OzL.Pro/ImpCom/54/INF/R.3 and UNEP/OzL.Pro/ImpCom/55/INF/R.3, respectively.

⁵ UNEP/OzL.Pro/ExCom/74/11 was issued on 15 April 2015.

⁶ UNEP/OzL.Pro/ExCom/75/19 was issued on 22 October 2015.

⁷ The Executive Committee encouraged lead bilateral and implementing agencies submitting HPMP tranche requests to the first meeting of the year to include a verification report of national consumption targets for the year immediately preceding the year in which the tranche was submitted. If the verification reports were not ready in time for the first meeting of the year, the transfer of any approved funds for tranches to the bilateral and implementing agencies would occur only after receipt by the Secretariat of the verification report confirming that, in the year immediately preceding the tranche request, the country had been in compliance with the Montreal Protocol and the Agreement between its Government and the Executive Committee (decision 72/19).

⁸ For example, there would be implications for the work of the Executive Committee if there were any further amendments to the Montreal Protocol noting that through decision XXVII/1 (Dubai pathway on hydrofluorocarbons) the Parties to the Montreal Protocol decided to work within the Montreal Protocol to an HFC amendment.

Committee, in terms of project proposals, is likely to be higher than usual in the years 2018 and 2020, as a large number of low-volume consuming (LVC) countries will submit stage II of their HPMPs.

Table 1: Type and number of activities in the 2016-2018 business plan⁹

Activity required for compliance or standard cost activity*	2016	2017	2018	2019	2020
Institutional strengthening projects	72	67	71	67	71
Approved multi-year agreements (MYAs)	125	38	62	9	111
HPPMP preparation – stage I	1				
HPPMP – stage I			1	1	1
HPPMP – stage II		1	1	1	1
Project preparation for stage II/ III of HPMPs	22	7	128	13	
Stages I and II HPMPs and HPMP investment projects	63	71	94	66	197
Low global warming potential (GWP) alternative demonstration projects	6				
Total (including CAP/core units)	301	189	362	162	386
Total value (US \$)	147.9	148.3	201.2	157	199.9

* As per the three year business plan

13. There are still challenges for the Secretariat to handle the annual workload in two meetings per year rather than three meetings per year as the length of the pre-session review period and the number of staff handling the projects has not changed. While the Secretariat notes with appreciation that bilateral and implementing agencies have submitted some projects proposals in advance of the prescribed deadlines, bringing forward the deadlines for the submission of project proposals by two weeks would provide additional time for the Secretariat to handle the higher workload.

14. During the IACM, implementing agencies expressed some concern about earlier deadlines. The Secretariat believes that current practice of allowing exceptions to the deadlines would address this concern¹⁰.

Inter-sessional meetings

15. Project proposals that are submitted and subsequently withdrawn or deferred as a result of the project review process, and delayed tranches have to wait until the following meeting to be reconsidered by the Executive Committee. In the case where a country concerned was at risk of non-compliance¹¹, its tranche request could be considered at an intersessional (brief) meeting (decision 73/70(b)). The budget for an intersessional meeting would have to be agreed in advance. Arrangements for meetings would have to follow the Rules of procedure for Meetings of the Executive Committee¹² including the need for the Secretariat to notify all members of the dates and venue of meetings at least six weeks before the meeting.

16. In a replenishment year, the last Executive Committee meeting takes place prior to the MOP and, thus, it might be necessary to consider in advance of the MOP, how the Executive Committee would handle any request from the MOP that might entail an inter-sessional meeting early the following year.

⁹ UNEP/OzL.Pro/ExCom/75/21 as adjusted by decisions 75/22.

¹⁰ Currently an implementing agency can request a change to a submission deadline provided that advance notice is given and there is a justification for the request.

¹¹ As of the 75th meeting, there has been no case of a deferred or delayed tranche putting a country at risk of non-compliance.

¹² Decision III/22(b) and Annex VI of UNEP/OzL.Pro/3/11

Proposed changes to the agendas of the meetings of the Executive Committee

17. The analysis by the Secretariat concluded that re-arrangement of the agenda could be considered to standardize agenda items and documents which have been modified from time to time over the past several years. Annex IV provides a proposal for standard categories to classify agenda items and documents as follows: Agenda; Secretariat activities; Financial matters; Business planning; Evaluation; Programme implementation; Project proposals; Policy papers; Sub-group on the Production sector; and Reports to MOP.

18. Annex V presents illustrative revised agendas for the first and last meetings taking into account the classification set out in Annex IV. Annual progress reporting is included on the agenda of the first meeting instead of the last meeting as it had been in 2014 and 2015. The agenda for the first meeting also includes consideration of the quantitative and qualitative evaluation of the performance of the implementing agencies since the Secretariat would have the opportunity to prepare the evaluation if the previous year's progress and financial reports were submitted to the first meeting. The Secretariat changed the name of the aforementioned sub-agenda item from "evaluation of the previous year's business plan" to "evaluation of the performance of implementing agencies" in order to more accurately reflect the matters addressed under the item¹³. The arrangement of other agenda items would remain the same.

Proposed calendar of Executive Committee meetings

19. The calendar of Executive Committee meetings is proposed as follows:

- First meeting: Second or third week of June;
- Last meeting: Third or fourth week in November or first week in December.

20. The final dates of Executive Committee meetings would have to take into account the dates of the Open-Ended Working Group of the Parties to the Montreal Protocol (OEWG) and the MOP, which are usually scheduled to take place in June/July and October/November respectively¹⁴.

21. Adjustments to the deadlines for the submission of the annual progress reports and project proposals are proposed in Table 2. The deadlines for the submission of reports [from bilateral and implementing agencies], including business plans, project completion reports, and the reports on tranche submission delays, would remain the same. The deadline for the submission of CP data reports from Article 5 would not need to be adjusted¹⁵.

¹³ The document presents the quantitative evaluations of the performance of the implementing agencies with respect to the performance targets set in the previous year's business plans and progress and financial reports; a trend analysis for each of the performance indicators; and the qualitative assessment of the performance of implementing agencies based on input received from national ozone unit officers.

¹⁴ Since 2010, with the exception of 2016, the OEWG has taken place between mid-June and mid to late July, and the MOP has taken place from late October to late November. Details can be found at <http://ozone.unep.org/en/meetings/meeting-reports-new>.

¹⁵ Article 5 countries were requested to submit CP data reports eight weeks prior to the first meeting of the Executive Committee of the year, if possible, and no later than 1 May, on the understanding that the deadlines for CP data submission would need to be revisited in the event that the Executive Committee were to decide to revert to holding three meetings a year (decision 74/9(b)(iv)).

Table2: Proposed adjustment to deadlines for the submission of the annual progress report and project proposals

Item	Weeks in advance of Executive Committee meeting	
	Current deadline	Proposed deadline
Annual progress reports	12 weeks (last meeting)	15 April of each year or eight weeks before the first meeting when such meetings would be convened earlier than the second week of June
Stage I or II of an HPMP	14 weeks	16 weeks
Projects over US \$5 million	12 weeks	14 weeks
Other submissions	8 weeks	10 weeks

Procedures of the operation of the Executive Committee

Accountability of the implementing agencies and Executive Committee members speaking on their own projects

22. At the 75th meeting during the discussion on the agenda item on the main procedures of the Executive Committee¹⁶, the Chief Officer informed Executive Committee members that he would discuss with the implementing agencies the concerns regarding their accountability, and whether Article 5 countries were appropriately involved in the discussions between the Secretariat and implementing agencies.

23. The matter was raised with implementing agencies in the document on the Operation of the Executive Committee prepared for the IACM, which included a section on the accountability of the implementing agencies and Executive Committee members speaking on their own projects¹⁷. The document recalled that the Secretariat only communicates with the bilateral and implementing agencies, which in turn communicate with Article 5 countries, and that effective communications between an Article 5 country and an implementing agency provides the opportunity for a country to respond to any queries and issues on its project proposal well in advance of consideration of the projects at the Executive Committee meeting.

24. During the discussion, two implementing agencies raised the issue of agencies being able to provide clarifications at the Executive Committee meeting regarding the Secretariat's comments, citing that bilateral and implementing agencies were able to provide detailed information on a project proposal. The Secretariat explained that there was ample time to provide clarification on the comments of the Secretariat both during the project review process and even after issuance of the pre-session document. The Chief Officer further explained that allowing agencies to comment on project proposals during the plenary would present challenges to the process of running the meeting, and pointed out that agencies were present at contact group meetings in the margins of the Executive Committee meetings where project proposals were discussed in a more informal setting. With regard to the submission of project proposals, the Secretariat stressed to implementing agencies the requirement to adhere to the procedures

¹⁶ Paragraphs 296 to 300 of document UNEP/OzL.Pro/ExCom/75/83.

¹⁷ Document MLF/IACM.2016/1/11 is available to Executive Committee members on request. It referred agencies to documents UNEP/OzL.Pro/ExCom/68/47 and UNEP/OzL.Pro/ExCom/75/83, and in particular the requirement for: consultations with beneficiary countries from the time of business planning, through the project preparation phase, during the review of submissions by the Secretariat, and when necessary at the time of consideration of the project proposal during the Executive Committee meeting; a letter of endorsement from the government concerned for each project proposal submitted to the Secretariat to be submitted to the Secretariat with the other components of the project proposal by the required deadline; and, appropriate consultation during project review with the beneficiary country and endorsement for any changes to projects.

currently in force. The Secretariat also considered that the proposed changes to submission deadlines would further provide implementing agencies with a longer time period in which to discuss with Article 5 countries any matters raised by the Secretariat during project review which would negate the need for Executive Committee members to speak on their own projects.

25. In the case that the Executive Committee should require further information from a country in order to consider approving the project, sufficient time is allowed during the in-session of the meeting for the agency concerned to contact the country, whether it is present at the meeting or not, to discuss the matter further. The procedural equity provides time for countries not represented at the Executive Committee meeting to respond to the matter up until almost the closure of the meeting. Moreover, projects and activities for over 100 countries may be considered at an individual Executive Committee meeting and although members may co-opt countries from their region, it would not be possible for every Article 5 country with a project to attend the meeting at which their project is being considered.

26. It should also be noted that the practice of members being prohibited from taking the floor in connection with projects in which they had a direct interest emanates from the Evaluation of the Financial Mechanism of the Montreal Protocol in 1995,¹⁸ which observed that the Executive Committee had experienced difficulty in reaching consensus, especially when a member country of the Executive Committee has a direct interest in the outcome of the debate.

Executive Committee Primer

27. The Executive Committee Primers for 2016 includes an updated organizational chart, information on the main procedures of the operation of the Executive Committee, including the roles of the Secretariat and the implementing agencies regarding their provision of advice to the Executive Committee, and a profile of each implementing agency.

Recommendation

28. The Executive Committee may wish to consider:

- (a) Noting the document on the operation of the Executive Committee (UNEP/OzL.Pro/ExCom/76/63), prepared pursuant to decision 73/70(h);
- (b) Agreeing to continue convening two meetings of the Executive Committee from 2017 onwards, preferably in the second or third week of June for the first meeting, and in late November or the first week of December for the second meeting, with the possibility of holding an additional brief meeting if required to consider project proposals or specific requests from the Parties to the Montreal Protocol;
- (c) Noting:
 - (i) With regard to progress and financial reports:
 - a. That bilateral and implementing agencies would be requested to submit their annual progress and financial reports for the previous year to the Secretariat by 15 April each year or eight weeks before the first meeting when such meetings would be convened earlier than the second week of June;
 - b. That the consolidated progress report and the relevant progress reports of the

¹⁸ COWI consult, 1995, Study on the Financial Mechanism of the Montreal Protocol, UNEP. March 1995.

bilateral and implementing agencies would be considered at the first meeting of the year;

- (ii) With regard to business planning, that the evaluation of the implementation of the previous year's business plan would be considered at the first meeting of the year;
- (iii) With regard to project proposals, that bilateral and implementing agencies would be requested to submit to the Secretariat complete project proposals in advance of the Executive Committee meeting at which they were to be considered, in order to allow time for review by the Secretariat and for agencies to discuss the Secretariat's comments and the response to the comments with the country concerned, as follows:
 - a. HCFC production phase-out management plans, HCFC phase-out management plans or sector phase-out plan, complete with a draft agreement and a proposed implementation programme for the first tranche, 16 weeks prior to the Executive Committee meeting;
 - b. HCFC phase-out projects in the consumption sector with a requested level of funding of more than US \$5 million, 14 weeks in advance of the Executive Committee meeting;
 - c. All other project proposals in full, 10 weeks in advance of the Executive Committee meeting;
- (d) Requesting the Secretariat to reorganize the order of agenda items for Executive Committee meetings according to the classification scheme in Annex IV to the present document;
- (e) To review the two Executive Committee meetings per year regime at the first meeting of the Executive Committee in 2018.

Annex I

DECISIONS ON THE OPERATION OF THE EXECUTIVE COMMITTEE

Decision 70/23

The Executive Committee decided:

- (a) To take note of the document on the operation of the Executive Committee (UNEP/OzL.Pro/ExCom/70/55), prepared pursuant to decision 69/24;
- (b) 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 meeting, on the understanding that:
 - (i) The revised schedule of tranche requests for stage I of HCFC phase-out management plans (HPMPs) for Article 5 countries would be submitted between the first and the last meetings, as contained in Annex XXIV to the present report;
 - (ii) The terminal report and the plan of future action associated with the renewal of institutional strengthening projects could be submitted to the meeting immediately preceding the set date, namely, six months before the end of the previously approved period, to avoid any delay in the approval of such projects and on the understanding that they were in compliance with all relevant decisions;
 - (iii) Tranche requests for HPMPs with a funding level of up to US \$5 million (including agency support costs) would be included in the list of projects and activities recommended for blanket approval, provided that they contained no policy issues and all technical and cost issues had been agreed between the Secretariat and relevant bilateral and/or implementing agencies;
 - (iv) The 2014-2016 business plan of the Multilateral Fund would be submitted to the last meeting of the year, beginning in 2013;
 - (v) The document on the 2014 business plan and tranche submission delays would be submitted to both the first and last meetings of the year, thus amending decision 53/3(c);
 - (vi) A revised 2015-2017 business plan could be submitted to the first meeting of 2015 following the adoption of the 2015-2017 replenishment of the Multilateral Fund by the Parties to the Montreal Protocol;
 - (vii) The evaluation of the 2013 business plans would be submitted to the last meeting in 2014;
 - (viii) With regard to progress and financial reports:
 - a. Bilateral and implementing agencies would be requested to continue submitting their annual progress and financial reports to the Secretariat by 1 May each year;

- b. The Secretariat would be requested to finalize the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies and to post those documents on the Secretariat's intranet, once finalized, for consideration to the last meeting of the year;
 - c. The Secretariat would be authorized to request relevant bilateral and implementing agencies to provide status reports on issues identified during the review of the annual progress and financial reports;
- (c) To note that the Executive Committee could request the Secretariat to organize an intersessional meeting to discuss any urgent policy issues or project proposals that would need to be addressed between the first and last meetings where the compliance of an Article 5 country with its obligations under the Montreal Protocol was at risk; and
- (d) To review the two meetings per year scenario at the last meeting of 2014.

Decision 73/70

The Executive Committee decided:

- (a) To note the review of the operation of the Executive Committee prepared pursuant to decision 70/23(d) contained in document UNEP/OzL.Pro/ExCom/73/59;
- (b) To agree to continue convening two meetings of the Executive Committee from 2015 onwards with the possibility of holding an additional brief meeting if required between those meetings to consider project proposals;
- (c) To note:
 - (i) That the three-year business plan of the Multilateral Fund would be submitted to the last meeting of the year;
 - (ii) That a document entitled "Country programme data and prospects for compliance" would be submitted to the first and last meetings of the year;
 - (iii) With regard to progress and financial reports:
 - a. That bilateral and implementing agencies would be requested to submit their annual progress and financial reports to the Secretariat 12 weeks in advance of the last meeting of the year;
 - b. That the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies would be considered at the last meeting of the year;
- (d) To note that, 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;

- (e) To invite bilateral and implementing agencies to submit projects proposals and reports in advance of the prescribed deadlines wherever possible, in order to facilitate their timely review by the Secretariat;
- (f) To request the Secretariat to continue reviewing the standard agenda items of the Executive Committee meetings with a view to streamlining and improving the efficiency of the operation of the Executive Committee;
- (g) To request the Secretariat to prepare a document on the main procedures of the operation of the Executive Committee, including the roles of the Secretariat and the implementing agencies regarding their provision of advice to the Executive Committee and, where applicable, to beneficiary countries, in order to provide a basis for discussion of the roles and responsibilities of the Executive Committee, the Secretariat and implementing agencies of the Multilateral Fund, for presentation to the Executive Committee at its last meeting in 2015, with a view to improving understanding and initiating changes where necessary; and
- (h) To review the scenario of two Executive Committee meetings per year at the first meeting of the Committee in 2016.

Annex II

SUMMARY OF THE EXPERIENCE OF THE TWO MEETINGS PER YEAR REGIME

1. The most significant issues relating to the summary of the experience of the two meetings per year scenario are presented below.

Annual schedule and venue of Executive Committee meetings

2. The first and last meetings of 2014 and 2015 were held in accordance with decisions 71/52, 73/75 and 74/50 as indicated in Table 1. All meetings took place in Montreal with the exception of the 73rd meeting, which took place in Paris. Table 1 also includes the dates of Montreal Protocol meetings and IACMs to illustrate the distribution of Montreal Protocol and Multilateral Fund meetings in 2014 and 2015.

Table 1: Schedule of Executive Committee and related meetings in 2014 and 2015

Meeting	Location	Dates
2014		
IACM	Montreal	11-13 February 2014
72 nd Executive Committee	Montreal	12-16 May 2014
34 th OEWG	Paris	14 - 18 July 2014
IACM	Montreal	2-3 September 2014
73 rd Executive Committee	Paris	9-13 November 2014
26 th Meeting of the Parties to the Montreal Protocol (MOP)	Paris	17 – 21 November 2014
2015		
35 th OEWG	Bangkok	22 - 24 April 2015
IACM	Montreal	26-27 February 2015
74 th Executive Committee	Montreal	18-22 May 2015
36 th OEWG	Paris	20 - 24 July 2015
IACM	Montreal	31 August - 2 September 2015
36 th OEWG-resumed/27 th MOP	Dubai	29 October -5 November 2015
75 th Executive Committee	Montreal	16 -20 November 2015

3. Several Secretariat staff attended the Montreal Protocol meetings, which, despite some challenges due to the dates being close to Executive Committee meetings, provided an opportunity to finalize negotiations with the bilateral and implementing agencies on a number of projects.

Conduct of the 2015 meetings

4. The Secretariat prepared 56 and 85 meeting documents and a number of production sector documents, for the 74th and 75th meetings, respectively. The agenda of each meeting was completed successfully within the five day time frame and the draft reports of both meetings were adopted in plenary.

5. The Sub-group on the Production Sector and several other contact or informal groups met in the margins of the 74th and 75th meetings. Several separate side meetings were scheduled either prior to the morning plenary sessions, over lunch breaks, following afternoon plenary sessions, or when the morning or afternoon plenary session was cancelled.

Adjustments to the annual cycle and re-arrangement of the agenda items

6. The re-arrangement of the agenda items for the 74th and 75th meetings was implemented in accordance with decisions 70/23 and 73/70 including consideration of the agenda items below as follows:

- (a) The three year business plan of the Multilateral Fund at the last meeting of the year;
- (b) Implementation of the current year's business plan and tranche submission delays at both the first and last meetings of the year;
- (c) The evaluation of the previous year's business plans at the last meeting of the year;
- (d) Bilateral and implementing agencies' annual progress reports at the last meeting of the year; and
- (e) Country programme data and prospects for compliance at each meeting.

Optional inter-sessional meeting

7. No intersessional meetings were required in 2014 or 2015.

Documents for the Sub-group on the production sector

8. In accordance with decision 73/70(d), as there was no agreement on the composition of the Subgroup on the Production Sector for 2015 prior to the 74th meeting, three production sector documents classified as "Restricted" were conveyed by email to the heads of Executive Committee delegations prior to the 74th meeting, after the consent of the country concerned was obtained through an exchange of correspondence with the Chief Officer. Production sector documents with the "Limited" classification were posted on the password protected area of the website accessible by Executive Committee members.

Arrangement for business planning (decision 73/70(c)(i))

9. The arrangement for consideration of the evaluation of the current year's business plan and tranche submission delays at the first and last meetings and consideration of the three year business plan at the last meeting continued to work satisfactorily. Although the 2015-2017 business plans of the bilateral and implementing agencies were considered at the 73rd meeting in advance of the 2015-2017 replenishment of the Multilateral Fund (26th MOP), the decision adopted by the 26th MOP on the replenishment was addressed in the document "Update on the implementation of the 2015-2017 business plans and financial planning for the triennium 2015-2017"¹⁹ presented to the 74th meeting. The Secretariat concluded that handling items on business planning at the last meeting of the year in a replenishment year was workable.

Revised arrangements with respect to project proposals

Scheduling of tranches of HCFC phase out management plans (decision 70/23(b)(i))

10. Bilateral and implementing agencies did not report any issues as a result of the revised schedule²⁰

¹⁹ UNEP/OzL.Pro/ExCom/74/5 , Corr.1 and Add.1

²⁰ Annex XXIV of the Report of the 70th meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/70/59) contains the revised schedule for the submission of tranche requests for stage I of HPMPs.

for the submission of tranche requests for stage I of HCFC phase out management plans (HPMPs) to the first and last meetings of the year.

Tranches of HPMPs approved without verification of the achievement of ODS reduction targets (decision 72/19)

11. In 2015 tranches of stage I of HPMPs for 30 countries and the Pacific Island Countries (PICs)²¹ were approved at the 74th meeting and tranches for 31 countries were approved at the 75th meeting. Of the stage I tranches for countries submitted to the 74th meeting, ten were submitted in accordance with decision 72/19²², which allowed their submission without a report on the verification of HCFC consumption for the preceding year²³. The ten tranches were subsequently approved with the release of funds from the Treasurer conditional on receipt and review of the relevant verification report.

Blanket approval for tranche requests for HPMPs with a funding level of up to US \$5 million (decision 70/23(b)(iii))

12. Tranche requests for HPMPs with a funding level of up to US \$5 million (including agency support costs) that had no policy issues and for which all technical and cost issues had been agreed between the Secretariat and relevant bilateral and/or implementing agencies, were included in the list of projects and activities recommended for blanket approval. All such projects were subsequently approved by the Executive Committee.

Arrangements for institutional strengthening (IS) projects

13. A number of IS renewal requests were submitted between six and 11 months in advance of their renewal dates in accordance with decision 70/23(b)(ii)²⁴. The Secretariat noted that in the case of IS projects being submitted 10 or 11 months in advance of their renewal date, it might have been possible for the project to have been submitted for consideration at the subsequent Executive Committee meeting without risking any delay to the project.

Submission deadlines

²¹ The HPMP for the PICs addresses HCFC consumption in Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

²² At the 72nd meeting the Executive Committee encouraged lead bilateral and implementing agencies submitting HPMP tranche requests to the first meeting of the year to include a verification report of national consumption targets for the year immediately preceding the year in which the tranche was submitted. If the verification reports were not ready in time for the first meeting of the year, the transfer of any approved funds for tranches to the bilateral and implementing agencies would occur only after receipt by the Secretariat of the verification report confirming that, in the year immediately preceding the tranche request, the country had been in compliance with the Montreal Protocol and the Agreement between its Government and the Executive Committee (decision 72/19).

²³ One of the pre-conditions for approval of funding future tranches of HPMPs under the Agreements between Article 5 countries and the Executive Committee is the submission of an independent verification report stating that the consumption targets have been met. This pre-condition is applicable to all non-low-volume-consuming (LVC) countries and to a selection of 20 per cent of approved HPMPs in LVC countries each year in line with decision 61/46(c).

²⁴ The Executive Committee convened two meetings of the Executive Committee in 2014 on a trial basis on the understanding that, *inter alia*, the terminal report and the plan of future action associated with the renewal of institutional strengthening projects could be submitted to the meeting immediately preceding the set date, namely, six months before the end of the previously approved period, to avoid any delay in the approval of such projects and on the understanding that they were in compliance with all relevant decisions.

14. Bilateral and implementing agencies made considerable efforts to submit activities by the prescribed deadlines to facilitate the review process by the Secretariat. The majority of submissions for stage I and II of HPMPs, projects over US \$5 million and tranches of HPMPs were received by the 14 week, 12 week, and 8 week deadlines, respectively. UNEP's IS requests and a number of tranches of HPMPs were submitted in advance of the 8 week deadline.

Workload of the Executive Committee²⁵

15. In terms of the number of funding requests and the total amount of funds approved, the workload in 2015 was significantly higher than that of 2014²⁶. Furthermore, a number of important policy documents were considered in 2015²⁷. The workload in terms of the number of standard documents²⁸ considered by the Executive Committee was reduced compared to years prior to 2014 because standard documents were prepared only twice instead of three times per year in 2014 and 2015.

²⁵ The Secretariat reviewed comprehensive data since the 63rd meeting on the number of agenda items, documents, funding requests, and side meetings, by meeting and year, and the amount of total funding approved per meeting

²⁶ In 2015 the Executive Committee approved 376 investment projects and work programme activities in 141 countries at a total value of US\$ 185.5 million including support costs compared to 229 activities in 91 countries in 2014 at a total value of US \$109.6 million. Funding requests for 2015 included stage I of HPMP for two countries and stage II for seven countries, tranches of MYAs for 68 countries, project preparation for demonstration projects, feasibility studies on district cooling, two projects to demonstrate low-GWP technologies, and surveys for ODS alternatives in 126 countries.

²⁷ Policy documents considered in 2015 included, *inter alia*, the review of IS projects, the draft criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs, the analysis of the remaining eligible HCFC consumption in various sectors and subsectors of potential demonstration relevance, the template for the agreements of stage II of the HPMP, the Multilateral Fund Climate Impact Indicator, the calculation of funding to conduct inventories or surveys on ODS alternatives, and the format for such surveys.

²⁸ Standard documents include, the Provisional agenda, Annotated provisional agenda, Secretariat activities, Status of contributions and disbursements, Report on balances and availability of resources, Tranche submission delays, Country programme data and prospects for compliance, and the Overview of issues identified during project review.

Annex III

RULES OF PROCEDURE FOR MEETINGS OF THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

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 Procedures 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.

Annex IV

PROPOSED CLASSIFICATION OF AGENDA ITEMS

Agenda #	Agenda item	Sub-item description
1	Opening of the meeting	Introduction by Chair
2	Organizational matters	Provisional agenda Annotated provisional agenda
3	Secretariat activities	
4	Financial matters	Status of contributions and disbursements Report on balances and availability of resources Final accounts of the Multilateral Fund Reconciliation of the account Approved 201#, 201# and 201# budgets and proposed 20XX budget of the Fund Secretariat
5	Country programme data and prospects for compliance	
6	Business planning	Status of current business plan (update on the implementation of...) Financial planning Consolidated business plan Business plans of the bilateral and implementing agencies Tranche submission delays
7	Evaluation	Consolidated project completion report Multi-year agreement database Desk studies and evaluation reports Draft evaluation programme
8	Programme implementation	Consolidated progress report Progress reports of bilateral and implementing agencies Evaluation of the performance of implementing agencies Status reports and reports on projects with specific reporting requirements
9	Project proposals	Overview of issues identified during project review Bilateral cooperation Agency work programme (non-investment activities) Compliance assistance programme budget Agency core unit costs Investment projects
10	Policy papers	
11	Reports to the MOP	Report of the Executive Committee to the MOP Reports prepared as per MOP decisions
12	Sub-group on the Production sector	Report of sub-group (production)

Annex V
ILLUSTRATIVE AGENDA FOR 2017 ONWARDS
FIRST MEETING

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Financial matters:
 - (a) Status of contributions and disbursements;
 - (b) Report on balances and availability of resources;
5. Country programme data and prospects for compliance.
6. Business planning:
 - (a) Update on the implementation of the current year business plan¹;
 - (b) Tranche submission delays.
7. Evaluation:
 - (a) Consolidated project completion report;
 - (b) Multi-year agreement database;
 - (c) Desk studies and evaluation reports;
8. Programme implementation:
 - (a) Progress reports as at 31 December of the previous year (includes status reports):
 - (i) Consolidated progress report;
 - (ii) Bilateral agencies;
 - (iii) UNDP;
 - (iv) UNEP;
 - (v) UNIDO;

¹ The document presented to the first meeting of a triennium may include a section on financial planning.

- (vi) World Bank;
 - (b) Evaluation of the performance of implementing agencies;
 - (c) Reports on projects with specific reporting requirements.
9. Project proposals:
- (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Work programmes:
 - (i) UNDP;
 - (ii) UNEP;
 - (iii) UNIDO;
 - (iv) World Bank.
 - (d) Investment projects.
10. Policy issues.
11. Draft Report of the Executive Committee to the Meeting of the Parties to the Montreal Protocol.¹
12. Report of the Sub-group on the Production Sector.
13. Other matters.
14. Adoption of the report.
15. Closure of the meeting.

¹ This agenda item will be included if that year's Meeting of the Parties is scheduled to take place before the last Executive Committee meeting of the year.

SECOND MEETING

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Financial matters:
 - (a) Status of contributions and disbursements;
 - (b) Report on balances and availability of resources;
 - (c) Accounts of the Multilateral Fund:
 - (i) Final 201# accounts;
 - (ii) Reconciliation of the accounts.
 - (d) Approved 20XX, 20XX and 20XX budgets and proposed 20XX budget of the Fund Secretariat.
5. Country programme data and prospects for compliance.
6. Business planning:
 - (a) Update on the implementation of the current year business plan;
 - (b) Consolidated business plan of the Multilateral Fund;
 - (c) Business plans of the implementing agencies:
 - (i) Bilateral agencies;
 - (ii) UNDP;
 - (iii) UNEP;
 - (iv) UNIDO;
 - (v) World Bank.
 - (d) Tranche submission delays.
7. Evaluation:
 - (a) Consolidated project completion report;

- (b) Multi-year agreement database;
 - (c) Desk studies and evaluation reports;
 - (d) Draft monitoring and evaluation work programme for the year 201#.
8. Programme implementation:
- (a) Status reports and reports on projects with specific reporting requirements.
9. Project proposals:
- (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Amendments to work programmes:
 - (i) UNDP;
 - (ii) UNEP;
 - (iii) UNIDO;
 - (iv) World Bank;
 - (d) UNEP's Compliance Assistance Programme (CAP) budget for 20XX;
 - (e) 20XX core unit costs for UNDP, UNIDO and the World Bank;
 - (f) Investment projects (e.g., tranches of stage I HPMPs; stage II HPMPs).
10. Policy issues.
11. Draft Report of the Executive Committee to the Meeting of the Parties.³¹
12. Report of the Sub-group on the Production Sector.
13. Other matters.
14. Adoption of the report.
15. Closure of the meeting.

³¹ This agenda item will be included if that year's Meeting of the Parties is scheduled to take place following the last Executive Committee meeting of the year.