MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Post meeting summary of the 77th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

Introduction

The 77th meeting of the Executive Committee, which took place in Montreal, Canada from 28 November to 2 December 2016, was attended by the representatives of 13 of the 14 Executive Committee member Parties and by participants co-opted from 20 other countries (see attached list). Mr. Agustín Sánchez of Mexico presided over the meeting as Chair of the Executive Committee in 2016. Representatives of the Ozone Secretariat, implementing agencies, UN Environment as the Treasurer, and members of the Replenishment Task Force of the Technology and Economic Assessment Panel (TEAP) were also present. Non-governmental organizations that attended as observers included representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, the Institute for Governance and Sustainable Development, and the Steering Committee of the Kigali Cooling Efficiency Fund (KCEF) and the Natural Resource Defense Council.

The agenda for the 77th meeting included, among other items, the 2017-2019 consolidated business plan of the Multilateral Fund, the draft monitoring and evaluation work programme, the final report on the evaluation of HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector, the consolidated progress report of the Multilateral Fund and the annual progress reports of bilateral and implementing agencies, UNEP’s Compliance Assistance Programme (CAP) budget, core unit costs for UNDP, UNIDO and the World Bank, the accounts of the Multilateral Fund, and the budget for the Fund Secretariat. Policy matters addressed included the report on calculation of the level of incremental costs for the conversion of heat exchangers manufacturing lines in enterprises converting to HC-290 technology, and the review of operation of the Executive Committee in light of the Kigali Amendment. In the margins of the meeting, the Sub-group on the Production Sector discussed the HCFC production sector guidelines and also the 2015 verification report and the 2016 progress report for the HCFC production phase-out management plan (HPPMP) for China.

The Committee took a total of 68 decisions and approved investment projects and work programme activities for 66 countries with a value of US $92,052,823 plus US $12,674,116 in support costs for bilateral and implementing agencies.

Status of contributions and disbursements (decision 77/1)

As at 2 December 2016, the balance of the Multilateral Fund stood at US $104,689,976 of which US $97,098,884 was in cash and US $7,591,092 in promissory notes, 38 per cent of which were due

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1 The United Nations Environment Programme: the term UNEP is used in this summary to reflect the text of the Report of the 77th meeting (UNEP/OzL.Pro/ExCom/77/76)

2 Representatives of the KCEF included ClimateWorks Foundation, the Hewlett Foundation and the MacArthur Foundation
for encashment in 2018. The loss on the fixed-exchange-rate mechanism (FERM) stood at approximately US $16.3 million since the inception of the mechanism in 2000.

The Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible and noted with appreciation the intention of the Government of Belarus to start paying its contributions in 2016. The Committee decided that, in cases where a country had a long-outstanding contribution, the Treasurer would allocate any new contribution to a specific year, if so requested by the country. The Executive Committee requested the Chief Officer and the Treasurer to continue to follow up with countries that had contributions outstanding for one triennium or more and to report back to the 79th meeting.

**Status of resources and planning**

*Report on balances and availability of resources (decision 77/2)*

Bilateral and implementing agencies returned balances of US $978,753 against completed projects and projects completed “by decision of the Executive Committee” to the Multilateral Fund. The Executive Committee requested bilateral and implementing agencies with projects completed over two years previously to return the balances to the 79th meeting, and also to disburse or cancel commitments not needed for completed projects and project completed “by decision of the Executive Committee” in order to return balances to the 79th meeting. UNEP was requested to return non-committed balances to the 79th meeting. The Treasurer would follow up with two bilateral agencies on the return in cash from funds held.

Taking into account the report of the Treasurer and the returns by bilateral and implementing agencies, the total funding available at the 77th meeting amounted to US $105,668,729, which was sufficient to cover the funding for projects approved at the meeting.

*Update on the status of implementation of the 2016–2018 consolidated business plan of the Multilateral Fund*

The Executive Committee noted the update on the status of implementation of the 2016–2018 consolidated business plan of the Multilateral Fund.

*Tranche submission delays (decision 77/3)*

Forty-two out of 91 activities related to tranches of HPMPs that were due for submission to the 77th meeting had been submitted on time. HPMP activities for one country were subsequently withdrawn following discussion with the Secretariat. Relevant implementing agencies indicated that the late submission of the tranches of HPMPs due for submission at the last meeting of 2016 would have no impact or was unlikely to have an impact on compliance, except in the case of one country. The Secretariat would send letters to the countries with delayed tranche submissions inviting them to submit their outstanding tranches of HPMPs to the 79th or 80th meeting.

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3 The current practice of allocating payments on a “first in, first out” basis would continue for Parties other than those with arrears that had begun to contribute to the Fund

4 UNEP/OzL.Pro/ExCom/77/5 and Add.1
Programme implementation

Monitoring and evaluation

2016 consolidated project completion report (decision 77/4)

The Executive Committee noted the 2016 consolidated project completion report\(^5\) (PCR) and urged bilateral and implementing agencies to submit to the 79\(^{th}\) meeting outstanding PCRs for multi-year agreements (MYAs) and individual projects that were due and in the case the PCRs were not submitted, to provide the reasons for not doing so and the schedule for their submission. Cooperating implementing agencies were urged to complete their portion of PCRs to allow the lead implementing agency to submit PCRs according to the schedule.

The Committee urged bilateral and implementing agencies to enter clear, well written and thorough lessons learned when submitting their PCRs and invited all those involved in the preparation and implementation of MYAs and individual projects to take into consideration the lessons learned from PCRs\(^6\) when preparing and implementing future projects and approved.

Multi-year agreement database report (decision 77/5)

The Executive Committee noted the report on the MYA database\(^7\) pursuant to decision 76/6(b), and that the Secretariat would pursue discussions with the bilateral and implementing agencies on the inclusion, in the inventory of enterprises database, of relevant information relating to all the HCFC-based enterprises that had received funding from the Multilateral Fund. The Senior Monitoring and Evaluation Officer would report back to 79\(^{th}\) meeting on the matter.

Final report on the evaluation of HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector (decision 77/6)

The Executive Committee noted the final report on the evaluation of the HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector\(^8\), and invited the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the evaluation in the design and implementation of projects under stage II of the HPMPs.

The evaluation report included an issue regarding the introduction of technologies other than those that had been agreed in approved projects, which was discussed under the agenda item on the Overview of issues identified during project review.

Draft monitoring and evaluation work programme for the year 2017 (decision 77/7)

The monitoring and evaluation work programme for the year 2017 was approved\(^9\) at a budget of US $143,484 to carry out the second phase of the evaluation of chiller projects\(^10\). The Executive

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\(^5\) UNEP/OzL.Pro/ExCom/77/7

\(^6\) Lessons learned from the MYA PCRs can be found on the MYA PCR lessons learned database at http://www.multilateralfund.org/myapcr/search.aspx

\(^7\) UNEP/OzL.Pro/ExCom/77/8

\(^8\) UNEP/OzL.Pro/ExCom/77/9 & Corrs. 1 and 2

\(^9\) UNEP/OzL.Pro/ExCom/77/10/Rev.1

\(^10\) The approved terms of reference for the second phase of the chillers evaluation can be found in Annex I of UNEP/OzL.Pro/ExCom/77/10/Rev.1
Committee requested the Senior Monitoring and Evaluation Officer to present an amendment to the monitoring and evaluation work programme for 2017 to the 79th meeting, to include the evaluation of the refrigeration servicing sector, the terms of reference and the associated budget.

Consolidated progress report and progress reports of bilateral and implementing agencies as at 31 December 2015 (decisions 77/8 - 77/13)

The Executive Committee noted the 2015 consolidated progress report\(^{11}\) and annual progress reports on the implementation of approved projects and activities submitted by bilateral and implementing agencies\(^{12}\), and also noted with appreciation, the efforts undertaken by bilateral and implementing agencies in reporting the 2015 activities. The Executive Committee took a decision that included a number of elements regarding implementation of projects as follows:

- Extension of the completion dates for a number of projects
- Bilateral and implementing agencies were requested to submit reports on pilot demonstration projects for ODS disposal and ongoing chiller projects starting from the 79th meeting and continuing until the projects had been completed, and to report project preparation activities as completed no later than six months after approval of the HPMP and return fund balances from those activities no later than 18 months after approval of the HPMP
- Implementing agencies were requested to revise their progress report disbursement data for specific tranches of HPMPs, as appropriate, in order to be in line with decision 76/14(b)(ii)\(^{13}\)
- Bilateral and implementing agencies were urged to complete and submit, by January 2017, as many reports as possible on surveys of ODS alternatives to enable the Secretariat to provide an analysis of the results of such surveys for consideration by the Executive Committee at its 78th meeting, in line with decision 74/53(h)
- No more than two institutional strengthening projects should be ongoing at the same time
- Projects where 100 per cent of the funds had been reported to have been disbursed should be completed within one year of the moment when the full disbursement had been reported
- The Committee reiterated that the latest planned project completion dates in annual progress reports should represent the agency’s best estimation of the expected completion date
- Any change in project completion dates should be accompanied by a clear rationale for the extension and, in cases where the Executive Committee had established a completion date, any request for an extension would have to be submitted for approval by the Executive Committee
- PCRs should continue to be provided on each agreement and each project, without being combined into a single report.

\(^{11}\) UNEP/OzL.Pro/ExCom/77/11

\(^{12}\) UNEP/OzL.Pro/ExCom/77/12 - UNEP/OzL.Pro/ExCom/77/16

\(^{13}\) The Executive Committee requested that agencies report the same funding disbursement data in the tranche requests and the annual progress reports, and indicate, when submitting the tranche requests of HPMPs, the “planned completion dates” that reflected when the activities in the tranche were expected to be completed (decision 76/14(b)(ii)).
**Evaluation of the implementation of the 2015 business plans (decision 77/14)**

The Executive Committee noted that all implementing agencies had a quantitative assessment of their performance of at least 72 on a scale of 100, as assessed against targets in their 2015 business plans. The trend analysis indicated that the performance of implementing agencies had improved in 2015 in relation to 2014.

**Country programme data and prospects for compliance (decision 77/15)**

The Executive Committee noted that 109 of the 131 country programme (CP) implementation reports for the year 2015 had been submitted through the web-based system.

UNEP was requested to continue assisting the Government of Mauritania in finalizing the amendment of its licensing system to include the accelerated control measures for HCFCs, and the Government of Burundi in finalizing the formal HCFC quota system, and to report to the 79th meeting on its efforts in that respect; and relevant bilateral and implementing agencies to assist Article 5 countries in addressing data discrepancies between the 2015 CP and Article 7 reports.

The Secretariat would send letters to the governments of countries with outstanding 2014 and 2015 CP data reports, urging them to submit the reports as soon as possible, noting that, without them, the relevant analyses of ODS consumption and production levels could not be undertaken by the Secretariat.

**Reports on projects with specific reporting requirements (decisions 77/16 – 77/26)**

The Executive Committee considered the reports on projects with specific reporting requirements14 including, progress reports related to HPMPs for six countries15, the financial audit reports for sector plans of China16, and the methyl bromide phase-out projects for Argentina and Mexico. The Committee noted the reports on the implementation of the projects and made a number of decisions to follow up on specific issues.

**2017-2019 business plans (decisions 77/27 - 77/32)**

The Executive Committee endorsed the 2017-2019 consolidated business plan of the Multilateral Fund17 which had been adjusted based on the proposals made by the Secretariat18, the addition to the 2017 business plan of the HPMPs and IS projects from the 2016 business plan that had been deferred at the 77th meeting, and also the decisions taken and the values for HPMPs approved or revised in principle at the 77th meeting19. The endorsement denoted neither the approval of the projects identified therein, nor their funding or tonnage levels. Bilateral and implementing agencies were requested to include activities under stage II of the HPMPs for Kenya and the Syrian Arab Republic in their business plans. The Committee also requested the implementing agencies each to provide a detailed report to the 79th meeting on the feasibility studies of using not-in-kind technologies (decision 77/27).

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14 UNEP/OzL.Pro/ExCom/77/19 and Add.1
15 Afghanistan, Argentina, Brazil, China, India and Mexico
16 CFC production, halon, polyurethane rigid foam, solvent, and process agent II
17 UNEP/OzL.Pro/ExCom/77/20
18 Ibid, paragraphs 19 and 20
19 The adjusted business plan would be posted on the Secretariat’s website after the 77th meeting (http://www.multilateralfund.org/77/English/1/2017-2019-BPAdjustedConsolidated.xls)
Performance indicators were approved for UNDP, UNEP, UNIDO and the World Bank\(^\text{20}\) ((decisions 77/29(b), 77/30(b), 77/31(b), and 77/32(b)).

With regard to the business plan for Germany the Executive Committee noted that approvals in principle for the Government of Germany for the 2018-2020 triennium should not exceed US $2,604,720, based on the assumption that there would be the same level of replenishment as for the 2015–2017 triennium (decisions 77/28).

**Project proposals**

**Policy issues**

Changes or addition of implementing agencies in the implementation of approved HPMPs (decision 77/33)

The Secretariat was requested to include requests to change, add or remove a bilateral or implementing agency contained in HPMP tranche requests in the list of projects submitted for blanket approval, as long as there were no other outstanding issues that required the Executive Committee’s consideration.

Funding withheld pending verification reports or the meeting of specific conditions (decision 77/34)

At the 76\(^\text{th}\) meeting the Executive Committee approved tranches of several HPMPs on the understanding that funds would be withheld by the Treasurer pending the meeting of specific conditions, which included the submission of HCFC consumption verification reports or the signature of agreements. The Executive Committee urged relevant implementing agencies and governments that had not fulfilled those conditions to do so as soon as possible, so that HCFC phase-out activities in their countries could be implemented without further delay.

Temporary manufacturing of high GWP-based refrigeration and air conditioning equipment at enterprises that received funding to convert to low-GWP alternatives (decision 77/35)

The Executive Committee requested the relevant bilateral and implementing agencies to continue making best efforts to ensure that conversions of enterprises that received funding were consistent with agreed alternatives as approved by the Executive Committee and to report to the Executive Committee, as soon as they became known, exceptional cases where enterprises that had received funding from the Multilateral Fund to manufacture products and equipment using substances with low-global-warming potential (GWP) were temporarily manufacturing products and/or equipment using high-GWP substances, and to identify the reasons for the use, the steps to be taken to enable the enterprises to start manufacturing using the technology for which the funding had been approved, and a timeline for when such manufacturing was expected to commence. A report on the status of manufacturing at such enterprises would be provided to each meeting until manufacturing lines used only the low-GWP technology for which funding had been approved, or another alternative technology with a lower GWP. Bilateral and implementing agencies would request the enterprises concerned to provide a letter stating their commitment that the manufacturing lines funded by the Multilateral Fund would manufacture products and/or equipment using only the technology for which funding had been approved.

Bilateral and implementing agencies were also requested: to assess, during project preparation, the availability of the chosen technology in the country; not to pay any incremental operating costs that

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\(^{20}\) Annexes V, VI, VII and VIII of UNEP/OzL.Pro/ExCom/77/76
had been approved for the manufacturing enterprises until it had been verified that the enterprises were manufacturing products and/or equipment using the approved technology; and to ensure that verification reports submitted in line with sub-paragraph 5(b) of the Agreements between the Governments of the Article 5 countries concerned and the Executive Committee included verification of conversion of the manufacturing enterprises covered under the Agreement and confirmation of the technology adopted, in a representative sample of enterprises.

The Executive Committee encourage Governments of the Article 5 countries concerned, with the assistance of relevant bilateral and implementing agencies, to consider taking measures, if possible, to aid the introduction of low-GWP technology in applications covered under the respective sector and/or sub-sector.

**Project proposals (decisions 77/36 to 77/57)**

The Executive Committee approved 133 investment projects and work programme activities in 66 countries at a total value of US $104,726,939 including support costs of US $12,674,116.

**Phase-out of HCFCs**

The Executive Committee approved stage I of the HPMP for South Sudan for the period 2016 to 2020 with total funding in principle of US $233,700 including support costs, bringing the total number of Article 5 countries with an approved stage I of an HPMP to 143. Stage II of the HPMP was approved in principle for nine countries with total funding in principle of US $562,554,542 including support costs. The Committee approved a total of US $82,352,505 (including support costs) for tranches of HPMPs or stage I/stage II of HPMPs for 35 countries. These tranches included, among others, the first tranche of stage I of the HPMP for South Sudan, and the first tranches of stage II of HPMPs or HCFC phase-out sector plans for nine countries.

The Executive Committee approved a total of US $642,000 (including support costs) for the preparation of stage II of HPMPs in Argentina, Thailand and Tunisia, funding of US $302,700 (including support costs) for verification reports for stage I of HPMPs for nine countries.

**Institutional strengthening**

The Committee approved the extension of IS projects for 34 countries at an amount of US $5,036,654 including support costs.

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21 This includes funds approved for the 2017 budget of the UNEP's Compliance Assistance Programme and the core unit budgets of UNDP, UNIDO and the World Bank.
22 Only two countries do not have an approved stage I of an HPMP: Mauritania and Syrian Arab Republic.
23 Armenia, China, Dominican Republic, India, Islamic Republic of Iran, Jordan, Malaysia, Republic of Moldova, and Uruguay.
24 Support costs for stage II of the HPMP for China would be determined at a future meeting.
25 Benin, Cabo Verde, Chad, Ecuador, Guyana, Kyrgyzstan, Mozambique, Saint Vincent and the Grenadines, and Sierra Leone.
UNEP’s Compliance Assistance Programme (CAP) budget for 2017 (decision 77/38)

The Executive Committee approved the 2017 CAP budget at a level of US $9,776,000, plus agency support costs of 8 per cent (US $782,080). UNEP was requested to continue to submit an annual work programme and budget for the CAP, providing detailed information on the progress of the four new activities identified in the 2016 work programme for which global funds would be used until their completion, extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and providing details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26.

UNEP was further requested to review the overall structure of the CAP and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the Executive Committee for consideration at its 79th meeting.

2017 core unit costs for UNDP, UNIDO, and the World Bank (decision 77/39)

The Executive Committee approved core unit funding for 2017 for UNDP of US $2,055,000, UNIDO of US $2,055,000, and the World Bank of US $1,725,000, and noted with appreciation, that the World Bank’s core unit operation was again below its budgeted level and that the World Bank would be returning unused balances at the 79th meeting and noted the status of the review of the administrative cost regime and its core unit funding budget as per decision 75/69(b).

Calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology (decision 77/58)

The Executive Committee noted the document on the calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology. The Secretariat and the bilateral and implementing agencies would use the technical information contained in the annex to the aforementioned document as a reference when assessing the incremental costs of converting heat-exchanger lines during the conversion of HCFC-22-based air-conditioners to the use of HC-290, HFC-32 and R-452B refrigerants.

Issues relevant to the Executive Committee arising from the Twenty-eighth Meeting of the Parties to the Montreal Protocol (MOP) (decision 77/59)

A four-day special meeting would be held early in 2017 to address matters related to the Kigali Amendment to the Montreal Protocol arising from decision XXVIII/2, and potential additional contributions to the Multilateral Fund. In this regard the Secretariat was requested to prepare and agenda for the meeting, and a document containing preliminary information in response to the elements in decision XXVIII/2 that requested the Executive Committee to take action addressing five issues as follows: available information on HFC consumption and production, as well as on HFC-23 by-product, including from surveys of ODS alternatives funded by the Multilateral Fund and other sources; the enabling activities required to assist Article 5 countries in commencing their reporting and regulatory activities in relation to the HFC-control measures; key aspects related to HFC-23 by-product-control technologies; identification of the issues that the Executive Committee might want to consider in relation to existing HCFC phase-out activities; and, information relevant to the development of the cost guidelines.

Executive Committee members of the 77th meeting were invited to share relevant information with the

27 UNEP/OzL.Pro/ExCom/77/69
With respect to the intended US $27 million additional contributions in 2017 from some of the non-Article 5 Parties, the Executive Committee decided to accept, with appreciation, the additional contributions to provide fast-start support for implementation of the Kigali Amendment, noting that such funding was one-time in nature and would not displace donor contributions. The additional contributions should be made available for Article 5 countries that had an HFC consumption baseline year between 2020 and 2022 and that had formally indicated their intent to ratify the Kigali Amendment and take on early HFC phase-down obligations in order to support their enabling activities, such as capacity building and training in handling HFC alternatives, Article 4B licensing, reporting, and project preparation activities, taking into account, but not restricted to, relevant guidelines and decisions of the Executive Committee. The Committee requested the Secretariat to develop a document describing possible procedures for the above-mentioned countries to access the additional fast-start contributions for enabling activities, and the Treasurer to communicate with contributing non-Article 5 countries on procedures for making the additional contributions available to the Multilateral Fund. The Secretariat would report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund.

Review of the Operation of the Executive Committee (decision 77/60)

The Executive Committee decided 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. The Committee also requested the Secretariat to reorganize agenda items for Executive Committee meetings according to the classification scheme described in document UNEP/OzL.Pro/ExCom/77/71 and as formulated in the illustrative agendas for the first and second meetings contained in the document.

Bilateral and implementing agencies would be requested to submit their annual progress and financial reports for the previous year to the Secretariat by 1 May if the first meeting were convened on or after 1 July, otherwise 12 weeks prior to the second meeting of the year. The consolidated progress report, the relevant progress reports of the bilateral and implementing agencies, and the sub-agenda item on the evaluation of the performance of implementing agencies would be considered at the first meeting of the year if that meeting were convened on or after 1 July, and at the second meeting of the year if it were convened earlier.

Bilateral and implementing agencies were invited to continue to submit projects proposals and reports in advance of the prescribed deadlines wherever possible, in order to facilitate their timely review by the Secretariat.

Accounts of the Multilateral Fund

Final 2015 accounts (decision 77/61)

The Executive Committee noted the final financial statements of the Multilateral Fund as at 31 December 2015, which had been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The Executive Committee requested the Treasurer to record in the

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28 UNEP/OzL.Pro/ExCom/77/72
2016 accounts of the Multilateral Fund the differences between the implementing agencies’ provisional 2015 financial statements and final 2015 statements.

The Committee noted that the report of the United Nations Board of Auditors (UNBoA) for the year ending 31 December 2015 submitted to UNEP contained an observation and recommendation indicating that UNEP should bring the issue of long-outstanding contributions receivable to the attention of the Executive Committee for its consideration or write-off. The Chair of the Executive Committee would report to the 29th MOP, the UNBoA observation and recommendation that “UNEP bring again the matter to the attention of the MLF Executive Committee for its consideration or their write off”.

**Reconciliation of the 2015 accounts (decision 77/62)**

The Executive Committee noted the reconciliation of the 2015 accounts and requested the Treasurer and relevant implementing agencies to carry out a number of adjustments and related actions. The Committee noted the 2015 outstanding reconciling items that would be updated prior to the 80th meeting and the standing reconciling items.

**Budgets of the Fund Secretariat (decision 77/63)**

The Executive Committee noted the approved 2015, 2016, 2017 and 2018 budgets and proposed 2019 budget of the Fund Secretariat, the reallocation of expenditure not recorded in the 2015 accounts to the 2016 approved budget, and the return of funds from the 2015 approved budgets for the Fund Secretariat and the Senior Monitoring and Evaluation Officer to the 77th meeting.

The Executive Committee approved the revised 2016, 2017, 2018 and proposed 2019 budgets. The revised 2017 budget included provision for one additional meeting of the Executive Committee, and the revised 2018 and proposed 2019 budgets were based on three meetings of the Executive Committee.

**Production sector (decisions 77/64 -77/66)**

The Sub-group on the Production Sector (Argentina, Austria, Canada (facilitator), China, Germany, India, Japan, Jordan, Mexico and the United States of America) met in the margins of the 77th meeting on a number of matters including the draft HCFC production sector guidelines; the 2015 verification report of HCFC production in China; and the 2016 progress report of stage I of the HPPMP for China.

With regard to the HCFC production sector guidelines, the Executive Committee would continue discussion of the eligibility of swing plants producing HCFC-22 at the next meeting of the Sub-group on the Production Sector and consider that issue in the context of its discussions of by-product controls of HFC-23 arising from the Kigali Amendment (decision 77/64).

The Executive Committee noted that the verification report of the HCFC production sector for China indicated that China had remained within the maximum allowable production and consumption targets for 2015.

The Committee noted the 2016 progress report of stage I of the HPPMP for China; requested the Treasurer to offset future transfers to the World Bank by the additional interest accrued by the

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29 UNEP/OzL.Pro/ExCom/77/73
30 UNEP/OzL.Pro/ExCom/77/74
Government of China up to 31 December 2015; and requested the Government of China to submit to the 79th meeting, the report on the operation of the project management unit in 2015 required by decision 74/56(c), and a report on the progress made and the outcomes achieved in the two technical assistance projects (Research and a study on HFC-23 conversion/pyrolysis technologies, and Investigation on reducing HCF-23 by-product ratio using best practices) (decision 77/66).

Other matters

*Publication of meeting documents on the website of the Multilateral Fund Secretariat*

One member raised the issue of posting Executive Committee documents on the Fund Secretariat website at least a month ahead of each meeting, to give members sufficient time to analyse the documents and requested that newly posted documents be identified as such, as they had been in the past. The Secretariat would continue to do its utmost to ensure that documents were posted on the website as quickly as possible, and that the newly posted documents were identified as such.

*Issues relating to the rules and procedures regarding observers at Executive Committee meetings (decision 77/67)*

The Executive Committee requested the Secretariat to continue to inform members, by correspondence, of requests for observer status at meetings made by non-governmental organizations (NGOs) as long as the requests had been received at least one week ahead of the meeting of the Executive Committee in question. If no objections were received from members within three working days of receipt of the correspondence, the Secretariat would notify the NGOs that they had been permitted by the Executive Committee to attend the meeting as observers.

*Dates and venues of Executive Committee meetings in 2017 (decision 77/68)*

The Executive Committee decided to hold the four-day special 78th meeting in Montreal, Canada, from 4 to 7 April 2017, and to hold the 79th meeting in Bangkok, Thailand, from 3 to 7 July 2017, back to back with the 39th meeting of the Open-ended Working Group and other meetings related to the Parties to the Montreal Protocol. Tentative dates for the 80th meeting would be from 13 to 17 November 2017 in Montreal, back to back with, and the week preceding the 29th MOP.

*Report of the 77th meeting*

A complete record of all decisions made at the 77th meeting can be found in the “Report of the Seventy-seventh meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol” (UNEP/OzL.Pro/ExCom/77/76) which is published on the Multilateral Fund’s website (www.multilateralfund.org). The report is available in Arabic, English, French, Spanish and Russian.
Annex I - Attendance at the 77th meeting of the Executive Committee

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<td>Mexico (Chair)</td>
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* The Russian Federation did not attend the meeting.