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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-eighth Meeting
Montreal, 4-7 April 2017

STATUS OF ADDITIONAL CONTRIBUTIONS TO THE MULTILATERAL FUND**Background**

1. In the context of agenda item 10 of the 77th meeting, the Executive Committee discussed a note from the Secretariat on issues relevant to the Executive Committee arising from the Twenty-eighth Meeting of the Parties to the Montreal Protocol¹, which aimed to seek guidance from the Executive Committee on a way forward to address decision XXVIII/2 on the Kigali Amendment on phasing down HFCs. The Executive Committee also discussed how to deal with the additional voluntary contributions from a group of donor countries intended to finance activities for the implementation of the HFC phase-down.²

2. During the discussion, there was general acknowledgement of the historic importance of the adoption of the Kigali Amendment and of the challenges facing the Executive Committee in formulating a timely and appropriate response to decision XXVIII/2. There was consensus that a special meeting of the Executive Committee should be held early in 2017, to discuss matters related to the Kigali Amendment, and how to deal with potential additional contributions from a group of donor countries. Several members said that an immediate priority for the Executive Committee was to decide whether to accept and how to deal with the additional voluntary contributions from a group of donor countries intended to finance activities for implementation of the HFC phase-down. The modalities related to the contributions could be decided through bilateral discussions between the donor countries and the Treasurer, given variations in the financing mechanisms applied by different countries, which would necessitate a customized approach.

¹ UNEP/OzL.Pro/ExCom/77/70/Rev.1.

² Prior to the Twenty-eighth Meeting of the Parties, a press release issued by the White House of the United States of America on 22 September 2016 (<https://obamawhitehouse.archives.gov/the-press-office/2016/09/22/leaders-100-countries-call-ambitious-amendment-montreal-protocol-phase>) announced the intent of 16 donor countries (i.e., non-Article 5 Parties) to provide US \$27 million in 2017 to assist Article 5 countries through fast-start support for implementation if an ambitious HFC amendment with a sufficient early freeze date was adopted in 2016. This contribution would be one-time, and would not replace donor contributions going forward.

3. Further to a discussion, the Executive Committee decided *inter alia* to hold a four-day special meeting early in 2017 to address matters related to the Kigali Amendment arising from decision XXVIII/2 and to accept, with appreciation, the additional contributions announced by a number of non-Article 5 Parties to provide fast-start support for the implementation of the Kigali Amendment. The Committee also decided that the Treasurer would communicate with contributing non-Article 5 countries on procedures for making the additional contributions available to the Multilateral Fund for the purpose of early action in respect of the Kigali Amendment; and that the Secretariat would report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund (decision 77/59(d)(iii) and (iv)).

4. The Treasurer has developed the present document in response to the above elements of decision 77/59.

Actions taken

5. In response to decision 77/59(d)(iii) and (iv)), the Secretariat has sent out letters on 15 December 2016 to the 16 non-Article 5 countries who agreed to contribute towards the additional US \$27 million, indicating that the Treasurer would communicate with contributing non-Article 5 countries, on procedures for making the additional contributions available to the Multilateral Fund for the purpose of early action in respect of the Kigali Amendment. The letter also mentioned that the modality related to the additional contributions could be decided through bilateral discussions between the donor country and the Treasurer.

6. As a follow-up to the Chief Officer's letter, the Treasurer has communicated with the 16 non-Article 5 countries informing them of their share of the US \$27 million additional contribution as per Table 1 below and of the options to make their additional contribution either through a donor agreement or a letter of intent. In this regard, and in line with decision 77/59(d)(iv), the Treasurer in consultation with the Secretariat, has developed two modalities for receiving the additional contribution from each Government either through an agreement between each Government and the United Nations Environment Programme (UN Environment) as the Treasurer of the Multilateral Fund, or through a letter of intent from the Government to the UN Environment, indicating the amount of the contribution per the distribution list in Table 1 and its purpose. Both modalities have been cleared by the legal department of UN Environment. In the Treasurer's communication with the respective countries, the chosen modality of payment was to be communicated to the Treasurer as a basis to allow the Treasurer to send invoices.

Table 1. Distribution list of the additional contribution to the Multilateral Fund by 16 donor countries

Party	Funding (US\$)
Australia	920,000
Canada	1,300,000
Denmark	300,000
Finland	230,000
France	2,500,000
Germany	3,200,000
Ireland	190,000
Italy	2,000,000
Japan	4,800,000
Netherlands	730,000
New Zealand	110,000
Norway	380,000
Sweden	430,000
Switzerland	460,000
United Kingdom of Great Britain and Northern Ireland	2,300,000
United States of America	7,000,000
Total	26,850,000

Status report on contractual arrangements between the 16 non-Article 5 countries and the Treasurer, and payments

7. Exchanges between the Treasurer and some non-Article 5 countries have started (e.g. Australia, Denmark, Germany, Ireland, Italy and New Zealand) in the view of finalizing contractual arrangements as soon as possible. No contribution was received against the amount by country as at 6 March 2017.

Other related issues

8. The Government of Germany in its letter of 3 February 2017 to the Chief Officer indicated that its contribution would amount to US \$27 million based on the adjusted UN scale of assessment. Germany advised the Secretariat that it reserves its right to possibly implement their voluntary contribution through bilateral programmes and that the official commitment will probably be made in July. The Secretariat has responded to Germany's letter by advising that the Treasurer has not calculated the distribution based on the adjusted UN scale of assessment, but using a list of voluntary contributions reflecting each of the 16 countries share out of the US \$27 million. Accordingly, the additional contribution for the Government of Germany is US \$3.2 million. The letter also indicated that the Executive Committee will be advised about Germany's intention to settle its share of the additional contribution through bilateral programmes.

Recommendations

9. The Executive Committee may wish:
- (a) To note the report by the Treasurer on the status of the additional contributions to the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/78/3;
 - (b) To note with appreciation the US \$27 million additional contribution distributed among the 16 non-Article 5 Parties as listed in Table 1 to provide fast-start support for implementation of the Kigali Amendment; and
 - (c) To request the Treasurer to report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund to the 79th meeting.
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