



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

### **Post-meeting summary of the 84<sup>th</sup> meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol**

#### **Introduction**

The 84<sup>th</sup> meeting of the Executive Committee, which took place in Montreal, Canada from 16 to 20 December 2019, was attended by the representatives of the 14 Executive Committee member Parties and by participants co-opted from 25 other countries (see attached list). Mr. Philippe Chemouny of Canada presided as Chair of the Executive Committee. The Executive Secretary and the Deputy Executive Secretary of the Ozone Secretariat, the President of the Bureau, the Vice-President of the Implementation Committee, members of the task force on the replenishment of the Multilateral Fund for the 2021–2023 triennium of the Technology and Economic Assessment Panel (TEAP), the Acting Director of the UNEP Law Division, representatives of implementing agencies (IAs), and UNEP as the Treasurer, 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, the Private Sector Commission for Studies on Sustainable Development of Mexico and the Refrigerant Gas Manufacturers' Association of India.

The agenda for the 84<sup>th</sup> meeting included, among other items, financial matters related to contributions and the status of the Multilateral Fund, the budget for the Fund Secretariat, country programme (CP) data and the new format for data reporting, business planning for the period 2020 to 2022, and tranche submission delays.

Evaluation matters included the evaluation of the performance of implementing agencies, the final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction, the desk study for the evaluation of the sustainability of the Montreal Protocol achievements, the terms of reference for the desk study for the evaluation of regional networks of national ozone officers, the progress report on the desk study for the evaluation of the energy efficiency in the servicing sector, and the monitoring and evaluation work programme for 2020.

Matters under programme implementation included the 2018 progress reports of the bilateral and IAs, reports on projects with specific reporting requirements, and the 2019 project completion report (PCR).

Project proposals considered included *inter alia* stage II of HCFC phase-out management plans (HPMPs), tranches of HPMPs under stages I and II, institutional strengthening projects, and activities for the fast start implementation of HFC phase-down activities, such as enabling activities, a stand-alone investment project and two projects related to the HFC-23 by-product control emissions. The 2020 budget for UNEP's Compliance Assistance Programme (CAP), and the 2020 core unit costs for UNDP, UNIDO and the World Bank were also addressed. The Committee also discussed the policy for the cancellation of multi-year agreement (MYA) components, deadlines for submission of projects, submission of additional HFC stand-alone investment projects, and requests for preparatory funding for

HFC phase-down plans and demonstration pilot projects.

Under policy matters, the Executive Committee considered the report on end-user incentive schemes funded under approved HPMPs and the analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities. The Committee continued to address policy matters related to the Kigali Amendment, specifically HFC-23 by-product control technologies, the development of costs guidelines for HFC phase-down, and matters related to energy efficiency. The Committee also considered the operational policy on gender mainstreaming for Multilateral Fund-supported projects.

In the margins of the meeting, the Sub-group on the Production Sector discussed matters regarding the HCFC production sector.

The Committee took a total of 98 decisions, and approved new projects and activities, as well as the extension of current projects and activities, for 112 countries, with a value of US \$53,538,204, including agency support costs for bilateral and IAs.

### **Financial matters**

#### ***Status of contributions and disbursements<sup>1</sup> (decision 84/1)***

As at 16 December 2019, the balance of the Multilateral Fund stood at US \$222,565,321.<sup>2</sup> The loss on the fixed-exchange-rate mechanism (FERM) stood at approximately US \$32.5 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. The Chief Officer and the Treasurer were requested to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 85<sup>th</sup> meeting.

#### ***Report on balances and availability of resources (decision 84/2)***

Bilateral and IAs returned balances of US \$12,962,973 against completed projects. Bilateral and IAs were requested to disburse committed funds, or to cancel commitments not needed for completed projects and projects completed “by decision of the Executive Committee” and to return balances at the 85<sup>th</sup> meeting. UNEP was requested to return the outstanding balances for one ODS-alternative survey project before the 85<sup>th</sup> meeting. UNIDO was requested to return to the 85<sup>th</sup> meeting the balance of one completed project funded using the additional voluntary contributions, and to disburse or cancel commitments for one project completed over two years previously and to return balances at the 85<sup>th</sup> meeting. The Treasurer would follow up with the Governments of France and Japan, on the return of amounts, including agency support costs. The Treasurer was also requested to offset US \$133,146 from the funds approved for the World Bank at the 84<sup>th</sup> meeting, representing the amount of the penalty payment received from the Government of China pursuant to decision 82/88(d).

#### ***Status of additional contributions to the Multilateral Fund and availability of resources (decision 84/3)***

As at 16 December 2019, additional voluntary contributions to provide fast-start support for HFC phase-down amounted to US \$13,698. The Executive Committee noted with appreciation the agreement of donor countries to amalgamate the balances from the additional contributions with the

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<sup>1</sup> Annex I of UNEP/OzL.Pro/ExCom/84/75

<sup>2</sup> Including US \$28,064 against completed projects funded using additional voluntary contributions.

regular contributions to the Fund and requested the Treasurer to add, as additional income, the balance remaining from the additional contributions, as well as the balances from completed projects and projects completed “by decision of the Executive Committee” remaining from the additional contributions that had been returned at the 84<sup>th</sup> meeting, or that would be returned at future meetings, to the regular contributions to the Fund. The Committee noted that, as of the 85<sup>th</sup> meeting, the status of the additional contributions would no longer be reported separately from the regular contributions to the Fund.

### ***Accounts of the Multilateral Fund***

#### **Final 2018 accounts (decision 84/4)**

The Executive Committee noted the final audited financial statements of the Multilateral Fund as at 31 December 2018<sup>3</sup> that had been prepared in accordance with the International Public Sector Accounting Standards, and the certified statement of income and disbursements of the additional contributions for fast-start support for the implementation of HFC phase-down. The Treasurer was requested to record in the 2019 accounts of the Multilateral Fund the differences between the IA’s provisional 2018 financial statements and their final 2018 financial statements.

#### **Reconciliation of the 2018 accounts (decision 84/5)**

The Executive Committee noted the reconciliation of the 2018 accounts<sup>4</sup> and requested the Treasurer and relevant IAs to carry out a number of adjustments and related actions. The Committee noted the 2018 outstanding reconciling items that would be updated prior to the 86<sup>th</sup> meeting and the standing reconciling items.

### ***Budgets of the Fund Secretariat<sup>5</sup> (decision 84/6)***

The Executive Committee noted the approved 2019, 2020 and 2021, and the proposed 2022 budgets, the reallocation of expenditure not recorded in the final 2018 accounts to the 2019 budget, and the return of funds from the 2018 approved budgets for the Secretariat and the monitoring and evaluation work programme of the Fund. The Committee also approved the upgrade of three posts in the Secretariat, starting in 2020. The proposed 2022 budget of the Secretariat of US \$7,949,630 was approved, based on the 2021 budget, including two meetings of the Executive Committee in Montreal and a three per cent increase in staff costs. The Secretariat was requested to continue monitoring its staff costs to assess the appropriate rate of increase for future years and to report back at the 86<sup>th</sup> meeting, taking into account the Secretariat’s expenses as presented in the final 2019 accounts.

### ***Country programme data and prospects for compliance<sup>6</sup> (decision 84/7)***

One hundred and forty-two countries had submitted their CP implementation reports for 2018, out of which 124 countries had used the web-based system. The Secretariat would send letters to the governments of countries with outstanding CP data reports, urging them to submit the reports as soon as possible. The Committee approved the updated revised format of CP data reports<sup>7</sup>, and the Practical

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<sup>3</sup> UNEP/OzL.Pro/ExCom/84/6 and Corr.1

<sup>4</sup> UNEP/OzL.Pro/ExCom/84/7

<sup>5</sup> Annex II of UNEP/OzL.Pro/ExCom/84/75

<sup>6</sup> UNEP/OzL.Pro/ExCom/84/9/Rev.1

<sup>7</sup> Annex III of UNEP/OzL.Pro/ExCom/84/75

manual for country programme data reporting<sup>8</sup>, which had incorporated Annex F substances (HFCs), noting that the revised format would be used starting in 2020 for 2019 CP data reporting, and would be used for a trial period from 2020 to 2022, and requested the Secretariat to revise Section B1 for data reporting on manufacturing of blends containing Annex F substance, for consideration at the 85<sup>th</sup> meeting and to prepare a report on the outcome of the use of the revised format for CP data reports during the trial period for the first meeting of 2023.

## **Evaluation**

### ***Evaluation of the performance of implementing agencies against their 2018 business plans<sup>9</sup> (decision 84/8)***

The Executive Committee noted that all IAs had a quantitative assessment of their performance against their 2018 business plans of at least 77 on a scale of 100, and that the trend analysis indicated that the performance of IAs had not improved in some indicators in 2018 in relation to 2017. The Committee noted the efforts undertaken by bilateral and IAs to have open and constructive discussions with the respective national ozone units (NOUs) about the areas in which their services were perceived to be less than satisfactory, and the satisfactory outcome of their consultations with the NOUs concerned; and encouraged NOUs to submit, on a yearly basis and in a timely manner, their assessments of the qualitative performance of the bilateral and implementing agencies in assisting their governments, noting that 71 out of the 144 countries had submitted such assessments, as compared to 40 in 2018.

### ***Final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction (decision 84/9)***

The Executive Committee noted the final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction<sup>10</sup> and invited the bilateral and IAs to apply, when appropriate, the lessons learned on the basis on the key findings of this evaluation.

### ***Desk study for the evaluation of the sustainability of the Montreal Protocol achievements***

The Executive Committee took note of the desk study of the evaluation of the sustainability of the Montreal Protocol achievements.<sup>11</sup>

### ***Terms of reference for the desk study for the evaluation of regional networks of national ozone officers (decision 84/10)***

The Executive Committee approved the terms of reference for the desk study of the evaluation of the regional networks of national ozone officers.<sup>12</sup>

### ***Progress report on the desk study for the evaluation of the energy efficiency in the servicing sector***

The Executive Committee took note of the progress report on the desk study for the evaluation of energy efficiency in the servicing sector.<sup>13</sup>

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<sup>8</sup> Annex IV of UNEP/OzL.Pro/ExCom/84/75

<sup>9</sup> UNEP/OzL.Pro/ExCom/84/10

<sup>10</sup> UNEP/OzL.Pro/ExCom/84/11 and Corr.1

<sup>11</sup> UNEP/OzL.Pro/ExCom/84/12

<sup>12</sup> As contained in UNEP/OzL.Pro/ExCom/84/13/Rev.1

<sup>13</sup> UNEP/OzL.Pro/ExCom/84/14

### ***Monitoring and evaluation work programme for 2020 (decision 84/11)***

The monitoring and evaluation work programme for the year 2020<sup>14</sup> was approved at a budget of US \$36,500. The Committee also decided to reallocate the amount of US \$15,000 for the desk study for the evaluation of energy efficiency in the servicing sector from the 2019 budget of the monitoring and evaluation work programme to that of 2020.

#### **Programme implementation**

##### ***Consolidated progress report and progress reports of bilateral and IAs as at 31 December 2018 (decisions 84/12 - 84/16)***

The Executive Committee noted the 2018 consolidated progress report<sup>15</sup> and annual progress reports on the implementation of approved projects and activities submitted by bilateral and IAs<sup>16</sup>, and also noted with appreciation, the efforts undertaken by bilateral and IAs in reporting the 2018 activities. Bilateral and IAs would report, at the 85<sup>th</sup> meeting, on five projects with implementation delays and 58 ongoing projects or tranches recommended for additional status reports.<sup>17</sup>

The Executive Committee also noted that the Secretariat, in cooperation with the bilateral and IAs, would revise the progress report database by incorporating a CO<sub>2</sub>-equivalent metric tonne measurement for Annex F substances, calculated as the consumption or production in metric tonnes multiplied by the global-warming potential of the substance as specified in Annex F to the Montreal Protocol, and report those values in the progress reports submitted at the 88<sup>th</sup> meeting and in all future progress reports.

The Secretariat was requested to submit, at the 85<sup>th</sup> meeting, an additional report on the HFC-related investment projects and enabling activities funded using the additional contributions by a group of 17 non-Article 5 Parties, identifying the countries for which the projects had been approved and providing an overview of the objectives, status of implementation, key findings and lessons learned, the amounts of HFC phased out where applicable, the level of funds approved and disbursed and potential challenges in completing the projects and activities, and to include this information in all future progress reports, until all the HFC-related investment projects and enabling activities had been completed.

The Committee also approved the extension of projects for five countries<sup>18</sup> and cancelled a project component for Tunisia.

##### ***Reports on projects with specific reporting requirements (decisions 84/17 - 84/42)***

The Executive Committee considered the reports on projects with specific reporting requirements<sup>19</sup> related to ODS waste disposal projects for Brazil, HPMPs for 14 countries,<sup>20</sup> temporary use of a high-GWP technology in approved projects for three countries,<sup>21</sup> demonstration projects for low-GWP

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<sup>14</sup> As contained in UNEP/OzL.Pro/ExCom/84/15/Rev.1

<sup>15</sup> UNEP/OzL.Pro/ExCom/84/16

<sup>16</sup> UNEP/OzL.Pro/ExCom/84/17, UNEP/OzL.Pro/ExCom/84/18, UNEP/OzL.Pro/ExCom/84/19, UNEP/OzL.Pro/ExCom/84/20 and Corr.1, and UNEP/OzL.Pro/ExCom/84/21

<sup>17</sup> Annexes V to VIII of UNEP/OzL.Pro/ExCom/84/75

<sup>18</sup> Cameroon, Democratic People's Republic of Korea, Democratic Republic of the Congo, Egypt and Sudan.

<sup>19</sup> UNEP/OzL.Pro/ExCom/84/22

<sup>20</sup> Bahamas, Brazil (stages I and II), Egypt, Equatorial Guinea, Honduras, India, Indonesia, Iran (Islamic Republic of), Jordan, Libya, Maldives, Mexico, Qatar and Uruguay.

<sup>21</sup> Cuba, Lebanon and Trinidad and Tobago.

alternatives to HCFCs,<sup>22</sup> West Asia and a global project, and methyl bromide for Argentina. The Committee noted the reports on the implementation of the projects and made a number of decisions to follow up on specific issues. It also approved the change of lead implementing agency for stage I of the HPMP of Senegal and the extension of enabling activities for HFC phase-down for 63 countries.<sup>23</sup>

Several reports were presented using the new approach, “blanket approval of recommendations”, and the Committee agreed to continue using this approach, on the understanding that the Secretariat would continue to draw its attention to any project-related issues that might have policy implications.

With regard to the temporary use of a high-GWP technology in approved projects, the Executive Committee decided to request the Secretariat, to prepare, for the 85<sup>th</sup> meeting, a list of enterprises that had been funded under HPMPs for conversion to low GWP technologies, and that had experienced implementation delays due to issues related to availability in the local market and/or higher costs. The Committee also decided to request the Secretariat to prepare, for the 85<sup>th</sup> meeting, a simple table, using information extracted from the related progress reports, on the situations of enterprises funded under HPMPs that were experiencing delays and/or subject to changes in the implementation plan.

The Committee considered several reports related to China.<sup>24</sup> It took note of the information provided by the representative of the Government of China regarding implementation of the activities listed in decision 83/41.

It also noted the financial audit reports for the CFC production, halon, polyurethane foam, process agent II, refrigeration servicing and solvent sectors in China and decided to extend the process agent II plan to 31 December 2020, with any remaining balances to be returned at the 87<sup>th</sup> meeting, and the halon sector plan to 31 December 2020, with any remaining balances as at 31 December 2020 to be returned to the 87<sup>th</sup> meeting; it requested the Government of China, through the relevant implementing agency, to submit, at the 85<sup>th</sup> meeting, the financial audit report as at 31 December 2019 for the CFC production, halon, process agent II, PU foam, solvent and refrigeration servicing sector plans, and the project completion reports for the CFC production, PU foam, solvent and refrigeration servicing sector plans; to return at the 85<sup>th</sup> meeting the funding balances available at 31 December 2019 associated with the CFC production, PU foam, solvent and refrigeration servicing sector plans; to report on the results of the monitoring efforts of local Ecology and Environment Bureaux, including cases where CFC-11 had been detected, in future financial audit reports and, once those projects had been completed, to continue such reporting under the annual progress reports of stage II of the PU foam sector plan of the HPMP; and to submit the remaining completed research and technical assistance reports undertaken in all sectors. It also requested the Government, through the World Bank, to provide additional information on the proposed activities to be undertaken under the process agent II sector plan, their budget and a progress report on their implementation at the 85<sup>th</sup> meeting.

With regard to the sector plan for the phase-out of methyl bromide production in China, the Committee noted the report on the status of implementation of the sector plan, the update on the contract for the

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<sup>22</sup> Egypt, Morocco and Saudi Arabia.

<sup>23</sup> Afghanistan, Argentina, Bahrain, Bangladesh, Benin, Botswana, Chad, Comoros, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Egypt, El Salvador, Equatorial Guinea, Eswatini, Ethiopia, Georgia, Guinea Bissau, Guyana, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Kenya, Kiribati, Kuwait, Lao People's Democratic Republic, Liberia, Libya, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Micronesia (Federated States of), Morocco, Mozambique, Myanmar, Nauru, Nepal, Nicaragua, Niger, Niue, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Saint Kitts and Nevis, Samoa, Sao Tome and Principe, Saudi Arabia, Seychelles, Sierra Leone, Solomon Islands, South Sudan, Sri Lanka, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu and Venezuela (Bolivarian Republic of).

<sup>24</sup> UNEP/OzL.Pro/ExCom/84/22/Add.1, Add.2 and Add.3

monitoring and supervision programme to be implemented by the Customs Authority, and the update regarding the methyl bromide labelling and traceability system, submitted by UNIDO. It requested the Government of China, through UNIDO, to include an update on the methyl bromide labelling and traceability system in the annual progress report to be submitted at the 86<sup>th</sup> meeting; and invited the Government of China, through UNIDO, to provide information on the 2014 case of illegal production of methyl bromide once that information was publicly available.

The Committee also considered the study on the production of CTC and its feedstock uses in China and invited the Government, through the World Bank, to submit, at the 88<sup>th</sup> meeting, an updated report, including an update on the progress in monitoring perchloroethylene plants that used the alkane chlorination process and any additional information relevant to the difference in emissions described in this report and the estimated CTC emissions from China included in section 1.2.3 of the Scientific Assessment of Ozone Depletion: 2018. The Committee also noted that the Government was considering monitoring the perchloroethylene plants and invite the Government to include in the updated report, a report on any actions taken on that matter.

#### ***2019 consolidated project completion report<sup>25</sup> (decision 84/43)***

The Executive Committee urged bilateral and IAs to submit to the 85<sup>th</sup> meeting the PCRs for MYAs and individual projects that were due. Lead and cooperating agencies were urged to coordinate their work in finalizing their portion of PCRs to allow the lead IAs to submit the completed PCRs according to schedule. The Committee requested bilateral and IAs to enter clear, well-written and thorough lessons 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, if relevant, when preparing and implementing projects.

#### **Business planning**

#### ***Update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund (decision 84/44)***

The Executive Committee noted the update on the implementation of the 2019–2021 consolidated business plan of the Multilateral Fund<sup>26</sup> and that US \$2,539,511 in HFC phase-down activities had been submitted at the 84<sup>th</sup> meeting, including US \$1,101,777 that had not been included in the 2019–2021 business plans.

#### ***Tranche submission delays<sup>27</sup> (decision 84/45)***

Forty-three out of 57 activities related to tranches of HPMPs that were due for submission to the 84<sup>th</sup> meeting were submitted on time. Relevant IAs indicated that the late submission of the tranches of HPMPs due for submission at the second meeting of 2019 would have no impact or was unlikely to have an impact on compliance, and that there had been no indication that any of the countries concerned were in non-compliance with the Montreal Protocol control measures. The Secretariat would send letters to the countries with delayed tranche submissions.

The Executive Committee also established a policy for the cancellation of MYA components. MYA components would be cancelled upon mutual agreement of the Government concerned and the lead

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<sup>25</sup> UNEP/OzL.Pro/ExCom/84/23

<sup>26</sup> UNEP/OzL.Pro/ExCom/84/24

<sup>27</sup> UNEP/OzL.Pro/ExCom/84/25

implementing agency of the MYA, where applicable, noting that the lead implementing agency would submit the proposed cancellation to the Executive Committee through its annual progress report and/or reports on projects with specific reporting requirements. The MYA components identified in progress reports with implementation delays, would be cancelled if no progress in meeting the milestones was reported for two consecutive meetings of the Executive Committee after an MYA component had been classified as having an implementation delay, the Secretariat, on behalf of the Executive Committee, could, at the second meeting following such classification, issue to the lead implementing agency concerned and the recipient country Government a notice of possible cancellation of the MYA component, including the funding approved in principle for the component, and, where needed and on a case-by-case basis, the whole MYA; and if, for three consecutive meetings of the Executive Committee, no progress was reported in relation to an MYA component classified as having an implementation delay, the Executive Committee could, taking into account the response to the notice of possible cancellation, decide to cancel the MYA component, and, where needed and on a case-by-case basis, the whole MYA.

#### ***2020-2022 business plans (decisions 84/46 – 84/51)***

The Executive Committee endorsed the 2020-2022 consolidated business plan of the Multilateral Fund<sup>28</sup> as adjusted by the Secretariat and the Committee, taking into consideration relevant decisions taken at the 84<sup>th</sup> meeting.<sup>29</sup>

The Committee decided to reinstate stage I of the HCFC production phase-out management plan (HPPMP) and project preparation for India; to allow the submission of activities related to stage III of HPMPs for countries with an approved stage II of HPMPs with reduction targets below the 2025 compliance targets, to reinstate HFC phase-down preparation activities for countries that had not ratified the Kigali Amendment but had submitted a letter indicating their Government's intent to make best efforts to ratify the Kigali Amendment, and to reinstate activities in the 2022 business plan related to HFC phase-down management plans submitted by countries that had ratified the Kigali Amendment.

The Committee also decided that the 2020–2022 business plan of the Government of Germany should be reconsidered at the 85<sup>th</sup> meeting in the light of the bilateral activity allocation for the 2018–2020 triennium, on the understanding that funding and activities for low-volume-consuming (LVC) countries supported by the Government of Germany would not be affected.

Performance indicators were approved for UNDP, UNEP, UNIDO and the World Bank.<sup>30</sup>

#### **Project proposals**

##### ***Issues related to project review***

###### **Deadline for submission of projects (decision 84/52)**

The Executive Committee decided to review the submission deadlines agreed in decision 81/30 at its 86<sup>th</sup> meeting instead of its 84<sup>th</sup> meeting, on the basis of analysis, to be prepared by the Secretariat in consultation with the bilateral and IAs, of how the revised submission deadlines had been applied and whether they had affected project submissions.

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<sup>28</sup> UNEP/OzL.Pro/ExCom/84/26

<sup>29</sup> The adjusted 2020-2022 consolidated business plan is available at

<http://www.multilateralfund.org/84/Document%20Library1/1/2020-2022AdjustedBP.xls>

<sup>30</sup> Annexes X, XI, XII and XIII of UNEP/OzL.Pro/ExCom/84/75

## Submission of additional HFC stand-alone investment projects after the 84<sup>th</sup> meeting (decision 84/53)

The Executive Committee decided to consider proposals for HFC-related stand-alone investment projects up to the 87<sup>th</sup> meeting, prioritizing projects in the stationary air-conditioning, commercial refrigeration and mobile air-conditioning sectors.

## Requests for preparatory funding for HFC phase-down plans and demonstration pilot projects (decision 84/54)

The Executive Committee requested the Secretariat to prepare, for the 85<sup>th</sup> meeting, draft guidelines for the preparation of HFC phase-down plans for Article 5 countries that would include an overarching strategy and a stage I to meet the freeze and the 10 per cent reduction in consumption, taking into account lessons learned during the preparation of guidelines for project preparation for HCFC phase-out management plans, including the sectors as defined in decision 56/16, on the understanding that the draft guidelines would address the need for policies and commitments on the part of Article 5 Parties to ensure limits on growth or reductions in HFC consumption that were sustained over time, the draft guidelines would include the proposed levels of funding for the preparation of stage I of HFC phase-down plans and requests for funding for the preparation of stage I of HFC phase-down plans would be considered once the draft guidelines had been agreed by the Executive Committee. The Secretariat was also requested to prepare, for the 85<sup>th</sup> meeting, a document discussing potential strategies, policy measures and commitments, as well as projects and activities that could be integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and reductions in HFC consumption that were sustained over time, taking into account the parallel or integrated implementation of HCFC phase-out and HFC phase-down activities, where appropriate.

## ***Decisions on funding project proposals (decisions 84/55 – 84/59 and 84/62 – 84/83)***

Funding was approved for: renewals of institutional strengthening projects for 32 countries;<sup>31</sup> project preparations for stage II of HPMPs for 17 countries;<sup>32</sup> project preparations for stage III of HPMPs for two countries;<sup>33</sup> project preparations for HCFC phase-out investment activities for two countries;<sup>34</sup> verification reports on the implementation of the HCFC phase-out management plan for 17 countries<sup>35</sup> and technical assistance for enabling activities for HFC-phase down for two countries.<sup>36</sup> Additionally, funding was approved for the tranches of stage I of the HPMP for 12 countries<sup>37</sup> and for tranches of stage II of the HPMP for 12 countries.<sup>38</sup> An HFC investment project for Cuba was not approved.

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<sup>31</sup> Albania, Angola, Bahamas, Benin, Bolivia (Plurinational State of), Bosnia and Herzegovina, Cameron, Chad, Comoros, Cook Islands, Costa Rica, Eritrea, Guyana, India, Indonesia, Jamaica, Malaysia, Marshall Islands, Mauritius, Micronesia (Federated States of), Myanmar, Namibia, Niger, Panama, Rwanda, Senegal, Serbia, Timor-Leste, Tunisia, Turkey, Uruguay and Vanuatu.

<sup>32</sup> Bahamas, Bahrain, Benin, Burkina Faso, Comoros, Côte d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Gabon, Georgia, Kuwait, Liberia, Madagascar, Mali, Mozambique and Sierra Leone.

<sup>33</sup> Armenia and Republic of Moldova.

<sup>34</sup> Bahrain and Kuwait.

<sup>35</sup> Angola, Armenia, Burkina Faso, Cambodia, Cook Islands, Guatemala, Honduras, Jamaica, Kiribati, Marshall Islands, Micronesia (Federated States of), Montenegro, Nauru, Niue, South Sudan, Tuvalu and Vanuatu.

<sup>36</sup> Algeria and Haiti.

<sup>37</sup> Bahrain, Barbados, Congo, Côte d'Ivoire, Dominica, Ghana, Iraq, Niger, North Macedonia, Serbia, Tunisia and Turkey.

<sup>38</sup> Argentina, China, Colombia, Costa Rica (first tranche), Egypt, Iran (Islamic Republic of), Jordan, Malaysia, Pakistan, Republic of Moldova, Tunisia (first tranche) and Viet Nam.

The Executive Committee decided to defer, to a future meeting, further consideration of the request for project preparation for an HFC-related investment project in the firefighting equipment assembly sector in Egypt, on the understanding that the request should be resubmitted in a manner consistent with decision 84/54 and that it should contain information requested by the Executive Committee on the scalability and replicability of the project and on the consumption of HFC in that sector relative to other applications in the country.

#### China

The Committee requested the Treasurer to offset future transfers on the basis of interest accrued by the Government of China, up to 31 December 2018, from funds previously transferred for the implementation of sector plans under the HPMP for China.

The Committee noted the return to the 84<sup>th</sup> meeting of US \$2,560,576, plus agency support costs of US \$179,240, from the World Bank related to balances from the polyurethane (PU) rigid foam sector plan under stage I of the HPMP for China.

The Committee noted the incremental-operating-cost incentive scheme for the room air-conditioning (RAC) sector plan under stage I of the HPMP for China as a possible reference for future incentive schemes and approved the extension of implementation of the RAC sector plan under the stage I of the HPMP to 31 December 2020, on the understanding that no further extension would be requested. It requested the Government and UNIDO to submit a progress report on the implementation of the work programme associated with the final tranche of the RAC sector plan on a yearly basis until completion of the project and the PCR by the 87<sup>th</sup> meeting, and to return balances by the 88<sup>th</sup> meeting; and to report on the effect of the incremental-operating-cost incentive scheme on the market uptake of R-290 split air-conditioners as part of their progress reports.

With regard to stage II of HPMP for China, the Committee requested the relevant bilateral and IAs, on behalf of the Government, to submit, at the 85<sup>th</sup> meeting, the 2020 funding tranche requests for the PU foam, extruded polystyrene (XPS) foam, industrial and commercial refrigeration (ICR) and the solvent sector plans of stage II of the HPMP; and approved the revised Appendix 2-A, “The Targets and Funding”, of the Agreement between the Government and the Executive Committee. The Committee furthermore requested UNDP, on behalf of the Government, to submit, at the 86<sup>th</sup> meeting, a draft revised Agreement between the Government and the Executive Committee, and the revised plan of action for the RAC, ICR and RAC-servicing sectors and enabling programme. The Committee also requested the World Bank, on behalf of the Government, to submit at the 86<sup>th</sup> meeting a revised proposal for stage II of the HPPMP.

#### Bilateral cooperation

The costs of the bilateral projects approved at the 84<sup>th</sup> meeting were offset against the balances of bilateral contributions of four contributing countries.<sup>39</sup>

#### ***UNEP's Compliance Assistance Programme<sup>40</sup> (decision 84/60)***

The Executive Committee approved the 2020 CAP budget at a level of US \$9,974,000, plus agency support costs of eight per cent (US \$797,920). The Executive Committee requested UNEP, in future submissions of the CAP budget, to continue providing detailed information on the activities for which

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<sup>39</sup> France, Germany, Italy and Japan.

<sup>40</sup> UNEP/OzL.Pro/ExCom/84/37

the global funds would be used; extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities and providing details, pursuant to decisions 47/24 and 50/26, on the reallocations made; reporting on the current post levels of staff and informing the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations; and providing a budget for the year in question and a report on the costs incurred in the year prior to the previous year.

#### ***2020 core unit costs for UNDP, UNIDO, and the World Bank<sup>41</sup> (decision 84/61)***

The Executive Committee approved core unit funding for 2020 for UNDP of US \$2,098,458, UNIDO of US \$2,098,458, and the World Bank of US \$1,735,000, and noted with appreciation, that core unit operations of UNIDO and the World Bank were below their budgeted levels and that the agencies would be returning unused balances at the 84<sup>th</sup> meeting.

The Committee requested the Secretariat to present, at the 86<sup>th</sup> meeting, the outcomes of the analysis on the administrative cost regime and core unit funding, on the basis of which the Committee would decide whether the administrative cost regime of the Multilateral Fund for the 2018–2020 triennium could be maintained for the 2021–2023 triennium.

#### ***Report on end-user incentive schemes funded under approved HPMPs<sup>42</sup> (decision 84/84)***

The Executive Committee decided to consider time-limited and one-off demonstration and pilot projects directed to end-users to transition to zero- or low GWP alternatives and/or reduce use of controlled substances under existing or future stages of HPMPs, prioritizing those activities in LVC countries, on a case-by-case basis, taking into consideration that a number of circumstances had to prevail before demonstration and pilot projects could be directed to end-users: production and import control on HCFC and HCFC-based equipment had to be in place and effectively enforced, and the deployment of new HCFC components restricted; the country's major remaining consumption had to be for the servicing of refrigeration and air-conditioning equipment; comprehensive data on the profile of all remaining consumption had to have been determined and made available to the Executive Committee; and there had to be no other possible activities that would allow the country to meet its HCFC control obligations, or the comparative consumer price of HCFCs, relative to substitute refrigerants had to have been high for at least nine months and predicted to continue to increase.

The Committee made a number of requests to bilateral and IAs, when designing and submitting demonstration and pilot projects directed to end-users, listed in paragraph (c) of decision 84/84. It also requested bilateral and IAs to submit detailed reports on the results of existing and future end-user projects once they have been completed, to allow the Secretariat to develop fact sheets to inform future projects; and requested the Secretariat to provide an update at the first meeting of 2023 to reassess the effectiveness of demonstration and pilot projects directed to end-users, including updated results from the projects, analysis of cost-effectiveness, discussion of how the present decision had affected such projects, and other observations.

#### ***Overview of current monitoring, reporting, verification and enforceable licensing and quota systems developed with support from the Multilateral Fund<sup>43</sup> (decision 84/85)***

Consideration of this agenda item was deferred to the 85<sup>th</sup> meeting.

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<sup>41</sup> UNEP/OzL.Pro/ExCom/84/38

<sup>42</sup> UNEP/OzL.Pro/ExCom/84/63

<sup>43</sup> UNEP/OzL.Pro/ExCom/84/64

## **Analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities<sup>44</sup> (decision 84/86)**

The Executive Committee requested the Secretariat to prepare an update of the analysis for the 87<sup>th</sup> meeting and to take into account the opportunities for integrated implementation of the phase-out of HCFC and phase-down of HFCs in the refrigeration servicing sector when developing the document on an analysis of the level and modalities of funding for the HFC phase-down in the refrigeration servicing sector requested by decision 83/65.

## **Matters related to the Kigali Amendment to the Montreal Protocol**

### ***Development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding<sup>45</sup> (decision 84/87)***

With regard to eligible incremental costs for the consumption manufacturing sector, the Executive Committee requested the Secretariat to prepare, for the 86<sup>th</sup> meeting, a document providing analysis of and information, including aggregated information, in tabular form, on the incremental capital costs and incremental operating costs and their duration, and the cost-effectiveness of all approved investment projects in the relevant manufacturing sectors and sub-sectors, including the controlled substances that had been phased out and the alternative substances that had been phased in.

With regard to ODS disposal, the Secretariat was requested to prepare for the 85<sup>th</sup> meeting a synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2, taking into account the final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction, and the synthesis report on pilot ODS disposal projects; other relevant projects implemented in HPMPs; lessons learned from existing infrastructure and policies that could be used to establish the cost-effective management of stockpiles of used or unwanted controlled substances; and external funding opportunities and existing disposal programmes and partnerships.

### ***Energy efficiency***

#### **Ways to operationalize paragraph 16 of decision XXVIII/2, and paragraph 2 of decision XXX/5 of the Parties<sup>46</sup> (decision 84/88)**

The discussions on this agenda sub-item were continued in a contact group, but as no conclusions were reached, it was deferred to the 85<sup>th</sup> meeting.

#### **Information on relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs<sup>47</sup> (decision 84/89)**

The Secretariat was requested to prepare, in consultation with IAs, a document for the 85<sup>th</sup> meeting that could provide a framework for consultations with relevant funds and financial institutions to explore, at both the governing and operational levels, the mobilization of financial resources, additional to those provided by the Multilateral Fund, for maintaining or enhancing energy efficiency when replacing HFCs with low-GWP refrigerants in the refrigeration and air-conditioning sector; and to continue the informal

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<sup>44</sup> UNEP/OzL.Pro/ExCom/84/65

<sup>45</sup> UNEP/OzL.Pro/ExCom/84/66

<sup>46</sup> UNEP/OzL.Pro/ExCom/84/67

<sup>47</sup> UNEP/OzL.Pro/ExCom/84/68

exchange of information with relevant funds and financial institutions.

Summary of the report by the Technology and Economic Assessment Panel (TEAP) on matters related to energy efficiency with regard to the issues identified in decision 82/83(e)<sup>48</sup>

The Executive Committee took note of the updated summary, with the understanding that the Secretariat would not be required to update the summary further.

***Key aspects related to HFC-23 by-product control technologies<sup>49</sup> (decisions 84/90 and 84/91)***

Extensive discussions of the project to control HFC-23 by-product emissions in Argentina and Mexico were held in the plenary and the contact group, but, as conclusions could not be reached, the Executive Committee deferred its consideration of these projects to the 85<sup>th</sup> meeting and requested the Secretariat to provide further analysis of the Argentina project to the 85<sup>th</sup> meeting, based on any additional information provided by the Government of Argentina through UNIDO.

**Operational policy on gender mainstreaming for Multilateral Fund-supported projects<sup>50</sup> (decision 84/92)**

The Executive Committee approved the operational policy on gender mainstreaming for Multilateral Fund-supported projects.<sup>51</sup> It affirmed the importance of gender mainstreaming in Multilateral Fund-supported projects and requested bilateral and IAs to apply this policy, throughout the project cycle, beginning with projects proposed for consideration at the 85<sup>th</sup> meeting; and to provide, when available, gender-relevant information in reports on ongoing projects approved prior to the 85<sup>th</sup> meeting. The Secretariat was requested to review the implementation of this policy and to prepare a report for consideration at the 89<sup>th</sup> meeting.

**Production sector<sup>52</sup>**

The Executive Committee reconvened the Sub-group on the Production Sector (Argentina, Canada (facilitator), China, France, Grenada, Niger, Norway and the United States of America), which met in the margins of the 84<sup>th</sup> meeting on a number of matters regarding the phase-out of HCFC production.

2018 verification report on HCFC production sector (decision 84/93)

The Executive Committee noted the 2018 verification report of the HCFC production sector in China and requested the World Bank to submit to the 85<sup>th</sup> meeting an updated 2018 verification report by including a one-time verification confirming that the production line for HCFC-22 at Suqian Kaier was vertically integrated with the production of the downstream facility.

Stage II of the HPPMP for China (decision 84/94)

The Committee noted the progress report on implementation of activities under the US \$23 million approved by decision 81/71(b) and the submission of stage II of the HPPMP for China and requested the World Bank to submit, at the 86<sup>th</sup> meeting, a progress report on the activities implemented using the

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<sup>48</sup> UNEP/OzL.Pro/ExCom/84/69

<sup>49</sup> UNEP/OzL.Pro/ExCom/84/70, UNEP/OzL.Pro/ExCom/84/71 and UNEP/OzL.Pro/ExCom/84/72

<sup>50</sup> UNEP/OzL.Pro/ExCom/84/73

<sup>51</sup> Annex XXX of UNEP/OzL.Pro/ExCom/84/75

<sup>52</sup> UNEP/OzL.Pro/ExCom/84/74

sum of US \$23 million approved by decision 81/71(b).

Draft guidelines and the standard format used for the verification of ODS production phase-out  
(decision 84/95)

Consideration of this matter was deferred to a future meeting of the Executive Committee.

Preliminary document on the investigation of HCFC feedstock application in China (decision 84/96)

Consideration of this matter was deferred to a future meeting of the Executive Committee.

HCFC production sector guidelines (decision 84/97)

Consideration of this matter was deferred to a future meeting of the Executive Committee.

## **Other matters**

***Dates and venues of the 85<sup>th</sup>, 86<sup>th</sup>, 87<sup>th</sup> and 88<sup>th</sup> meetings of the Executive Committee (decision 84/98)***

The 85<sup>th</sup> meeting of the Executive Committee will be held from 25 to 29 May 2020. The 86<sup>th</sup> meeting will be held from 2 to 6 November 2020. The 87<sup>th</sup> meeting will be held from 28 June to 2 July 2021, and the 88<sup>th</sup> meeting will be held from 15 to 19 November 2021. All these meetings will be held in Montreal, Canada.

## **Report of the 84<sup>th</sup> meeting**

A complete record of all decisions made at the 84<sup>th</sup> meeting can be found in the “Report of the Eighty-fourth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol”<sup>53</sup> that is published on the Multilateral Fund’s website ([www.multilateralfund.org](http://www.multilateralfund.org)) and available in Arabic, Chinese, English, French, and Spanish.

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<sup>53</sup> UNEP/OzL.Pro/ExCom/84/75

## Annex I

### Attendance at the 84<sup>th</sup> meeting of the Executive Committee

Executive Committee members	Co-opted countries
<b>Non-Article 5</b>	
Belgium	Netherlands
Canada (Chair)	Australia
France	Germany, Italy, United Kingdom of Great Britain and Northern Ireland
Hungary	
Japan	
Norway	Sweden, Switzerland
United States of America	
<b>Article 5</b>	
Argentina	Chile, Colombia, Paraguay, Uruguay
Benin	Algeria
China	India, Micronesia (Federated States of), Samoa
Grenada	Cuba, Mexico, Suriname
Kuwait	Bahrain, Jordan, Lebanon
Niger	
Rwanda (Vice Chair)	Egypt, Ghana, South Africa, Zimbabwe