



Multilateral Fund for the Implementation of
the Montreal Protocol

***POLICIES, PROCEDURES, GUIDELINES AND
CRITERIA***

(As at May 2019)

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II. EXECUTIVE COMMITTEE**ESTABLISHMENT**

The Second Meeting of the Parties established the Executive Committee to develop and monitor the implementation of operational policies, guidelines and administrative arrangements, including the disbursement of resources for the purpose of achieving the objectives of the Multilateral Fund.

(UNEP/OzL.Pro/2/3 Decision II/8, para. 6)).

(UNEP/OzL.Pro/4/15 Decision IV/8 (section I.4)).

COMPOSITION

The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Committee members, and shall be endorsed by the Parties.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rule 11)).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

The Chairman and Vice-Chairman of the Executive Committee shall be selected from the fourteen members. The office of Chairman is subject to rotation, on an annual basis, between the Parties operating under paragraph 1 of Article 5, and the Parties not so operating. The group of Parties entitled to the chairmanship shall select the Chairman from among their members of the Executive Committee. The Vice-Chairman shall be selected by the other group from within their number.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 3).

Members

Pursuant to paragraphs 2 and 3 of the terms of reference of the Executive Committee laid down in Appendix II of Decision II/8, the Meetings of the Parties endorsed annually the selection of seven Parties each by the groups of Parties not operating under paragraph 1 of Article 5 of the Protocol and those Parties operating under paragraph 1 of Article 5 of the Protocol to serve on the Executive Committee. The member Parties to the Montreal Protocol are presented Annex II.1.

The Second Meeting of the Parties pointed out that the selection of nominees had been endorsed on the understanding that, within the three-year mandate of the Executive Committee, members representing either one or the other of the two groups referred to in paragraph 2 of the terms of reference of the Committee could be changed in accordance with the wishes of the group concerned.

(UNEP/OzL.Pro/2/3 Section V. A. (paras. 44, 45)).

The Ninth Meeting of the Parties decided that the members of the Executive Committee whose selection was endorsed by the Eighth Meeting of the Parties shall remain in office until 31 December 1997. Thereafter, the term of office of the members of the Committee shall be the calendar year commencing on 1 January of the calendar year after the date of their endorsement by the Meeting of the Parties.

(UNEP/OzL.Pro.9/12, Decision IX/16, para. a).

The Eleventh Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 1999.

(UNEP/OzL.Pro.11/10, Decision XI/9, para. 1).

The Twelfth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 2000.

(UNEP/OzL.Pro.12/9, Decision XII/4, para. 1).

The Thirteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 2001.

(UNEP/OzL.Pro.13/10, Decision XIII/27, para. 1).

The Fourteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 2002.

(UNEP/OzL.Pro.14/9, Decision XIV/38, para. 1).

The Fifteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 2003.

(UNEP/OzL.Pro.15/9, Decision XV/46, para. 1).

The Sixteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat, in the year 2004.

(UNEP/OzL.Pro.16/17, Decision XVI/43, para. 1).

The Seventeenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund secretariat in 2005.

(UNEP/OzL.Pro.17/11, Decision XVII/44, para. 1).

The Eighteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat in 2006.

(UNEP/OzL.Pro.18/10, Decision XVIII/2, para. 1).

The Nineteenth Meeting of the Parties noted with appreciation the work done by the Executive Committee, with the assistance of the Fund Secretariat in 2007.

(UNEP/OzL.Pro.19/7, Decision XIX/3, para. 1).

The Twentieth Meeting of the Parties noted with appreciation the work done by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol with the assistance of the Fund secretariat in 2008.

(UNEP/OzL.Pro.20/9, Decision XX/22 para (1)).

The Twenty-first Meeting of the Parties noted with appreciation the work done by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol with the assistance of the Fund secretariat in 2009.

(UNEP/OzL.Pro.21/8, Decision XXI/27 para (1)).

The Twenty-second Meeting of the Parties noted with appreciation the work done by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol with the assistance of the Fund secretariat in 2010.

(UNEP/OzL.Pro.22/9, Decision XXII/24 para (1)).

The Twenty-third Meeting of the Parties noted with appreciation the work done by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol with the assistance of the Fund secretariat in 2011.

(UNEP/OzL.Pro.23/11, Decision XXIII/19 para (1)).

The Twenty-fourth Meeting of the Parties noted with appreciation the work done by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol with the assistance of the Fund secretariat in 2012.

(UNEP/OzL.Pro.24/10, Decision XXIV/22 para (1)).

The Twenty-fifth Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2013.

(UNEP/OzL.Pro.25/9, Decision XXV/18 para (1)).

The Twenty-sixth Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2014.

(UNEP/OzL.Conv.10/7 - UNEP/OzL.Pro.26/10, Decision XXVI/19 (para (1)).

The Twenty-seventh Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2015.

(UNEP/OzL.Pro.27/13, Decision XXVII/13 (para (1))

The Twenty-eighth Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2016.

(UNEP/OzL.Pro.28/12, Decision XXVIII/14 (para (1)).

The Twenty-ninth Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2017.

(UNEP/OzL.Pro.29/8, Decision XXIX/22 (para (1)).

The Thirtieth Meeting of the Parties noted with appreciation the work carried out by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, with the assistance of the Fund secretariat, in 2018.

UNEP/OzL.Pro.30/11, Decision XXX/18 (para (1)).

Equitable geographical representation in the Executive Committee

The Sixteenth Meeting of the Parties decided:

1. to amend paragraph 2 of the terms of reference of the Executive Committee, as modified by the Ninth Meeting of the Parties in decision IX/16, to read:

“2. The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee members. Seven seats allocated to the group of Parties operating under paragraph 1 of Article 5 shall be allocated as follows: two seats to Parties of the African region, two seats to Parties of the region of Asia and the Pacific, two seats to Parties of the region of Latin America and the Caribbean, and one rotating seat among the regions referred, including the region of Eastern Europe and Central Asia. The members of the Executive Committee shall be endorsed by the Meeting of the Parties”;

2. that the issue of seats for Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and Parties not so operating shall be added to the agenda of the twenty-fifth meeting of the Open-ended Working Group.

(UNEP/OzL.Pro.16/17, Decision XVI/38).

FUNCTIONS

The Executive Committee shall undertake the following functions:

- (a) develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources;
- (b) develop the three-year plan and budget for the Multilateral Fund, including allocation of resources among the Implementing Agencies;
- (c) supervise and guide the administration of the Multilateral Fund;
- (d) develop the criteria for project eligibility and guidelines for the implementation of activities supported by the Fund;
- (e) review regularly the performance reports on the implementation of activities supported by the Fund;
- (f) monitor and evaluate expenditures incurred under the Fund;
- (g) consider and, where appropriate, approve country programmes for compliance with the Protocol and, in the context of those country programmes, assess and, where applicable, approve all project proposals or groups of project proposals where the agreed incremental costs exceed US \$500,000;
- (h) review any disagreement by a Party operating under paragraph 1 of Article 5 with any decision taken with regard to a request for financing by the Party of a project or projects where the agreed incremental costs are less than US \$500,000;
- (i) assess annually whether the contributions through bilateral co-operation, including particular regional cases, comply with the criteria set out by the Parties for consideration as part of the contributions to the Multilateral Fund;
- (j) report annually to the meeting of the Parties on the activities exercised and to make recommendations as appropriate;
- (k) nominate, for appointment by the Executive Director of UNEP, the Chief Officer of the Fund Secretariat, who shall work under the Executive Committee and report to it; and
- (l) perform such other functions as may be assigned to it by the Meeting of the Parties.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 10).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix II).

The Executive Committee nominated Mr. O. El-Arini, for appointment by the Executive Director of UNEP, as Chief Officer of the Interim Multilateral Ozone Fund.

(UNEP/OzL.Pro/ExCom/2/5/Rev.1, para. 20).

The Third Meeting of the Executive Committee decided that in the documentation of the Committee the title of

the Fund should be that used in Decision II/8 of the Second Meeting of the Parties, which established the Fund: the Interim Multilateral Fund for the Implementation of the Montreal Protocol (abbreviated title: Multilateral Fund).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1, para. 20).

The Fifteenth Meeting of the Parties decided:

1. to take note with appreciation of the presentation by the Chairman of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol and of the report of the Executive Committee contained in document UNEP/OzL.Pro.15/8;
2. to consider amending, at the Sixteenth Meeting of the Parties, the relevant provision of the terms of reference of the Executive Committee relating to the nomination and appointment of the Chief Officer, taking into account the proposals of the Chair of the Executive Committee given in the annex to the present decision, and also those made by other Parties;
3. to request the Executive Committee to enter into consultations with the United Nations Secretariat and the Executive Director of the United Nations Environment Programme on that matter and to report thereon to the Sixteenth Meeting of the Parties.

Annex. Add the following understanding on paragraph 10 (k) of the terms of reference of the Executive Committee: "The Executive Committee should prepare a short list of the eligible candidates, together with its recommendation, from which the Secretary-General would make a final selection."

(UNEP/OzL.Pro.15/9, Decision XV/48).

The Forty-second Meeting of the Executive Committee decided to request the Chair, on behalf of the Executive Committee, to enter into consultations with the Secretary-General of the United Nations, the Executive Director of UNEP, the United Nations Office of Human Resources Management, and the United Nations Office of Legal Affairs, regarding the terms of reference of the Executive Committee and the legal and administrative implications related to this matter, and to report to the Committee at a future meeting.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/48, para. 152).

The Forty-third Meeting of the Executive Committee decided:

- (a) to take note, with appreciation, of the efforts made by the Chair and to request that the consultations required by Executive Committee decision 42/48 continue; and
- (b) to request the Secretariat to circulate to members of the Executive Committee the draft of the report intended for presentation to the Sixteenth Meeting of the Parties as requested in decision XV/48 of the Fifteenth Meeting of the Parties so as to enable members to submit their comments prior to that Meeting.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/42, para. 164).

The Fifty-seventh Meeting of the Executive Committee decided to note that the Chair might attend, as an observer, coordination meetings held in the margins of the Executive Committee Meetings. At the last Meeting of the year, if it was felt that the incoming Vice-Chair would benefit from continuity measures, the incumbent Chair could bring the matter to the attention of the Executive Committee.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/1, para.26(d)).

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note:
 - (i) That the Chair might attend coordination meetings held in the margins of Executive Committee Meetings, as an observer; and
 - (ii) That, at the last meeting of the year, if it was felt that the incoming Chair would benefit from continuity measures, the incumbent Chair could bring the matter to the attention of the Executive Committee (decision 57/1(d));
- (b) To request the Secretariat to identify the activities of the incoming Chair and Vice Chair, along with information on possible relevant missions, and to provide that information to the Chair and Vice-Chair to facilitate the smooth transition of the incoming leadership;
- (c) To encourage the Chair to attend meetings of the Implementation Committee so as to better understand issues related to maintaining compliance, an important part of the Executive Committee's deliberations;

- (d) To encourage Vice-Chairs unfamiliar with the working of the Executive Committee to attend briefings of the Chair;
- (e) To note that the Executive Committee had decided at its 11th Meeting (UNEP/OzL.Pro/ExCom/11/36, paragraph 24) that budget line 3301 of the Secretariat's budget could be used to support travel of the Chair or Vice-Chair of the Executive Committee, irrespective of whether or not they represented countries operating under paragraph 1 of Article 5, if such travel was required to enable the Chair or Vice-Chair to represent the Executive Committee; and
- (f) To note with appreciation that the approved budget had been effectively reduced over the period 2006-2009 and the proposed budget of US \$15,000 for travel associated with Executive Committee-related activities in 2010, as proposed by the Multilateral Fund Secretariat (UNEP/OzL.Pro/ExCom/59/58), would be sufficient.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/53 **Error! Bookmark not defined.**, para.286).

Requests for policy papers

The Twentieth Meeting of the Executive Committee decided to review, at the end of each Meeting, its requests for policy papers from the Secretariat so that a realistic timeframe could be agreed for their preparation and discussion.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/14, para. 25).

Transmittal of reports to Article 5 Parties

The Fifth Meeting of the Executive Committee decided to transmit to Article 5 Parties which were not members of the Executive Committee, all its decisions and reports together with all other additional information.

(UNEP/OzL.Pro/ExCom/5/16, para. 30).

Interaction between the Executive Committee and the Implementation Committee

The Fourteenth Meeting of the Parties decided:

1. to request the Executive Committee to therefore make it clear that its funding decisions are always without prejudice to a Party's duty to meet its obligations under the Protocol, and are also without prejudice to the operation of the mechanisms in the Protocol that exist for the treatment of Parties in non-compliance. Accordingly, the Executive Committee should include language to this effect in its funding decisions where non-compliance is potentially at issue;
2. to note that while the Implementation Committee may take into account information from the Executive Committee consistent with paragraph 7(f) of the non-compliance procedure, the Executive Committee has no formal role in the crafting of Implementation Committee recommendations;
3. to further note that in no case should any Implementation Committee action be construed as directly requiring the Executive Committee to take any specific action regarding the funding of any specific project;
4. to note that the Executive Committee and Implementation Committee are independent of each other. However, pursuant to Article 10, the Multilateral Fund operates under the authority of the Parties and, pursuant to the non-compliance procedure of the Montreal Protocol, the Implementation Committee reports its recommendations to the Parties for possible decision.

(UNEP/OzL.Pro.14/9, Decision XIV/37).

At its twenty-sixth meeting the Implementation Committee agreed that in order further to facilitate the exchange of information between the two Committees, the Chair and Vice-Chair of the Executive Committee should be invited to attend the Implementation Committee's meetings. Similarly, the Committee expressed the wish for the President and Vice-President to be invited to attend the Executive Committee's meeting on a reciprocal basis.

(UNEP/OzL.Pro/ImpCom/26/5, paragraph 51).

ASSISTANCE FROM IMPLEMENTING AGENCIES

The Executive Committee shall discharge its tasks and responsibilities specified in its terms of reference as agreed by the Parties, with the co-operation and assistance of the World Bank, UNEP, UNDP, or other appropriate agencies depending on their respective areas of expertise. (UNIDO became the fourth Implementing Agency in October 1992).

(UNEP/OzL.Pro/2/3 Decision II/8, para. 6).

(UNEP/OzL.Pro/4/15 Decision IV/8 (section I.4).

Other agencies, in particular regional development banks, shall be invited by the Executive Committee to cooperate with and assist it in carrying out its functions.

(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 3d).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix IV).

Employment of Executive Committee members by Implementing Agencies

The Thirty-third Meeting of the Executive Committee decided that, where a member of an Executive Committee delegation was employed by one of the Implementing Agencies to perform ozone layer-related work, that delegation should refrain from speaking on projects related to the work for which the delegate had been hired.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/53, para. 81).

RULES OF PROCEDURES

The Second Meeting of the Parties endorsed the Rules of Procedures for meetings of the Executive Committee. Unless otherwise provided by the Protocol or by the decision of the Parties, or excluded by these Rules of Procedures, the Rules of Procedures for Meetings of the Montreal Protocol on Substances that Deplete the Ozone Layer shall apply *mutatis mutandis* to the proceedings of any meeting of the Executive Committee (Annex II.2).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

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

(Supporting document: UNEP/OzL.Pro/3/11 Annex VI).

Meetings of the Executive Committee in 1997 and future years

The Twentieth Meeting of the Executive Committee decided:

- (a) that three Executive Committee meetings should be held in 1997;
- (b) that the first meeting, to be held from 17 to 19 February 1997, in accordance with decision 20/54, should consider the Implementing Agencies' 1997 business plans and work programmes, and any residual projects from 1996;
- (c) that the second and third meetings could be held close to the dates of the meetings of the Open-ended Working Group of the Parties to the Montreal Protocol and the Meeting of the Parties, respectively, with the precise dates to be determined later in the year, but if the Twenty-second Meeting was held in the same venue as the meeting of the Open-ended Working Group, this would not constitute a precedent and subsequent meetings of the Executive Committee would normally be held in Montreal.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/10, para. 21).

The Twenty-third Meeting of the Executive Committee decided to adopt the Calendar of Meetings and Work Programme of the Executive Committee for 1998 as presented in Annex II.3 which took into consideration the projection of workload during 1998, the timing of other related important events such as the seventeenth OEWG meeting (6-10 July 1998) and the Tenth Meeting of the Parties (tentatively 17-27 November 1998).

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/56, para. 98).

The Nineteenth Meeting of the Parties decided to amend paragraph 8 of the terms of reference of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, as modified by the Ninth Meeting of the Parties in decision IX/16 and the Sixteenth Meeting of the Parties in decision XVI/38, to read: "8. The Executive Committee shall have the flexibility to hold two or three meetings annually, if it so decides, and shall report at each Meeting of the Parties on any decision taken there. The Executive Committee should consider meeting, when appropriate, in conjunction with other Montreal Protocol meetings."

(UNEP/OzL.Pro.19/7, Decision XIX/11).

The Thirty-second Meeting of the Executive Committee decided:

- (b) that the Chair, the Vice-Chair and the Secretariat should give consideration to opportunities to attend regional meetings of environment ministers, avail themselves of such opportunities in the future and prepare a detailed report on their attendance at such meetings, which would be circulated by the Secretariat.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/1, para. 11(b)).

Organization of Ozone Secretariat and Multilateral Fund meetings

The Thirty-second Meeting of the Executive Committee decided: That when meetings organized by the Ozone Secretariat and the Multilateral Fund secretariat are organized back-to-back, the two secretariats should coordinate arrangements to the greatest extent possible and, where possible and advantageous to the Parties,

should seek to negotiate joint agreements with the hosting venue.

The Twelfth Meeting of the Parties decided that when meetings organized by the Ozone Secretariat and the Multilateral Fund Secretariat are organized back-to-back, the two secretariats should coordinate arrangements to the greatest extent possible and, where possible and advantageous to the Parties, should seek to negotiate joint agreements with the hosting venue.

(UNEP/OzL.Pro/12/9, Decision XII/16).

Executive Committee's term of office

Having noted the recommendation of the Sub-Committee that, beginning with the current year, the Executive Committee's term of office should be a calendar year, thus removing the direct linkage with the date of the Meeting of the Parties at which the new composition of the Executive Committee was decided, the Twenty-second Meeting of the Executive Committee decided to request the Chief Officer to contact the Ozone Secretariat with a view to transmitting the recommendation to the Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/13, para. 28).

The Twenty-second Meeting of the Executive Committee decided:

(a) to recommend to the Meeting of the Parties that the Executive Committee should hold three meetings a year. It should, however, retain the flexibility to take advantage of the opportunity provided by other Montreal Protocol meetings to convene additional meetings where special circumstances made this desirable;

(b) to adopt the calendar of meetings and the work programme attached as Annex II.3 to the present report.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/14, para. 29).

The Twenty-second Meeting of the Executive Committee decided that the new schedule of meetings should be put into effect as soon as possible and therefore to hold its Twenty-third Meeting in late November or early December 1997 in accordance with the new schedule.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/15, para. 30).

Observers

The Seventy-seventh meeting decided to request the Secretariat:

(a) To continue informing members, by correspondence, of requests for observer status 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; and

(b) That if no objections were received from members within three working days of receipt of the correspondence, the Secretariat should notify the NGOs that they had been permitted by the Executive Committee to attend the meeting as observers.

(UNEP/OzL.Pro/ExCom/77/76, Decision 77/67, para 234)

(Supporting document: UNEP/OzL.Pro/ExCom/77/Inf.2).

AGREEMENTS

The Executive Committee has approved and signed the following agreements:

Agreement with UNDP

Agreement with the United Nations Development Programme (UNDP). This agreement was adopted by the Fourth Meeting of the Parties for use by the Multilateral Fund (the content of this agreement is presented in Annex II.4).

(UNEP/OzL.Pro/ExCom/4/3/Rev.2, para. 38).

(UNEP/OzL.Pro/4/15 Decision IV/18, Section I.7).

(Supporting document: UNEP/OzL.Pro/ExCom/5/Inf.3).

The Twenty-fifth Meeting of the Executive Committee decided to approve the proposed amendments to the agreement between the Executive Committee and UNDP and authorize the Chairman of the Executive Committee to sign it on its behalf.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/25/68, Annex II).

Agreement with UNEP

Agreement with the United Nations Environment Programme (UNEP). This agreement was adopted by the Fourth Meeting of the Parties for use by the Multilateral Fund (the content of this agreement is presented in Annex II.5).

(UNEP/OzL.Pro/ExCom/4/3/Rev.2, para. 38).

(UNEP/OzL.Pro/4/15 Decision IV/18, Section I.7).

(Supporting document: UNEP/OzL.Pro/ExCom/5/Inf.4).

Agreement with UNIDO

Agreement with the United Nations Industrial Development Organization (UNIDO). This agreement was adopted by the Fourth Meeting of the Parties for use by the Multilateral Fund (the content of this agreement is presented in Annex II.6).

(UNEP/OzL.Pro/ExCom/8/29, para. 64).

(UNEP/OzL.Pro/4/15 Decision IV/18, Section I.7).

(Supporting document: UNEP/OzL.Pro/ExCom/8/29 Annex IV).

The Twenty-fifth Meeting of the Executive Committee decided to approve the proposed amendments to the agreement between the Executive Committee and UNDP and authorize the Chairman of the Executive Committee to sign it on its behalf.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/25/68, Annex II).

Agreement with World Bank

Agreement with the International Bank for Reconstruction and Development (World Bank). This agreement was adopted by the Fourth Meeting of the Parties for use by the Multilateral Fund (the content of this agreement is presented in Annex II.7).

(UNEP/OzL.Pro/ExCom/4/3/Rev.2, para. 38).

(UNEP/OzL.Pro/4/15 Decision IV/18, Section I.7).

(Supporting document: UNEP/OzL.Pro/ExCom/5/Inf.2).

SUB-COMMITTEES

The Executive Committee established a sub-committee to prepare, prior to its Third Meeting, proposals for more detailed implementation guidelines and criteria for project selection, including procedures for consideration and approval of proposals with costs up to \$500,000.

(UNEP/OzL.Pro/ExCom/2/5/Rev.1, para. 28).

Sub-committee on financial matters

The Ninth Meeting of the Executive Committee established a Sub-Committee on Financial Matters to review and assess the existing financial arrangements and procedures, and recommend modifications, where appropriate. The terms of reference for the Sub-Committee on Financial Matters appear in Annex II.8.

The Twelfth Meeting of the Executive Committee appointed representatives of Australia, Cameroon (Chairman of Sub-Committee), France and India to the Sub-Committee on Financial Matters.

(UNEP/OzL.Pro/ExCom/12/37, para. 9).

The Fifteenth Meeting of the Executive Committee appointed representatives of Australia, Austria (Chairman of the Sub-Committee), Colombia and Thailand to the Sub-Committee on Financial Matters.

(UNEP/OzL.Pro/ExCom/15/45, para. 21).

The Nineteenth Meeting of the Executive Committee decided to convene a meeting of the Sub-Committee on Financial Matters (Australia, Austria, Philippines (Chairman) and Senegal).

(UNEP/OzL.Pro/ExCom/19/64, para. 15).

Monitoring, Evaluation, and Finance Sub-Committee

The Twenty-first Meeting of the Executive Committee, having considered a revised draft of a proposed monitoring and evaluation system prepared by the consulting firm Universalia and an oral and slide presentation by a representative of Universalia on the proposed monitoring and evaluation system, as well as the replies of the representative to a number of comments and queries by members of the Committee, decided:

- (a) to replace the Sub-Committee on Financial Matters with a standing sub-committee to be called the Monitoring, Evaluation, and Finance Sub-Committee;
- (b) to adopt the terms of reference contained in Annex II.9 to the present report for the Monitoring, Evaluation

and Finance Sub-Committee;

- (c) to request the Monitoring, Evaluation, and Finance Sub-Committee:
 - (i) to review the cycle for business planning and the submission of work programmes;
 - (ii) to review monitoring of approved projects; and
 - (iii) to make recommendations on these matters to the Executive Committee at its Twenty-second Meeting;
- (d) to revise the terms of reference, as necessary, following its review of the recommendations made by the Sub-Committee.
- (e) that the membership of the Monitoring, Evaluation and Finance Sub-Committee would consist of Antigua and Barbuda, Costa Rica and Zimbabwe, from Parties operating under Article 5 of the Protocol, and Australia, Belgium and the United Kingdom, from Parties not so operating. Australia would act as Chairman.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/35, para. 49).

(Supporting document: UNEP/OzL.Pro/ExCom/21/30).

The Twenty-second Meeting of the Executive Committee noted the Sub-Committee's request that it be allotted more time in future for its meetings, as it had not had sufficient time to give due attention to all the items on its agenda and decided to request the Secretariat, in conjunction with the Chairman and Vice-Chairman of the Executive Committee, to take this into account as far as possible when planning the next Executive Committee meeting.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/17, para. 32).

The Chairman of the Executive Committee announced that the composition of the Sub-Committee on Sub-Committee on Monitoring, Evaluation and Finance for 1998 would be as follows: Article 5 countries: Costa Rica, Jordan and Zimbabwe (Chairman). Non-Article 5 countries: Belgium, Canada and Japan.

(UNEP/OzL.Pro/ExCom/23/68, para. 99).

The composition of the Sub-Committee on Monitoring, Evaluation and Finance for 1999 would be as follows: Bahamas, Belgium (Chairman), Canada, China, Sweden and Uganda.

(UNEP/OzL.Pro/ExCom/27/48, para. 20).

The composition of the Sub-Committee on Monitoring, Evaluation and Finance for 2000 would be as follows: Australia, Bahamas (Chairman), China, Dominican Republic, Netherlands, Sweden and Uganda.

(UNEP/OzL.Pro/ExCom/30/41, para. 21).

The composition of the Sub-Committee on Monitoring, Evaluation and Finance for 2001 would be as follows: Australia, Dominican Republic, Finland (Chair), Jordan, Netherlands, Nigeria and Poland.

(UNEP/OzL.Pro/ExCom/33/32, para. 14).

The composition of the Sub-Committee on Monitoring, Evaluation and Finance for 2002 would be as follows: Canada, El Salvador, Finland, Netherlands, Nigeria, Syrian Arab Republic (Chair) and United Republic of Tanzania.

(UNEP/OzL.Pro/ExCom/36/36, para. 34).

The composition of the Sub-Committee on Monitoring, Evaluation and Finance for 2003 would be as follows: Austria, Belgium, Canada (Chair), El Salvador, Hungary, Jordan and Mauritius.

(UNEP/OzL.Pro/ExCom/39/43, para. 35).

Sub-committee on Project Review

The Eleventh Meeting of the Executive Committee decided to establish a sessional Project Review Sub-Committee as needed. Subsequently, the Fifteenth Meeting of the Executive Committee approved the terms of reference for the Sub-Committee on Project Review as appear in Annex II.10.

(UNEP/OzL.Pro/ExCom/11/36, para. 156.8).

(UNEP/OzL.Pro/ExCom/15/45, para. 173).

(Supporting document: UNEP/OzL.Pro/ExCom/11/34).

The Twentieth Meeting of the Executive Committee decided to amend the terms of reference of the Sub-Committee on Project Review to allow three NGO representatives - one nominated by the environmental NGOs, one by industrial NGOs and one by NGOs from the academic community - to attend meetings of the Sub-Committee but not to participate in its deliberations.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/52, para. 81).

The Twelfth Meeting of the Executive Committee decided to set up a project review sub-committee composed of representatives of Algeria (Chairman of Sub-Committee), Argentina, Australia, France, Malaysia and the United States of America to study policy issues identified by the Fund Secretariat in connection with project proposals. (UNEP/OzL.Pro/ExCom/12/37, para. 10).

The Fifteenth Meeting, of the Executive Committee appointed representatives of Algeria, Argentina, Australia, Islamic Republic of Iran, the United Kingdom (Chairman of the Sub-Committee), and the United States of America to the Sub-Committee on Project Review. (UNEP/OzL.Pro/ExCom/15/45, para. 29).

The Nineteenth Meeting of the Executive Committee convened a meeting of the Sub-Committee on Project Review (Australia, Colombia (Chairman), Egypt, India, United Kingdom and United States of America). (UNEP/OzL.Pro/ExCom/19/64, para. 16).

The Twenty-first Meeting of the Executive Committee convened a meeting of the Sub-Committee on Project Review (India, Peru, Senegal, Switzerland (Chairman), United Kingdom and United States of America). (UNEP/OzL.Pro/ExCom/21/36, para. 13).

The Chairman of the Executive Committee announced that the composition of the Sub-Committee on Project Review for 1998 would be as follows: Article 5 countries: India (Chairman), Peru and Burkina Faso. Non-Article 5 countries: Italy, Switzerland and United States of America. (UNEP/OzL.Pro/ExCom/23/68, para. 99).

The composition of the Sub-Committee on Project Review for 1999 would be as follows: Brazil, Burkina Faso, India, Italy, Japan (Chairman) and the United States of America. (UNEP/OzL.Pro/ExCom/27/48, para. 32).

The composition of the Sub-Committee on Project Review for 2000 would be as follows: Brazil, Germany, India, Japan, Slovakia, Tunisia (Chairman) and the United States of America. (UNEP/OzL.Pro/ExCom/30/41, para. 43).

The composition of the Sub-Committee on Project Review for 2001 would be as follows: Brazil, Germany, India, Japan, Slovakia, Tunisia (Chairman) and the United States of America. (UNEP/OzL.Pro/ExCom/33/32, para. 30).

The composition of the Sub-Committee on Project Review for 2002 would be as follows: Burundi, China, Colombia (Chair), France, Japan, Poland and the United States of America. (UNEP/OzL.Pro/ExCom/36/36, para. 51).

The composition of the Sub-Committee on Project Review for 2002 would be as follows: of Bolivia, Burundi, France (Chair), India, Japan, Saint Lucia and the United States of America. (UNEP/OzL.Pro/ExCom/39/43, para. 51).

Membership of the Sub-committees

The Twenty-third Meeting of the Executive Committee decided:

- (a) that the membership of both the Sub-Committee on Monitoring, Evaluation and Finance and the Sub-Committee on Project Review should be balanced between Parties representing Article 5 countries and Parties representing non-Article 5 countries;
- (b) that it was within the purview of each geographical group to decide which Parties would be represented on each Sub-Committee;
- (c) that nothing precluded a Party from being represented simultaneously on both Sub-Committees, should that be the decision of the group concerned.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/6, para. 19).

Composition of the two Sub-Committees

The Twenty-ninth Meeting of the Executive Committee decided that, from the year 2000 onwards, the Sub-Committee on Project Review and the Sub-Committee on Monitoring, Evaluation and Finance, in addition to having three members from Article 5 countries and three members from non-Article 5 countries, would each have a seventh member. In even-numbered years, the seventh member on the Sub-Committee on Project Review would be from the group of non-Article 5 countries and the seventh member on the Sub-Committee on Monitoring, Evaluation and Finance would be from the group of Article 5 countries. In odd-numbered years, the opposite would hold true.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/75, para. 123).

Reports of the two Sub-Committees

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to request the Chairs of the two Sub-Committees, at future meetings, to indicate those parts of their reports that they would wish to see reflected in the report adopted by the Executive Committee;
- (b) to request the Secretariat to place the adopted reports of the Sub-Committees on the website of the Secretariat of the Multilateral Fund.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/76, para. 125).

Re-organization of the work within the Sub-Committees

The Thirty-seventh Meeting of the Executive Committee decided to request the Secretariat to prepare proposals, for consideration by the Executive Committee at its 39th Meeting, on how to re-organize the work within the Sub-Committee on Project Review and the Sub-Committee on Monitoring, Evaluation and Finance, for the monitoring of national phase-out plans and ensuring compliance through those plans.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/69, para. 119).

The Thirty-ninth Meeting of the Executive Committee decided to request the Secretariat to submit the document containing proposals on how to re-organize the work of the Sub-Committee on Project Review and the Sub-Committee on Monitoring, Evaluation and Finance for the monitoring of national phase-out plans and ensuring compliance through those plans to the 40th Meeting of the Executive Committee, indicating that Parties wishing to provide input should do so by 18 April 2003 so that their comments could be incorporated in the draft document.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/2(c), para. 22).

The Fortieth Meeting of the Executive Committee decided:

- (a) that the financial plan of the Fund, three year and annual business plans, and major problems affecting compliance, should be addressed by the full Executive Committee;
- (b) that issues such as return of balances from cancelled or completed projects, and such other routine activities as the Executive Committee might decide, should be handled administratively between the Secretariat and responsible Implementing Agencies with appropriate reports, including audited financial reports, to the Executive Committee; and
- (c) to request the Secretariat to prepare a document for consideration at the 41st Meeting further exploring the options for restructuring its work and that of its Sub-Committees, and in particular examining the issues involved in retaining the two Sub-Committees but with revised terms of reference or functions.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/52, para. 101).

(Supporting document: UNEP/OzL.Pro/ExCom/40/48).

Co-opted members of the Executive Committee

The Thirty-fifth Meeting of the Executive Committee decided that comments, both oral and written, provided by members of the Executive Committee should be unified submissions delivered directly and solely in the name of the Executive Committee member.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/62, para. 137).

Sub-committee for the review of paragraph 8 of Article 5

The Twelfth Meeting of the Executive Committee decided to establish a sub-committee for the review referred to in paragraph 8 of Article 5 of the Montreal Protocol, and appointed representatives of Australia (Chairman of Sub-Committee), Brazil, Denmark, India, United States of America and Venezuela to serve as members of the sub-committee. The Committee further authorized additional travel and per diem funds for sub-committee members to meet as needed. Those funds would also be transferred to the account of the Fund Secretariat and recorded in the report of the Thirteenth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/12/37 (paras. 12, 178).

(Supporting document: UNEP/OzL.Pro/ExCom/12/35).

The Fourteenth Meeting of the Executive Committee decided that the composition of the Sub-Committee should remain unchanged until its mandate had been completed.

(UNEP/OzL.Pro/ExCom/14/15, para. 42).

NEW REGIME OF THE EXECUTIVE COMMITTEE

The Forty-first Meeting of the Executive Committee decided:

II. EXECUTIVE COMMITTEE

Policies, procedures, guidelines and criteria (as at May 2019)

- (a) starting with its first meeting in 2004, to eliminate the Sub-Committee on Monitoring, Evaluation and Finance and the Sub-Committee on Project Review and to examine all items in plenary, making use of working groups as necessary;
- (b) to start each meeting with an organizational session which would examine the business plans, the availability of resources and the status of compliance;
- (c) to follow that organizational session with the review of projects;
- (d) to adopt the new regime on a trial basis for a year and retain the possibility of recreating the two Sub-Committees if it felt that the trial had not been successful;
- (e) to examine whether the new regime provided sufficient time-saving to permit reducing the number of meetings to two per year; and
- (f) bearing in mind the objectives in subparagraphs (d) and (e) above, to request the Secretariat to submit to the final meeting in 2004 a report on operation of the first two meetings in the year.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/92, para. 145).

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to renew the arrangement by which the work of the Executive Committee took place in plenary rather than in sub-committees;
- (b) to continue discussing, throughout 2005, the issues of reducing the number of Executive Committee meetings and establishing a procedure for intersessional approval;
- (c) also to request the Secretariat to produce a document compiling the views of Executive Committee members and providing an estimate of the financial implications of various scenarios; and
- (d) to request interested Parties and Implementing Agencies to submit comments in writing, by 4 February 2005, for incorporation into the document to be prepared by the Secretariat.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/57, para. 231).

(Supporting document: UNEP/OzL.Pro/ExCom/44/69).

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to continue to meet three times a year; and
- (b) to reconsider the proposals set out in document UNEP/OzL.Pro/ExCom/44/69 regarding the establishment of an intersessional approval procedure with a view to resuming discussion of the issue at the 46th Meeting.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/56, para. 181).

(Supporting document: UNEP/OzL.Pro/ExCom/45/48).

The Forty-sixth Meeting of the Executive Committee decided to re-examine the issue of the operation of the Executive Committee at its 50th Meeting.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/40, para. 170).

The Fiftieth Meeting of the Executive Committee decided:

- (a) to continue to meet three times a year;
- (b) to request the Chair of the Executive Committee to write to the Parties, through the Ozone Secretariat for consideration to be given at the Nineteenth Meeting of the Parties to the request of the Executive Committee to change the terms of reference of the Executive Committee to grant it the flexibility to modify the number of times it meets if necessary; and
- (c) to revisit the issue of the number of Executive Committee Meetings at the 53rd Meeting in the light of the guidance given by the Nineteenth Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/41 para. 166).

The Fifty-third Meeting of the Executive Committee decided to defer consideration of the issue the operation of the Executive Committee until the 54th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/40 para. 215).

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to note the report on the operation of the Executive Committee contained in document UNEP/OzL.Pro/ExCom/54/57; and

(b) to maintain the status quo of holding three meetings per year, but to place the issue on the agenda for consideration at its 57th Meeting.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/43 para. 187).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to maintain the status quo of holding three meetings a year;
- (b) to request the Secretariat to organize, within the next year, one meeting with a duration of four days, rather than five days;
- (c) to request the Secretariat to monitor the time and workload at Meetings of the Executive Committee as compared to meetings of the Parties to the Montreal Protocol and the Open-Ended Working Group; and
- (d) to place the issue of the operation of Executive Committee Meetings on the agenda for the 61st Meeting, taking into consideration the experience gained pursuant to sub paragraph (b) and the findings of sub-paragraph (c) above.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/39, para.200).

(Supporting document: UNEP/OzL.Pro/ExCom/57/66).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To maintain the status quo of holding three meetings a year for at least 2011, 2012 and 2013; and
- (b) To review the issue of the number of meetings per year at the first meeting of 2013 in view of the workload related to HCFC phase-out management plans and any other issues at that stage.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/48, para.116).

(Supporting document: UNEP/OzL.Pro/ExCom/61/55).

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To take note of the document on the operation of the Executive Committee (UNEP/OzL.Pro/ExCom/69/36) prepared pursuant to decision 61/48; and
- (b) To request the Secretariat to prepare an analysis of the implications of holding only two meetings a year without any intersessional approval procedure for consideration by the Executive Committee at its 70th meeting.

(UNEP/OzL.Pro/ExCom/69/40, Decision 69/25, para.125).

(Supporting document: UNEP/OzL.Pro/ExCom/69/36).

The Seventieth Meeting of the Executive Committee decided:

- (a) To take note of the document on the operation of the Executive Committee (UNEP/OzL.Pro/ExCom/70/55), prepared pursuant to decision 69/24;
- (b) To convene two meetings of the Executive Committee in 2014 on a trial basis, preferably in mid-April/early-May for the first meeting, and prior to the Twenty Sixth Meeting of the Parties for the second meeting, on the understanding that:
 - (i) The revised schedule of tranche requests for stage I of HCFC phase-out management plans (HPMPs) for Article 5 countries would be submitted between the first and the last meetings, as contained in Annex XXIV to the present report;
 - (ii) The terminal report and the plan of future action associated with the renewal of institutional strengthening projects could be submitted to the meeting immediately preceding the set date, namely, six months before the end of the previously approved period, to avoid any delay in the approval of such projects and on the understanding that they were in compliance with all relevant decisions;
 - (iii) Tranche requests for HPMPs with a funding level of up to US \$5 million (including agency support costs) would be included in the list of projects and activities recommended for blanket approval, provided that they contained no policy issues and all technical and cost issues had been agreed between the Secretariat and relevant bilateral and/or implementing agencies;
 - (iv) The 2014-2016 business plan of the Multilateral Fund would be submitted to the last meeting of the year, beginning in 2013;
 - (v) The document on the 2014 business plan and tranche submission delays would be submitted to both the first and last meetings of the year, thus amending decision 53/3(c);

- (vi) A revised 2015-2017 business plan could be submitted to the first meeting of 2015 following the adoption of the 2015-2017 replenishment of the Multilateral Fund by the Parties to the Montreal Protocol;
- (vii) The evaluation of the 2013 business plans would be submitted to the last meeting in 2014;
- (viii) With regard to progress and financial reports:
 - a. Bilateral and implementing agencies would be requested to continue submitting their annual progress and financial reports to the Secretariat by 1 May each year;
 - b. The Secretariat would be requested to finalize the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies and to post those documents on the Secretariat's intranet, once finalized, for consideration to the last meeting of the year;
 - c. The Secretariat would be authorized to request relevant bilateral and implementing agencies to provide status reports on issues identified during the review of the annual progress and financial reports;
- (c) To note that the Executive Committee could request the Secretariat to organize an intersessional meeting to discuss any urgent policy issues or project proposals that would need to be addressed between the first and last meetings where the compliance of an Article 5 country with its obligations under the Montreal Protocol was at risk; and
- (d) To review the two meetings per year scenario at the last meeting of 2014.

(UNEP/OzL.Pro/ExCom/70/59, Decision 70/23 para.132).

(Supporting document: UNEP/OzL.Pro/ExCom/70/55).

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the review of the operation of the Executive Committee prepared pursuant to decision 70/23(d) contained in document UNEP/OzL.Pro/ExCom/73/59;
- (b) To agree to continue convening two meetings of the Executive Committee from 2015 onwards with the possibility of holding an additional brief meeting if required between those meetings to consider project proposals;
- (c) To note:
 - (i) That the three-year business plan of the Multilateral Fund would be submitted to the last meeting of the year;
 - (ii) That a document entitled "Country programme data and prospects for compliance" would be submitted to the first and last meetings of the year;
 - (iii) With regard to progress and financial reports:
 - a. That bilateral and implementing agencies would be requested to submit their annual progress and financial reports to the Secretariat 12 weeks in advance of the last meeting of the year;
 - b. That the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies would be considered at the last meeting of the year;
- (d) To note that, in the absence of an agreement by the Executive Committee on the composition of the Sub group on the Production Sector, the documents for the first meeting of the Sub-group in a given year would be conveyed only to the heads of Executive Committee delegations, with the consent of the country or countries concerned;
- (e) To invite bilateral and implementing agencies to submit projects proposals and reports in advance of the prescribed deadlines wherever possible, in order to facilitate their timely review by the Secretariat;
- (f) To request the Secretariat to continue reviewing the standard agenda items of the Executive Committee meetings with a view to streamlining and improving the efficiency of the operation of the Executive Committee;
- (g) To request the Secretariat to prepare a document on the main procedures of the operation of the Executive Committee, including the roles of the Secretariat and the implementing agencies regarding their provision of advice to the Executive Committee and, where applicable, to beneficiary countries, in order to provide a basis for discussion of the roles and responsibilities of the Executive Committee, the Secretariat and implementing agencies of the Multilateral Fund, for presentation to the Executive Committee at its last meeting in 2015, with a

view to improving understanding and initiating changes where necessary; and

(h) To review the scenario of two Executive Committee meetings per year at the first meeting of the Committee in 2016.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/70 para.232).
(Supporting document: UNEP/OzL.Pro/ExCom/73/59).*

The Seventy-sixth meeting of the Executive Committee decided:

(a) To note document UNEP/OzL.Pro/ExCom/76/63 on the review of the operation of the Executive Committee, prepared pursuant to decision 73/70(h); and

(b) To defer a decision on the number, timing and agenda of meetings, and on the deadlines for submission of documents, to the 77th meeting.

*(UNEP/OzL.Pro/ExCom/76/66, Decision 76/55, para 195-)
(Supporting document: UNEP/OzL.Pro/ExCom/76/63).*

The Seventy-seventh meeting of the Executive Committee decided:

(a) To note the document UNEP/OzL.Pro/ExCom/77/71 on the operation of the Executive Committee, prepared pursuant to decisions 73/70(h) and 76/55(b);

(b) To continue convening two meetings of the Executive Committee from 2017 onwards, preferably in the second or third week of June for the first meeting, and in late November or the first week of December for the second meeting, with the possibility of holding an additional brief meeting if required to consider project proposals or specific requests from the Parties to the Montreal Protocol;

(c) To request 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;

(d) To note:

(i) With regard to progress and financial reports:

a. That bilateral and implementing agencies would be requested to submit their annual progress and financial reports for the previous year to the Secretariat by 1 May if the first meeting were convened on or after 1 July, otherwise 12 weeks prior to the second meeting of the year;

b. That the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies would be considered at the 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;

(ii) That 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; and

(e) To continue to invite bilateral and implementing agencies to submit projects proposals and reports in advance of the prescribed deadlines wherever possible, in order to facilitate their timely review by the Secretariat.

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/60-, para 216)
(Supporting document: UNEP/OzL.Pro/ExCom/77/71).*

EXECUTIVE COMMITTEE PRIMER

The Forty-sixth Meeting of the Executive Committee decided:

(a) to note the draft outline of an Executive Committee primer as contained in document UNEP/OzL.Pro/ExCom/46/46; and

(b) to request the Secretariat to proceed with the development of a draft primer for submission to the 47th Meeting, taking into account the comments made at the 46th Meeting.

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/41, para.180).
(Supporting document: UNEP/OzL.Pro/ExCom/46/46).*

The Forty-seventh Meeting of the Executive Committee decided:

(a) to note the draft Executive Committee primer contained in document UNEP/OzL.Pro/ExCom/47/58;

(b) to request Executive Committee members to submit their written comments on the draft primer to the Secretariat by 6 January 2006; and

(c) having taken account of those comments, to request the Secretariat to circulate the draft primer for final

clearance by current Executive Committee members prior to finalization and distribution to new Executive Committee members in advance of the first meeting of 2006, on the understanding that it would be further updated on an ongoing basis.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/53, para. 206).
(Supporting document: UNEP/OzL.Pro/ExCom/47/58).*

COST OF EXECUTIVE COMMITTEE MEETINGS

The Fifty-ninth Meeting of the Executive Committee decided to request the Secretariat to prepare for consideration by the Executive Committee at its Sixtieth Meeting an historical analysis of the cost of Executive Committee Meetings.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/43, para. 203).

The Executive Committee at its Sixtieth Meeting took note of the historical analysis of the cost of Executive Committee Meetings (decision 57/43(d)), as contained in document UNEP/OzL.Pro/ExCom/60/52.

*(UNEP/OzL.Pro/ExCom/60/54, para. 203).
(Supporting document UNEP/OzL.Pro/ExCom/60/52)*

ADVISORY GROUPS

Technical group

The Executive Committee decided to establish an independent technical advisory group which would meet as directed. The modalities and operational aspects of the group would be worked out by the Fund Secretariat and submitted to the Thirteenth Meeting of the Executive Committee for decision.

(UNEP/OzL.Pro/ExCom/12/37, para. 144).

Group on production of substitutes

The Twelfth Meeting of the Executive Committee requested the Secretariat to convene a group composed of experts on process engineering related to the production of ODS substitutes and financial experts to consider issues associated with the calculation of incremental costs in the production of ODS substitutes. The Secretariat would request the participation of the representatives of Implementing Agencies and experts from developed and developing countries as deemed appropriate. The group would strive where possible to identify specific areas that should be considered by the Executive Committee before approving production projects and to recommend potential solutions that could usefully inform the Executive Committee's consideration.

(UNEP/OzL.Pro/ExCom/12/37, para. 109).

The Fifteenth Meeting of the Executive Committee approved the terms of reference of the Expert Group on the Production of Substitutes for Ozone- Depleting Substances as appear in Annex II.11, and decided that the draft terms of reference to be prepared for the purpose of audit of the ODS producing industries in each of the ODS producing Article 5 countries by the Expert Group on the Production of Substitutes for ODS should not include policy and strategic issues as those were to be addressed by the country in its sector strategy.

(UNEP/OzL.Pro/ExCom/15/45, para. 158).

The Eighteenth Meeting of the Executive Committee decided that the next meeting of the working group should be attended by four members of the Executive Committee, two from Article 5 and two from non-Article 5 countries, to be selected as soon as the new membership of the Executive Committee was determined by the Seventh Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/24, para. 55 (c)).

The Twentieth Meeting of the Executive Committee decided:

- (a) to accept the report and refer the matter back to the Expert Group on Production of Substitutes for Ozone-Depleting Substances for further work in the light of the comments made on the presentation by various representatives;
- (b) to request India to make a presentation on enforced idleness to the Expert Group;
- (c) to recommend that the Executive Committee to be appointed by the Eighth Meeting of the Parties re-establish the Subgroup on the Production Sector as a matter of urgency;
- (d) to request the Expert Group to resubmit the report, including information on enforced idleness, through the Subgroup on the Production Sector, to the Twenty-first Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/20/72, Decision 20/43, para. 65).
(Supporting document: UNEP/OzL.Pro/ExCom/20/63).*

Sub-group on the Production Sector

The Twenty-third Meeting of the Executive Committee decided:

- (a) that the Subgroup on the Production Sector be reconstituted from amongst members of the next Executive Committee;
- (b) that the next meeting of the Subgroup be held on 17-19 February 1998 in Washington;
- (c) to request the Subgroup to continue its work and report the results of its meeting in February 1998 to the next meeting of the Executive Committee;
- (d) to accept the offer of the representative of the United States of America to host the meeting in Washington; and
- (e) to make a provision of additional US \$30,000 in the budget of the Secretariat for the meeting of the Subgroup in February 1998 and for another potential meeting after March 1998.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/50, para. 89).

The Chairman of the Executive Committee announced that the composition of the Subgroup on the Production Sector for 1998 would be as follows: Article 5 countries: China, Costa Rica and India. Non-Article 5 countries: Canada (Facilitator), Italy and United States of America.

(UNEP/OzL.Pro/ExCom/23/68, para. 99).

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) to expand the Subgroup's mandate to include discussions on actual project proposals and the formulation of recommendations on projects relating to the closure of ODS production-sector facilities, in order to enable the Subgroup to bring its recommendations on projects directly to the Executive Committee for its consideration;
- (b) to request the Secretariat to retain the services of the technical audit consultant for an additional mandate to assist the Subgroup in its deliberations on projects during the first part of 1999 and to entrust the Subgroup with drafting the terms of reference for the services of the consultant, following the completion of the technical audit report.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/40, para. 70).

The Twenty-sixth Meeting of the Executive Committee further noted that, because of the change of membership of the Executive Committee, it might be necessary to replace some members of the Subgroup in 1999. The Committee also took note of the Subgroup's recommendation that countries and Implementing Agencies submitting projects should be invited, at the Subgroup's discretion, to attend Subgroup meetings.

The Thirtieth Meeting of the Executive Committee decided to re-establish the Subgroup on the Production Sector, composed of Australia (convener), Brazil, China, Dominican Republic, Germany, India and the United States of America.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/3, para. 10).

The Thirty-fifth Meeting of the Executive Committee decided to include in the agenda of the 36th Meeting of the Executive Committee the reconstitution of the Sub-Group on the production sector.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/59, para. 129(c)).

The Thirty-sixth Meeting of the Executive Committee decided, pursuant to Decision 35/59, to re-constitute the Subgroup on the Production Sector, composed of: Burundi, Canada, China, Colombia, El Salvador, France, Netherlands and United States of America. The Subgroup selected Canada as its facilitator.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/54, para. 112).

The Thirty-ninth Meeting of the Executive Committee agreed that the Subgroup would be composed of representatives of Bolivia, Canada, El Salvador, France, India and the United States of America, and that it should appoint its own facilitator at its first meeting. The Subgroup selected Canada as its facilitator.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/1, para. 13).

The Forty-second Meeting of the Executive Committee decided to reconstitute the Subgroup on the Production Sector with the following composition: Bangladesh, Canada (facilitator), China, Cuba, Japan, Mauritius, the United Kingdom, and the United States of America.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/1, para. 15).

The Forty-fifth Meeting of the Executive Committee decided to reconstitute the Subgroup on the Production Sector with the following composition: Brazil, Canada (facilitator), Japan, the Syrian Arab Republic, Thailand,

the United Kingdom of Great Britain and Northern Ireland, the United States of America and Zambia.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/1, para. 15).

The Fifty-third Meeting of the Executive Committee decided that the production sector sub-group would be reconvened at the 55th Meeting to consider issues pertaining to the phase-out of HCFC production, taking into account decision XIX/6 of the Nineteenth Meeting of the Parties and the following issues [see Hydrochlorofluorocarbons under Controlled Substances section], as well as further elaboration and analysis of those issues to be prepared by the Secretariat in consultation with technical experts:

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/37 (g), para. 201).

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) not to reconvene the sub-group on the production sector at the 55th Meeting;
- (b) that the open-ended contact group should continue to discuss the issues related to the HCFC production sector at the 56th Meeting of the Executive Committee based on document UNEP/OzL.Pro/ExCom/55/45.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/42, para.193).

The Seventy-seventh Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector with the following composition: Argentina, Austria, Canada (facilitator), China, Germany, India, Japan, Jordan, Mexico and the United States of America.:

(UNEP/OzL.Pro/ExCom/77/76, para. 11).

The Seventy-eighth Meeting of the Executive Committee agreed to reconstitute the Sub-group on the Production Sector, with the following composition: Australia, Argentina, Austria, China, Germany, Lebanon, Mexico and the United States of America. That would allow work to begin at the 79th meeting, when the facilitator of the group would also be chosen.

(UNEP/OzL.Pro/ExCom/78/11, para. 123).

The Seventy-ninth Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector constituted at the 78th meeting with the following composition: Argentina, Australia (facilitator), Austria, China, Germany, Lebanon, Mexico and the United States of America.

(UNEP/OzL.Pro/ExCom/79/51, para. 13).

The Eightieth Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector, constituted at the 78th meeting, with the following composition: Argentina, Australia (facilitator), Austria, China, Germany, Lebanon, Mexico and the United States of America.

(UNEP/OzL.Pro/ExCom/80/59, para. 13).

The Eighty-first Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector with the following composition: Argentina, Canada (facilitator), the Dominican Republic, France, India, Nigeria, Norway and the United States of America.

(UNEP/OzL.Pro/ExCom/81/58, para. 11).

The Eighty-second Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector with the following composition: Argentina, Canada (facilitator), the Dominican Republic, France, India, Nigeria, Norway and the United States of America.

(UNEP/OzL.Pro/ExCom/82/72, para. 15).

The Eighty-third Meeting of the Executive Committee agreed to reconvene the Sub-group on the Production Sector with the following composition: Argentina, Canada, China, France, Grenada, Niger, Norway and the United States of America.

(UNEP/OzL.Pro/ExCom/83/48, para. 15).

Contact group on SME

The Twenty-second Meeting of the Executive Committee formed a contact group, with the participation of the representatives of Australia, China, Costa Rica, India, Peru, Switzerland, United Kingdom and United States of America.

Based on an information paper submitted by Sweden and Malaysia and the recommendations submitted by the contact group, the Twenty-second Meeting of the Executive Committee decided:

- (a) that the contact group should meet at the next Executive Committee meeting to continue the discussion. In order to have a fruitful discussion, members of the contact group should come with the following information:

- (i) national experience in managing the ODS phase-out by SMEs;
 - (ii) problems and challenges in achieving phase-out by SMEs in their country;
 - (iii) proposals on national strategies and plans to move ahead on SMEs phase-out;
- (b) to set up a pilot programme on SMEs at the next meeting. For that purpose, the Group will present proposals on:
- (i) the sector/sub-sectors to be focused on;
 - (ii) the criteria to be applied;
 - (iii) that the Sweden/Malaysia information paper provided to the contact group be included as part of the documentation for the pilot programme.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/67 (paras. 89 and 90).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to note the report of the Contact Group on SMEs presented by its Chair (Costa Rica);
- (b) to request the Secretariat to provide the following information to the members of the Group by the end of 1997:

a break-down by sector, including information on cost, cost-effectiveness and ODS phase-out, from the inventory of approved projects of the SMEs already funded, using the definitions of SMEs from the UNDP/UNEP paper (UNEP/OzL.Pro/ExCom/19/54).

national studies and surveys on SMEs available to the Secretariat (noting that Mexico promises to send its national survey on SMEs once the survey is completed in January 1998, and China promises to send its report on SMEs, to the Secretariat for circulation to members of the Group).

completion reports and elaborated progress reports on ongoing projects from Implementing Agencies on approved SME projects. Therefore the Implementing Agencies are requested to submit these data to the Secretariat no later than 4 December 1997.

- (c) to encourage members of the Contact Group that had not already done so to submit to the Secretariat their national perspective on the problems and approaches on ODS phase-out by SMEs; and
- (d) to note that the draft proposal of the Contact Group would be presented to the first meeting of the Executive Committee in 1998.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/54, para. 94).

At its Twenty-fourth Meeting, the Chairman of the Executive Committee announced that Peru would be the new chairperson of the Contact Group.

The Twenty-fourth Meeting of the Executive Committee decided that Implementing Agencies, countries and members of the Contact Group should provide their reports or views by 1 May 1998 to enable the Contact Group to coordinate and present a further report to the next meeting of the Committee.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/63 (paras. 106 and 107).

ANNEX II.1: MEMBERS OF THE EXECUTIVE COMMITTEE (1991-2019)

Year	Chair/Vice-Chair	Article 5 Parties	Non-Article 5 Parties
1991	Finland/Mexico	Brazil Egypt Ghana Jordan Malaysia Mexico Venezuela	Canada Finland Germany Japan Netherlands United States of America Union of Soviet Socialist Republics
1992	Mexico/United States of America	Egypt Ghana Jordan Malaysia Mexico Sri Lanka Venezuela	Canada Finland Germany Japan Netherlands Russian Federation United States of America
1993	United States of America/Malaysia	Brazil Egypt Ghana Jordan Malaysia Mauritius Venezuela	Canada France Japan Netherlands Norway Russian Federation United States of America
1994	Malaysia/Australia	Algeria Argentina Brazil Cameroon India Malaysia Venezuela	Australia Denmark France Japan Norway Poland United States of America
1995	Australia/Algeria	Algeria Argentina Cameroon China Colombia Iran Thailand	Australia Austria Denmark Japan Poland United Kingdom United States of America
1996	Kenya/United Kingdom	Chile Colombia India Egypt Kenya Philippines Senegal	Australia Austria Denmark Japan Russian Federation United Kingdom United States of America
1997	United Kingdom/Costa Rica	Antigua and Barbuda China Costa Rica India Peru Senegal Zimbabwe	Australia Belgium Bulgaria Japan Switzerland United Kingdom United States of America

ANNEX II.1*Policies, procedures, guidelines and criteria (as at May 2019)*

Year	Chair/Vice-Chair	Article 5 Parties	Non-Article 5 Parties
1998	Costa Rica/Unites States of America	Burkina Faso China Costa Rica India Jordan Peru Zimbabwe	Belgium Bulgaria Canada Italy Japan Switzerland United States of America
1999	Unites States of America/India	Algeria Bahamas Brazil Burkina Faso China India Uganda	Belgium Canada Italy Japan Slovakia Sweden United States of America
2000	India/Germany	Bahamas Brazil China Dominican Republic India Tunisia Uganda	Australia Germany Japan Netherlands Slovakia Sweden United States of America
2001	Germany/Tunisia	Colombia Dominican Republic India Jordan Malaysia Nigeria Tunisia	Australia Finland Germany Japan Netherlands Poland United States of America
2002	Nigeria/Japan	Burundi China Colombia El Salvador Nigeria Syria Tanzania	Canada Finland France Japan Netherlands Poland United States of America
2003	Japan/El Salvador	Bolivia Burundi El Salvador India Jordan Mauritius Saint Lucia	Austria Belgium Canada France Hungary Japan United States of America
2004	Argentina/Austria	Argentina Bangladesh China Cuba Iran Mauritius Niger	Austria Belgium Canada Hungary Japan United Kingdom United States of America
2005	Austria/Syria	Brazil Cuba Macedonia Niger Syria Thailand Zambia	Austria Belgium Canada Czech Republic Japan United Kingdom United States of America

ANNEX II.1*Policies, procedures, guidelines and criteria (as at May 2019)*

Year	Chair/Vice-Chair	Article 5 Parties	Non-Article 5 Parties
2006	Syria/Australia	Brazil Burundi Guinea India Mexico Syria Zambia	Australia Belgium Czech Republic Italy Japan Sweden United States of America
2007	Canada/Guinea	China Guinea Jordan Mexico Saint Lucia Sudan Uruguay	Canada Belgium Czech Republic Italy Japan Sweden United States of America
2008	Gabon/Sweden	China Dominican Republic Gabon India Lebanon Sudan Uruguay	Australia Belgium Germany Japan Romania Sweden United States of America
2009	Sweden/Dominican Republic	Bolivia China Dominican Republic Gabon Georgia Namibia Yemen	Australia Belgium Germany Japan Romania Sweden United States of America
2010	Colombia/Canada	Colombia Grenada India Morocco Namibia Saudi Arabia Senegal	Belgium Canada France Japan Switzerland Ukraine United States of America
2011	Australia/China	Argentina China Cuba Grenada Kenya Kuwait Morocco	Australia Belgium Czech Republic France Japan Switzerland United States of America
2012	China/United Kingdom	Argentina China Cuba India Kenya Jordan Mali	Belgium Canada Finland Japan Romania United Kingdom United States of America

ANNEX II.1*Policies, procedures, guidelines and criteria (as at May 2019)*

Year	Chair/Vice-Chair	Article 5 Parties	Non-Article 5 Parties
2013	United Kingdom/Serbia	India Kuwait Mali Nicaragua Serbia Uganda Uruguay	Belgium Bulgaria Canada Finland Japan United Kingdom of Great Britain and Northern Ireland United States of America
2014	Mauritius/United States of America	China Comoros Grenada Mauritius Nicaragua Saudi Arabia Uruguay	Australia Belgium Italy Japan Russian Federation Sweden United States of America
2015	United States of America/Grenada	Bahrain Brazil Comoros Egypt Grenada India United Republic of Tanzania	Australia Belgium Italy Japan Russian Federation Sweden United States of America
2016	Mexico/Austria	Argentina Cameroon China Egypt India Jordan Mexico	Austria Belgium Canada Germany Japan Russian Federation United States of America
2017	Austria/Lebanon	Argentina Bosnia and Herzegovina Cameroon China Lebanon Mexico Nigeria	Australia Austria Belgium Germany Japan Slovakia United States of America
2018	Lebanon/Canada	Argentina Benin Dominican Republic Grenada India Lebanon Nigeria	Belgium Canada France Japan Norway Slovakia United States of America
2019	Canada/Rwanda	Argentina Benin China Grenada Kuwait Niger Rwanda	Belgium Canada France Hungary Japan Norway United States of America

*(UNEP/OzL.Pro.2/3 Section V.A. (paras 44, 45)).**(UNEP/OzL.Pro.3/11 Decision III/22 (section f)).**(UNEP/OzL.Pro.4/15 Decision IV/20 (sections 4, 5)).**(UNEP/OzL.Pro.5/12 Decision V/9 (sections 4, 5)).**(UNEP/OzL.Pro.6/7 Decision VI/7 (paras 1., 2)).**(UNEP/OzL.Pro.7/12 Decision VII/27 (paras. 1, 2)).*

(UNEP/OzL.Pro.8/12 Decision VIII/8 (paras. 1, 2)).
(UNEP/OzL.Pro.9/12, Decision IX/13 (paras. 1, 2)).
(UNEP/OzL.Pro.10/9, Decision X/4 (paras. 2, 3)).
(UNEP/OzL.Pro.11/10, Decision XI/10 (paras. 2, 3)).
(UNEP/OzL.Pro.12/9, Decision XII/4 (paras. 2, 3)).
(UNEP/OzL.Pro.13/10, Decision XIII/27 (paras. 2, 3)).
(UNEP/OzL.Pro.14/9, Decision XIV/38 (paras. 2, 3)).
(UNEP/OzL.Pro.15/9, Decision XV/46 (paras. 2, 3)).
(UNEP/OzL.Pro.16/17, Decision XVI/42 (paras. 2, 3)).
(UNEP/OzL.Pro.17/11, Decision XVII/44 (paras. 2, 3)).
(UNEP/OzL.Pro.18/10, Decision XVIII/2 (paras. 2, 3)).
(UNEP/OzL.Pro.19/9, Decision XIX/3 (paras. 2, 3)).
(UNEP/OzL.Pro.20/9, Decision XX/22, paras 2,3)
(UNEP/OzL.Pro.21/8, Decision XXI/27 (paras. 2, 3)).
(UNEP/OzL.Pro.22/9, Decision XXII/24 (paras 2, 3))
(UNEP/OzL.Pro.23/11, Decision XXIII/19 (paras 2, 3))
(UNEP/OzL.Pro.24/10, Decision XXIV/22 (paras 2, 3))
(UNEP/OzL.Pro.25/9, Decision XXV/18 (paras 2, 3))
(UNEP/OzL.Conv.10/7 - UNEP/OzL.Pro.26/10, Decision XXVI/19 (paras 2, 3))
(UNEP/OzL.Pro.27/13, Decision XXVII/13 (paras 2, 3))
(UNEP/OzL.Pro.28/12, Decision XXVIII/14 (paras 2, 3))
(UNEP/OzL.Pro.29/8, Decision XXIX/22 (paras2,3))
(UNEP/OzL.Pro.30/11, Decision XXX/18 (paras 2,3))

ANNEX II.2: RULES OF PROCEDURES FOR MEETINGS OF THE EXECUTIVE COMMITTEE**Venue**

The meetings of the Executive Committee shall take place at the seat of the Fund Secretariat, unless other appropriate arrangements are made by the Fund Secretariat in consultation with the Executive Committee.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rule 3).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

Meetings of the Executive Committee shall be held at least twice every year. At each meeting, the Executive Committee shall fix the opening date and duration of the next meeting. The Secretariat shall notify all Committee members of the dates and venue of meetings at least six weeks before the meeting.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 8).

(UNEP/OzL.Pro/3/11 Annex VI to Decision III/22 (Rules 4,5).

The Ninth Meeting of the Parties decided that the Executive Committee shall hold three meetings a year while retaining the flexibility to take advantage of the opportunity provided by other Montreal Protocol meetings to convene additional meetings where special circumstances make this desirable.

(UNEP/OzL.Pro.9/12, Decision IX/16, para. b).

Observers

The Secretariat shall notify the President of the Bureau and the Implementing Agencies - *inter alia*, UNEP, UNDP and the World Bank - of any meeting of the Executive Committee so that they may participate as observers. Such observers may, upon invitation of the Chairman, participate without the right to vote in the proceedings of any meeting.

The Secretariat shall notify any body or agency, whether national or international, governmental or non-governmental, qualified in the field related to the work of the Executive Committee, that has informed the Secretariat of its wishes to be represented, of any meeting so that it may be represented by an observer subject to the condition that their admission to the meeting is not objected to by at least one third of the Parties present at the meeting. However, the Executive Committee may determine that any portion of its meetings involving sensitive matters may be closed to observers. Non-governmental observers should include observers from developing and developed countries and their total number should be limited as far as possible. Such observers may, upon invitation of the Chairman and if there is no objection from the Committee members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency which they represent.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rules 6, 7).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

Agenda

In agreement with the Chairman and the Vice-Chairman, the Secretariat shall prepare the provisional agenda for each meeting. The Secretariat shall report to the meeting on the administrative and financial implications of all substantive agenda items submitted to the meeting, before their consideration. Unless the meeting decides otherwise, no such item shall be considered until at least twenty-four hours after the meeting has received the Secretariat's report on the administrative and financial implications. Any item of the agenda which has not been completed during the meeting shall be included automatically in the agenda of the next meeting, unless otherwise decided by the Executive Committee.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rules 8-10).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

Representations

Each Executive Committee member shall be represented by an accredited representative who may be accompanied by such alternate representatives and advisors as may be required.

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

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

If the Chairman is temporarily unable to fulfill the obligation of the office, the Vice-Chairman shall in the interim assume all the obligations and authorities of the Chairman. If the Chairman or Vice-Chairman is unable to complete the term of office the Committee members representing the group which selected that officer shall select a replacement to complete the term of office.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rules 13, 14).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

Secretariat functions

The Secretariat shall:

- (a) make the necessary arrangements for the meetings including the issue of invitations and preparation of documents and reports;
- (b) arrange for the custody and preservation of the documents in the archives of the international organization designated as Secretariat of the Convention; and
- (c) generally perform other functions that the Executive Committee may require.

The Chief Officer of the Secretariat shall be the Secretary of any meeting of the Executive Committee.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rules 15, 16).

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex II).

Decision process

Decisions shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions shall be taken by a two-thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 4).

(UNEP/OzL.Pro/3/11 Annex VI to Decision III/22 (Rule 17).

Official languages

The meetings of the Executive Committee shall be conducted in those official languages of the United Nations required by members of the Executive Committee. Nevertheless the Executive Committee may agree to conduct its business in one of the United Nations official languages.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 5).

(UNEP/OzL.Pro/3/11 Annex VI to Decision III/22 (Rule 18).

Costs

Costs of meetings, including travel and subsistence of Executive Committee participants from Parties operating under paragraph 1 of Article 5 shall be disbursed from the Multilateral Fund as necessary.

(UNEP/OzL.Pro/2/3 Appendix II of Decision II/8, para. 6).

(UNEP/OzL.Pro/4/15 Annex X to Decision IV/8, para. 6).

The Executive Committee decided that budget line 3301 could be used to support travel of the Chairperson or Vice-Chairperson of the Executive Committee, irrespective of whether or not they represented countries operating under paragraph 1 of Article 5, if such travel was required to enable the Chairperson or Vice-Chairperson to represent the Executive Committee.

(UNEP/OzL.Pro/ExCom/11/36, para. 24).

The Executive Committee decided in 1992 that when the President of the Bureau of the Meeting of the Parties to the Montreal Protocol is a national of a developing country operating under Article 5, paragraph 1, the costs of travel and daily subsistence allowance for his/her attendance or attendance of his/her representative as observer at the meeting should be paid from the Fund.

(UNEP/OzL.Pro/ExCom/5/16, para. 65).

The rules of procedures may be amended according to Rule 17 (voting) and formally endorsed by the Meeting of the Parties to the Montreal Protocol.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rule 19).

In the event of any conflict between any provision of the rules of procedures and any provision of the Montreal Protocol, the Protocol shall prevail.

(UNEP/OzL.Pro/3/11 Annex VI of Decision III/22 (Rule 20).

ANNEX II.3: CALENDAR OF MEETINGS AND WORK PROGRAMME FOR THE EXECUTIVE COMMITTEE

Mtg. No	Timing	Interval from previous mtg.	Work to be done in the interval	Agenda
1st	First half of March	months	Revise draft business plans. Finalize work programmes. Prepare policy papers	Approve projects Review/approve policy papers Approve revised business plans. Approve work programmes. Review status of phase-out
2nd	End of June/early July	months	Project development. Policy paper preparation. Progress report preparation. Preparation of evaluation of previous year's business plans. Project implementation	Approve projects. Review/approve policy papers, Review progress reports. Review previous year's business plan performance Review status of phase-out.
3rd	Late November /first half of December	months	Project development. Policy paper preparation. Draft business plan preparation. Prepare necessary elements of agencies' work programmes	Approve projects. Review/approve policy papers. Approve draft business plans. Approve necessary and non-contentious elements of agencies' work programmes.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/14, para. 29).

(Supporting document: UNEP/OzL.Pro/ExCom/22/5).

CALENDAR OF MEETINGS AND WORK PROGRAMME FOR THE EXECUTIVE COMMITTEE FOR 1998

Mtg. No.	Timing	Interval from previous mtg	Work to be done in the interval	Agenda
24th	23-27 March 1998	4 months	Revise 1998 business plans and work programmes. Complete the remaining projects from the 1997 business plans. Prepare policy papers	Approve revised 1998 business plans and work programmes. Approve the remaining projects from 1997 business plans. Approve policy papers. Consider funding of projects for process agents
25th	27-31 July 1998	4 months	Prepare projects, policy papers, progress reports, evaluation of 1997 business plans, national status of phase-out	Approve projects and policy papers. Review progress reports, evaluation of 1997 business plans and national status of phase-out
26th	9-13 November 1998*	4 months	Prepare projects, policy papers, draft 1999 business plans, necessary elements of work programmes	Approve projects, policy papers, draft 1999 business plans, necessary and non-contentious elements of work programmes

* To be held back to back with the Tenth Meeting of the Parties in Cairo, Egypt.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/56, para. 98).

ANNEX II.4: AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE INTERIM MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS DEVELOPMENT PROGRAMME

The Executive Committee and UNDP signed an agreement on 21 August 1991. Under this agreement:

UNDP shall establish a Trust Fund under its financial regulations and rules for the receipt and administration of the contribution;

The Executive Committee shall place at the disposal of UNDP the contribution for agreed activities. To this effect, the Executive Committee shall transfer the agreed amounts for each activity in full, on approval, to the UNDP Contributions Account Number 015-002284, Chemical Bank, New York (all financial accounts and statements shall be expressed in United States dollars);

The Trust Fund shall be utilized by UNDP for the purpose of meeting the costs of the projects as set out in the relevant project documents and work programmes as well as the costs of support services relating thereto as specified in the following paragraph.

The Trust Fund shall be charged with a percentage of all project expenditures made from the Trust Fund which shall, in accordance with UNDP regulations, rules and directives, be utilized by UNDP in reimbursement for support services provided by the selected executing agencies and/or by UNDP itself and would include other support services as required. The amount required for such costs shall be specified in the approved project documents and work programme.

Any interest income derived from contributions to the Trust Fund shall be credited to the Trust Fund in accordance with UNDP procedures.

The Trust Fund shall be administered by UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects. Project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the selected executing agency.

The implementation of the responsibilities of UNDP and of the selected executing agencies pursuant to this Agreement and the relevant project documents and/or work programmes will depend on the timely receipt by UNDP of the contribution.

The aggregate of the amounts budgeted for the projects and work programmes, including the estimated costs of reimbursement of related support services, shall not exceed the total resources available under this Agreement.

If unforeseen increases in expenditures or commitments are expected or realized, UNDP shall submit, through the Chief Officer of the Fund Secretariat to the Executive Committee, on a timely basis a supplementary estimate detailing the further financing that will be necessary. The Executive Committee shall use its best efforts to obtain the additional funds required.

If the contribution-payments are not received in accordance with the payment schedule as specified in the work programme, or if the additional financing required in accordance with above paragraph is not forthcoming from the Executive Committee or other sources, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by UNDP. No commitments shall be made by UNDP prior to the receipt of these contributions-payments.

Income not spent in a budget year may be carried forward from one year to the next within the financial validity of this Agreement.

The accounts shall be subject to the internal and external auditing procedures provided in the financial regulations, rules and directives of UNDP.

UNDP reserves the right only to accept a regional or eligible bilateral contribution under the Fund, by a country not operating under paragraph 1 of Article 5, where the provided services can be effectively utilized by the recipient country.

At the specific request of the recipient countries operating under paragraph 1 of Article 5 of the Protocol and when technically justified, eligible in-kind support can be provided in the form of expert personnel, technology, technical documentation and training under projects or programmes implemented by UNDP. Such inputs shall be incorporated in the relevant project documents.

UNDP shall notify the Chief Officer of the Fund Secretariat and the Executive Committee when all activities relating to the purposes for which the Trust Fund was established have been completed.

Notwithstanding the completion of the projects financed from the Trust Fund, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.

If the unutilized contribution-payments are insufficient to meet such commitments and liabilities, UNDP shall notify the Chief Officer of the Fund Secretariat and will consult both with the Chief Officer and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

In the event of termination of this Agreement, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects and programmes have been satisfied and project and programme activities brought to an orderly conclusion.

Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be transferred to the Executive Committee through the Chief Officer of the Fund Secretariat.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section A: Financial Procedures).

As specified by the Parties and on the invitation of the Executive Committee, UNDP shall consult regularly with the other Implementing Agencies and, in particular, with the World Bank and UNEP to facilitate programme coordination and prevent duplication of activities.

UNDP, as requested by the Executive Committee in the context of country programmes developed to facilitate compliance with the Montreal Protocol, will co-operate with and assist the Parties within its respective areas of expertise.

UNDP, jointly with the Fund Secretariat and other Implementing Agencies, shall co-operate with the Parties to provide information on funding available for relevant projects, to secure the necessary contacts and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.

The financing of activities or other costs, including resources channeled to third party beneficiaries, shall require the concurrence of the recipient Government concerned. The recipient Government shall be fully associated with the planning of the projects and programmes.

The annual UNDP work programme under this Agreement, including proposed budgets, will be submitted through the Chief Officer of the Fund Secretariat to the Executive Committee for approval.

In the design and selection of projects, UNDP will follow the Executive Committee's criteria for project eligibility and its guidelines for the implementation of activities supported by the Multilateral Fund.

The Executive Committee will consider and, where appropriate, approve country programmes for compliance with the Protocol and, in the context of those country programmes, assess and, where applicable, approve those project proposals or group of project proposals formulated by UNDP independently or by UNDP in co-operation with other Implementing Agencies where the agreed incremental costs exceed US \$500,000.

The Executive Committee will review any disagreement by a Party operating under paragraph 1 of Article 5 with any decision taken with regard to a request for financing by that Party of a project or projects where the agreed incremental costs are less than US \$500,000 and where UNDP is involved in whole or in part as an Implementing Agency.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section B: Operational Procedures).

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP for the duration of the specific project or programme activity, after which the ownership shall be transferred to the appropriate institution or agency in the recipient country in accordance with the relevant policies and procedures of UNDP, taking into account recommendations that may be received from the Chief Officer of the Fund Secretariat.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section C: Ownership and Disposal of Property).

The Administrator of UNDP, or his designated representative, will participate in meetings of the Executive Committee to report and consult on UNDP's activities under these arrangements.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section D: Participation at Meetings).

As approved by the Executive Committee and in accordance with UNDP accounting and reporting procedures,

UNDP shall submit to the Executive Committee through the Fund Secretariat the following reports:

- (a) semi-annual progress reports on substantive project activities;
- (b) an annual report in implementation of activities or prior approved work programmes and activities related to country programmes;
- (c) an annual report on the status of UNDP activities related to country programmes including the activities of concerned UNDP field offices;
- (d) an annual report on income and expenditures for the previous years; and
- (e) a revision of the current year's budget, where necessary, and the following year's budget and workplan.

UNDP shall contribute to an annual report to be prepared by the Fund Secretariat on the interagency work programme and coordination of activities.

The Executive Committee will review periodically performance reports on UNDP's implementation of activities supported by the Fund and will monitor and evaluate expenditures incurred. The Executive Committee will transmit its findings to UNDP for comment and follow-up.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section E: Reports).

Any dispute, controversy or claims arising out of, or in connection with, this Agreement or any breach thereof shall, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The Executive Committee and UNDP agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section F: Settlement of Disputes).

The present arrangements may be amended by agreement in writing between the Executive Committee and UNDP. These arrangements will terminate at the option of either the Executive Committee or UNDP upon six months written notice.

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section G: Amendments or Termination of the Agreement).

This Agreement entered into force on 21 August 1991 (date of its signature).

(UNEP/OzL.Pro/ExCom/5/Inf.3, Section H: Effective Date of Agreement).

AMENDMENT TO THE AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE (THEN INTERIM) MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP), SIGNED ON 21 AUGUST 1991

1. For purposes of making commitments in respect of agreed activities, UNDP shall consider as resources at its disposal:
 - a) contribution payments in cash transferred to UNDP by the Executive Committee through the Treasurer of the Fund (UNEP), and
 - b) resources allocated to UNDP by the Executive Committee, held by the Treasurer on behalf of the Executive Committee in irrevocable promissory notes.
2. Resources held and allocated to UNDP by the Treasurer of the Fund shall be considered by UNDP to be available for purposes of making commitments after UNDP receives written confirmation to this effect from the Treasurer.
3. Cash transfers will be made by the Executive Committee through the Treasurer to cover the disbursement requirements of agreed activities. These will be based on periodic cash flow estimates submitted by UNDP.
4. The Executive Committee shall ensure, through the Treasurer of the Fund, that adequate cash is made available to UNDP in advance to cover at least one year's estimated disbursement requirements for agreed activities, provided cash flow estimates for any given period are submitted well in advance by UNDP (preferably three months).
5. The details related to cash flow estimates and cash transfers will be agreed between UNDP and the Treasurer of the Fund.
6. This amendment supersedes those relevant stipulations of the agreement which relate to commitments and transfers of contribution payments

Signatures

For the Executive Committee

For UNDP

Date: _____

Date: _____

*(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(a)).
(Supporting document: UNEP/OzL.Pro/ExCom/25/68, Annex II).*

ANNEX II.5: AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE INTERIM MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS ENVIRONMENT PROGRAMME

The Executive Committee and UNEP signed an agreement on 19 June 1991. Under this agreement:

UNEP agrees to co-operate with the Executive Committee and eligible Parties in the areas detailed under its scope of co-operation, and for this purpose a work programme and budget will be presented annually by UNEP to the Executive Committee for its approval. The work programme and budget shall be made available in sufficient time prior to the meeting of the Executive Committee at which the work programme is to be considered. The work programmes shall identify the nature of the activity for which financing is requested, its timing and duration, cost details, participants, and expected outcome of the activity. The work programme shall be accompanied by a budget for proposed activities. In preparing its work programme, UNEP shall take into consideration requests by Parties operating under paragraph 1 of Article 5 of the Protocol for assistance in implementing their proposed programme of activities under the Protocol. Funds for these support activities shall be included in the annual work programme.

In developing its work programme, UNEP shall consult with the World Bank and the UNDP before making proposals to the Executive Committee on matters of interest to them and will pay due regard to their views. UNEP shall keep the other Implementing Agencies continuously and adequately informed in a timely manner of its activities covered by these arrangements as they affect the other Agencies.

UNEP shall co-operate with the Secretariat of the Fund to provide Parties with information on funding available for relevant projects, to secure the necessary contacts, and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.

In discharging its responsibilities, UNEP will use, as appropriate, its Headquarters Secretariat, its Regional Offices, its Specialized Offices, especially its Industry and Environment Office.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section A: Financial Procedures).

Upon approval by the Executive Committee of the programme of activities proposed by UNEP, UNEP will administer and manage the approved projects under a specific Trust Fund established in accordance with:

- (a) the financial rules, regulations and procedures of the Environment Fund of UNEP;
- (b) the application of considerations relevant to effective and economically efficient implementation of programmes and projects that are consistent with any criteria adopted by the Parties; and
- (c) the guidelines for the implementation of activities supported by the Fund as adopted by the Executive Committee; and

The Executive Committee shall approve the transfer to UNEP of resources allocated by the Committee for the implementation of the activities approved by it. At the specific request of the recipient countries operating under paragraph 1 of Article 5 of the Protocol and when technically justified, eligible in-kind support can be provided in the form of expert personnel, technology, technical documentation and training under projects or programmes implemented by UNEP. Such inputs shall be incorporated in the relevant project documents.

Any interest income derived from contributions to the trust fund shall be credited to the fund in accordance with UNEP procedures.

The Trust Fund shall be charged with a percentage of all project expenditures made from the Trust Fund, which amount shall, in accordance with UNEP regulations, rules and directives, be utilized by UNEP in reimbursement for support services provided by any selected Implementing Agencies other than UNEP and/or by UNEP itself. The amount required for such costs shall be specified in the approved project documents and work programmes.

The accounts of the resources transferred to UNEP shall be subject to the internal and external audit procedures applicable to the United Nations.

UNEP will present to the Executive Committee, with the six monthly and financial reports any requests for meeting unforeseen increases in costs of the implementation of the approved activities.

UNEP shall not be required to start any activity supported by the Fund before the transfer of resources.

If unforeseen increases in expenditures or commitments are expected or realized, UNEP shall submit through the Chief Officer of the Fund Secretariat to the Executive Committee on a timely basis a supplementary estimate detailing the further financing that will be necessary. The Executive Committee shall use its best efforts to obtain the additional funds required.

UNEP may agree to co-financing arrangements, on terms determined consistently with the financial provisions in this agreement, in cases in which such financing is to be provided for purposes of the Protocol.

UNEP shall continue to hold all unutilized contribution payments until all commitments and liabilities incurred in the implementation of the projects have been satisfied and project activities brought to an orderly conclusion. Upon completion of its activities and fulfillment of its obligations, UNEP shall return all unused resources to the Fund unless otherwise agreed.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section B: Operational Procedures).

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNEP for the duration of the specific project or programme activity. Following the completion of the above specified project or programme activity, ownership shall be transferred to the appropriate institution or agency in the recipient country in accordance with the relevant policies and procedures of UNEP, taking into account recommendations that may be received from the Chief Officer of the Fund Secretariat.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section C: Ownership and Disposal of Property).

The Executive Director of UNEP, or his representative, shall be invited to participate in meetings of the Executive Committee to report and consult on UNEP's activities under these arrangements.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section D: Participation at Meetings).

As approved by the Executive Committee and in accordance with UNEP accounting and reporting procedures, UNEP shall submit to the Executive Committee through the Fund Secretariat the following reports:

- (a) semi-annual progress reports on substantive project activities;
- (b) an annual report on implementation of activities of prior approved work programmes and activities related to country programmes;
- (c) an annual report of the status of UNEP activities related to country programmes;
- (d) an annual report on income and expenditures for the previous years; and
- (e) a revision of the current year's budget where necessary and the following year's budget and workplan.

UNEP shall contribute to the annual report to be prepared by the Fund Secretariat on the interagency work programme and coordination of activities.

The Executive Committee will review periodically performance reports on UNEP's implementation of activities supported by the Fund and will monitor and evaluate expenditures incurred. The Executive Committee will transmit its findings to UNEP for comment and follow-up.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section E: Reports).

Any dispute, controversy or claims arising out of, or in connection with this Agreement, or any breach thereof shall, unless it is settled by direct negotiation, be settled by arbitration, in accordance with the UNCITRAL Arbitration Rules as at present in force. UNEP and the Executive Committee agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute,

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section F: Settlement of Disputes).

Nothing in or relating to any provision in the Arrangement shall be deemed a waiver, expressed or implied, of the privileges and immunities of the United Nations, including UNEP.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section G: General Provision).

The present arrangements may be amended by agreement in writing between the Executive Committee and UNEP.

These arrangements will terminate at the option of either the Executive Committee or UNEP upon six months' written notice.

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section H: Amendments or Termination of the Agreement).

This Agreement entered into force on 19 June 1991 (date of its signature).

(UNEP/OzL.Pro/ExCom/5/Inf.4, Section I: Effective Date of Agreement).

ANNEX II.6: AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE INTERIM MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

The Executive Committee and UNIDO signed an agreement on 22 October 1992. Under this agreement:

UNIDO shall establish a Special Account in accordance with its financial regulations and rules and administrative instructions or directives for the receipt and administration of the afore-said contribution, including interest accruing. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with such regulations, rules and directives.

The Executive Committee shall place at the disposal of UNIDO the contributions to a Special Account for agreed activities. To this effect, the Executive Committee shall transfer the agreed amounts in fully convertible currencies for each activity in full, on approval, to the UNIDO/OPF Dollar Account Number 0422-01004/00, Creditanstalt Bankverein, Vienna International Centre, A-1400 Vienna, Austria.

All financial accounts and statements shall be expressed in United States dollars, and there shall be no accounting or reporting in other currencies. For the purpose of recording receipts and/or payments, all transactions shall be converted into United States dollars at the official United Nations rate of exchange applicable on the date of receipt and/or payment.

The contributions shall be utilized by UNIDO for the purpose of meeting the costs of the projects as set out in the relevant project documents and work programmes as well as the costs of support services relating thereto as specified in paragraph below.

The Special Account shall be charged with a percentage of all project expenditures made from the Special Account which shall, in accordance with UNIDO regulations, rules and directives, be utilized by UNIDO and would include other support services as required. The amounts required, as well as agency support costs, shall be specified in the approved project documents and work programmes.

Any interest income derived from contributions to the Special Account shall be credited to the Special Account in accordance with the financial regulations, rules and directives of UNIDO.

The Special Account shall be administered by UNIDO in accordance with UNIDO regulations, rules and directives, applying its standard procedures for the execution of its projects. Project management and expenditures shall be governed by the regulations, rules and directives of UNIDO.

The implementation of the responsibilities of UNIDO pursuant to this Agreement and the relevant project documents and/or work programmes will depend on the timely receipt by UNIDO of the contribution. The Executive Committee undertakes to meet the actual costs of the services approved by UNIDO in accordance with this Agreement and the work programme. UNIDO shall commence and continue to implement projects only on receipt of a sufficient contribution.

The aggregate of the amounts budgeted for the projects and work programmes shall not exceed the total resources available under this Agreement.

If UNIDO considers that changes between the components and/or budget lines in the projects or work programme are necessary in order to meet the objectives of the project concerned, UNIDO may effect such changes, provided the total amount of the project budget in the projects or work programme is not exceeded.

If the contribution-payments are not received in accordance with the payment schedule as specified in the work programme, or if the additional financing required is not forthcoming from the Executive Committee or other sources, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by UNIDO. No commitments shall be made by UNIDO prior to the receipt of these contribution-payments.

Income not spent in a budget year may be carried forward from one year to the next within the financial validity of this Agreement.

The accounts shall be subject exclusively to the internal and external auditing procedures provided in the financial regulations, rules and directives of UNIDO.

UNIDO reserves the right only to accept a regional or eligible bilateral contribution under the Fund, by a country not operating under paragraph 1 of Article 5, where the provided services can be effectively utilized by the recipient country.

At the specific request of the recipient countries operating under paragraph 1 of Article 5 of the Protocol, and when technically justified, eligible in-kind support can be provided in the form of expert personnel, technology, technical documentation and training under projects or programmes implemented by UNIDO. Such inputs shall be incorporated in the relevant project documents.

UNIDO shall notify the Chief Officer of the Fund Secretariat and the Executive Committee when all activities relating to the purposes for which the Special Account was established have been completed.

Notwithstanding the completion of the projects financed from the Special Account, UNIDO shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects have been satisfied and project activities brought to an orderly conclusion.

If the unutilized contribution-payments are insufficient to meet such commitments and liabilities, UNIDO shall notify the Chief Officer of the Fund Secretariat and will consult both with the Chief Officer and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

UNIDO shall notify the Executive Committee when the purposes for which the contributions were provided have been realized and the approved projects have been operationally completed.

In the event of termination of this Agreement, UNIDO shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the projects and programmes have been satisfied and project and programme activities brought to an orderly conclusion.

Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be transferred to the Executive Committee through the Chief Officer of the Fund Secretariat. Thereafter UNIDO's responsibilities under this Agreement shall be considered terminated.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section A: Financial Provisions).

As specified by the Parties and on the invitation of the Executive Committee, UNIDO shall consult regularly with the other Implementing Agencies and, in particular, with UNDP, the World Bank and UNEP to facilitate programme coordination and prevent duplication of activities.

UNIDO as requested by the Executive Committee, in the context of projects developed to facilitate compliance with the Protocol will co-operate with and assist the Parties within its respective areas of expertise.

UNIDO, jointly with the Fund Secretariat and other Implementing Agencies, shall co-operate with the Parties to provide information on funding available for relevant projects, to secure the necessary contacts and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.

The financing of activities or other costs, including resources channeled to third party beneficiaries, shall require the concurrence of the recipient Government concerned. The recipient Government shall be fully associated with the planning of the projects and programmes.

The annual UNIDO work programme under this Agreement, including proposed budgets, will be submitted through the Chief Officer of the Fund Secretariat to the Executive Committee for approval. Upon approval of the work programme by the Executive Committee, UNIDO shall implement projects in accordance with the work programme and, as appropriate, in accordance with the legal arrangements to be concluded between UNIDO and the recipient governments.

In the design and selection of projects UNIDO will follow the Executive Committee's criteria for project eligibility and its guidelines for the implementation of activities supported by the Fund.

The Executive Committee will assess and, where applicable, approve those project proposals or group of project proposals formulated by UNIDO independently or by UNIDO in co-operation with other Implementing Agencies, and, where the agreed incremental costs exceed US \$500,000.

The Executive Committee will review any disagreement by a Party operating under paragraph 1 of Article 5 with any decision taken with regard to a request for financing of a project or projects where the agreed incremental costs are less than US \$500,000 and where UNIDO is involved in whole or in part as an Implementing Agency.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section B: Operational Procedures).

Ownership of equipment, supplies and other property financed from the contribution shall vest in UNIDO for the duration of the specific project or programme activity. Following operational completion of the project, the ownership shall be transferred to the appropriate institution or agency in the recipient country in accordance with

the relevant policies and procedures of UNIDO, taking into account recommendations that may be received from the Chief Officer of the Fund Secretariat.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section C: Ownership and Disposal of Property).

The Director-General of UNIDO, or his designated representative, will participate as appropriate in meetings of the Executive Committee to report and consult on UNIDO's activities under these arrangements.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section D: Participation at Meetings).

As approved by the Executive Committee and in accordance with UNIDO accounting and reporting procedures, UNIDO shall submit to the Executive Committee through the Fund Secretariat the following reports:

- (a) semi-annual progress reports on substantive project activities;
- (b) an annual progress report on implementation of activities of prior approved projects and work programmes;
- (c) an annual financial statement on the overall status of the Donor's contributions, supported by delivery reports for each project financed from the Special Account;
- (d) a revision of the current year's budget, where necessary, and the following year's project budgets and work plans;
- (e) a final report including assessment of the results achieved, upon operational completion of the projects; and
- (f) a final financial report on the implementation of the completed projects, within six months of the end of the year in which the final disbursement was made on account of the projects.

UNIDO shall contribute to an annual report to be prepared by the Fund Secretariat on the inter-agency work programme and coordination of activities.

The Executive Committee will review periodically performance reports on UNIDO's implementation of activities supported by the Fund and will monitor and evaluate expenditures incurred. The Executive Committee will transmit its findings to UNIDO for comment and follow-up.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section E: Reports).

Any dispute, controversy or claims between the Parties to this agreement, arising out of, or in connection with, this Agreement or any breach thereof shall, unless it is settled by direct negotiation, be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. The Executive Committee and UNIDO agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section F: Settlement of Disputes).

The present arrangements may be amended by agreement in writing between the Executive Committee and UNIDO, and will terminate at the option of either the Executive Committee or UNIDO upon six months written notice.

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section G: Amendments or Termination of the Agreement).

This Agreement entered into force on 22 October 1992 (date of its signature).

(UNEP/OzL.Pro/ExCom/8/29 Annex IV, Section H: Effective Date of Agreement).

AMENDMENT TO THE AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE (THEN INTERIM) MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION, SIGNED 22 OCTOBER 1992

1. For purposes of making commitments in respect of agreed activities, UNIDO shall consider as resources at its disposal:
 - a) Contribution payments in cash transferred to UNIDO by the Executive Committee through the Treasurer of the Fund (UNEP), and
 - b) Subject to confirmation by the Treasurer of the Fund in accordance with paragraph 2 below, resources allocated to UNIDO by the Executive Committee and held by the Treasurer on behalf of the Executive Committee in irrevocable promissory notes.
2. Resources held and allocated to UNIDO by the Treasurer of the Fund shall be considered by UNIDO to be available for purposes of making commitments after UNIDO receives written confirmation to this effect from the Treasurer.
3. Cash transfers shall be made by the Executive Committee through the Treasurer to cover the disbursement requirements of agreed activities. These will be based on periodic cash flow estimates submitted by UNIDO.
4. The Executive Committee shall ensure, through the Treasurer of the Fund, that adequate cash is made available to UNIDO in advance to cover at least one year's estimated disbursement requirements for agreed activities, provided cash flow estimates for any given period are submitted well in advance by UNIDO (preferably three months).
5. The details related to cash flow estimates and cash transfers will be agreed between UNIDO and the Treasurer of the Fund.
6. This amendment supersedes those relevant stipulations of the agreement which relate to commitments and transfers of contribution payments.

Signatures

For the Executive Committee

For UNIDO

Date: _____

Date: _____

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(a)).
(Supporting document: UNEP/OzL.Pro/ExCom/25/68, Annex II).

ANNEX II.7: AGREEMENT BETWEEN THE EXECUTIVE COMMITTEE OF THE INTERIM MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK).

The Executive Committee and the World Bank signed an agreement on 9 July 1991. Under this agreement:

The World Bank will co-operate with the Executive Committee and assist it in accordance with these arrangements in administering and managing the programme under the authority of the Parties to finance the agreed incremental costs of Parties operating under paragraph 1 of Article 5 of the Protocol. In performing its functions under these arrangements, the World Bank will act through the Ozone Projects Trust Fund (OTF) and will apply only those considerations relevant to effective and economically efficient programmes and projects which are consistent with criteria adopted by the Parties and guidelines adopted by the Executive Committee.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section A: Scope of Co-operation).

The World Bank will prepare a work programme in co-operation with recipient countries, UNEP and UNDP, for its activities under these arrangements, including a budget, for approval by the Executive Committee on an annual basis. The work programme as approved by the Executive Committee will be consistent with the relevant decisions of the parties and guidelines adopted by the Executive Committee regarding project eligibility and the implementation of activities supported by the Fund.

The World Bank will co-operate with the Parties, UNEP, UNDP, and the Executive Committee through the Secretariat of the Fund, to provide information on funding available for relevant projects, to secure the necessary contacts, and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.

The World Bank will co-operate with the Parties operating under paragraph 1 of Article 5 of the Protocol and assist them, as requested by them and in accordance with the approved work programme referred to in paragraph 2, in developing each Party's country programme (CP) as envisaged in the Terms of Reference of the Fund, as well as projects to facilitate compliance with the Protocol.

The World Bank will review each CP in respect of which it will perform its functions under these arrangements, and submit its views to the Executive Committee. Upon approval of the CP by the Executive Committee, the World Bank will assist the party to implement the projects contained in it. The World Bank will do so by following its rules and procedures and in accordance with the approved work programmes in co-operation with UNEP and UNDP. The World Bank may approve a request for financing by the Party of a project or projects pursuant to the approved CP if the agreed incremental costs are less than US \$500,000. Additional financing from the Fund for unforeseen increases in expenditure for any project will be subject to approval by the World Bank, except that if the additional financing would cause the total expenditures for the project to exceed US \$500,000, the financing will be subject to approval by the Executive Committee as adjustment to the current, or part of the next, work programme. For projects where the agreed incremental cost exceeds US \$500,000 financing by the World Bank is subject to the approval of the Executive Committee as part of a CP.

Any disagreement by a Party operating under paragraph 1 of Article 5 with any decisions taken with regard to a request for financing by that Party of a project or projects where the agreed incremental costs are less than US \$500,000 may, at the request of the Party, be referred to the Executive Committee for review.

Pending the preparation of country programmes, the procedures in above two-paragraphs will apply also as appropriate to projects consistent with the ozone layer protection policies of Parties operating under paragraph 1 of Article 5 of the Protocol, which the Executive Committee finds in compliance with the control measures of the Protocol.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section B: Operational Procedures).

The Bank will hold and administer funds provided to the Bank pursuant to this agreement in trust, together with any other assets and receipts of the OTF, for the benefit of the Parties in accordance with the decision by the World Bank to provide for the establishment of the OTF and these arrangements.

The Executive Committee will arrange for the transfer of funds contributed by the Parties and allocated by the Executive Committee to the OTF for expenses incurred or to be incurred by the World Bank for the activities it undertakes pursuant to these arrangements and for the implementation of approved country programmes and projects, as soon as the funds become available. The transfer will be made in cash in United States dollars or at the request of the Executive Committee by the deposit of notes or similar obligations denominated in United States dollars and issued by the government of a Party or the depository designed by such Party, which shall be

non-negotiable, non-interest bearing and payable in United States dollars at their par value on demand to the OTF or in accordance with a schedule of encashment agreed by the World Bank, provided that in exceptional cases and as administratively feasible on the basis of appropriate arrangements, as determined by the World Bank, contributions may be made also in other currencies.

Funds held in the OTF will be invested pending disbursement in accordance with the regular practice of the Bank, and the income of investment will be added to the resources of the OTF.

The World Bank will be reimbursed annually in full for the expenses incurred by it for the activities it undertakes pursuant to these arrangements. The reimbursement will be made on the basis of estimated costs, subject to adjustment as of the end of the Bank's financial year, and will be charged against the resources of the OTF.

The World Bank will present to the Executive Committee detailed annual financial statements expressed in United States dollars, externally audited, as part of its annual report.

The World Bank will make no commitments for financing under these arrangements in advance of the receipt of financing in the OTF to finance the commitments.

The Executive Committee will notify the World Bank through the Secretariat if a shortfall in resources for the approved work programme is anticipated or if the work programme needs to be adjusted for this reason.

The World Bank may agree to co-financing arrangements with Parties and others for the purpose of these arrangements.

The World Bank will provide financing from the OTF in the form of grants denominated in United States dollars.

The World Bank will continue to hold all unutilized resources in the OTF until all commitments and liabilities under these arrangements have been satisfied, project activities have been brought to an orderly conclusion and reimbursement under paragraph 11 has been made, after which any remaining resources will be transferred as the Executive Committee may determine. If the unutilized resources prove insufficient to meet such commitments, liabilities and reimbursement, the World Bank will consult with the Executive Committee on the manner in which such commitments, liabilities and reimbursement may be satisfied.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section C: Financial Provisions).

The President of the World Bank, or his representative, will participate in meetings of the Executive Committee in order to report and consult on the World Bank's activities under these arrangements.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section D: Participation in Meetings).

The World Bank will provide to the Executive Committee through the Secretariat semi-annual progress reports and an annual report on implementation by the World Bank of previously approved work programmes and activities related to country programmes and projects, including coordination with UNEP and UNDP under these arrangements. The financial statements will be attached to the annual report.

The reports will include proposals if necessary to revise the current year's budget; provide for the work programme, including a budget, for the following year, and describe any disagreement by a Party operating under paragraph 1 of Article 5 of the Protocol with any decision taken by the World Bank with regard to a request for financing by that Party of a project or projects where the agreed incremental costs are less than US \$500,000. After the OTF shall have been fully used, the World Bank will present a final report on the operations financed under these arrangements.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section E: Reporting by the World Bank).

These arrangements may be amended by agreement of the Executive Committee and the World Bank in writing at any time.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section F: Amendment).

These arrangements will terminate thirty days after either the Executive Committee or the World Bank may have given notice in writing to the other party of its decision to terminate them, in which event the World Bank will take all necessary action for the expeditious and orderly winding up of its activities under these arrangements pursuant to paragraph 17.

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section G: Termination).

This Agreement entered into force on 9 July 1991 (date of its signature).

(UNEP/OzL.Pro/ExCom/5/Inf.2, Section H: Effective Date of Agreement).

ANNEX II.8: TERMS OF REFERENCE OF THE SUB-COMMITTEE ON FINANCIAL MATTERS

The Executive Committee established at its Ninth Meeting a Sub-Committee on Financial Matters to review and assess the existing financial arrangements and procedures, and recommend modifications, where appropriate. It will pay particular attention to the need for:

- (a) a uniform format for financial reporting by the Implementing Agencies and methodology of tracking financial transactions, on an ongoing basis;
- (b) modalities for the disbursement of funds to Implementing Agencies and the development of cash flow requirements;
- (c) independent financial and project audits, as appropriate.

The Sub-Committee will address issues pertaining to the receipt of contributions to the Fund, and any other matter that the Executive Committee deems appropriate.

The Sub-Committee shall consist of two Executive Committee members from Parties operating under paragraph 1 of Article 5 of the Protocol and two Committee members from Parties not so operating. The Chair of the Sub-Committee will be determined by the membership and alternate among members from one meeting to the next.

The Treasurer and the Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies may be invited to participate. The Sub-Committee is empowered to require the attendance of any Implementing Agency on any financial matter causing concern to the Sub-Committee.

The Sub-Committee will be a standing committee. It will be appointed for a period of one year coinciding with the terms of the office of the Chair and Vice-Chair.

(UNEP/OzL.Pro/ExCom/9/20, para. 32, Annex II).

(Supporting document: UNEP/OzL.Pro/ExCom/9/20 Annex II).

ANNEX II.9: TERMS OF REFERENCE OF THE MONITORING, EVALUATION, AND FINANCE SUB-COMMITTEE

The Executive Committee at its Twenty-first Meeting decided to create a standing sub-committee entitled the Monitoring, Evaluation and Finance Sub-Committee which will replace the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee.

The Sub-Committee will be a standing committee. It will be appointed for a period of one year coinciding with the term of the Chair and Vice-Chair of the Executive Committee. In accordance with past practice, the Chair of the Sub-Committee will be determined by the membership and alternate among members from one Meeting of the Parties to the next.

The Sub-Committee shall consist of three Executive Committee members from Parties operating under paragraph 1 of Article 5 of the Protocol and three members from Parties not so operating, as determined by the respective groups. The Treasurer and the Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies may be invited to participate. The Sub-Committee is empowered to require the attendance of any Implementing Agency on any matter causing concern to the Sub-Committee.

The Sub-Committee will be a closed Committee. Executive Committee members may be admitted as observers with the express agreement of the Chairman. With the concurrence of all members of the Sub-Committee, the Chairman could invite the observers to speak. Three representatives from non-governmental organizations (NGOs) - one nominated by environmental NGOs, one by industry NGOs and one by NGOs from the academic community - may observe the meeting of the Sub-Committee but may not participate.

The working language of the meeting of the Sub-Committee will be English.

The Sub-Committee will address issues concerning monitoring and evaluation of approved projects, progress reports, business plans, and the business planning process under the Multilateral Fund. All of the responsibilities of the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee are transferred to the Monitoring, Evaluation, and Finance Sub-Committee.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/35(para. 49).

ANNEX II.10: TERMS OF REFERENCE FOR THE SUB-COMMITTEE ON PROJECT REVIEW

The Executive Committee, at its Fifteenth Meeting, approved the terms of reference for the Sub-Committee on Project Review.

The Sub-Committee on Project Review will:

- (a) consider and review projects and activities submitted to the Executive Committee under bilateral co-operation; Implementing Agencies' work programmes; country programmes; and investment projects submitted by the Implementing Agencies;
- (b) address issues arising from projects and activities submitted to the Executive Committee in accordance with established guidelines and criteria;
- (c) identify and clarify outstanding policy issues arising from projects submitted to the Executive Committee;
- (d) report and make recommendations on the above to the Executive Committee; and
- (e) consider any other matter the Executive Committee deems appropriate.

The Sub-Committee shall consist of three Executive Committee members from Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and three Executive Committee members from Parties not so operating. The Chairman of the Sub-Committee will be determined by the membership and will alternate among members between Article 5 and non-Article 5 Parties from one Meeting of the Parties to the next.

The Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies are required to participate. The Sub-Committee may invite representatives of the established Technical Advisory Group and the Group on Production of Substitutes or other experts to participate in the meetings.

The Sub-Committee will be a Standing Committee. It will be appointed for a period coinciding with the terms of the office of the Chairman and Vice-Chairman of the Executive Committee.

The Sub-Committee will convene its meetings as determined by the Executive Committee.

The Sub-Committee will be a closed Committee. Executive Committee members may be admitted as observers with the express agreement of the Chairman. With the concurrence of all members of the Sub-Committee the Chairman could invite the observers to speak. Three representatives from non-governmental organizations (NGOs) -one nominated by the environmental NGOs, one by industrial NGOs and one by NGOs from the academic community- may observe the meeting of the Sub-Committee but may not participate. Implementing agencies will explain details of projects before the Sub-Committee and provide information to assist the Sub-Committee in its deliberations.

The Sub-Committee will require final details of all projects it is to consider to be distributed to members no later than seven days before the meeting.

The working language of the meetings of the Sub-Committee will be English."

(UNEP/OzL.Pro/ExCom/15/45, para. 173).

(UNEP/OzL.Pro/ExCom/20/72, Annex VII).

ANNEX II.11: TERMS OF REFERENCE FOR THE EXPERT GROUP ON THE PRODUCTION OF SUBSTITUTES FOR OZONE-DEPLETING SUBSTANCES

Title and Status: The title of this group is Expert Group on the Production of Substitutes for Ozone- Depleting Substances.

The Group would have an advisory status with the Executive Committee. It may attend the Meetings of the Executive Committee or a future production sector sub-committee if so requested by the Committee.

This Expert Group would:

- (a) advise on operational policies and guidelines on various technical and economic issues associated with the production of substitutes for ozone-depleting substances (ODS). In formulating such advice, consideration should be given to non-global warming alternatives, wherever possible.
- (b) draft the terms of reference for an audit of the ODS producing industries in each of the ODS producing Article 5 countries.

The purpose of such an audit is to examine:

- the structure and status of the existing plants;
- the current technologies applied;
- the likely conversion paths, taking into consideration the countries' strategies for phasing out ODS, the industrial policy of the country, the economies of scale and the market development; and
- estimate at national level a minimum the country should receive as incremental capital and operating costs to convert/close all of its existing ODS producing industries.

The end product from this audit will serve as the framework against which the Executive Committee will review production sector projects from that country.

- (c) advise on any other issues in the production sector as may be requested by the Executive Committee.

The composition of the Group would be as follows:

- (a) fields of expertise required:

- chemical engineering, with emphasis on process engineering in fluorochemical industry and not-in-kind substitutes such as high purity hydrocarbons and ammonia;
- technology transfer with background in fluorocarbon and chlorofluorocarbon production; and
- knowledge in ODS and substitute production and marketing.

- (b) principles in selecting membership

Bearing in mind that this is an Expert Group established for a very specialized subject, the following principles are proposed to be followed in selecting the membership:

- members of the Group serve on the Group in their own capacity and not as representatives of the organizations they belong to;
- technical and professional expertise;
- balance between Article 5 and non-Article 5 countries with due regard for geographical representation; and
- independence of the individuals.

For effective conduct of business, it is proposed to limit the size of the Expert Group to ten members.

The Group will work closely with the Fund Secretariat. The Chief Officer will be the contact point between the Group and the Executive Committee, and is responsible for providing Secretariat assistance to the Group in conducting its business. Meetings of the Group will be attended by representatives of the relevant Implementing Agencies that are likely to be involved in production sector projects.

The proceedings and the report of the meetings of the Expert Group remain confidential until they are cleared by the Group and presented to the Executive Committee.

The preliminary list of issues to be reviewed by the expert group includes:

Types of anticipated projects

1. conversion or partial conversion of existing CFC-11/12 manufacturing facilities to produce substitutes: e.g. HFCs (HFC-134a, HFC-152a), hydrocarbons (cyclopentane, iso-butane, etc.) ammonia, HCFCs.
2. shut down of equivalent ODS production capacities.

3. production of halon substitutes (e.g. ABC powder, CO₂, nitrogen).
4. shut down of equivalent halon production facilities.
5. establishing production facilities for the processing, production, storage or distribution of nonfluorocarbons, e.g. high purity hydrocarbons and ammonia.
6. enforced idleness of ODS plants.

Policy issues that are likely to be encountered

Technology transfer

- (a) availability of technologies to Article 5 countries;
- (b) terms and conditions of technology transfer from non-Article 5 country suppliers
 - patents, know-how (cost).
 - transfer to one enterprise, group of enterprises, or to the country
 - modalities of license payment, lump-sum, royalties, etc.
- (c) development of indigenous technology
 - feasibility
 - scope of support from the fund
 - timing
 - intellectual property rights
 - cost-effectiveness.

Incremental costs

- conversion and establishment of new production facilities
- what would be the baseline scenario?
- what would be the capital costs?
- what would be the operating costs?
- duration
- savings and benefits
- future revenues (and future price and sales estimate).
- designed or utilized capacities, growth projection.

Double-counting

- linkage with consumer sector in the country
- export potential to Article 5 vs. non-Article 5 countries
- certain costs which could be incurred in the shut-down of the old plant can be balanced at the stage when the new plant is constructed (e.g. unemployment insurance and foregone profits).
- project lifetime to be used as the basis for calculation.
- production vs. imports (cost-effectiveness, tariffs).
- preferential exports from Article 5 countries vs. savings to the Multilateral Fund.
- economies of scale: size of plants and project specific vs sector phase-out plans.

Shut down of ODS production facilities

- remaining useful life
- computation of profit foregone
- social benefits
- production capacity vs actual production and replacement of specific chemicals

Modernization and expansion of production

- How to measure direct (increased output) and indirect benefits (environmental, socio-environmental)?

Choice of technology

Possibility of developing cost norms on the basis of type of technology employed.

Other issues:

1. eligibility of funding raw material and feedstock production
 - shut down of CTC plants
 - new chlorinated solvents production facilities

- production of raw material vs. import (cost-effectiveness, safety concerns).
- 2. eligibility of funding production of chemicals and materials indirectly involved in ODS phase-out (optional).
 - polyols for foam-blowing, polyalkylene glycol and polyester lubricants
 - production vs. import

(UNEP/OzL.Pro/ExCom/15/45, para. 157).

(Supporting document: UNEP/OzL.Pro/ExCom/15/45, Annex II)