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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

SECRETARIAT ACTIVITIES

“The Secretariat of the Multilateral Fund wishes to acknowledge with gratitude the generous hospitality of the Government of Italy in contributing EUR 354,731 towards hosting the Thirty-eighth Meeting of the Executive Committee in Rome”.

1. This document provides a summary of the activities undertaken by the Fund Secretariat since the 37th Meeting of the Executive Committee.

Notification of the Decisions of the 37th Meeting of the Executive Committee

2. The report of the 37th Meeting, containing all the decisions of the Executive Committee, was distributed to all the Parties to the Montreal Protocol attending the 22nd Meeting of the Open-Ended Working Group that was held immediately after the meeting of the Executive Committee.

3. Decisions related to project approvals were sent to the relevant Article 5 countries, bilateral, and implementing agencies.

4. Decisions inviting comments on specific issues and draft papers prepared by the Secretariat were communicated, as directed by the Executive Committee, to members of the Committee, and the bilateral and implementing agencies, as pertinent.

5. Decisions requesting certain action by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee.

6. Resources covering all funding requests approved at the 37th meeting were transferred to the implementing agencies; approved bilateral activities were credited to the contributions of the relevant non-Article 5 Parties.

Submissions to the 38th Meeting

7. The Secretariat reviewed, commented on and prepared the required briefs on the following documents submitted by the bilateral and implementing agencies:

- (a) 2002 Work Programme Amendments of UNDP, UNEP, UNIDO and World Bank
- (b) 2003 Work Programme of UNEP
- (c) 139 investment and non-investment projects and activities totalling about US \$430.6 million;
- (d) Country programmes of Albania, Angola, Haiti and Jordan's country programme update.

8. The Secretariat has undertaken the following tasks:

Review of projects

9. The Secretariat reviewed 139 projects and activities, including sector and national phase-out plans to phase out a total of 19,707 ODP tonnes of controlled substances with associated value of US \$430.6 million. The level of funding requested for consideration by the Executive

Committee at its 38th Meeting amounts to US \$183 million. In addition, three country programmes and one country programme update were also submitted.

Funding of technology that is not in the public domain

10. Decision 37/62 requested the Secretariat to report to the 40th Meeting of the Executive Committee the draft guidelines on funding of technology that is not in the public domain after receipt of comments from members of the Committee and the World Intellectual Property Organization (WIPO). The Decision also requested the Secretariat to seek advice of the Technology and Economic Assessment Panel on their experience in this regard. The Secretariat has accelerated the process and finalized the document earlier for submission to the 38th Meeting.

Implementation of the Framework for the Strategic Planning of the Fund

11. The Secretariat convened a meeting early in September with the Implementing Agencies to discuss modalities and coordinate efforts for the preparation of the 3-year phase-out plan of the Multilateral Fund and the readjustment of the current regime of agency support costs and agency shares.

12. The Secretariat revised the draft guidelines for performance-based sector and national phase out plans in consultation with the Article 5 countries, following a two-step process as described in Decision 37/67. The revision is submitted to the 38th Meeting.

Production Sector

13. The Secretariat completed the bidding for the contract to conduct technical audits of the CTC/TCA production in China and CTC production in India. The selected firm was cleared by the Contract Committee of UNON. The contract for the Indian audit was awarded after India had submitted its data on the breakdown of CTC production between feedstock and other uses. The contract for China is pending since China has not submitted such data.

14. The Secretariat reviewed the CFC production closure project from Argentina and provided a briefing on the submission for the benefit of the Sub-group on the Production Sector. The final report on the technical audit of the CFC production sector in Mexico was also submitted to the Sub-group.

15. The Secretariat reviewed the 2003 Annual Work Programme of the China CFC production closure programme as well as the audit report of the halon production/consumption annual programme for China.

Monitoring and Evaluation

16. An evaluation team consisting of the Secretariat's Senior Monitoring and Evaluation Officer as well as a Senior Project Management Officer and two consultants went to India to evaluate on an evaluation mission of MAC and halon projects in India. Discussions by the team were also held in the Ministry of the Environment and Forests, companies and the Implementing Agencies (1-6 September 2002).

17. The Senior Monitoring and Evaluation Officer consolidated project completion reports submitted by bilaterals and implementing agencies, finalized the evaluation report on the aerosol sector, as well as the evaluation of MAC projects in India.

18. The draft monitoring and evaluation work programme for the year 2003 was prepared and submitted to the 38th Meeting of the Executive Committee

Meeting of the Parties to the Montreal Protocol

19. The terms of reference of the Executive Committee (UNEP/OzL.Pro.9/12, Annex V) require the Executive Committee to report annually to the Meeting of the Parties. The Secretariat has prepared a report summarizing the decisions of the 35th, 36th and 37th Meeting of the Executive Committee which were held since the Thirteenth Meeting of the Parties. The report will be up-dated immediately after the 38th meeting and will be distributed to the Parties at their 14th Meeting.

Fixed-exchange Rate Mechanism

20. The Secretariat continued its close consultation with the Treasurer and the Consultant who prepared the study on the Fixed-Exchange Rate Mechanism with the view of finalizing it for submission to the 14th Meeting of the Parties through the Ozone Secretariat.

World Summit on Sustainable Development

21. The Secretariat explored further the possibility of further participation at the World Summit on Sustainable Development (Decision 37/1) but the side event related to Summit was cancelled.

Documents and policy papers prepared by the Fund Secretariat

22. Of the documents submitted for consideration at the 38th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda of the Executive Committee
- Secretariat activities

- Provisional and annotated agendas of the Monitoring, Evaluation and Finance and Project Review Sub-Committees
- Evaluation report on MAC projects in India: follow-up to Decision 37/5 (c);
- Consolidated Project Completion Report: follow up on Decisions 26/11 and 35/8
- Draft Monitoring and Evaluation Work Programme for the year 2003.
- Project implementation delays
- Project balances;
- Project cancellations in light of country compliance (decision 37/8 (h));
- Proposed Budget of the Fund Secretariat for the year 2003;
- Overview of issues identified during project review;
- Project evaluation sheets and comments and recommendations on all the projects and activities submitted to the 38th Meeting;
- Funding of technology that is not in the public domain: follow-up to Decision 37/52;
- Refrigeration Management Plans and Terminal Phase-Out Management Plans (Decision 37/70 (a));
- Revised guidelines for the preparation , implementation and management of performance-based sector and national ODS phase-out plans: follow-up to Decision 37/67
- 2003-2005 phase-out plan for the Multilateral Fund (Decision 37/68 (b));
- Administrative support costs and agency shares ;
- Performance indicators;
- Comments on Country Programmes of Albania, Angola and Haiti and Jordan's Country Programme Update;
- Draft report of the Executive Committee to the 14th meeting of the Parties to the Montreal Protocol;
- Report on the technical workshop on concessional lending (Decision 35/61 (d));
- Framework for an Information Strategy for the Multilateral Fund (Decision 37/1 (b)).

Meetings attended and missions undertaken

23. During the reporting period, the Secretariat participated in a Technical workshop on concessional lending in L'Estérel, Canada on 22 July 2002.

Missions of the Chief Officer:

Egypt: (14 –17 September 2002)

24. With the Chairman of the Executive Committee to meet with the Minister of Environment and other Senior Government Officials and to address a selected audience from industry, Government and academia on the occasion of the Ozone Day in a seminar organized by Cairo University. A meeting was also held with UNDP Resident Representative. A methyl bromide demonstration project site was visited.

France (18-19 September 2002)

25. The Chief Officer participated in an informal consultation on the CAP programme convened by UNEP, Division of Technology Industry and Economics on 19-20 September in Paris, France. The meeting was preceded by a one day “brainstorming” meeting on compliance organized by the Executive Secretary of the Ozone Secretariat. The meetings were also attended by the Chairman and Vice-Chairman, as well as some members of the Executive Committee, and representatives of the implementing agencies.

Japan: (7-9 October 2002)

26. With the Chairman and Vice-Chairman of the Executive Committee in a visit to Japan in which the following activities were undertaken:

- Courtesy call to the Minister of Environment and senior officials in the Ministry
- Courtesy call to the Senior Vice-Minister in the Ministry of Economy, Trade and Industry
- Meetings with the Director General of Multilateral Cooperation Department, Ministry of Foreign Affairs and other senior officials
- Meeting with two members of the House of Representatives
- Meeting with the Secretary General of Japan, Industrial Conference for Ozone Layer Protection
- Meetings with representatives of NGOs
- Participation in a seminar on “International Strategy on Ozone Layer Protection, Role of the Multilateral Fund for the Montreal Protocol” in the Institute of Advanced Studies of the United Nations University organized by the Ministry of Foreign Affairs in cooperation with the Ministry of Economy, Trade and Industry. The seminar was opened by the Rector of the University and the Vice-Chairman of the Executive Committee and was attended by University professors, researchers, experts, media and experts in relevant organizations.
- Visited a recycling facility which utilizes a sustainable technology to reclaim ODSs from redundant appliances and recycles metals, plastics, etc.

China: (10-18 October 2002)

- Meetings with the Minister and the Deputy Minister of the Environment (SEPA)
- Meetings with the Director and staff of the Foreign Economic Cooperation Office of the State Environment Protection Agency
- Visit to Lang Fang Industry Park
- Visit to an enterprise in the city of Dalian, which was partially assisted through the approved Halon sector strategy of China to produce an efficient substitute for halon 1211 from recycled plant products (with the Chairman of the Executive Committee)
- Attended the GEF Council meeting (with the Chairman of the Executive Committee)
- Made a statement to the 2nd GEF Assembly on the Multilateral Fund
- Participated in a workshop organized by the Ministry of Environment, the Ministry of Finance on “GEF and Environment Protection in China”
- Discussions with representatives of China Household Electrical Appliance Association and other industrial associations
- Discussions with the Director of Foreign Economic Cooperation Office (SEPA) on China’s domestic refrigeration phase-out plan and that of process agents.

Secretariat Staff

27. Ms. Julia Anne Dearing joined the Secretariat on 13 September 2002 as the newly recruited Information Management Officer.

Planning for the 38th Meeting of the Executive Committee

28. The Secretariat communicated and discussed with the implementing agencies the various actions required by them and by the Secretariat as a result of decisions taken at the 37th Meeting of the Executive Committee, as well as actions outstanding from reports of earlier meetings of the Executive Committee.

Preparation for the meetings of the Executive Committee and its Sub-Committees

29. Letters of invitation and meeting documentation were dispatched to members of the Executive Committee, the President of the Bureau, the President and the Vice-President of the Implementation Committee, the Ozone Secretariat, the Implementing Agencies and NGOs.

30. At the invitation of the Government of Italy, the Fund Secretariat arranged for the Meetings of the Sub-Committee on Project Review, the Monitoring, Evaluation and Finance Sub-Committee and the 38th Meeting of the Executive Committee to be held in Palazzo Confindustria, Rome, Italy.

31. For the purpose of logistics coordination, the Administrative and Fund Management Officer travelled to Rome, 5-9 October 2002 and met with the Ministry of the Environment and Territory to prepare the 38th Executive Committee Meeting

Review and update of databases, documents and operational guidelines by the Fund Secretariat

32. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines:

- Inventory of Approved Projects as at July 2002;
- Policies, Procedures, Guidelines and Criteria as at July 2002;
- Country Programmes Summary Sheets as at July 2002;
- Project Completion Reports Summary Sheets; and
- Meeting documents and reports added to the web site of the Fund Secretariat.
