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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fifth Meeting
Montreal, 4-8 April 2005

SECRETARIAT ACTIVITIES

Notification of the Decisions of the 44th Meeting of the Executive Committee

1. The report of the 44th Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 44th Meeting and to all Parties to the Montreal Protocol. Additionally, decisions related to project approvals were sent to the relevant Article 5 countries, and to bilateral and implementing agencies. A post-meeting document summarizing decisions made at the 44th meeting was sent by email to all meeting participants, Parties to the Montreal Protocol, Regional Network Officers of UNEP's Compliance Assistance Programme (CAP), and placed on the Multilateral Fund web site. A press release was also issued and posted on the web site.
2. Decisions requesting certain actions by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee for follow-up.
3. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 44th meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

Summary of submissions to the 45th Meeting

4. The Secretariat has undertaken the following tasks in preparation for the 45th Meeting.

Resource availability, allocation and business planning

5. In accordance with decision 41/92, the Secretariat prepared information on the availability of resources vis-à-vis the business plans and the status of compliance.
6. This information included a review of the obligated total balances from completed projects held by agencies and any agency support costs associated with the funds remaining from those completed projects, and a calculation of the total amount of resources available to the Executive Committee for approvals at the 45th meeting. Resources comprise cash and promissory notes recorded in the Status of Contributions plus the amount of funds returned from completed projects in the form of balances.
7. In order to facilitate the discussion of the agencies' business plans at the 45th meeting, the Secretariat prepared an updated model rolling three-year phase-out plan to reflect projects and activities approved at the 44th meeting (UNEP/OzL.Pro/ExCom/45/Inf.3).

Monitoring and Evaluation

Evaluation of customs officers training and licensing system projects

8. In response to decision XIV/7 of the Parties to the Montreal Protocol, the Executive Committee decided to undertake an evaluation of customs officers training projects and licensing system projects, which will be presented to the 17th Meeting of the Parties (decision 43/41). The report, based on surveys, case studies and field visits, has been submitted as document UNEP/OzL.Pro/ExCom/45/11 to the 45th Meeting of the Executive Committee. Input

from the Executive Committee will be incorporated into the document prior to its submission to the 25th meeting of the Open Ended Working Group (OEWG) in July 2005 and the 17th Meeting of the Parties in December 2005.

Desk study on the evaluation of phase-out plans

9. The aim of the evaluation of national and sector phase-out plans is to review the experiences gained so far in the implementation of such plans, to determine whether the anticipated benefits have accrued and draw lessons for future agreements and for possible adjustments to plans in progress.

10. A consultant was contracted by the Secretariat to prepare the desk study. In early February, he attended the inter-agency coordination meeting in order to present the methodology for and preliminary findings of the study to the implementing agencies and to seek their input and feedback. The desk study submitted to the Executive Committee (UNEP/OzL.Pro/ExCom/45/12) identifies more specific evaluation issues and presents a work plan for the second phase of the evaluation which will include field visits.

Project Review

11. The Secretariat reviewed 158 projects and activities from 23 Article 5 countries with a total level of funding, as submitted, of US \$75,441,681 million. In addition, two country programmes from Afghanistan and Bhutan, and production sector projects in China and Venezuela were reviewed.

Report on the operation of the Executive Committee (follow-up to decision 44/57)

12. At the 44th meeting, the Executive Committee decided to renew the arrangement by which the work of the Executive Committee took place in plenary rather than in sub-committees and to continue discussing, throughout 2005, the issues of reducing the number of Executive Committee meetings and establishing a procedure for inter-sessional approval. In order to facilitate further discussion, the Secretariat prepared a document (UNEP/OzL.Pro/ExCom/45/48) that presented a compilation of the views of Executive Committee members and estimates of the financial implications of various scenarios for two or three meetings per year.

Report on programme support costs of bilateral cooperation projects (follow-up to decision 43/40)

13. In view of decision 43/40, the Secretariat placed the issue of the flexible use of bilateral agency support costs on the agenda of the Inter-agency Coordination Meeting. Based on remarks from this meeting and discussion at the 43rd Meeting of the Executive Committee, the Secretariat prepared document UNEP/OzL.Pro/ExCom/45/49 that presents a review of the level of support costs received by agencies with ongoing annual bilateral programmes for the period

1999-2004, a possible budget for a core unit fund, and a review of the possible level of support costs for bilateral agencies based on the value of projects in their 2005 business plans.

Workshop on common terminology and procedures for the reconciliation of accounts (follow-up to decision 44/55 (d))

14. A workshop took place in Montreal on 1 February 2005 in response to the Executive Committee's request for the Treasurer, the Implementing Agencies and the Secretariat to address common terminology and procedures for the reconciliation of the accounts (decision 44/55(d)). The results of the workshop are presented to the Executive Committee as document UNEP/OzL.Pro/ExCom/45/50.

Report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (follow-up to decision 44/60).

15. Following the 44th meeting, the Secretariat requested the members of the Executive Committee for 2004 and 2005, bilateral and multilateral implementing agencies and the Treasurer to provide feedback on the 28 recommendations contained in 2004 Evaluation and Review of the Financial Mechanism of the Montreal Protocol. Based on responses from Brazil, Canada, France, Zambia and the four multilateral implementing agencies, the Secretariat compiled a recommendation-by-recommendation review of each of the 28 recommendations (UNEP/OzL.Pro/ExCom/45/51).

ODS phase-out activities in the chiller sector, including chiller replacements, awareness actions and measures for the effective use of the recovered refrigerant (decision 44/61).

16. At the 16th Meeting of the Parties the Executive Committee was requested to address a number of issues in the chiller sector, including an assessment of the portion of the refrigeration service sector made up by chillers and identification of incentives and impediments to the transition to non-CFC equipment (decision XVI/13). In order to facilitate the Committee's discussion, the Secretariat prepared an information document presenting the historical background of activities in the chiller sector and related decisions, and highlighting the major findings of the report of the TEAP Chiller Task Force (UNEP/OzL.Pro/ExCom/45/Inf.3).

Process agent uses in Article 5 Parties and their related emission levels (decision 44/65)

17. At its 44th Meeting, in response to decision XV/7 of the 15th Meeting of the Parties to the Montreal Protocol, the Executive Committee decided to prepare a catalogue of process agent uses and their related emissions in Article 5 countries (decision 44/65). The Secretariat retained a consultant to undertake the necessary study. Questionnaires were forwarded, with covering letters from the Chief Officer, to the National Ozone Officers of all countries that have reported either process agent uses or the consumption of CTC or CFC-113 greater than 1 ODP tonne in the solvents sector in their data reports to either the Fund or Ozone Secretariats. The purpose of the questionnaire was to establish, to the extent possible, accurate statistics on consumption of ODS for process agent use and also to establish estimates of ODS emissions from all the

reported process agent uses. The output of the study forms the basis of the paper prepared for the Executive Committee (UNEP/OzL.Pro/ExCom/45/53).

Production Sector

Methyl bromide production in China

18. Following the 44th meeting, the draft report of technical audit on methyl bromide production in China was completed and sent to the Government of China for comment. The report will be finalized by the Secretariat taking into account the comments of the Government of China and the consultant's response to those comments.

ODS Production in Romania

19. A consultant was contracted for the technical audit of ODS production in Romania. Work commenced on the audit in January 2005 with the transmittal of the questionnaires intended for four Romanian enterprises to the Government of Romania. Plans are in place for the consultant to visit all four enterprises in the second half of March 2005. If the audit stays on schedule, a report will be available for Sub-group members at the 45th Meeting.

Documents and policy papers prepared by the Fund

20. Of the documents submitted for consideration at the 45th Meeting, the following were prepared by the Fund Secretariat (this list does not include the review of individual project proposals):

- (i) Provisional agenda and annotated agenda of the Executive Committee;
- (ii) Secretariat activities;
- (iii) Report on balances report and availability of resources;
- (iv) Consolidated 2005-2007 business plan of the Multilateral;
- (v) Report on the evaluation of customs officers training and licensing systems projects;
- (vi) Extended desk study on the evaluation of national phase-out plans;
- (vii) Project implementation delays;
- (viii) Report on implementation of approved projects with specific reporting requirements;
- (ix) Overview of issues identified during project review;

- (x) Bilateral co-operation;
- (xi) Comments and recommendations the 2005 work programmes of UNDP, UNIDO and the World Bank and the 2005 work programme amendments of UNEP;
- (xii) Project evaluation sheets and comments and recommendations on all the projects and activities submitted to the 45th Meeting;
- (xiii) Comments on the country programmes of Bhutan;
- (xiv) Review of requirements for further assistance for the post-2007 period in low volume-consuming countries (follow up to decisions 31/48 and 43/37)
- (xv) Report on the operation of the Executive Committee (follow-up to decision 44/57);
- (xvi) Report on programme support costs of bilateral cooperation projects (follow-up to decision 43/40);
- (xvii) Report on the workshop on common terminology and procedures for the reconciliation of accounts (follow-up to decision 44/55 (d));
- (xviii) Report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (follow-up to decision 44/60);
- (xix) ODS phase-out activities in the chiller sector, including chiller replacements, awareness actions and measures for the effective use of the recovered refrigerant (decision 44/61);
- (xx) Process agent uses in Article 5 Parties and their related emission levels (decision 44/65);
- (xxi) Updated model rolling three-year phase-out plan: 2005-2007 (as of the 44th Meeting of the Executive Committee);
- (xxii) Review of the Executive Committee's activities in the chiller sector.

Meetings attended and missions undertaken

Missions of the Chief Officer

Cairo, Egypt (19-19 February 2005)

21. The Chief Officer visited Cairo, Egypt for discussions with Dr. Omar El Arini, Honorary Chief Officer of the Multilateral Fund, and to attend meetings with the Egyptian Minister of Environment and senior officials regarding Egypt's methyl bromide national phase-out plan which has experienced substantial delays in initiation.

Nairobi, Kenya (21-25 February 2005)

22. The Chief Officer travelled onwards to Nairobi to attend the 23rd Session of the UNEP Governing Council where she made a presentation to the Council on the achievements of, and future challenges for the Multilateral Fund. She also attended a bilateral meeting with representatives of the Russian Federation to discuss the issue of Russia's contributions to the Multilateral Fund and the correspondence sent by the Chief Officer to the Deputy Prime Minister and the Ministries of Foreign Affairs and Natural Resources. At that meeting, the Deputy Minister from the Russian Ministry of Natural Resources indicated that the letter to the Deputy Prime Minister sent by the Chief Officer in December 2004 as a follow-up to decision 44/1, was being considered by the relevant Ministries within the context of Russia's participation in the Montreal Protocol, including the Multilateral Fund, and that a reply would be sent in due course.

Missions of other Secretariat Staff

23. The Senior Monitoring and Evaluation Officer and two consultants travelled to the Philippines and Thailand (4 -18 December 2004) to visit the national ozone units, project management units, service workshops, training centres and customs authorities in order to collect information and prepare case studies for three evaluation studies: the evaluation of customs training and licensing projects, the evaluation of phase-out in the refrigeration servicing sector in non-LVC's, and the desk study on national and sector CFC phase-out plans.

24. The Senior Monitoring and Evaluation Officer, one UNDP staff-member and two consultants travelled to Costa Rica, 29 January to 2 February 2005 to visit the Minister of Environment, the national ozone unit, project staff and several farms and farmers' associations. The purpose of the mission was to collect information for the evaluation of methyl bromide projects, to brief the consultants on the evaluation methodology, and to plan the methyl bromide evaluation synthesis report.

25. The Administrative and Fund Management Officer travelled to Dakar, Senegal (1-3 March 2005), and together with representatives of the Ozone Secretariat visited venues in preparation for the 47th meeting of the Executive Committee, in case it is decided by the Committee that the meeting should take place in Senegal.

26. The Deputy Chief Officer (Economic Cooperation) will attend the regional network meeting for Europe and Central Asian to be held in Bucharest, Romania (23-25 March 2005). This will provide an opportunity to solicit the views of national ozone unit officers on the proposed qualitative performance indicators developed at the 44th Meeting of the Executive Committee (decision 44/6). The Fund Secretariat plans to have representatives at all regional network meetings to address decision 44/6.

Inter-Agency Coordination Meeting

27. In order to facilitate preparations for the 45th meeting, the implementing agencies and the Fund Secretariat held an Inter-Agency Coordination Meeting on 2-3 February 2005. Participants included Secretariat staff, all four multilateral implementing Agencies, representatives of the Ozone Secretariat and of bilateral agencies of Canada, Japan, and Sweden. One of the specific objectives of the meeting was to facilitate an examination of agencies' draft business plans for 2005-2007.

28. The meeting allowed the Secretariat and agencies to discuss a wide range of issues including financial planning, the three year rolling phase-out plan 2005-2007, the need to address countries with actual or potential compliance difficulties, the flexible use of programme support costs on bilateral projects as per decision 43/40, criteria for the assessment of the progress reports and verification of multi-year agreements, phase-out requirements and assistance post-2007 (review under decision 31/48), the phase-out of CTC/TCA/MB in very low-consuming countries, and the desk study on the evaluation of national and sector phase-out plans.

Seminar on the draft criteria on verification and data reporting for refrigerant management plans (RMPs) and multi-year agreements

29. Pursuant to decision 44/58 the Secretariat made arrangements for a seminar on the draft criteria on verification and data reporting for RMPs and multi year agreements to take place immediately after the 45th Meeting of the Executive Committee on Saturday 9 April 2005.

Secretariat Staffing

30. The Secretariat initiated a request to advertise the post of the Senior Project Management officer in early July 2004 since the present incumbent, Mr. Valery Smirnov, would retire at the end of May 2005. The vacancy for the post was eventually published in the United Nations Galaxy system in February 2005. Given the delay, which was due to technical problems in the translation module of Galaxy, the Secretariat does not expect the recruitment process to be finalized before September 2005. For this reason, the Secretariat requested a four month extension of Mr. Smirnov's contract until the end of September 2005.

Preparation for the 45th meetings of the Executive Committee

31. Logistical arrangements were made for the 45th Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 4-8 April 2005. Letters of invitation and meeting documentation were dispatched to members of the Executive Committee, the President of the Bureau of the 16th Meeting of the Parties, the President and Vice President of the Implementation Committee, the Executive Director of UNEP, the Executive Secretary of the Ozone Secretariat, the Implementing Agencies, the Treasurer and NGOs.

Information Activities

32. Chinese, English, French and Spanish reports of the 44th meeting, a post meeting summary and a news release were posted on the public web site (www.multilateralfund.org).

The post meeting summary was added to the public web site along with a news announcement on the outcome of the 44th Meeting.

33. A new area containing documents and logistical information on the 45th meeting was published on the Multilateral Fund intranet. In addition, documents from the 37th to the 45th meeting were also made available. The Evaluation and Production Sector areas of the intranet were also updated prior to the 45th meeting.

34. Chinese, English, French and Spanish reports of the 44th meeting, a post meeting summary and a news release were posted on the public web site (www.multilateralfund.org).

35. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 45th meeting:

- Inventory of Approved Projects as of December 2004,
- Country Programme Summary Sheets as of December 2004,
- Policies, Procedures, Guidelines and Criteria as of December 2004.
