



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

Post Meeting Summary of Decisions of the 45th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

Introduction

The 45th Meeting of the Executive Committee, which took place in Montreal from 4 to 8 April 2005, was attended by the representatives of the 14 Executive Committee member Parties and by participants from 18 other co-opted countries (see attached list). Mr. Paul Krajnik of Austria, Chair of the Executive Committee for 2005, presided over his first meeting. The President and Vice President of the Implementation Committee, representatives of the Technology and Economic Assessment Panel (TEAP) and a representative of the Environmental Investigation Agency also attended the meeting.

2005 marked an important milestone in the history of the Montreal Protocol, with Article 5 countries' Montreal Protocol measures now halfway to achieving the total phase-out of CFC and halon production and consumption, and with carbon tetrachloride production and consumption limits being cut to just 15 per cent of each country's baseline consumption.

The Committee followed its standard programme of work for the first meeting of the year which included the consideration of business plans and implementing agencies' work programmes. A number of policy issues were addressed including funding for chiller projects, HCFC surveys, and projects for the management and destruction of waste ozone depleting substances (ODS).

In all, the Executive Committee took a total of 64 decisions; the most significant decisions and discussions are outlined below.

Resource availability, allocation and business planning

Availability of resources (Decision 45/3)

At the outset of the meeting, the Executive Committee examined the availability of financial resources. An estimated US \$88,629,484, consisting of cash, promissory notes, and balances returned, was available. This amount was sufficient to fund the projects and activities that were under consideration at the 45th Meeting.

Business plans for 2005-2007 (Decision 45/4 to 45/9)

The review of agencies' three-year business plans is part of the standard programme of work for the first meeting of the year. Plans are considered vis-à-vis the compliance-oriented model/three year phase-out plan and the Committee addresses issues such as resource allocation, implementation and compliance.

The 2005-2007 business plans for four multilateral (UNDP, UNEP, UNIDO and the World Bank) and 9 bilateral agencies covering nine donor countries identified a total of US \$244.5 million in projects and activities for 2005. Increased efforts on the part of agencies would be necessary to phase-out a target of 96,734 ODP tonnes of production and consumption of controlled substances in 2005.

The Executive Committee established a funding window for the chiller sector in 2005, amounting to US \$15.2 million, and asked the Secretariat to prepare a study, with input from the implementing agencies, on criteria and modalities for chiller demonstration projects, including how different regional funds for the chiller sector might come into operation. Chiller demonstration projects would be considered at the 47th meeting in November 2005, within the funding window for a global chiller programme and based on the criteria to be agreed at its 46th Meeting. (Decisions 45/5 to 45/8).

The Executive Committee decided that HCFC surveys could be kept in the business plans on the understanding that the goal of the surveys was to enable the Executive Committee to establish an eligible national aggregate level of HCFC consumption in the future against which proposals would be funded. (Decision 45/6).

The Committee also decided that transition strategies for non-CFC metered-dose inhalers (MDIs) could also be considered for all countries (Decision 45/4). US \$7.4 million for activities related to ODS destruction were maintained in business plans pending further consideration of the relevant policy issues at the Committee's 46th Meeting. (Decisions 45/4 to 45/6).

A country programme and a refrigerant management plan (RMP) for Eritrea were added to the UNEP and UNDP business plans, since Eritrea had ratified the Montreal Protocol in March 2005. These activities would be presented at the 46th meeting in July 2005. (Decisions 45/6 and 45/7).

Evaluation activities

Report on the evaluation of customs officers training and licensing system projects (Decision 45/10)

One emerging challenge to the Multilateral Fund was the growth in illegal trade in ozone depleting substances among Article 5 countries which caused a shift in the focus of compliance efforts towards new stakeholders such as customs agencies. In this respect the Executive Committee reviewed a report on the evaluation of customs officers training and licensing system projects. The report, which had been requested by the Fourteenth Meeting of

the Meeting of the Parties (MOP) would be forwarded to the 25th Meeting of the Open-ended Working Group scheduled for June 2005.

Project Implementation Delays (Decision 45/12)

At the 45th meeting a number of ongoing projects were classified as having implementation delays, i.e. projects expected to be completed over 12 months late or where the first disbursement had not occurred 18 months or more after project approval. These projects were subject to the Executive Committee's procedure for project cancellations and would continue to be monitored at subsequent Executive Committee meetings. Three projects were cancelled at the meeting: one global project and one project each in Iran and The former Yugoslav Republic of Macedonia.

Project approvals (Decisions 45/17 – 45/52)

The Executive Committee approved over US \$67 million for projects and associated support costs to phase out 12,672 ODP tonnes of consumption and 24,844 ODP tonnes of production of ozone depleting substances (ODS), and/or to fund extensions to institutional strengthening projects in 61 countries.

Following their approval of guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA (Decision 45/14), the Executive Committee approved projects for 12 countries that had been identified in the Secretariat's compliance oriented model as requiring assistance in that sector: Bahrain, Burundi, Croatia, Ethiopia, Morocco, Oman, Paraguay, Tunisia, Uruguay Venezuela, Yemen and Zambia. The technical assistance provided would assist the countries to sustain or complete the phase-out of the CTC and/or TCA and countries receiving such funding would not be eligible for further funding for these substances.

The Executive Committee made commitments worth some US \$31 million for new national plans for ODS phase-out in the Dominican Republic, The former Yugoslav Republic of Macedonia, Romania and Viet Nam. These countries made agreements with the Executive Committee to phase-out a combined consumption of nearly 400 tonnes of CFCs between 2005 and 2010.

Based on the policy decision (Decision 45/6) made in the context of UNDP's business plan, the Executive Committee took the first steps to address hydrochlorofluorocarbons (HCFCs). US \$1.2 million was approved for projects to conduct HCFC surveys in 12 countries: Argentina, Brazil, Colombia, India, Indonesia, Iran, Lebanon, Malaysia, Mexico, Sri Lanka, Syria and Venezuela (Decision 45/28).

Country Programme of Bhutan (Decision 45/53)

A country programme lies at the core of each developing country's strategy for ODS phase-out and is the means by which a country reviews its production and consumption of

ODS and defines a strategy and action plan for achieving their elimination. The Executive Committee endorsed the country programme of Bhutan which ratified the Montreal Protocol in August 2004, and also approved US \$90,000 for a refrigerant management plan (RMP) as part of the country programme (Decision 45/37).

Review of requirements for further assistance for the post-2007 period in low volume-consuming countries (Decision 45/54)

The phase-out of CFCs in the refrigeration servicing sector has long been one of the Executive Committee's priorities. The Montreal Protocol requires developing countries to reduce total CFC consumption and production by 85 per cent not later than 2007, and to achieve complete CFC phase-out by 2010. The Committee decided on a regime to make additional funds available to assist smaller countries to complete the phase-out of the final 15 per cent of CFCs, noting that this would be among the least cost-effective areas to be funded and that the effort required would be correspondingly greater.

Report on the operation of the Executive Committee (Decision 45/56)

The Executive Committee examined the financial implications of reducing the number of meetings per year and decided that meetings would continue to be held three times a year in light of the continuing heavy workload of the Committee. The majority of members felt strongly that the relatively small savings that could be generated by reducing the number of meetings from three to two were not great enough to warrant a change in the way the Committee worked. Since there were also some concerns that holding fewer meetings could lead to hold-ups in project implementation because of reduced opportunities to approve projects, the Committee decided to reconsider proposals for the establishment of an intersessional approval procedure during the 46th Meeting in July 2005.

Report on the workshop on common terminology and procedures for the reconciliation of accounts (Decision 45/58)

The Executive Committee considered a report from a workshop on common terminology and procedures which had been held in February 2005 with the aim of facilitating the process of reconciliation of accounts. The Committee asked for further work to be carried out by the Secretariat in cooperation with the Treasurer and the implementing agencies to finalize the detailed description of procedures, roles and responsibilities for the reconciliation of the accounts and develop a manual/primer on reporting and recording of the Multilateral Fund accounts.

Report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (Decision 45/59)

A contact group, which met during the 45th Meeting, drafted and presented an assessment report on the twenty-eight recommendations from the report of the 2004 evaluation and review of the financial mechanism of the Montreal Protocol which was being considered by the Executive Committee. The Committee agreed that the report containing a summary of actions taken on the recommendations of the study on the financial mechanism

would be submitted to the 25th Meeting of the Open-ended Working Group (OEWG) in July 2005.

The Executive Committee also made a number of other decisions based on its consideration of the evaluation and review, namely: pre-session meeting documentation would be classified as “General Distribution” from the 46th Meeting onwards, with the exception of any project documents for which a Party requested restricted access pending the Executive Committee’s consideration of the matter; an Executive Committee primer including a summary of relevant decisions, procedures related to the approval of ODS phase-out projects, and rules and practices of the Executive Committee would be prepared in time for the 47th Meeting; and a lessons-learned document based on how to avoid future project delays would be considered at the 46th Meeting of the Executive Committee. The Committee also asked the Treasurer to report on progress in documenting the Treasurer’s internal procedures and practices annually until the procedures had been fully documented.

Process agent uses in Article 5 parties and their related emission levels (Decision 45/61)

The Executive Committee examined a report containing a technical study to catalogue process agent uses and their related emission levels in Article 5 countries. This report had been prepared in response to Executive Committee decision 44/65 and decisions X/14 and XV/7 of the Meeting of the Parties on the use of controlled substances as process agents. A final report would be submitted to the 25th OEOWG in July 2005 together with the technical study.

Production Sector (Decision 45/62)

The Executive Committee reconstituted the Sub group on the Production Sector for 2005 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. The Subgroup was expected to review three investment projects in 2005, including the phase-out methyl bromide production in China, the phase-out the production of CFC, CTC and methyl bromide in Romania, and the second phase of the CTC sector phase-out plan in China.

Based on the outcome of the Subgroup’s discussions in the margins of the 45th meeting, the Executive Committee approved funds for the project preparation of the methyl bromide production phase-out project in China, and for the project preparation of the ODS production phase-out project in Romania.

46th and 47th Meetings of the Executive Committee (Decision 45/64)

The 46th Meeting of the Executive Committee would be held from 4 to 8 July 2005 in Montreal back-to-back with the Meeting of the Open-ended Working Group. The Committee decided that the 47th Meeting would be held from 21 to 25 November 2005 in Montreal.

Report of the Forty-fifth Meeting

For a complete record of all decisions made at the 45th meeting including those discussed in this document, the reader is referred to the ‘Report of the Forty-fifth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal

Protocol' (UNEP/OzL.Pro/ExCom/45/55; the report can be found on the Multilateral Fund's web site (www.multilateralfund.org) in Arabic, English, French, and Spanish.

Annex 1 - Attendance at the 45th meeting of the Executive Committee

Executive Committee Members	Co-opted countries
Non Article 5	
Austria (Chair)	Sweden
Belgium	
Canada	
Czech Republic	
Japan	
United Kingdom	France, Germany, Italy
United States of America	
Article 5	
Brazil	Argentina and Colombia
Cuba	Dominican Republic and Mexico
Niger	Gabon and Guinea
Syria (Vice Chair)	Iran and Jordan
The Former Yugoslav Republic of Macedonia	Bosnia and Herzegovina and Kyrgyzstan
Thailand	China and India
Zambia	Sudan and Namibia