



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/46/2
13 June 2005

ORIGINAL: ENGLISH



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

SECRETARIAT ACTIVITIES

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Notification of the Decisions of the 45th Meeting of the Executive Committee

1. The report of the 45th Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 45th 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 45th 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.
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 45th 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 46th Meeting

4. The Secretariat has undertaken the following tasks in preparation for the 46th Meeting.

Status of resources and 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 46th 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. The Secretariat examined approvals to date together with the total amount of funds requested at the 46th Meeting in view of the allocations in the 2005 business plan, and highlighted projects in the business plans that have not been submitted but are needed to assist countries to return into compliance with the current control measures of the Montreal Protocol. An assessment of the forward commitments approved to-date and the additional commitments submitted to the 46th Meeting for approval was prepared.
8. The Secretariat requested National Ozone Units to provide data on progress of implementation of country programmes for the year 2004, and in some cases for one or more years in the period 2002-2003. Using the data, the Secretariat prepared its annual update of the status of compliance of Article 5 countries. In the analysis, the phase-out from ongoing projects was deducted from the last reported consumption in order to indicate the prospects of countries

in achieving compliance. An update on the status of implementation of ongoing projects for all Article 5 countries that have been found to be in non-compliance, and of the ODS sectoral consumption data on the implementation of country programmes was also prepared.

Monitoring and Evaluation

9. As a follow-up to the Desk study on methyl bromide (MB) projects in horticulture, cut flowers, tobacco and post-harvest uses (UNEP/OzL.Pro/ExCom/43/8), a field study including visits to and case studies in 13 countries was carried out. The final report of the study is submitted as document UNEP/OzL.Pro/ExCom/46/7.

10. In line with the 2005 Monitoring and Evaluation Work Programme, a desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform was prepared and presented as document UNEP/OzL.Pro/ExCom/46/8.

Consolidated progress report

11. The Secretariat compiled data from all of the implementing and bilateral agencies to summarize the progress and financial information on projects and activities supported by the Multilateral Fund up to 31 December 2004.

Evaluation of the implementation of the 2004 business plans and follow-up to decision 45/59 (c)

12. The Secretariat reviewed and evaluated the implementing agencies' investment project targets and achievements based on the performance indicators adopted in decision 41/93, the targets adopted by the Committee in decisions 42/8 to 42/11, and the implementing agencies' progress and financial reports submitted to the 46th Meeting of the Executive Committee. The Secretariat also prepared an analysis of trends with reference to 9 quantitative performance indicators used in prior year evaluations.

Qualitative performance indicators

13. In response to decision 44/6, Secretariat staff facilitated discussions on qualitative performance indicators at regional network meetings of national ozone officers in March and April 2005. The results of discussions and information on the feasibility and desirability of extending current performance indicators to bilateral implementing agencies were compiled in document UNEP/OzL.Pro/ExCom/46/17.

Project Review

14. The Secretariat's review of projects and activities submitted by implementing agencies, resulted in a recommendation for blanket approval of a total of 31 annual tranches, projects and activities amounting to US \$19,005,188. Ten investment projects and other activities with a total value of US \$3,924,395 were withdrawn or deferred, including projects which did not provide adequate information on projects where eligibility was in doubt.

Study on criteria and modalities for chiller demonstration projects (decision 45/4 (d))

15. In response to decision 45/4(d), the Secretariat prepared 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.

Review of the administrative cost regime (decision 44/7)

16. Administrative costs of UNDP, UNIDO, and the World Bank had changed in November 1998 from a flat rate of 13 per cent applied to all projects, to a graduated scale (decision 26/41), and to a lower scale in December 2002 that included a core unit grant of US \$1.5 million per year per agency (decision 38/68). In response to decision 44/7 (c) and (d) made during the annual review of the administrative cost regime, the Secretariat reviewed the level of administrative costs incurred by agencies for core units and other activities, the amount of revenue for administrative costs available to agencies, and made recommendations for revising the current regime to account for recent trends and expected requirements.

Report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances (decision 44/63)

17. In response to decision 44/63 the Secretariat compiled decisions and other relevant information provided by the Meeting of the Parties and the Executive Committee with respect to the indicative list of categories of incremental costs; collection, recovery, recycling and reclamation; refrigerant recovery; halon banking; methyl bromide; destruction of ODS.

Phase-out agreements: flexibility conditions (decision 45/15)

18. In response to decision 45/15 the Secretariat, in consultation with the implementing agencies, prepared a paper for consideration at the 46th Meeting of the Executive Committee defining the meaning of major changes in the use of funding and the need to document such changes in advance in the country's annual implementation programme. The Secretariat examined the flexibility conditions in consumption sector projects other than the methyl bromide sector, and made some suggestions for defining and managing major and minor changes to the allocation of funding in future agreements governing sector or national phase-out plans.

Criteria for the assessment of the progress reports and verification audits of multi-year agreements (decision 44/58)

19. The Secretariat revised the document "Criteria for the assessment of the progress reports and verification audits of multi-year agreements" (UNEP/OzL.Pro/ExCom/44/70) on the basis of the views expressed by Executive Committee members at the 44th Meeting and on the outcome of the workshop held on 6 April during the 45th Meeting.

Production Sector

20. The report of the technical audit of ODS production in Romania was completed by the consultant and was submitted to the Government of Romania for comment. The report will be available for Sub-group members at the 46th Meeting.

Documents and policy papers prepared by the Fund

21. Of the documents submitted for consideration at the 46th 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) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
- (iv) Amendment to monitoring and evaluation work programme for the year 2005;
- (v) Consolidated progress report;
- (vi) Comments and recommendations on 2004 progress reports of implementing and bilateral agencies
- (vii) Evaluation of the implementation of the 2004 business plans and follow-up to decision 45/59 (c);
- (viii) Qualitative performance indicators and feasibility and desirability of extending current performance indicators to bilateral implementing agencies (follow-up to decisions 44/6 and 45/59 (d) (ii));
- (ix) Project implementation delays and follow-up to decision 45/59 (e)
- (x) Report on implementation of approved projects with specific reporting requirements;
- (xi) Overview of issues identified during project review;
- (xii) Bilateral co-operation;
- (xiii) Comments and recommendations the 2005 work programmes amendments of UNEP, UNDP, UNIDO;
- (xiv) Project evaluation sheets and comments and recommendations on all the projects and activities submitted to the 46th Meeting;

- (xv) Study on criteria and modalities for chiller demonstration projects (decisions 45/4 (d) and 45/60);
- (xvi) Provisional 2004 accounts;
- (xvii) Review of the administrative cost regime (decision 44/7);
- (xviii) Report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances (decision 44/63);
- (xix) Phase-out agreements: flexibility conditions (decision 45/15);
- (xx) Criteria for the assessment of the progress reports and verification audits of multi-year agreements (decision 44/58);
- (xxi) Report on the operation of the Executive Committee (decisions 44/57 and 45/56 (b));
- (xxii) Draft outline of an Executive Committee primer (decision 45/59 (d) (i)).

Meetings attended and missions undertaken

Missions of the Chief Officer

Beijing, China (20-23 April 2005)

22. The Chief Officer, accompanied by a Senior Project Management Officer, travelled to Beijing (China) to attend the South Asia and South East Asia and the Pacific (SEAP) Network Meeting of Ozone Officers where she met UNEP's Regional Director for Asia and the Pacific and senior officials from SEPA.

Lindau, Germany (25-27 April 2005)

23. At the invitation of the TEAP, and in line with the request in decision 44/62, the Chief Officer attended the TEAP meeting on 25-27 April to assist in the review of the draft report on the 2006-2008 replenishment of the Multilateral Fund. This provided the opportunity to discuss any outstanding issues on replenishment with members of the Replenishment Task Force, and to provide TEAP with further information as necessary.

Washington D.C., USA (6-8 May 2005)

24. The Chief Officer attended part of the meeting of the GEF (Global Environment Facility) Council from 6 to 8 June 2005. The meeting was also partly attended by a Senior Project Officer (7-8 June) who attended the Meeting on the Fourth Replenishment of the GEF Trust Fund (9-10 June).

Missions of other Secretariat Staff

25. The Deputy Chief Officer (Economic Cooperation) made a presentation on the experience of the Multilateral Fund and, in particular, on matching funding commitments with country compliance commitments at the 7th International Conference on Compliance and Enforcement held in Marrakech, Morocco (9-15 April 2005). The meeting was organized by INECE, the International Network for Environment Compliance and Enforcement, and was attended by participants from more than 60 countries.

26. Representatives of the Fund Secretariat attended all the regional network meetings held between the 45th and 46th Meetings. This provided an opportunity to make presentations on and 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). Direct interaction at the following network meetings also provided Secretariat staff with the opportunity to update national ozone officers on recent decisions made by the Executive Committee:

- Thematic Meeting (Customs) of Central America, Mexico, Cuba, Dominican Republic, Venezuela and Colombia (Panama City, Panama 11-15 April). The Senior Project Officer gave a presentation on the report on the evaluation of customs officers training and licensing system projects that were considered by the Executive Committee at its 45th Meeting (UNEP/OzL.Pro/ExCom/45/11).
- Main Meeting of Ozone Officers from the English Speaking Caribbean Countries (Bridgetown, Barbados, 18-20 April).
- Main Meeting of the Ozone Officers Network for French-Speaking Africa (Nouakchott, Mauritania, 19-20 April).
- South Asia and South East Asia and the Pacific (SEAP) Network Meeting of Ozone Officers (Beijing, China, 20-24 April).
- Main Meeting of ODS Officers' Network for West Asia (Amman, Jordan, 26-28 April). Meetings also took place with the Steering Committee for the West Asia Halon Bank and GTZ.
- Main Meeting of the Ozone Officers Network for English- Speaking Africa (Nairobi, Kenya, 13-16 June).

27. The Senior Monitoring and Evaluation Officer attended the 9th World Bank Financial Agents Workshop in Washington D.C.(30 March to 1 April 2005) where he presented preliminary results of the refrigerant management plan (RMP) evaluation in non-LVC countries and discussed future evaluation case studies on national phase-out plans and sector plans. He also met the Director of the GEF Monitoring and Evaluation unit and exchanged information on recent developments in monitoring and evaluation programmes in the GEF and in the Fund Secretariat. .

28. The Senior Monitoring and Evaluation Officer travelled to Italy, Iran, Turkey and Syria (26 April to 11 May 2005). The purpose of the visit to Rome (Italy) was to attend a meeting of the United Nations Evaluation Group (UNEG) in order to obtain an up-date on recent developments in UN evaluation policies and methods and to meet the heads of evaluation units of Implementing Agencies. The visits to Iran, Syria and Turkey were in relation to the evaluation of methyl bromide projects.

Inter-Agency Coordination Meeting

29. A coordination meeting on particular aspects of the Executive Committee decision 45/4 (d) relating to chiller projects only took place on 20 May 2005. The meeting was attended by representatives from UNDP, UNIDO and the World Bank. The result of discussions were incorporated into the policy paper on chillers (UNEP/OzL.Pro/ExCom/46/37) prepared for the consideration of the Executive Committee.

Financial activities

30. The Secretariat has played an active role in financial matters reviewing the 2004 accounts, the status of the Fund, the agreement between the Treasurer and the implementing agencies, the finalization of actions on the workshop on common methodologies and procedures, and the ICF study recommendations and follow up action.

Secretariat Staffing

31. Since the Associate Executive Assistant was offered a reassignment to the Ozone Secretariat for an initial period of 14 months starting 5 September 2005, the Secretariat coordinated arrangements for the transfer of the staff member to Nairobi, and is in the process of arranging her replacement on a similar basis.

Preparation for the 46th Meeting of the Executive Committee

32. Logistical arrangements were made for the 46th Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 4-8 July 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.

Preparation for other meetings

33. The Fund Secretariat provided logistical support to the Ozone Secretariat in organizing the meetings of the 25th Open-Ended Working Group Meeting (OEWG), the 2nd Extraordinary Meeting of the Parties, the 34th Meeting of the Implementation Committee under the Non-Compliance Procedures of the Montreal Protocol, and the first Meeting of the Bureau of the 16th Meeting of the Parties to the Montreal Protocol, to be held in Montreal in late June/early July 2005.

Information Activities

34. Reports of the 45th Meeting in Arabic, English, French and Spanish, a post meeting summary and a news release were posted on the public web site (www.multilateralfund.org).
35. An area containing documents and logistical information on the 46th Meeting was created on the Multilateral Fund intranet. Documents for general distribution were additionally placed on the public web site four weeks before the 46th Meeting.
36. The Secretariat prepared a leaflet about the Multilateral Fund for distribution at the 25th OEWG. The leaflet is targeted at government policy-makers and focuses on the characteristics of the Fund and its achievements.
37. In view of the transition from Eudora to Microsoft Outlook, the Secretariat offered staff a beginners training session on Microsoft Outlook.
38. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 46th Meeting:
- Inventory of Approved Projects as of April 2005,
 - Country Programme Summary Sheets as of April 2005,
 - Policies, Procedures, Guidelines and Criteria as of April 2005,
 - Project Completion Reports Summary Sheets.
