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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

SECRETARIAT ACTIVITIES

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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 46th Meeting of the Executive Committee

1. The report of the 46th Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 46th 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 46th 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 intranet and web site. A press release was issued on the final day of the meeting.

Decisions requesting certain actions by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee for follow-up

2. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 46th Meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

Review of submissions to the 47th Meeting

3. The Secretariat has undertaken the following tasks in preparation for the 47th Meeting.

Status of resources and planning

4. 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.

5. 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 47th 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.

2005 business plans

6. The Secretariat reviewed the status of the implementation of the 2005 business plans in the light of the submissions to the 47th Meeting and previous approvals at the 45th and 46th Meetings. The Secretariat also reviewed the approvals at the 45th and 46th Meeting in light of the submissions to the 47th Meeting and the extent to which these approvals and proposals differ in value from those in the business plan.

Status/prospects of article 5 countries in achieving compliance with the control measures of the Montreal Protocol

7. In response to decision 46/4, the Secretariat prepared an update of the status of compliance of Article 5 countries with a new format that focuses on actual and potential compliance issues, to address the 85 per cent reduction for CFCs in 2007, and that includes a report on all Article 5 countries.

Model rolling three-year phase-out plan 2006-2008

8. In accordance with decision 44/5(d) the Secretariat prepared an updated model three-year rolling phase-out plan for the years 2006-2008 to provide guidance for the preparation of the 2006-2008 business plan of the Multilateral Fund. This provides an analysis of the level of ozone depleting substances (ODS) phase-out that has to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 Montreal Protocol targets, and also that required to phase-out the remaining ODS to meet the 2010 targets.

Monitoring and Evaluation

9. The Senior Monitoring and Evaluation Officer prepared a consolidated project completion report (PCR), analyzing the PCRs submitted by bilateral and implementing agencies for the period since the 44th Meeting. He also prepared a draft monitoring and evaluation work programme for 2006.

2006 core unit costs for UNDP, UNIDO and the World Bank

10. 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). Decision 46/35 extended the operation of decision 38/68 and its administrative cost regime for the 2006-2008 triennium, while modifying the base rate for core unit costs for UNDP and UNIDO to US \$1.7 million instead of US \$1.5 million. In response to decision 46/35(c) the Secretariat reviewed the operation of the administrative cost regime as modified by the decision before the end of the following triennium.

Project Review

11. The Secretariat reviewed 167 projects and activities from 75 Article 5 countries with a total level of funding, as submitted, of US \$281,339,823. In addition, a country programme from Afghanistan, a country programme update from Tunisia and production sector projects in China, Romania and Mexico were reviewed.

12. In accordance with decision 46/33(b)(vi) the Secretariat prepared a report on the experiences gained during project preparation and any need for changes in or amendments to the criteria and modalities approved in decision 46/33(b)(ii) with respect to chiller demonstration projects.

Reconciliation of the 2003 and 2004 accounts

13. At its 38th Meeting, the Executive Committee requested that a full reconciliation of the Accounts of the Fund, with the data in the implementing agencies' progress reports, be presented to the third meeting of the Executive Committee each year (decision 38/9). The Secretariat prepared a document which provides information on the reconciliation of the 2003 and 2004 accounts of the implementing agencies and provides explanations for differences between the agencies' progress reports, annual accounts, and the Secretariat's Inventory of Approved Projects.

Revised 2006, 2007 and proposed 2008 budgets of the Fund Secretariat

14. The Secretariat revised the 2006 and 2007 budgets to reflect the need for professional level staff in the information technology area and the upgrade of one general service staff member. It also incorporated the operational costs of the Secretariat into the 2006 budget at the same level as in previous years. As in the past, the 2008 budget is submitted with 2008 staff costs only.

Preliminary results of an analysis of possible further action and policies required to assist compliance with all ODS phase-out requirements, including the review of institutional strengthening projects envisaged under decision 35/57 (follow-up to decision 45/55)

15. At its 44th and 45th Meetings the Executive Committee considered papers prepared by the Government of China on enhancing capacity building in national ozone units (NOUs) of Article 5 countries in the final stages of the Montreal Protocol compliance period. Following discussion at the 45th meeting, the Secretariat expanded the paper from China contained in UNEP/OzL.Pro/ExCom/45/47 and prepared a document on the preliminary results of an analysis of possible further action and policies required to assist compliance with the phase-out requirements for all the ODS covered by the Montreal Protocol, including the review of institutional strengthening projects envisaged under decision 35/57.

Monitoring and assessing the progress of agencies with regard to multi-year agreements

16. At its 46th Meeting, the Executive Committee requested the Secretariat, in cooperation with the multilateral and bilateral implementing agencies, to prepare a paper on new options for monitoring and assessing the progress of agencies on multi-year agreements, with a view towards more accurate reporting on progress and phase-out of ODS (decision 46/8).

17. The Secretariat prepared a discussion paper and circulated it to bilateral and multilateral implementing agencies for input. Following a coordination meeting with the multilateral agencies, the Secretariat prepared a document addressing the current system of monitoring multi-year agreements, the issue of completion dates for annual tranches (and their application to balances from completed tranches and reporting on implementation delays for approved tranches and planned tranche submissions), and the definition of phase-out for such tranches. The Secretariat has also prepared options and recommendations for consideration by the Executive Committee.

Performance indicators (follow-up to decision 46/14);

18. In response to decision 46/14 (c), the Secretariat compiled views and comments on the current performance indicators, including suggestions for modifying the quantitative performance indicator weightings and whether to make performance indicators applicable to bilateral implementing agencies and drafted recommendations in the light of those comments.

Proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36);

19. Following the Executive Committee's consideration of the report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances (UNEP/OzL.Pro/ExCom/46/42 and Corr.1) at its 46th Meeting, the Fund Secretariat prepared a paper covering proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ozone-depleting substances taking into account the proposal of Austria and Japan and the comments made at the 46th Meeting of the Executive Committee (decision 46/36).

20. The document prepared by the Secretariat includes a summary of the study objective, possible terms of reference that addresses all of the study issues raised by Executive Committee members and proposals for a way forward.

Production Sector

21. The Sector Plans for the Closure of ODS (CFC, CTC, MB, TCA) production in Romania and for phase-out of methyl bromide production for controlled uses in China were received from UNIDO. The Secretariat reviewed the project proposals, in light of the Executive Committee's policies on funding ODS production phase out and the findings from the technical audits of the production sectors by an independent consultant in each of these countries.

22. The Secretariat also reviewed the second phase of the sector plan for phasing out CTC production and consumption in China, which was submitted by the World Bank.

23. These three projects will be submitted to the Sub-group on the Production Sector, together with the comments and recommendations from the Secretariat.

Internal procedures and practices of the Treasurer

24. The Secretariat prepared the final progress report on the internal procedures and practices of the Treasurer, based on an information document presented to the 45th meeting.

Draft of an Executive Committee primer

25. As part of the follow-up to the Evaluation of the Financial Mechanism, and in response to decision 46/41, the Secretariat prepared a draft primer for new Executive Committee members, for consideration by the Committee.

Meeting of the Parties to the Montreal Protocol

26. 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 44th, 45th and 46th Meeting of the Executive Committee which were held since the Sixteenth Meeting of the Parties. The report will be up-dated immediately after the 47th meeting and will be distributed to the Parties at their 17th Meeting.

Documents and policy papers prepared by the Fund Secretariat

27. Of the documents submitted for consideration at the 47th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Report on balances and availability of resources;
- Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
- Model rolling three-year phase out plan: 2006-2008;
- 2005 consolidated project completion report;
- Project implementation delays;
- Report on implementation of approved projects with specific reporting requirements;
- Draft monitoring and evaluation work programme for the year 2006;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2005 work programme amendments of UNEP, UNDP, UNIDO and the World Bank;
- Comments and recommendations on the Compliance assistance programme (CAP) budget and the work programme of UNEP for the year 2006;
- 2006 core unit costs for UNDP, UNIDO and the World Bank;
- Report of the Secretariat on the experiences gained during project preparation and any need for changes in or amendments to the criteria and modalities approved in decision 46/33 with respect to chiller demonstration projects;
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 47th Meeting;
- Comments on the country programme of Afghanistan and country programme update of Tunisia;
- Reconciliation of the 2003 and 2004 accounts;
- Revised 2006, 2007 and proposed 2008 budgets of the Fund Secretariat;
- Preliminary results of an analysis of possible further action and policies required to assist compliance with all ODS phase-out requirements, including the review of institutional strengthening projects envisaged under decision 35/57 (follow-up to decision 45/55).

- New options for monitoring and assessing the progress of agencies with regard to multi-year agreements (follow-up to decision 46/8);
- Performance indicators (follow-up to decision 46/14);
- Proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36);
- Report on documenting the internal procedures and practices of the Treasurer;
- Draft of an Executive Committee primer (follow-up to decision 46/41);
- Report of the Executive Committee to the Seventeenth Meeting of the Parties.

Meetings attended and missions undertaken

Missions of the Chief Officer

Vienna, Austria (19-24 September 2005)

28. The Chief Officer and Deputy Chief Officer (Economic Cooperation) attended a special event in Vienna to celebrate the 20th Anniversary of the Vienna Convention. They remained in Vienna to attend the Third Session of the Preparatory Committee for the Further Development of a Strategic Approach to International Chemicals Management (SAICM). A new booklet on the Multilateral Fund, which was prepared on the occasion of the 20th Anniversary of the Convention, was presented at the meeting and was well received.

Paris, France (22-23 September 2005)

29. The Chief Officer then participated in the annual Compliance Assistance Programme (CAP) Advisory Meeting at UNEP DTIE.

Rome, Italy (26-30 September 2005)

30. Following the CAP meeting the Chief Officer attended the Second meeting of the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC COP-2), as the Parties to the Convention were considering a study on the financial mechanism which also covered the Multilateral Fund.

Guatemala, Costa Rica, Venezuela (31 October - 6 November 2005)

31. The Chief Officer and the Chair of the Executive Committee, accompanied by a Senior Programme Management Officer, travelled to Guatemala and Costa Rica for discussions with Ministers and high level officials in the respective Ministries of Environment, Foreign Affairs and Agriculture to discuss issues relating to the implementation of the Montreal Protocol.

32. They also attended the Ministerial Segment of the Fifteenth Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean which took place in Caracas,

Venezuela (3-4 November). Following this meeting they will be participating in the Main Meeting of the Ozone Officers Network for Latin America (5-6 November).

Missions of other Secretariat Staff

33. The Administrative and Fund Management Officer was invited to attend the 4th Administrative Management Meeting held in Nairobi, Kenya (19 - 21 September). One of the main topics of the meeting was the introduction of IMIS, the integrated management information system, into the UNEP offices in Montreal, including the Multilateral Fund Secretariat, during the first quarter of 2006. IMIS is an online information management system aiming at effecting administrative and financial operations online with direct access to financial reports.

34. A Senior Programme Officer participated in the Ozone Day celebrations and the closing ceremony of the CFC production plant, Quimobasicos, Mexico on 9 September 2005.

35. The Deputy Chief Officer (Technical Cooperation) represented the Fund Secretariat at the "China 2005 International Ozone Day Celebration" in Beijing, People's Republic of China (12-18 September 2005). He gave presentations on the financial mechanism and on Multilateral Fund policy on HCFCs to seminars held in association with the celebrations, and participated in a series of workshops on the Sector plan for phase-out of ODS process agent applications (Phase II) and corresponding CTC production in China. He also visited the main process agent plant in the same project and four solvent sector enterprises converted under the China solvent sector phase-out plan.

36. The Senior Monitoring and Evaluation officer visited Cuba (25 -29 September 2005) and Indonesia and Sri Lanka (30 September to 12 October 2005) to collect information and brief the consultants on issues relating to the evaluation of refrigerant management plans (RMPs) and national phase-out plans in non-LVC (low volume consuming) countries.

37. Two Senior Programme Officers participated in the workshop on chillers in Washington, organized by the World Bank on September 27 as part of the follow-up to decision 46/33. The officers also took the opportunity to hold meetings with implementing agencies regarding submissions to the 47th meeting.

38. A Senior Programme Officer is expected to attend the 27th Meeting of the GEF Council in Washington on 8-10 November 2005.

Secretariat staffing

39. Mr. Valery Smirnov, Senior Programme Officer, retired on 30 September 2005 after 14 years of dedicated service to the Secretariat. Ms. Maria Cristina Zucca joined the Secretariat as Associate Executive Assistant in August 2005 on a transfer from UNEP headquarters in Nairobi for an initial period of 15 months; she replaces Ms. Martha Leyva who has taken a temporary assignment in the Ozone Secretariat in Nairobi.

Preparation for the meetings of the Executive Committee

40. Logistical arrangements were made for the 47th Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 21-25 November 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

41. Reports of the 46th 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).

42. An area containing documents and logistical information on the 47th Meeting was created on the Multilateral Fund intranet. Documents for general distribution were additionally placed on the public web site four weeks before the 47th Meeting.

43. The Secretariat prepared a booklet about the Multilateral Fund on the occasion of the 20th Anniversary of the Vienna Convention for the Protection of the Ozone Layer. The booklet provides an overview of the lessons learned by the Multilateral Fund since 1991, and also presents some of the challenges and opportunities that lie ahead. The booklet was distributed at Prepcom 3 for the Further Development of a SAICM attended by the Chief Officer in September 2005.

44. In view of the transition from Eudora to Microsoft Outlook, the Secretariat offered staff an intermediate training session on Microsoft Outlook.

45. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 47th Meeting:

- Inventory of Approved Projects as of July 2005,
- Country Programme Summary Sheets as of July 2005,
- Policies, Procedures, Guidelines and Criteria as of July 2005,
- Project Completion Reports Summary Sheets.
