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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

**DRAFT OF AN EXECUTIVE COMMITTEE PRIMER  
(FOLLOW-UP TO DECISION 46/41).**

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.

1. At its 45<sup>th</sup> Meeting, the Executive Committee had considered a recommendation, contained in the report of the 2004 Evaluation and Review of the Financial Mechanism of the Montreal Protocol, to develop a concise primer for new Executive Committee members. Decision 45/59 (d) had requested the Secretariat to prepare a draft outline for consideration at the 46<sup>th</sup> Meeting of the Executive Committee with the aim of presenting a draft primer to the 47<sup>th</sup> Meeting.
2. At its 46<sup>th</sup> Meeting, the Executive Committee noted the draft outline of the primer as contained in document UNEP/OzL.Pro/ExCom/46/46 and requested the Secretariat to proceed with the development of a draft primer for submission to the 47<sup>th</sup> Meeting, taking into account the comments made at the 46<sup>th</sup> Meeting.
3. A draft Executive Committee Primer is now presented to the Executive Committee for comments and observations. The Primer complements the Multilateral Fund booklet “Creating a Real Change for the Environment”. It is proposed that new members of the Executive Committee are provided with an orientation package including the booklet, the primer and a directory of Multilateral Fund contacts. A draft Multilateral Fund Directory is available for downloading from the intranet and on request.
4. If the Executive Committee is in agreement with the proposal to provide new Executive Committee members a package as described in paragraph 3, then the Executive Committee may wish to consider reducing the size of the Primer by removing one or more of the appendices. The Secretariat would be grateful for the Executive Committee’s guidance regarding this matter.

## **RECOMMENDATIONS**

The Executive Committee may wish to:

1. Note the draft Executive Committee primer as contained in UNEP/OzL.Pro/ExCom/47/58; and
2. Request the Secretariat to finalize the Executive Committee primer as contained UNEP/OzL.Pro/ExCom/47/58 on the basis of comments and suggestions of the Executive Committee and to distribute it to Executive Committee members in advance of the first meeting of 2006.

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# Draft Executive Committee Primer

An introduction to the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

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## INTRODUCTION

This primer is intended to provide new members of the Executive Committee with a guide to the workings of the Multilateral Fund and its Executive Committee. The primer will be updated after the final meeting of each calendar year in preparation for new members who will join the following year.

**The Primer** guides the new Executive Committee member through the meeting process. The reader is taken from pre-session preparations to an agenda item by agenda item explanation of the in-session activities and finally to post-meeting follow-up. A brief background on each agenda item is provided and the issues and type of actions that the Committee may wish to take are discussed. The names of document related to the agenda item are highlighted in **bold** text. *Italic* text directs the reader to the appropriate appendix for an additional explanation.

**Appendix 1** provides basic background information on the Multilateral Fund, its aims, and key concepts that underpin the Fund's activities. It outlines the key structures of the Multilateral Fund with brief descriptions of their different roles and includes an organogramme showing the linkages between the different structures.

**Appendix 2** provides information on how the Multilateral Fund operates from financial planning, country programmes, project review and approval, and project monitoring to evaluation of completed projects.

**Appendix 3** provides a table summarizing the standard agenda items for each meeting. It also presents tables for the first, second and third meetings which list agenda items that relate to the respective meetings based on the annual business cycle of the Committee. Terms of reference of the Executive Committee and the Rules of Procedure for Executive Committee Meetings are also included.

**Appendix 4** reviews the rules of procedure for meetings of the Executive Committee and provides details of the logistics and practical arrangements for Executive Committee meeting participants.

**Appendix 5** provides details of key information resources.

A “**Directory of the Multilateral Fund**”, which includes contact details of Committee members, the Fund Secretariat, Implementing agencies, bilateral agencies, and the Treasurer, is also available on the intranet or from the Fund Secretariat. Comprehensive information on the policy and procedures of the Executive Committee is found in “**Policies, Procedure, Criteria and Guidelines of the Multilateral Fund**”, which is updated after each Executive Committee meeting. Specific information on financial issues is contained in the “Internal procedures and practices of the Treasurer” and has not been duplicated in this primer. The Primer is first and foremost a guide for Executive Committee members. Information tailored to the needs of national ozone officers can be found in the “Guide to National Ozone Officers”, prepared by the UNEP Ozone Action Compliance Assistance Programme (CAP).

## EXECUTIVE COMMITTEE MEETINGS

### 1. Functions of the Executive Committee

The functions of the Executive Committee include developing the Multilateral Fund's policies and guidelines (which are on the Multilateral Fund's web site [www.multilateralfund.org](http://www.multilateralfund.org)), such as criteria for project eligibility, and monitoring implementation; drawing up the three-year plan and annual budget for the Fund; approving country programmes and specific projects and activities; reporting on the Multilateral Fund's performance to the Meeting of the Parties each year; and overseeing the Fund's administration. These functions are discharged primarily through three Executive Committee meetings held each year in March/April, June/July and November/December.

*For further information on the functions of the Executive Committee, see Appendix 1.3.1. The Parties to the Montreal Protocol and the Executive Committee and Appendix 3. Terms of reference of the Executive Committee.*

The Executive Committee's programme of work is indicated by the meeting agenda. A number of standard agenda items are addressed at each meeting. In addition the agendas of the three meetings include a number of other items which concern the different actions that have to take place at different points in the annual cycle. For example, business plans for agencies must be approved at the first meeting of the calendar year so that the agencies can submit funding requests for the projects and activities in their business plans over the three meetings in that year. At the end of the year the Committee examines the status of implementation of the current year's business plans, looks at an up-to-date report on Article 5 countries' prospects for compliance, and the model rolling three-year business plan for following three years, in order to be able to make decisions on dealing with urgent and outstanding compliance issues. Any such decisions are incorporated into the planning exercise for the following year.

*For tables presenting a complete list of agenda items for each meeting, see Appendix 3. Executive Committee Meetings.*

### 2. Activities leading up to an Executive Committee Meeting

The Fund Secretariat coordinates pre-session preparations for meetings of the Executive Committee and ensures that members are fully informed and thus able to prepare themselves accordingly.

- The provisional agenda is prepared by the Chair in collaboration with the Secretariat;
- Invitations, the agenda and logistics information are dispatched to Executive Committee members and observers well in advance of the meeting;
- Pre-session meeting documents are prepared, translated and dispatched four weeks before the meeting (three weeks in the case of translated documents);
- All information and documents are placed on the Executive Committee intranet (user names and passwords are provided by the Secretariat) and the public web site.

*For more information on pre-session arrangements see Appendix 4.1. Logistics and arrangements. Before the meeting.*

### 3. Activities during an Executive Committee Meeting: the in-session

The Chair is responsible for guiding the Meeting and is assisted by the Chief Officer of the Fund Secretariat, who acts as Secretary to the Meeting.

Decisions taken at the meetings have so far been based on consensus. Members have equal voting rights but the Executive Committee has never voted. In the case that consensus cannot be reached, decisions would have to be taken by a two-thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting (Rule 17).

*For further information on rules and procedures of Executive Committee meetings, see Appendix 3*

#### ***Opening of the Meeting***

The meeting is opened by the Chair of the Executive Committee who puts the meeting in context of the Multilateral Fund's overall work plan and draws members' attention to important issues to be covered.

#### ***Organizational Matters***

##### **(a) Adoption of the agenda**

The **Provisional Agenda** sets out the plan of work for the meeting. The accompanying **Provisional annotated agenda**, which serves as a guide to the meeting, contains a brief background to the issues under each item and the action expected from the Committee. The Committee reviews the agenda and raises any issues that ought to be included in it.

##### Action expected from the Executive Committee:

The Executive Committee reviews the draft agenda and may request any clarifications or make suggestions for additional items to be added, before adopting the agenda.

##### **(b) Organization of work**

The Chair proposes the order in which the plenary will take each item and makes arrangement for meetings of the Subgroup on the Production Sector or any meetings of contact groups that the Committee may need to set-up during the week to address any specific issues. Since the Executive Committee adopts the report of the meeting before adjourning the meeting, the Chair urges members to complete the agenda by the end of Thursday. This allows the Secretariat to prepare the draft report on Friday morning and deliver it to Executive Committee members in advance of the final session of the meeting on Friday afternoon for adoption. The Chair also proposes working hours for the meeting sessions.

## **Secretariat activities**

At each meeting, the Chief Officer of the Fund Secretariat reports on activities that the Secretariat has carried out since the preceding meeting. The report usually covers follow-up actions to Executive Committee decisions; the review of submissions to the current meeting; details of meetings attended and missions undertaken by Secretariat staff; staffing issues; and an update on information activities.

### Action expected from the Executive Committee:

The Executive Committee may wish to review and take note of the report.

## **Status of contributions and disbursements**

At every meeting the Treasurer will provide an update of the **Status of contributions and disbursements** of the Fund. The update includes the Fund's balance, income and contributions, and aggregate information on the status for the triennium, including data on gains and losses of the fixed-exchange rate mechanism (FERM).

*The explanation of the methodology and assumptions being used by the Treasurer can be found in document UNEP/OzL.Pro/Excom/39/3/Rev.1 and in the "Manual on Internal procedures and Practices on financial matters of the Multilateral Fund" (October 2005).*

### Action expected from the Executive Committee:

The Executive Committee reviews the report from the Treasurer, and addresses issues relating to the timely payment of contributions by contributing Parties. The Executive Committee usually takes note of the report and decides on any actions as necessary.

## **Status of resources and planning**

### **(a) Report on balances and availability of resources**

Each Executive Committee meeting starts with an organizational agenda item named "Status of resources and planning" which examines, *inter alia*, the availability of resources for the meeting (decision 41/92). The **Report on balances and availability of resources**, presented under this item, provides a review of the total balances from completed projects held by agencies, 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 new approvals during the Meeting. The total committable balance is the sum of the returned balances from completed projects and the Fund balance from the Treasurer's report on the status of contributions and disbursements.

Action expected from the Executive Committee:

The Executive Committee reviews the total financial resources available for approvals at the meeting in progress and any issues relating to returning project balances and the solutions proposed.

**(b) Business Planning**

Business planning is the tool that the Executive Committee uses for allocating resources to assist Article 5 countries to comply with the control targets of the Montreal Protocol. A three-year plan is designed to provide a long term perspective on the compliance requirements of each and every Article 5 country in terms of reductions in ozone depleting substances (ODS) to be achieved and the proposed strategies and allocation of resources needed to meet those compliance requirements. The three-year plan, the **Model rolling three-year phase out plan**, is updated on an annual basis to include the requirements of the upcoming year, thus making it a rolling three-year plan. It is presented to the Executive Committee at the final meeting of the calendar year, and is used as a reference for developing and assessing the annual business plans of the agencies for the following year.

The issues that require the attention of the Executive Committee relating to the **Model rolling three-year phase out plan** are whether:

- the compliance targets of all the controlled substances are taken into account for the three year period being considered;
- all the countries that require assistance are covered;
- the proposed allocation of funds are appropriate and adequate.

The second tier of planning is the annual business planning of the implementing agencies. Since the contributions to the Multilateral Fund are paid annually by contributing Parties, the activities of the Multilateral Fund are organized mainly on the basis of an annual cycle. At the beginning of each year the cycle starts with the preparation of **Business plans** by the implementing agencies and bilateral agencies. These plans propose target levels of ODS to be phased-out, the level of funds to be disbursed together with other performance indicators which provide the basis for the evaluation of the agencies' performance. The **Business plans** of the agencies reflect the activities outlined in the **Model three-year rolling phase-out plan** that need to be financed and implemented during the year so that Article 5 countries can comply with the ODS reduction schedules of the Montreal Protocol.

The Fund Secretariat consolidates the **Business plans** of the individual agencies into the **Consolidated business plan of the Multilateral Fund** taking as a reference the targets of the **Model rolling three-year phase out plan** and the need to provide immediate assistance to those countries that might be at risk of non-compliance with their Montreal Protocol obligations.

The annual business plan of UNEP differs from those of the other three implementing agencies and is presented to the Executive Committee in the final meeting of the year. It contains mainly the Compliance Assistance Programme (CAP) budget and a number of non-investment activities that will be implemented in the year of planning. Since the CAP programme covers primarily the cost of CAP project staff (UNEP staff) located in UNEP regional offices, the Executive Committee needs to

approve UNEP annual business plan at the final meeting of the year to enable the financing those posts in the following year.

The three year **Consolidated business plan of the Multilateral Fund** together with the **Business plans** are presented to the Committee's first meeting of the calendar year for review and endorsement. The issues that the Executive Committee considers in reviewing these business plans include:

- The consistency of the agencies' annual business plans with the **Model rolling three-year phase out plan**.
- The extent to which the needs of countries at risk of non-compliance are being addressed.
- The adequacy of the number of countries being covered.
- The clarity and appropriateness of the targets proposed.

The Secretariat monitors the implementation of business plans at the second and third meetings of the year to inform the Committee of the extent to which the planned activities were achieved.

Action expected from the Executive Committee:

At the first meeting of the year, the Executive Committee endorses the activities in the business plans and approves performance indicators for the agencies. The Executive Committee is required to adopt the targets and budgets in the annual business plans of the agencies and endorse the performance targets in the Business Plans of each individual implementing agency. However by endorsing the individual plan, the Executive Committee does not endorse the projects contained in them. These projects and activities have to be submitted to and approved by the Executive Committee during the year.

At the final meeting of the year, the Committee examines any remaining projects and activities in the business plans that have not been submitted together with the resulting impact on compliance. The Committee may request bilateral and multilateral implementing agencies to include these important activities in their business plans for the following year. The Executive Committee also reviews the model rolling three-year phase out plan and based on its analysis, the Committee provides guidance to bilateral and implementing agencies for the preparation of their individual business plans.

*For more information on financial planning see Appendix 2.1. Financial planning.*

**(c) Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol**

The Executive Committee monitors the status of compliance of Article 5 countries at each meeting. The **Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol** document is presented to the second and third meetings of each year. At the first meeting of the year the status of compliance of countries is presented within the context of the **Consolidated business plan**. The analysis of the status of compliance of Article 5 countries is based on the Article 7 data reported to the Ozone Secretariat or on Country Programme data reported to the Fund Secretariat (if Article 7 data are not available).

Action expected from the Executive Committee:

The Committee reviews the status of compliance, the status of implementation of ongoing projects and data on the implementation of country programmes. After the review, the Committee may request implementing agencies to assist those countries identified in the report as having eligible consumption that are not already included in business plans.

*For an explanation of the compliance concept, see Appendix 1.3. Key concepts of the Multilateral Fund.*

**(d) Financial Planning for the Triennium**

A financial planning exercise is carried out once every three years when the Parties to the Montreal Protocol decide on the Multilateral Fund replenishment. The **Financial Planning for the Triennium** document provides the Executive Committee with suggested annual budgets and resource availability in light of the budget adopted by the Parties.

Action expected from the Executive Committee:

The issues that the meeting considers are the commitments that have already been made for items such as multi-year agreements or earmarked for standard costs incurred by the Fund (institutional strengthening, the budget of the Fund Secretariat and Executive Committee meetings, implementing agencies' core unit administrative costs, and UNEP's compliance assistance programme (CAP)). The financial plan adopted has to match these expenditures with the contributions that are paid annually. On the basis on this analysis, the Committee adopts a resource allocation for each year of the triennium.

*For further information on replenishments, see Appendix 2.1.1 Replenishment of the Multilateral Fund.*

***Programme implementation***

This agenda item concerns the monitoring and evaluation of projects and activities being implemented by bilateral and implementing agencies and the evaluation of on-going and completed projects. The Executive Committee ensures that the funds disbursed by the Multilateral Fund are actually being used to meet the project objectives.

*For more information on Monitoring and evaluation activities see Appendix 2.4. Monitoring and Appendix 2.5. Evaluation.*

### (a) Evaluation studies

Evaluation reports, normally based on a specific sector, evaluate the project cycle from project preparation through implementation to completion and assess whether the objectives of projects, in terms of phase-out, were achieved. Evaluation studies are carried out according to the Monitoring and Evaluation Work Programme approved by the Executive Committee at the final meeting of a calendar year. Desk studies are based on reports and documents available to the Fund Secretariat, while final evaluation reports are based on field visits and consultations with the Ozone Units, implementing and bilateral agencies and other stakeholders.

#### Action expected from the Executive Committee:

The Executive Committee reviews the evaluation reports and may make recommendations based on them to improve the performance of the Multilateral Fund.

### (b) Consolidated project completion report

The **Consolidated Project Completion Report** provides an analysis of project completion reports (PCRs) received by the Fund Secretariat over the previous 12 months. Project completion reports are prepared using formats approved by the Executive Committee. The consolidation is submitted to the final meeting of the calendar year and assesses the quality and timely submission of the completion reports by the implementing agencies.

#### Action expected from the Executive Committee:

The Executive Committee will note the **Consolidated Project Completion Report** and may make decisions relating to issues addressed in the document.

### (c) Draft monitoring and evaluation work programme

The document describes the status of implementation of evaluation activities in progress and evaluation studies foreseen in the year ahead together with a budget for the Executive Committee's consideration.

#### Action expected from the Executive Committee:

The Executive Committee may review the appropriateness of the work programme and approve the plan.

### (d) Progress reports

At the second meeting of the year both the implementing and bilateral agencies are required to provide the Executive Committee with an annual **progress report** on the implementation of their approved work programmes and activities related to country programmes and projects. These progress reports are a primary source of information with which to monitor projects since they include information on:

- project approvals and disbursements;
- updates on project completions;
- global and regional project highlights;
- performance indicators; and,
- status of agreements and project preparation, by country; and administrative issues.

On the basis of the agencies progress reports, the Secretariat prepares the **Consolidated Progress Report** also presented at the second meeting of the year. This report summarizes progress and financial information provided by implementing and bilateral agencies both in narrative and database formats.

Action expected from the Executive Committee:

The Executive Committee reviews the progress reports with a view to ensuring that the agencies' projects will be completed successfully and with a view to improving the delivery of service to Article 5 countries. Based on the **Progress Report** the Executive Committee may request agencies or bilateral governments to provide further reports on the projects with implementation delays to a future meeting of the Executive Committee and/or monitor the projects as projects with implementation delays.

**(e) Project implementation delays**

Projects experiencing delays and projects with financial balances are monitored closely and reported to each Executive Committee meeting. The information presented to the Executive Committee in the document, **Project implementation delays**, allows the examination of projects with implementation delays, projects proposed for possible cancellation at the meeting, and the impact of cancelled projects on compliance. Since the 47th meeting the document also contains data submitted by the implementing agencies suggesting how to avoid implementation delays.

Action expected from the Executive Committee:

The review of project implementation delays allows the Executive Committee to determine project cancellation, the requirement for further monitoring, or the removal of the project from the list of delays and also to be more informed on how to avoid future delays.

Following the review of information presented, the Committee will note the status reports and information on projects with implementation delays. In some cases it will adopt the milestones and deadlines for projects and for others it will note cancellation or project completion.

*For specific information on project monitoring and cancellation procedures, see Appendix 2.4. Monitoring projects - implementation delays and cancellation.*

**(f) Report on implementation of approved projects with specific reporting requirements**

Over the years, the Executive Committee approved a number of projects for which periodic reporting is required as a monitoring device. This may be due to some particular circumstances such as a certain type of technology being introduced. Reports received by the Secretariat for such projects are submitted for consideration under this agenda item. The **Report on implementation of approved projects with specific reporting requirements** provides summaries of progress achieved so far, issues encountered during implementation, and comments and recommendations of the Secretariat.

#### Action expected from the Executive Committee:

The Executive Committee considers the progress reports on the implementation the projects and the related issues, and makes any decisions as appropriate.

### ***Project proposals***

Project review used to occupy a considerable amount of time due to significant technical, policy and incremental cost issues identified during the review process. Now that the focus of the Executive Committee's efforts has moved towards sectoral and national phase-out plans, the number of individual project proposals requiring review has decreased. Consequently this item now occupies less of the Committee's time.

Proposals for investment projects and activities are submitted to the Executive Committee with a recommendation based on a review of the project by the Secretariat. During the process of project review, significant adjustments can be made to project proposals, particularly in terms of their costs and sometimes technology choices, and to take account of the policy decisions previously taken by the Committee. Projects which meet all the eligibility requirements, and for which there are no policy or other issues outstanding, may be approved on the basis of the Secretariat's recommendation for blanket approval. The Executive Committee discusses and makes more complex decisions on any projects which raise policy issues.

Once the project proposal is approved, the necessary funding can be released by the Fund Treasurer to the relevant implementing agency. Together with the recipient Article 5 country, each agency is responsible for the implementation and supervision of its own projects. The implementing agency is required to report to the Executive Committee annually on the progress of its work (see agenda item: Project implementation).

Institutional strengthening is also an important part of the Fund's activities since it is important to ensure that the institutional and human infrastructure is in place to facilitate implementation of projects and activities. Article 5 countries may also receive funding for country programme preparation, project preparation, technical assistance, training and demonstration projects, as well as a Compliance Assistance Programme targeting low volume-consuming-countries funded through UNEP.

*For further information on project review, see Appendix. 2.3. Project review and approval.*

### (a) Overview of issues identified during project review

The Executive Committee commences its project review deliberations by looking at any issues that the Secretariat may have highlighted from submissions to the meeting that are presented in the **Overview of issues identified during project review**. The overview document also includes the list of projects and activities for which there are no issues and which the Secretariat recommends for blanket approval by the Executive Committee, as well as the list of investment projects and activities which have been submitted for individual consideration by the Executive Committee.

#### Action expected from the Executive Committee:

The Executive Committee discusses any policy issues raised in the document and takes appropriate decisions as required. The Committee may decide to approve all or some of the projects submitted for blanket approval together with any conditions or provisos recommended by the Secretariat, and subject to consideration of any additional issues that members of the Executive Committee may wish to raise about one or more of the projects and activities.

### (b) Bilateral Cooperation

Contributing Parties can use up to 20% of their annual contribution to carry out activities with Article 5 countries on a bilateral basis. The **Bilateral Cooperation** document contains all the requests for funding submitted by non-Article 5 Parties as bilateral cooperation under the Multilateral Fund. Bilateral cooperation encompasses the full range of projects and activities funded under the Multilateral Fund with the exception of institutional strengthening projects.

#### Action expected from the Executive Committee:

The Executive Committee will consider individually any bilateral projects or activities that were not recommended for blanket approval, and make recommendations on their approval as appropriate. After review of the bilateral activities the Executive Committee may decide to request the Treasurer to offset the costs of the bilateral projects approved at the meeting against the annual balance of funds of the contributing countries.

### (c) Annual Work programmes

**Work Programmes and Amendments to Work Programme** contain all the requests for non-investment activities submitted by each agency during the year. Non-investment activities include institutional strengthening, project preparation and technical assistance and demonstration projects. Proposals that were not contained in the list of projects and activities for blanket approval will be considered individually and approved or deferred as appropriate.

In the past, a majority of the activities contained in the work programmes were for project preparation. However, institutional strengthening requests and proposals for technical assistance in countries with low levels of consumption currently outweigh other types of projects.

Action expected from the Executive Committee:

The Executive Committee will consider individually any projects or activities that were not recommended for blanket approval, and make recommendations as appropriate.

**(d) Administrative costs for implementing agencies**

Core unit costs, or administrative costs, are intended to provide implementing agencies with funds for administrative tasks, personnel, and other general administrative services associated with projects implementation. In 1998 the administrative costs of UNDP, UNIDO, and the World Bank changed from a flat rate of 13% per project to a graduated scale, and then 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. The Executive Committee reviews the administrative cost regime each year at the last meeting of the year.

Action expected from the Executive Committee

The Executive Committee approves annually the requests for agencies for core unit costs.

**(e) Investment project proposals**

Investment project proposals include individual investment projects, national and sectoral phase-out plans, refrigerant management plans and terminal phase-out management plans. Project evaluation proposal documents are prepared by the Secretariat for each country that is submitting an investment project to the meeting. The document consists of a project evaluation sheet with succinct project data, a brief project description, and the comments and recommendations of the Fund Secretariat. Pertinent project documentation may be annexed, posted on the website or made available on request from the Secretariat. Most investment projects will have been recommended for blanket approval and thus already considered by the Committee in Agenda item “Overview of issues identified during project review”. The projects considered under agenda item “Work Programmes” are those recommended for individual consideration in the list appended to the “Overview of issues identified during project review”.

Action expected from the Executive Committee:

The Executive Committee considers each project and activity individually and will make recommendations as appropriate including the approval of projects subject to conditions as relevant.

## **Country Programmes**

The Country Programme is the first activity that the Multilateral Fund finances in an Article 5 country. It maps out the strategy and the action plan that the country would follow to eliminate the ODS consumption and production according to the Montreal Protocol schedules. The Country Programme is also the basis for the Multilateral Fund to finance projects and activities in countries. Almost all Article 5 countries now have approved country programmes. New Parties are provided with preparatory funding to prepare a combined country programme/refrigerant management plan. The Country Programme part, when submitted, is considered under this agenda item.

When a **Country Programme** is submitted, the Secretariat prepares an evaluation sheet, comments and recommendations. Relevant documentation is also attached including the transmittal letter from the relevant government, a Country Programme Cover Sheet and the Executive Summary submitted by the relevant Government.

### Action expected from the Executive Committee:

The Executive Committee may approve the Country Programme noting that such approval does not denote approval of the projects contained therein, and request the Government of the country concerned to present information annually to the Executive Committee on progress being made in the implementation of the country programme.

*For further information on Country Programmes, see Appendix 2.2.1. Country Programmes.*

## **Accounts of the Multilateral Fund**

### **(a) Final accounts**

The **Final accounts** are prepared annually based on financial information provided to the Treasurer from the Secretariat and the implementing agencies. They include financial data on the income and expenditure of the Fund for the current and previous year, as well as for the cumulative period 1991 through to the current year. These data are typically consistent with audited or certified accounts, including details of the current year expenditure of the Secretariat recorded in UNON accounts compared to the approved budget, and Certified or provisional Accounts of the implementing agencies for the current and previous year and for the cumulative period 1991 through to the current year.

### Action expected from the Executive Committee:

The Executive Committee reviews the final accounts to ensure the accounts are in order.

**(b) Reconciliation of accounts**

Differences between the funds approved and the income reported by the agencies can occur in the Accounts of the Fund. In order to address these differences, the Executive Committee requested the Treasurer, the Implementing Agencies and the Secretariat to provide a full reconciliation of the Accounts of the Fund, together with the data in the Implementing Agencies' progress reports to be presented to the third meeting of the Executive Committee each year (Decision 38/9).

Action expected from the Executive Committee:

The Executive Committee notes the reconciliation report and requests any actions to be taken as necessary.

***Revised three year budget of the Fund Secretariat***

The **Revised three-year budget of the Fund Secretariat** is presented to the final meeting of each calendar year. It includes budget lines for the staff positions in the Secretariat costs for over three years and operational costs for the first two years.

Action expected from the Executive Committee:

The Committee reviews the three-year budget and approves it based on its discussions.

***Report of the Executive Committee's Subgroup on the Production Sector***

The Subgroup on the Production Sector is a subsidiary body of the Executive Committee. It was set up in 1996 to assist the Executive Committee in developing guidelines for funding projects targeted at the phase-out of ODS production and was subsequently mandated in 1998 to review and recommend the approval of projects in the production sector. Its membership consists of four countries each from Article 5 and non Article 5 Executive Committee members. The Subgroup is reconstituted at the first meeting of each year.

The Sub-group meets usual in the margins of the sessions of the Executive Committee meeting and presents recommendations to the Executive Committee on the projects and activities reviewed in the form of the **Report of the Executive Committee's Subgroup on the Production Sector**.

Action expected from the Executive Committee:

The Executive Committee reviews the recommendations contained in the report from the sub-group and adopts those recommendations.

## ***Report of the Executive Committee to the Meeting of the Parties***

The Executive Committee is required to report to the Meeting of the Parties (MOP) each year through the Chair of the Committee. The report sums up the activities of the Executive Committee during the period of reporting, normally one year, highlighting the important policies and guidelines that have been adopted, the funding that has been disbursed, and the amount of ODS phase-out that has been achieved.

Before the report is presented by the Chair to the MOP, it is reviewed and cleared by the Executive Committee usually at the meeting prior to the MOP. Following the meeting, it is updated to incorporate any points raised by the Committee and the outcome of the meeting.

### Action expected from the Executive Committee:

The Executive Committee may decide to authorize the Secretariat to compile or update the report in the light of the discussions held and submit it to the Ozone Secretariat for distribution to the Parties.

## ***Adoption of the Report***

A draft report of the meeting of the Executive Committee is prepared by the Secretariat and reviewed by the Chair. This is known as the L.1. report and it contains drafts of all the decisions made by the Executive Committee during that meeting. Comments on and amendments to the text of the report can be proposed; however, Committee members are not expected to open substantive discussions on any agenda item.

### Action expected from the Executive Committee:

The Executive Committee adopts the report of the meeting on the basis of the draft L.1. report and comments made by any members of the Committee.

## **4. Activities following an Executive Committee Meeting**

Following the meeting, the Secretariat finalizes the **Report of the Meeting of the Executive Committee**. The report is conveyed to all Executive Committee members, other participants and to the Parties to the Montreal Protocol. In order to make the outcome of the meeting more widely known, a document summarizing decisions made at the meeting is sent by email to all meeting participants, Parties to the Montreal Protocol, Regional Network Officers of UNEP's Compliance Assistance Programme (CAP). Both the report and the summary of decisions are placed on the Multilateral Fund intranet and public web site. A press release is issued shortly after the closure of the meeting. Decisions related to project approvals are sent to the relevant Article 5 countries, and to bilateral and implementing agencies, through a letter from the Chief Officer of the Fund Secretariat.



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## APPENDIX 1. THE MULTILATERAL FUND

### 1.1. The aim of the Multilateral Fund

The Multilateral Fund was set up to assist developing countries to comply with the terms of the Montreal Protocol, an international agreement that sets out a timetable for the phase-out of ozone-depleting substances in both developed and developing countries. The Fund provides assistance to countries who are Parties to the Montreal Protocol and whose annual *per capita* consumption and production of ozone-depleting substances (ODS) is less than 0.3 kg. The developing countries that meet these criteria are referred to as Article 5 countries. Contributions to the Multilateral Fund are provided by the non-Article 5 country parties.

### 1.2. Key concepts of the Multilateral Fund

#### 1.2.1. *Incremental costs*

The Multilateral Fund provides financing for the incremental costs of ODS phase-out. The Parties to the Montreal Protocol agreed an indicative list of such costs at their fourth meeting in 1992. They include:

- Costs involved in supplying substitutes, including converting existing production facilities and equipment or establishing new facilities, paying for patents, designs and royalties, training personnel, adapting technology to local circumstances, retiring existing capital prematurely and importing substitutes.
- Costs involved where ODS are used in manufacturing, including converting existing equipment and facilities, paying for patents, designs and royalties, training, research and development and paying for raw materials.
- Costs involved in end use, including prematurely modifying or replacing user equipment, recycling and destroying ODS and providing technical assistance to reduce consumption and unintended emissions.

The total costs of conversion to ozone friendly technologies are not covered. For example the installation of new equipment can produce savings or benefits by itself irrespective of its impact on ozone depletion. Projected savings are deducted from costs to reach the figure for incremental costs, and where this is negative the project is not eligible for Fund assistance.

#### 1.2.2. *Compliance period*

The period for compliance with the control schedules of the Montreal Protocol for Article 5 countries began following a ten-year grace period. The first control measure was the freeze in CFC (Appendix A group I substances) production and consumption at the baseline level from 1 July 1999 onwards. Subsequently, the freeze in production and consumption of halon (Appendix A group II) and methyl bromide (Appendix E) came into force as of 1 January 2002, and the freeze in

production and consumption of methyl chloroform or TCA (Appendix B group III) as of 1 January 2003. By 2005 carbon tetrachloride should be reduced by 85 percent, CFCs and halons by 50 percent, methyl chloroform by 30 percent and methyl bromide by 20 percent. Total phase-out of CFCs, halons and carbon tetrachloride is required by 2010; total phase-out of methyl chloroform and methyl bromide by 2015; and total phase-out of HCFCs by 2040.

### 1.2.3. *Country compliance driven approach*

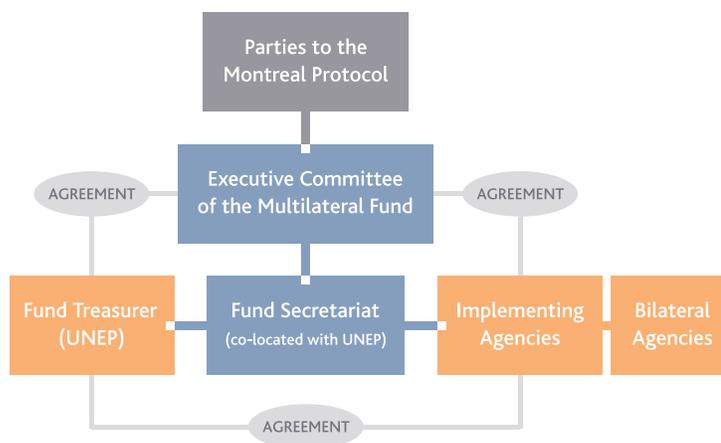
A country is in compliance when the rules and regulations outlined in the Montreal Protocol are met. The Multilateral Fund's strategy is based on a compliance driven business-planning approach in which the level of ODS phase out needed for each country has been calculated so that resources can be targeted to countries appropriately. Multi-year performance-based agreements are established with countries to assist them to comply with the control measures of the Montreal Protocol.

### 1.2.4. *Equal partnership*

The Multilateral Fund is governed by an Executive Committee, which has equal representation from among the donor and the recipient countries. This partnership of Article 5 and non-Article 5 parties is extended by the representative constituency system of the Executive Committee. Members may co-opt countries from their region, making it possible to have participants from up to 40 countries attending an Executive Committee meeting.

## 1.3. **Key structures of the of the Multilateral Fund**

The key elements of the Multilateral Fund are:



- The Parties to the Montreal Protocol
- The Executive Committee of the Multilateral Fund;
- The Fund Secretariat;
- The multilateral and bilateral implementing agencies; and,
- The Treasurer.

### 1.3.1. *The Parties to the Montreal Protocol and the Executive Committee*

The Multilateral Fund operates under the authority of the Parties to the Montreal Protocol, who decide both on its overall policies and, every three years, on the level of replenishment of the Fund. During the Meeting of the Parties (MOP), which takes place towards the end of the year, Parties select Executive Committee members for the following year. Representation on the Executive Committee consists of representatives from seven Article 5 countries and seven non-Article 5 countries. Selection is based on equitable geographic representation. For Article 5 countries, seats are allocated as follows: two seats to Parties of the African region; two seats to Parties of the region of Asia and the Pacific; two seats to Parties of the region of Latin America and the Caribbean; and one rotating seat among the regions referred, including the region of Eastern Europe and Central Asia. The Executive Committee serves for one calendar year from 1 January to 31 December. Members have equal voting rights but the Executive Committee has never voted; decisions are based on consensus. The Chair and Vice-chair of the Executive Committee alternate annually between the Article 5 and non-Article 5 countries.

A representative constituency system introduced by the Executive Committee allows each of the 14 members to co-opt additional countries from the same region. This has significantly broadened the participation of stakeholders in the decision-making process, and enhanced their sense of ownership of the process.

The Executive Committee, which manages the Multilateral Fund, is responsible for developing operational policies and guidelines, drawing up the three-year plan and budget for the Multilateral Fund, approving country programmes and specific projects and overseeing the Multilateral Fund's administration. The Committee primarily discharges its responsibilities at the three meetings it convenes each year.

To facilitate the exchange of information on compliance issues between the Executive and Implementation Committees, the Chair and Vice-Chair of the Executive Committee are invited to attend the Implementation Committee's meetings. On a reciprocal basis, the President and Vice-President of the Implementation Committee are invited to attend the Executive Committee's meeting (Decision XIV/37).

The Executive Committee has had no standing sub-committees since its 41<sup>st</sup> Meeting in 2003. This arrangement was renewed in December 2004 (decision 44/57). The Committee has a Sub-group on the Production sector and other working groups are set up to deal with specific issues as necessary.

#### *Executive Committee Sub-group on the production sector*

The Sub-group on the production sector is re-established at the first meeting of each year from members of the Executive Committee (decision 23/50). Their mandate includes discussions on actual project proposals and the formulation of recommendations on projects relating to the closure of ODS production-sector facilities to bring to the Executive Committee for its consideration.

### 1.3.2. *Fund Secretariat*

The role of the Fund Secretariat is to assist the Executive Committee in the discharge of its functions. The Secretariat is based in Montreal, Canada, and consists of a small number of internationally recruited professional staff and local support staff. The Secretariat is headed by the Chief Officer, who reports directly to the Committee.

The terms of reference of the Secretariat, as approved by the Executive Committee, at its third meeting include 23 specific responsibilities, which essentially cover: development of the three year plan and budget and a system of funds disbursement; management of the business planning cycle of the Fund; monitoring the expenditures and activities of the Implementing Agencies; preparation of policy papers and other documents; review and assessment of project-related submissions of the Implementing Agencies; liaison between the Committee, Governments and the Implementing Agencies; and servicing the meetings of the Executive Committee. Since 1997, the Secretariat has also included a monitoring and evaluation function, established expressly by the Executive Committee.

### 1.3.3. *Implementing agencies*

In delivering financial and technical assistance, the Multilateral Fund works together with a number of implementing agencies: the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), the World Bank, and a number of bilateral agencies

The four multilateral implementing agencies work under the overall guidance and supervision of the Executive Committee. The roles of the implementing agencies for projects approved under the Multilateral Fund were outlined broadly in decision II/8 of the Second Meeting of the Parties to the Protocol. More detailed arrangements are set out in the individual agreements concluded between the Executive Committee and UNDP, UNEP, UNIDO and the World Bank, which cover financial arrangements and reporting requirements.

[Broadly speaking, UNDP, UNIDO and the World Bank are responsible for the preparations and implementation of investment projects, while the main thrust of UNEP's activities is on information dissemination, capacity-building, institutional-strengthening, networking, and assistance to low-volume consuming Article 5 countries.

### 1.3.4. *Bilateral Agencies*

The Parties to the Montreal Protocol also decided that contributing Parties could use up to 20 percent of their annual contribution to carry out activities with developing countries on a bilateral basis. As of November 2005, 12 contributing Parties engage in a range of bilateral activities such as training, technical assistance and the introduction of up-to-date ozone-friendly technologies.

### 1.3.5. *Treasurer*

The Fund Treasurer is responsible for receiving and administering pledged contributions (cash, promissory notes or bilateral assistance), and disbursing funds to the Fund Secretariat and the implementing agencies based on the directive of the Executive Committee. At its 42nd meeting, the Executive Committee approved an agreement between UNEP and the Executive Committee on the service of the Treasurer and agreed the level of fees (US\$ 500,000 per year) for the following five years (2004 to 2009) (Decision 42/42).

The Treasurer attends each meeting of the Executive Committee and is responsible for preparing:

- A status of contributions and disbursements for each meeting, and
- The Accounts of the Multilateral Fund on an annual basis.

## APPENDIX 2. HOW THE MULTILATERAL FUND OPERATES

### 2.1. Financial planning

#### 2.1.1. *Replenishment of the Multilateral Fund*

The Multilateral Fund has been replenished every 3 three years since 1994 by the Parties to the Montreal Protocol. As mandated by the Parties and to facilitate discussions on the replenishment, the TEAP prepares a study analyzing relevant issues and calculates an appropriate replenishment level to finance the Fund's work over the next triennium to assist the Parties. After reviewing the TEAP calculates funding needs, the OEWG normally asks for additional information and forwards a recommendation on the replenishment to the Parties. A final decision on the replenishment budget is taken at the Meeting of the Parties (MOP) in the final year of the preceding triennium.

For the last two replenishments, a fixed-rate exchange mechanism (FERM) was agreed upon at the same MOP that considered the replenishment budget. The FERM is based upon an average of the official UN exchange rate for the six months preceding the commencement of the associated replenishment. The impact of the FERM on the value of resources available to the Fund is monitored by the Treasurer as part of his report on the Status of Contributions and Disbursements to each meeting of the Executive Committee.

Contributions to the Multilateral Fund are made by non-Article 5 Parties on the basis of United Nations scale of assessment. These contributions may be made either in cash, through the use of promissory notes, or in-kind and bilateral contributions according to an annual scale of contributions agreed by the Parties.

#### 2.1.2. *Resource allocation*

##### *Financial planning for the triennium*

The Executive Committee carries out a financial planning exercise each time the Parties adopt a triennial budget. The result of this is an annual allocation for each year of the triennium based on the total budget available, the annual scale of contributions based on business planning taking into account the three-year rolling phase-out plan, and the status of compliance.

Some of the total budget will have already been committed by the Executive Committee. Committed items will include: funds for multi-year agreements or those earmarked for standard costs incurred by the Fund (institutional strengthening, the budget of the Fund Secretariat and Executive Committee meetings, implementing agencies' core unit administrative costs, and UNEP's compliance assistance programme (CAP)).

### 2.1.3. *Business Planning*

In 2002, the Executive Committee adopted the “three-year rolling phase-out plan” (Decision 38/66) as the basis of business planning in the Multilateral Fund. This approach is based on the approval of certain amounts of ODSs for specific countries during the triennium to enable them to comply with the Montreal Protocol control measures. The Compliance-Oriented Model (COM) for a funding triennium provides the total number of ODP tonnes of substances that need to be phased-out over the following three years. It is updated annually in the form of the **Model three-year phase-out plan** before and after the last meeting of the year, to facilitate the implementing agencies’ preparation of their business plans that are submitted to the following meeting.

Each year, the implementing agencies and bilateral agencies meet with the Fund Secretariat to coordinate the annual business plans in light of both the three-year phase-out plan and the information on the status/prospects of Article 5 countries in achieving compliance. Following this meeting, agencies submit their business plans to the Fund Secretariat, which compiles the information provided by the agencies into the **Consolidated Business Plan of the Multilateral Fund**. This document also addresses any major policy issues raised in the business plans.

The implementing agencies’ business plans are submitted to the Executive Committee along with the comments and recommendations of the Fund Secretariat. They contain all the projected activities for a given year together with performance indicators, which provide the basis for the evaluation of the agencies performance. The annual business plans are presented to the Executive Committee as multi-year business plans since three years of activities are included. However there is less certainty with regard to projects and activities for the second and third years that are not part of ongoing multi-year agreements. The Secretariat monitors the implementation of business plans at each subsequent meeting of the year to inform the Committee of the extent to which the planned activities were achieved.

## 2.2. **Country Programmes**

An essential first step for an Article 5 country to receive assistance from the Multilateral Fund is the submission of a government endorsed country programme to the Executive Committee. The Multilateral Fund finances the preparation of country programmes as a process to assess national compliance, formulate an action plan for phase-out and establish needs for Fund assistance. Country programmes are drawn up with the assistance of one of the implementing agencies.

The Fund Secretariat reviews the country programmes it receives from agencies and forwards them to the Executive Committee with an evaluation sheet, comments and recommendations. Relevant documentation is also attached including the transmittal letter from the relevant government, a Country Programme Cover Sheet and the Executive Summary submitted by the relevant Government.

An Executive Committee approved country programme is in principle a prerequisite for investment support from the Multilateral Fund. Approval of the country programme does not mean that all the projects identified in the country programme will be approved or will be funded at a particular funding level. Countries with a Country Programme have to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, paragraph 135). The Fund Secretariat uses these data when analysing the status of compliance of Article 5 countries.

### **2.3. Project review and approval**

#### *2.3.1. Projects and activities financed by the Multilateral Fund*

The Multilateral Fund provides financial assistance for projects in countries classified under Article 5 of the Montreal Protocol in order to assist them to meet the control measures of the Protocol. All projects submitted to the Fund must receive the requesting Party's approval before consideration by the Executive Committee. Financial assistance covers the incremental costs of investment projects and also covers the costs of other activities such as country programme preparation, demonstration projects, institutional strengthening projects, project preparation, technical assistance or training, as well as a Compliance Assistance Programme targeting low volume-consuming-countries funded through UNEP. Countries that are not in compliance with the Protocol cannot receive funding from the Multilateral Fund until the underlying issues of non-compliance have been dealt with by the Implementation Committee.

The Secretariat is responsible for ensuring that complete documentation pertaining to projects is provided to the Executive Committee. The Secretariat also ensures that projects submitted to the Multilateral Fund follow guidelines elaborated in the decisions made by the Committee at its meetings. Documents including those on projects are sent to the Executive Committee four weeks before a meeting. Any subsequent information on projects must be provided to the Committee members at least two weeks in advance of the meeting. The Secretariat and implementing agencies must resolve any cost issues at least one week before the meeting otherwise the project should not be considered at that meeting. As far as possible, any new policy issues regarding projects should be resolved prior to the submission of a project.

*For detailed information on the policies and procedures affecting the project cycle, please refer to Section IX. Project Proposals of the "Policies, procedures, guidelines and criteria".*

### 2.3.2. *Types of projects and activities*

Non-investment activities include institutional strengthening projects, project preparation, technical assistance or training. Institutional strengthening is a very important part of the Fund's activities since it is important to ensure that the institutional and human infrastructure is in place to facilitate implementation of projects and activities.

*See Institutional Strengthening. Section X. of "Policies, procedures, guidelines and criteria"*

Investment project proposals include individual investment projects, national and sectoral phase-out plans, refrigerant management plans (RMPs) and terminal phase-out management plans (TPMPs). Since the introduction of the strategic planning process, there has been a move away from individual investment projects in non-LVCs (low volume consuming) countries towards national phase-out plans (NPP) targeting the total remaining consumption of a specific controlled substance(s) in a country. National phase-out plans are fully documented in an agreement made between the Executive Committee and the government of the Article 5 country concerned.

*For copies of Agreements refer to Sectoral Phase-out plans. Section XII of "Policies, procedures, guidelines and criteria".*

### 2.3.3. *Project Review Process*

Implementing agencies submit funding proposals for projects and activities to the Secretariat according to a strict timetable. All new national or sector plans must be submitted at least 14 weeks before an Executive Committee meeting. Other submissions must be submitted by an 8 week deadline. The Fund Secretariat will check that submissions from the agencies have all the relevant documentation. In addition a country's data reporting obligations must be up-to-date.

Proposals for investment projects and activities are reviewed by the Secretariat based on the rules and policies governing the determination of incremental costs. These criteria and guidelines have evolved through successive decisions made by the Executive Committee at their meetings. The Secretariat reviews proposals with the aim of reaching an agreement with the implementing agencies about technical and incremental cost aspects and also to identify any emerging policy issues to bring to the attention of the Executive Committee.

The proposals for investment projects and activities are submitted to the Executive Committee with a recommendation based on the review by the Fund Secretariat. Significant adjustments can be made to the project proposals during this process; for example level of costs and sometimes technology choice, and to take account of the policy decisions previously taken by the Committee. Projects which meet all the eligibility requirements and for which there are no policy or other issues outstanding, may be approved on the basis of the Secretariat's recommendation for blanket approval. The Executive Committee discusses and makes more complex decisions on any projects which raise policy issues.

#### 2.3.4. *Discussion of project proposals by the Committee*

Proposals for projects and activities may be approved in two ways: as a blanket approval; or following discussion by the Committee. All discussions on project review have taken place in the plenary of Executive Committee meetings since the 42<sup>nd</sup> meeting. From time to time, a contact group may be formed to discuss a particular project or issue in more detail and report back to the plenary.

##### ***Route 1 – Projects in the list of ‘blanket approval’***

Projects which meet all the eligibility requirements and for which there are no policy or other issues outstanding, may be approved on the basis of the Secretariat’s recommendation for blanket approval. This list can include tranches of multi-year agreements or national phase-out plans. The list of “blanket approvals” submitted to a meeting in the **Overview of issues identified during project review**. The blanket list of projects and activities may be approved by the Executive Committee without any further discussion. The documentation for projects in the blanket approval list may be found in the **Work Programmes** of agencies, the **Bilateral Cooperation** document or in a **Project Proposal** document for the country concerned.

##### ***Route 2 – Projects for individual consideration***

The Executive Committee discusses and makes more complex decisions on any projects which raise policy issues but are still potentially approvable. The Executive Committee considers these proposals for projects and activities individually and may approve them with or without a number of conditions. If the project is rejected, the implementing agency may submit it again at a future date, or seek alternate projects.

##### ***After approval***

Following project approval, the Executive instructs the Treasurer to disburse funds to the appropriate implementing agency(ies). Following verification that proper project components are in place, the agency will disburse funds to involved project entities. Within six months of project completion, the implementing agency should submit a project completion report to the Secretariat.

## 2.3 PROJECT IMPLEMENTATION

The Executive Committee has considered monitoring matters since its Fifth meeting in 1991. The Fund Secretariat monitors activities at the project level and the agency level. By 1995, the Secretariat had developed a standard format for progress reporting which simplified oversight by the Executive Committee. Standard progress reports are submitted by implementing agencies to the Executive Committee once a year, normally at its second meeting. Bilateral and implementing agencies also submit data on projects with information delays to the first and third meetings.

## 2.4. Monitoring

### 2.4.1. *Performance of implementing agencies*

At the second meeting of the year, the agencies provide an annual progress report on both the implementation of approved work programmes and activities related to country programmes and projects. These reports include information on the performance of implementing agency performance indicators.

### 2.4.2. *Monitoring projects - implementation delays and cancellation*

Monitoring of projects involves periodic reporting to gauge the project's progress or lack of progress. The Secretariat scrutinizes data on the performance of projects reported by the implementing and bilateral agencies in their "Progress reports". Projects which are experiencing delays and projects with financial balances are monitored more closely and are reported to each Executive Committee meeting.

At each of its meeting the Executive Committee considers:

- Project implementation delays, and
- Project cancellation

The Executive Committee considers a consolidated report from the Fund Secretariat based on reports from bilateral and implementing agencies.

A project is classified as having a delay if it is expected to be completed over 12 months late or where disbursement occurred 18 months or more after project approval. Such projects are monitored at each meeting for progress and are subject to the Executive Committee's procedure for project cancellations. Note that the procedure only applies to stand-alone investment projects and is not used for institutional strengthening projects or multi-year agreements.

The Executive Committee considers cancelling a project that has had implementation delays that have experienced no progress for two consecutive Executive Committee meetings. At the end of the second meeting, countries and implementing agencies are required to agree deadlines for project milestones. Following this agreement the project is automatically cancelled if the agreed deadlines for the milestones are not met. In the vast majority of cases, projects are cancelled by mutual agreement between the implementing agencies and the Government of the country concerned. Automatic cancellation only occurs in about five per cent of cases.

The Fund Secretariat proactively seeks out information regarding causes for implementation delays, and addresses them in collaboration with the implementing agencies. The current monitoring system needs to be updated in order to support consistent and effective assessments of the progress reports and verification audits of multi-year agreements. This process is currently underway.

### 2.4.3. *Monitoring multi-year agreements*

Since 1999, multi-year agreements had increasingly become the predominant means for disbursement of Multilateral Fund resources. Under these agreements, implementing agencies are required to submit a verification report on the achievement of the ODS reduction targets specified in the agreements as a prerequisite for the release of the next tranche of funds. At the 46<sup>th</sup> meeting the Executive Committee adopted new procedures for verifying national ODS reduction targets in these multi-year projects so that further disbursements of funds to the projects can be approved. Verification data will be collected by means of a revised reporting format for the implementation of country programmes.

The Executive Committee monitors multi-year agreements through: progress/verification reports submitted with annual funding tranche requests; annual implementing agency progress and financial reports; annual monitoring and evaluation work programme and project completion reports.

## 2.5. **Evaluation**

The evaluation process considers completed and on-going projects and provides information on the strengths and limitations of various types of projects and phase-out plans, the major causes of failures to reach targets, lessons learnt during implementation and recommendations for actions to improve performance of the Fund.

The Executive Committee started to address evaluation in 1995 at which time it approved the preparation of evaluation guidelines: for more information refer to the Evaluation Guide in Appendix XI.2 of the “Policy, Procedures, Guidelines and Criteria of the Multilateral Fund”. Henceforth, all project proposals included milestones for the completion of the various stages of the project. Data on completed projects are collected from implementing agencies by the Fund Secretariat using standardized formats for different types of projects. The Secretariat consolidates the information from the agencies’ project completion reports into the “Consolidated project completion report”, for the Executive Committee’s consideration at the final meeting of each calendar year.

Evaluation activities are approved on an annual basis by the Executive Committee in the form of the Monitoring and Evaluation Work Programme. Evaluations are prepared by independent consultants under the coordination of the Senior Monitoring and Evaluation Officer. To date the studies have focused on completed and ongoing projects on the sectoral level; only process agents and CTC sectors remain. The main task ahead is to prepare the mid-term evaluations foreseen in multi-year phase-out agreements. Compliance-related subjects will also be addressed by analysing cases of non-compliance with the 2005 and 2007 reduction steps.

An evaluation study includes analysis of the objectives, the results achieved by projects and agreements, and reasons for delays. Evaluation studies can point to compliance risks. The lessons and recommendations from evaluation studies are aimed at improving the focus and mode of implementation of projects by providing information on the strengths and limitations of

various types of projects and phase-out plans, the major causes of delays and of action taken to overcome difficulties.

*For further information see Evaluation Guide. Appendix XI.2. of “Policies, procedures, guidelines and criteria”*

### APPENDIX 3. EXECUTIVE COMMITTEE MEETINGS

**Table 1. Standard Agenda Item and associated documents**

Agenda Items and sub-items	Document associated with item
Organizational matters	
Adoption of the agenda	Provisional agenda & Provisional annotated agenda
Organization of work	Provisional agenda & Provisional annotated agenda
Secretariat activities	Secretariat activities
Status of contributions and disbursements	Status of contributions and disbursements
Resource availability, allocation and business planning	
Report on balances	Report on balances and availability of resources
Programme implementation	
Evaluation activities	Specific reports on evaluation activities
Project implementation delays	Project implementation delays
Report on implementation of approved projects with specific reporting requirements	Report on implementation of approved projects with specific reporting requirements
Project proposals	
Overview of issues identified during project review	Overview of issues identified during project review
Bilateral cooperation	Bilateral Cooperation
[Amendments to] work programmes for [year]	(Amendment to) work programme for [year] of UNEP (Amendment to) work programme for [year] of UNDP (Amendment to) work programme for [year] of UNIDO (Amendment to) work programme for [year] of the World Bank
Investment projects	Project proposal(s): [country]
Specific policy issues	Documents as necessary
Country Programmes	Country Programme of [country]
Report of the Executive Committee's Subgroup on the Production Sector	Report of the Executive Committee's Subgroup on the Production Sector
Other matters	
Adoption of the report of the meeting	L.1 - Draft report of the [number] meeting of the Executive Committee.

**Table 2. Agenda items and sub-items occurring at the first meeting of the year**

Agenda Items/sub-item	Documents associated with agenda item
<b>Status of resources and planning</b>	
3 year consolidated business plan of the Multilateral Fund (including status of compliance)	3 year consolidated business plan of the Multilateral Fund
[year – year] business plans <i>(Individual 3 year business plans for bilateral agencies and multilateral agencies)</i>	[year] business plans for bilateral agencies Business plan for the year [year] of [agency]
Financial planning for the triennium <i>This item occurs once every three years.</i>	Financial planning for the triennium [year-year]

**Table 3. Additional agenda items and sub-items occurring at the second meeting of the year**

Agenda Items/sub-item	Documents associated with agenda item
<b>Status of resources and planning</b>	
Review of current year's business plan – status of implementation	Review of current year's business plan – status of implementation
Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol	
<b>Programme Implementation</b>	
Progress reports as at 31 December of [preceding year]	Consolidated progress report Progress report of bilateral cooperation as at 31 December [year] Progress report of [agency] as at 31 December [year]
Evaluation of the implementation of the preceding year's business plans	Evaluation of the implementation of the [year] business plans
Provisional accounts of preceding year	

**Table 4. Additional agenda items and sub-items occurring at the third meeting of the year**

<b>Agenda Items/sub-item</b>	<b>Documents associated with agenda item</b>
<b>Status of resources and planning</b>	
Business plans	[current year] business plans
Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol	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	Model rolling three-year phase out plan: [year-year]
<b>Programme implementation</b>	
Consolidated project completion report	[year] Consolidated project completion report
Draft Monitoring and Evaluation work programme for the following year	Draft Monitoring and Evaluation work programme for the year [year]
<b>Project proposals</b>	
Core unit costs for UNDP, UNIDO and the World Bank for the following year	Core unit costs for UNDP, UNIDO and the World Bank for [year]
Compliance Assistance Programme (CAP) budget and work programme for UNEP for the year	Compliance Assistance Programme (CAP) budget and work programme for UNEP for the year [year]
Core unit costs for UNDP, UNIDO and the World Bank for the following year	Core unit costs for UNDP, UNIDO and the World Bank for [year]
<b>Accounts of the Multilateral Fund</b>	
Final accounts of preceding year	Final accounts of [year]
Reconciliation of the accounts	Reconciliation of the [year] accounts
<b>Revised three year budget the Fund Secretariat</b>	Revised [year1, year2 ] and proposed [year 3] budgets of the Fund Secretariat
<b>Report of the Executive Committee to the Seventeenth Meeting of the Parties.</b>	Report of the Executive Committee to the Seventeenth Meeting of the Parties

**Terms of reference of the Executive Committee as modified by the Meeting of the Parties in its Decisions IX/16 and XVI/38.**

1. The Executive Committee of the Parties is established to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources, for the purpose of achieving the objectives of the Multilateral Fund under the Financial Mechanism.

2. The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee members. Seven seats allocated to the group of Parties operating under paragraph 1 of Article 5 shall be allocated as follows: two seats to Parties of the African region, two seats to Parties of the region of Asia and the Pacific, two seats to Parties of the region of Latin America and the Caribbean, and one rotating seat among the regions referred, including the region of Eastern Europe and Central Asia. The members of the Executive Committee shall be endorsed by the Meeting of the Parties.

2 bis. The members of the Executive Committee whose selection was endorsed by the Eighth Meeting of the Parties shall remain in office until 31 December 1997. Thereafter, the term of office of the members of the Committee shall be the calendar year commencing on 1 January of the calendar year after the date of their endorsement by the Meeting of the Parties.

3. The Chairman and Vice-Chairman shall be selected from the fourteen Executive Committee members. The office of Chairman is subject to rotation, on an annual basis, between the Parties operating under paragraph 1 of Article 5 and the Parties not so operating. The group of Parties entitled to the chairmanship shall select the Chairman from among their members of the Executive Committee. The Vice-Chairman shall be selected by the other group from within their number.

4. Decisions by the Executive Committee shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions shall be taken by a two-thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting.

5. The meetings of the Executive Committee shall be conducted in those official languages of the United Nations required by members of the Executive Committee. Nevertheless, the Executive Committee may agree to conduct its business in one of the United Nations official languages.

6. Costs of Executive Committee meetings, including travel and subsistence of Committee participants from Parties operating under paragraph 1 of Article 5, shall be disbursed from the Multilateral Fund as necessary.

7. The Executive Committee shall ensure that the expertise required to perform its functions is available to it.
8. The Executive Committee shall hold three meetings a year while retaining the flexibility to take advantage of the opportunity provided by other Montreal Protocol meetings to convene additional meetings where special circumstances make this desirable.
9. The Executive Committee shall adopt other rules of procedure on a provisional basis and in accordance with paragraphs 1 to 8 of the present terms of reference. Such provisional rules of procedure shall be submitted to the next annual meeting of the Parties for endorsement. This procedure shall also be followed when such rules of procedure are amended.
10. The functions of the Executive Committee shall include:
  - (a) To develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources;
  - (b) To develop the plan and budget for the Multilateral Fund, including allocation of Multilateral Fund resources among the agencies identified in paragraph 5 of Article 10 of the Amended Protocol;
  - (c) To supervise and guide the administration of the Multilateral Fund;
  - (d) To develop the criteria for project eligibility and guidelines for the implementation of activities supported by the Multilateral Fund;
  - (e) To review regularly the performance reports on the implementation of activities supported by the Multilateral Fund;
  - (f) To monitor and evaluate expenditure incurred under the Multilateral Fund;
  - (g) To consider and, where appropriate, approve country programmes for compliance with the Protocol and, in the context of those country programmes, assess and where applicable approve all project proposals or groups of project proposals where the agreed incremental costs exceed \$500,000;
  - (h) To review any disagreement by a Party operating under paragraph 1 of Article 5 with any decision taken with regard to a request for financing by that Party of a project or projects where the agreed incremental costs are less than \$500,000;
  - (i) To assess annually whether the contributions through bilateral cooperation, including particular regional cases, comply with the criteria set out by the Parties for consideration as part of the contributions to the Multilateral Fund;
  - (j) To report annually to the meeting of the Parties on the activities exercised under the functions outlined above, and to make recommendations as appropriate;

- (k) To nominate, for appointment by the Executive Director of UNEP, the Chief Officer of the Fund Secretariat, who shall work under the Executive Committee and report to it; and
- (l) To perform such other functions as may be assigned to it by the Meeting of the Parties.

## **Rules of procedure for Meetings of the Executive Committee for the Multilateral Fund for the Implementation of the Montreal Protocol**

### **APPLICABILITY**

Unless otherwise provided for by the Montreal Protocol or by the decision of the Parties, or excluded by the Rules of Procedure hereunder, the Rules of Procedures for meetings of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer shall apply mutatis mutandis to the proceedings of any meeting of the Executive Committee.

#### **Rule 1**

These Rules of procedure shall apply to any meeting of the Executive Committee for the Interim Multilateral Fund under the Protocol on Substances that Deplete the Ozone Layer convened in accordance with Article 11 of the Protocol.

### **DEFINITIONS**

#### **Rule 2**

For the purposes of these rules:

1. "Executive Committee" means the Executive Committee for the Interim Multilateral Fund as established by decision II/8 at the Second Meeting of the Parties to the Montreal Protocol.
2. "Committee members" means Parties selected as members of the Executive Committee for the Interim Multilateral Fund.
3. "Meeting" means any meeting of the Executive Committee for the Interim Multilateral Fund.
4. "Chairman" means the Committee member selected Chairman of the Executive Committee.
5. "Secretariat" means the Multilateral Fund Secretariat.
6. "Fund" means the Interim Multilateral Fund.

### **PLACE OF MEETINGS**

#### **Rule 3**

The meetings of the Executive Committee shall take place at the seat of the Fund Secretariat, unless other appropriate arrangements are made by the Fund Secretariat in consultation with the Executive Committee.

### **DATES OF MEETINGS**

#### **Rule 4**

1. Meetings of the Executive Committee shall be held at least twice every year.
2. At each meeting, the Executive Committee shall fix the opening date and duration of the next meeting.

#### **Rule 5**

The Secretariat shall notify all Committee members of the dates and venue of meetings at least six weeks before the meeting.

## **OBSERVERS**

### **Rule 6**

1. The Secretariat shall notify the President of the Bureau and the implementing agencies inter alia UNEP, UNDP and the World Bank of any meeting of the Executive Committee so that they may participate as observers.
2. Such observers may, upon invitation of the Chairman, participate without the right to vote in the proceedings of any meeting.

### **Rule 7**

1. The Secretariat shall notify any body or agency, whether national or international, governmental or nongovernmental, qualified in the field related to the work of the Executive Committee, that has informed the Secretariat of its wishes to be represented, of any meeting so that it may be represented by an observer subject to the condition that their admission to the meeting is not objected to by at least one third of the Parties present at the meeting. However, the Executive Committee may determine that any portion of its meetings involving sensitive matters may be closed to observers. Nongovernmental observers should include observers from developing and developed countries and their total number should be limited as far as possible.
2. Such observers may, upon invitation of the Chairman and if there is no objection from the Committee members present, participate without the right to vote in the proceedings of any meeting in matters of direct concern to the body or agency which they represent.

## **AGENDA**

### **Rule 8**

In agreement with the Chairman and the Vice Chairman, the Secretariat shall prepare the provisional agenda for each meeting.

### **Rule 9**

The Secretariat shall report to the meeting on the administrative and financial implications of all substantive agenda items submitted to the meeting, before they are considered by it. Unless the meeting decides otherwise, no such item shall be considered until at least twenty-four hours after the meeting has received the Secretariat's report on the administrative and financial implications.

### **Rule 10**

Any item of the agenda of any meeting, consideration of which has not been completed at the meeting, shall be included automatically in the agenda of the next meeting, unless otherwise decided by the Executive Committee.

## **REPRESENTATION AND CREDENTIALS**

### **Rule 11**

The Executive Committee shall consist of seven Parties from the group of Parties operating under paragraph 1 of Article 5 of the Protocol and seven Parties from the group of Parties not so operating. Each group shall select its Executive Committee members. The members of the Executive Committee shall be formally endorsed by the Meeting of the Parties.

#### Rule 12

Each Committee member shall be represented by an accredited representative who may be accompanied by such alternate representatives and advisers as may be required.

### OFFICERS

#### Rule 13

If the Chairman is temporarily unable to fulfill the obligation of the office, the Vice Chairman shall in the interim assume all the obligations and authorities of the Chairman.

#### Rule 14

If the Chairman or Vice Chairman is unable to complete the term of office the Committee members representing the group which selected that officer shall select a replacement to complete the term of office.

#### Rule 15

1. The Secretariat shall:

- (a) Make the necessary arrangements for the meetings of the Executive Committee, including the issue of invitations and preparation of documents and reports of the meeting;
- (b) Arrange for the custody and preservation of the documents of the meeting in the archives of the international organization designated as secretariat of the Convention; and
- (c) Generally perform all other functions that the Executive Committee may require.

#### Rule 16

The Chief Officer of the Secretariat shall be the Secretary of any meeting of the Executive Committee.

### VOTING

#### Rule 17

Decisions of the Executive Committee shall be taken by consensus whenever possible. If all efforts at consensus have been exhausted and no agreement reached, decisions shall be taken by a two thirds majority of the Parties present and voting, representing a majority of the Parties operating under paragraph 1 of Article 5 and a majority of the Parties not so operating present and voting.

### LANGUAGES

#### Rule 18

The meeting of the Executive Committee shall be conducted in those official languages of the United Nations required by members of the Executive Committee. Nevertheless the Executive Committee may agree to conduct its business in one of the United Nations official languages.

## **AMENDMENTS TO RULES OF PROCEDURE**

### **Rule 19**

These rules of procedure may be amended according to Rule 17 above and formally endorsed by the Meeting of the Parties to the Montreal Protocol.

## **OVERRIDING AUTHORITY OF THE PROTOCOL**

### **Rule 20**

In the event of any conflict between any provision of these rules and any provision of the Protocol, the Protocol shall prevail.

## APPENDIX 4. LOGISTICS AND ARRANGEMENTS FOR MEETINGS

This section reviews the rules of procedure of meetings of the Executive Committee relevant to the logistical aspects of meetings and also provides details of the practical arrangements for meeting participants. Specific information relating to an upcoming meeting can be found in the General Information Note issued by the Secretariat approximately six weeks before the meeting.

### 4.1. Pre-session: Before the Meeting

#### 4.1.1. *Preparation of the agenda*

The provisional agenda for the meeting is prepared by the Secretariat in agreement with the Chair and Vice Chair of the Executive Committee and is sent to Executive Committee members together with the invitation letter at least six weeks before the meeting (Rule 5)

The agenda contains a number of standard items (see table 1) and other items that are related to the Executive Committee's annual cycle. Table 2 shows items that are specific to the first, second and third meetings of the year. There may also be policy issues which respond to specific decisions either from the Executive Committee or the Parties to the Montreal Protocol.

#### 4.1.2. *Representation and Attendance*

The Secretariat notifies all Committee members of the dates and venue of meetings at least six weeks before the meeting. The Fund Secretariat issues invitations to:

- The 14 members of the Executive Committee
- Any countries co-opted by Executive Committee members. A member may co-opt other countries from the same region.

The Secretariat also notifies the following individuals/bodies, who/which are authorized to participate as observers. Observers are allowed, upon invitation of the Chair, to participate without the right to vote in the proceedings of any meeting. These include:

- Representatives of the Implementing Agencies
- Representatives of the Ozone Secretariat
- The President of the Bureau of the Meeting of the Parties
- The President and Vice-President of Implementation Committee

The Secretariat also notifies NGOs and other organizations qualified in the field related to the work of the Executive Committee that has informed the Secretariat of its wishes to be represented, of meetings. These bodies can only attend provided there is no objection from the Committee members. Apart from the above, Executive Committee meetings are not open to the general public.

#### 4.1.3. *Letter of invitation*

Executive Committee members should reply to the invitation as soon as possible providing names of their delegation including those from any co-opted countries. It is important that members from Article 5 countries indicate those representatives to receive financial support.

Information on logistics is sent to members by email. This provides practical details on the meeting venue, local hotels rates and information on how to access meeting documents on the intranet. Participants make their travel and hotel arrangements.

#### 4.1.4. *Financial and other support*

Financial support, including the cost of travel and a subsistence allowance for each day of the meeting, is provided from the Multilateral Fund to the following:

- Executive Committee participants from Article 5 countries. Three attendees from each delegation are supported.
- The President of the Bureau of the Meeting of the Parties to the Montreal Protocol if she/he is a national of an Article 5 country.

The Fund Secretariat will provide all Executive Committee members with assistance to obtain any visas necessary for attending the meeting.

#### 4.1.5. *Time and venue of meetings*

Meetings of the Executive Committee take place three times per year in March/April, June/July and November/December and are usually held in Montreal, Canada (Rule 3). The ICAO premises on 999 University Street have been the venue for several years.

The Executive Committee may decide to hold a meeting outside Montreal if, for example, the timings of the Montreal Protocol and Executive Committee meetings coincide. For these back-to-back meetings, the two secretariats coordinate arrangements to the greatest extent possible.

In order for the meeting to take place outside Montreal, the Executive Committee will require an invitation from the host country. Following this invitation the Fund Secretariat can arrange a host country agreement. The extra costs of such meetings, if any, should be borne by the host country. In the event that the host country cannot cover the extra costs, these costs must be borne from the Secretariat budget.

#### 4.1.6. *Meeting documents*

Meeting documents are normally available for each agenda item and are generally written in English. These are dispatched to meeting participants by courier about four weeks before the start of the meeting. All documents, with the exception of information documents, are translated

into all the United Nations (UN) official languages of the member countries of the Executive Committee. Translated documents are dispatched to relevant participants approximately 5-7 days following the English dispatch. For reasons of economy, paper copies of documents are dispatched to only one delegate from each country (decision 41/80). Members who prefer to receive electronic documentation should inform the Secretariat.

Since the 45<sup>th</sup> meeting, all Executive Committee documents have been for “GENERAL” distribution. Occasionally documents may be for “LIMITED” distribution, and are distributed in the first instance to the Executive Committee and assigned the “GENERAL” distribution status following the Executive Committee’s meeting. The Executive Committee decided to restrict access to any project documents that a Party requested to be classified as restricted until the Executive Committee’s consideration of the matter.

Electronic documents are published on the Executive Committee intranet as soon as they are cleared by the Chief Officer of the Secretariat. Documents with a “GENERAL” distribution status are made available on the public web site.

Documents for the Sub-group on the Production Sector are dispatched to members of the Sub-group at the same time as Executive Committee documents. These “LIMITED” distribution documents are also available electronically on the intranet.

Occasionally a corrigendum or addendum to a document may be issued or a document may not be ready in time for dispatch. These documents may be sent to Executive Committee meeting delegates by email or in the case of a large document or large number of documents, an email will be sent to alert members to the publication of the document. All documents, with the exception of those indicating corrections or revisions, have to be issued at least 14 days before the meeting.

## **4.2. In-session: During a Meeting**

### **4.2.1. *Practical arrangements***

On arrival at the meeting venue, participants should register and for security reasons collect an identification badge. Participants should collect any documentation they require from the nearby documentation booth where they can find copies of all documents in all languages. Copies of documents issued since the dispatch will be available on each delegation’s desk in the meeting room.

### **4.2.2. *Schedule of meetings***

The Executive Committee normally meets in two sessions:

- 10 am to 1 pm
- 3pm to 6pm.

Night sessions may be arranged as and when they are needed. Meetings of any contact groups or presentations are arranged in consultation with the Secretariat at times adjacent to these meeting times.

#### 4.2.3. *List of participants*

A list of meeting participants is circulated during the week of the meeting.

#### 4.2.4. *Meeting management*

The Chair directs the proceedings of the meeting. If the Chair is temporarily unable to fulfill the obligation of the office, the Vice-Chair shall in the interim assume all the obligations and authorities of the Chair. If the Chair or Vice-Chair is unable to complete the term of office, the Committee members representing the group which selected that officer shall select a replacement to complete the term of office.

*(UNEP/OzL.Pro/3/11 Appendix VI of Decision III/22 (Rules 13, 14))*

Items on the agenda are normally considered in the order indicated in the Provisional Agenda unless the meeting decides to change the order of items during the agenda item “Organization of work”.

Arrangements for meetings of sub-groups and contact groups will be made during the plenary session. The facilitator of any break-out group should inform the Secretariat as soon as possible on their requirements for a meeting room.

Comments, both oral and written, provided by members of the Executive Committee should be unified submissions delivered directly and solely in the name of the Executive Committee member (decision 35/62).

#### 4.2.5. *Observers*

Occasionally the Executive Committee may decide that parts of its meetings involving sensitive matters may be closed to observers.

#### 4.2.6. *Interpretation*

Simultaneous interpretation is provided during the plenary in all the UN official languages of the Executive Committee members. Interpretation is not normally provided for meetings of other groups unless this is pre-arranged with the Secretariat.

#### 4.2.7. *Conference room papers*

During the meeting session the Secretariat may issue one or more conference room papers (CRPs). These papers are often based on text drafted by meeting participants. Participants

should provide the Secretariat with a copy of their draft text, preferably electronically, for this purpose.

#### 4.2.8. *Preparation of the L.1 draft meeting report*

During the meeting a draft report, called the L.1, will be prepared based on a draft written by the team of report writers servicing the meeting. The Secretariat will forward a copy of the L.1 to the Chair for her/his comments.

The L.1 report is drafted in English and translated overnight in time for the start of the final meeting session of the week. Normally the L1 report in all languages is circulated to Executive Committee members one or two hours in advance of the final session of the meeting.

### 4.3. **Post Meeting**

#### 4.3.1. *Finalization of the meeting report*

The Secretariat finalizes the report in English based on the Executive Committee's comments. Once the editing and proof-reading steps are finished, the report is translated and conveyed to all Executive Committee members, other meeting participants and to the Parties to the Montreal Protocol.

#### 4.3.2. *Communicating the outcome of the meeting*

A press release is normally issued shortly after the closure of the meeting

A post meeting document summarizing decisions is prepared within 4 weeks of the meeting and sent by email to all meeting participants, Parties to the Montreal Protocol, and Regional Network Officers of UNEP's Compliance Assistance Programme (CAP).

The Secretariat writes to relevant Article 5 countries informing them of relevant decisions affecting activities in their country. Relevant implementing and bilateral agencies will receive copies of these letters.

The Secretariat also contacts bilateral and implementing agencies to follow up on relevant decisions and issues.

#### 4.3.3. *Funds for approved projects and activities*

Following the meeting, the Secretariat instructs the Treasurer to transfer resources covering all the activities approved at the meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.

## APPENDIX 5. REFERENCE INFORMATION

### 5.1. Organizations and People

Names, addresses and principal contacts for the Executive Committee Members, the Fund Secretariat, Implementing agencies, bilateral agencies, and the Treasurer can be found in the Directory appended to this primer.

### 5.2. Publications, information resources and databases

#### 5.2.1. *Fund Secretariat*

##### **Creating a real change. June 2006.**

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.

Printed leaflet. Also available at [www.multilateralfund.org](http://www.multilateralfund.org)

##### **Creating a real change for the environment. September 2006.**

This booklet was prepared on the occasion of the 20th Anniversary of the Vienna Convention for the Protection of the Ozone Layer. It 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.

Printed booklet. Also available at [www.multilateralfund.org](http://www.multilateralfund.org)

##### **Multilateral Fund public web site – [www.multilateralfund.org](http://www.multilateralfund.org)**

The site provides general information on the Multilateral Fund, its history, institutional arrangements, and achievements. It includes a comprehensive documents section with meeting reports, meeting summaries, press releases and policy & procedures. The site also includes full meeting documentation from the 46th Meeting onwards.

##### **Policies, Procedures, Guidelines and Criteria of the Multilateral Fund**

All the decisions of the Executive Committee as well as the decisions of the Parties relating to the Multilateral Fund are compiled and updated after every meeting of the Executive Committee and of the Parties by the Fund Secretariat into a document called “Policies, Procedures, Guidelines and Criteria”. The policies, procedures, guidelines and/or criteria are divided into 12 each section: Financial Mechanism, Executive Committee, Fund Secretariat, Bilateral Cooperation, Implementing Agencies, Article 5 Parties, Controlled substances, Country Programmes, Project proposals, Institutional Strengthening, Monitoring & Evaluation, Sectoral phase-out plans. Each section is grouped by subject area. Description provided for each entry is quoted from the Report of the Executive Committee in which the entry was adopted. Source documents and their meeting, date, etc are also indicated. A list of any supporting Executive Committee documents is also provided for

entries mainly related to procedures and guidelines. The document also provides a list of Executive Committee documents used in the preparation of the PPPG and dates and venues of the Meetings of the Parties to the Montreal Protocol and the Executive Committee of the Multilateral Fund. Printed compendium. PDF and searchable database available at [www.multilateralfund.org](http://www.multilateralfund.org).

### **Multilateral Fund intranet**

The intranet can be accessed via the public web site [www.multilateralfund.org](http://www.multilateralfund.org) through the “Intranet” option on the menu. The intranet contains web sites for each meeting from the 38th meeting onwards. Each site contains meeting documents, a summary of decisions (from the 39th meeting onwards). Production sector documents and an evaluation document library, and links to key documents and key web sites can also be found.

Online resource.

### **Consolidated Progress Report Database**

The database summarises progress and financial information on projects provided by implementing and bilateral agencies. The Secretariat started maintaining these data in 1991 and the database is updated every year. Data include the percentage of projects completed, ODP phased out, and per cent of funds disbursed.

Available to Executive Committee members on request. Format: Excel .

### **Balances Summary Database**

The database includes data on projects that had been completed 12 months previously but had significant levels of remaining balances from the funds approved by the Executive Committee. The Secretariat started maintaining these data in 1999 and is updated every meeting. Data include funds approved, funds disbursed, funds returned, funds obligated and unobligated.

Available to Executive Committee members on request. Format: Excel.

### **Implementation Delay Summary Database**

A summary of ongoing projects that were classified as projects with implementation delays, i.e. projects expected to be completed over 12 months late or where disbursement occurred 18 months after approvals. The Secretariat started maintaining these data in 1998 and the database is updated every meeting. Data includes new progress report remarks, assessment of progress and category of delays.

Available to Executive Committee members on request. Format: Excel.

### **Business Plans Database**

A summary of the three year business planning of the Multilateral Fund to address certain amounts of ODSs for specific countries during the triennium to enable compliance with the Protocol control measure. The Secretariat started maintaining these data in 1996 and the database is updated every year. Data include three-year planning values and phase-out.

Available to Executive Committee members on request. Format: Excel.

**Inventory of Approved Projects**

Provides general information about projects approved by the Executive Committee, including the country or region, the sector, the Executive Committee meeting at which it was approved and the type of project, implementing agency, ODS phase-out and funds approved and disbursed.

Printed compendium.

Available to Executive Committee members on request. Format: PDF and Access

**Country Programme Summary Sheets**

This compendium presents relevant information for each Article 5 country on issues related to the Montreal Protocol. Information is provided only on those countries for which country programmes have been approved by the Executive Committee of the Multilateral Fund. Information is presented by country and each country summary contains general information such as the agency responsible for the country programme, status of relevant conventions (MP and VC), information on production and consumption of controlled substances, data on the country programme and the country's strategy, and a profile of approved projects and activities.

Available to Executive Committee members on request. Format:PDF and Access

*5.2.2. Information resources from the Ozone Secretariat***Web site: [www.unep.org/ozone/](http://www.unep.org/ozone/)**

The Ozone Secretariat is the Secretariat for the Vienna Convention for the Protection of the Ozone Layer and for the Montreal Protocol on Substances that Deplete the Ozone Layer. This web site provides background information on the Montreal Protocol, access to Montreal Protocol meeting documents. It also provides PDF version of the Ozone Secretariat's publications including the Handbook for the International Treaties for the Protection of the Ozone Layer.

**Handbook for the International Treaties for the Protection of the Ozone Layer**

6th edition 2003. Ozone Secretariat.

The Handbook is divided into five main sections. Section I reproduces the text of the Vienna Convention, and also includes all the decisions of the Conferences of the Parties to the Convention, arranged under appropriate Articles. Section II provides the text of the Montreal Protocol, together with a summary of its control measures. All decisions of the annual Meetings of the Parties are included in this section, placed under each appropriate Article of the Protocol. The section also contains summaries of destruction procedures, essential use exemptions, the Protocol's non-compliance procedure, financial matters and declarations of the Parties. There is also a subsection on the Multilateral Fund, which includes its terms of reference and the composition of the Executive Committee and its rules of procedure. Section III deals with the Rules of Procedure for the meetings of the Parties to both the Vienna Convention and the Montreal Protocol. Section IV provides useful information on the evolution of the Montreal Protocol from 1987 to date, including all the adjustments and amendments made to the original text. Finally, Section V provides a guide to sources of further information relevant to ozone protection.

### 5.2.2. *Websites of the implementing agencies*

#### **UNDP**

Website: [www.undp.org/seed/eap/montreal/montreal.htm](http://www.undp.org/seed/eap/montreal/montreal.htm)

#### **UNEP OzonAction**

Website: [www.uneptie.org/ozonaction/](http://www.uneptie.org/ozonaction/)

#### **UNIDO**

Website: [www.unido.org/doc/5072](http://www.unido.org/doc/5072)

An overview of UNIDO's Montreal Protocol related activities.

#### **WORLD BANK**

Website:

<http://lnweb18.worldbank.org/ESSD/envext.nsf/49ParentDoc/MontrealProtocol?Opendocument>

### 5.2.3. *Web sites of other conventions and related organizations*

#### **Secretariat of the Convention on Biological Diversity**

Website: [www.biodiv.org](http://www.biodiv.org)

This is the official website of the Convention on Biodiversity adopted at the 1992 Earth Summit in Rio de Janeiro. The website contains the official text, information on the workings of the Conference of the Parties, and access to information on the Cartagena Protocol on Biosafety.

#### **Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora**

Website: [www.cites.org](http://www.cites.org)

CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between Governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. The web site provides information on the convention, its Secretariat, official documents and information on meetings.

#### **Secretariat to the Convention of Migratory Species of Wild Animals**

Website: [www.cms.int](http://www.cms.int)

The Convention on the Conservation of Migratory Species of Wild Animals (also known as CMS or Bonn Convention) aims to conserve terrestrial, marine and avian migratory species throughout their range. It is an intergovernmental treaty, concluded under the aegis of the United Nations Environment Programme, concerned with the conservation of wildlife and habitats on a global scale.

#### **Secretariat for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal**

Website: [www.basel.int](http://www.basel.int)

Provides information on the Convention, its Secretariat and associated meetings. Includes meeting documents, reports, publications.

## United Nations Framework Convention on Climate Change

Website: [www.unfccc.int](http://www.unfccc.int)

Provides information on the Framework Convention, its Secretariat and associated meetings. Includes meeting documents, reports, publications and so on. Also includes access to the Clean Development Mechanism (CDM, the Greenhouse Gas Inventory Data and the Technology Information Clearing House.

## Rotterdam Convention on Prior Informed Consent

Website: [www.pic.int](http://www.pic.int)

Information on the Rotterdam Convention including official documents of the Intergovernmental Negotiating Committee (INC), the Conference of Plenipotentiaries, the Interim Chemical Review Committee (ICRC), the Chemical Review Committee (CRC) and the Conference of the Parties and the PIC Circular.

### 5.3. Useful acronyms

CAP	Compliance Assistance Programme
CEIT	Country with economies in transition
CFC	Chlorofluorocarbons
COP	Conference of the Parties
CRP	conference room paper
CTC	Carbon tetrachloride
FERM	Fixed exchange rate mechanism
GEF	Global Environment Facility
HAP	Hydrocarbon aerosol propellant
HCFC	Hydrochlorofluorocarbons
HFC	Hydrofluorocarbons
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
LVC	Low volume consuming (countries)
MAC	mobile air-conditioning
MB	methyl bromide
MDI	Metered-dose inhaler
MOP	Meeting of the Parties to the Montreal Protocol
MYA	Multi-year agreement
NGO	Non governmental organization
NOU	National ozone unit
NPP	National phase-out plan
ODP	Ozone depleting potential
ODS	Ozone depleting substance
OEWG	Open-Ended Working Group Meeting
RMP	Refrigerant management plan
SEAP	South Asia and South East Asia and the Pacific (SEAP) Network
TCA	Trichloroethane
TEAP	Technology & Economic Assessment Panel
TOC	Technical Options Committees (of the TEAP)
TPMP	Terminal phase-out management plan
UNON	United Nations Office at Nairobi
UNDP	United Nations Development Programme.

UNEP United Nations Environmental Programme.  
UNEP DTIE United Nations Environment Programme Division of Technology, Industry and  
Economics  
UNIDO United Nations Industrial Development Organization.