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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23-27 July 2007

SECRETARIAT ACTIVITIES

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

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

Notification of the Decisions of the 51st Meeting of the Executive Committee

1. The report of the 51st Meeting, containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 51st Meeting and to Parties to the Montreal Protocol. Additionally, decisions related to project approvals and implementation delays were sent to 58 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions made at the 51st Meeting was sent by email to all meeting participants and Parties to the Montreal Protocol, and was placed on the Multilateral Fund's intranet and website. A press release was issued shortly after the meeting.
2. The Secretariat instructed the Treasurer to transfer resources covering all funding requests approved at the 51st Meeting to the implementing agencies, and/or to credit them as bilateral contributions of the relevant non-Article 5 Parties.
3. The Secretariat forwarded the report of the Executive Committee to the Open-ended Working Group on the progress made in reducing emissions of controlled substances from process agent uses, including additional information regarding differences between country programme data and Article 7 data and relevant information from the Chemical Technical Options Committee to 27th OEWG (decision 51/35).
4. The Fund Secretariat forwarded to the Technology and Economic Assessment Panel (TEAP), via the Ozone Secretariat, the final report on the evaluation of CTC phase-out projects and agreements (document UNEP/OzL.Pro/ExCom/51/12) so that it could be taken into account in the TEAP's further deliberations on process agents.
5. Following approval by the Chair of the Executive Committee, the Fund Secretariat submitted the report of the Executive Committee on the progress made in reducing emissions of controlled substances from process agent uses (follow-up to decision XVII/6) to the 27th meeting of the Open-ended working Group.

Decisions of the 51st Meeting of the Executive Committee requesting certain actions by the Chair

6. The Chair of the Executive Committee wrote to the UNEP Executive Director (ED) informing him of the Committee's appreciation of the reply received from him on the filling of the P-5 post and informing him of decision 51/39.

Review of tasks in preparation for the 52nd Meeting

7. The Secretariat has undertaken the following tasks in preparation for the 52nd Meeting.

Progress of implementation of country programmes for the year 2006

8. The Secretariat requested national ozone units to provide data on progress of implementation of country programmes for the year 2006, using the format for reporting data approved at the 46th Meeting (decision 46/39). In accordance with decision 50/4, the Secretariat developed and implemented a web-based data reporting format and informed national ozone

officers that they could submit country programme data via the new web-based system. The Secretariat also provided a new manual on how to complete the country programme form: “A Practical Manual for Reporting”. Of the sixty-one 2006 progress reports received, five submitted their data via the new web system; some countries had submitted data in advance of the availability of the online system.

Status of resources and planning

Report on balances and availability of resources

9. In accordance with decision 31/2 and 41/92, the Secretariat prepared information on the availability of resources (document UNEP/OzL.Pro/ExCom/52/4). This included a review of the obligated and un-obligated balances from completed projects held by agencies and any agency support costs associated with the funds remaining from those completed projects, and a calculation of the total amount of resources available to the Executive Committee for approvals at the 52nd Meeting. Resources consist of cash and promissory notes recorded in the Status of Contributions plus the amount of funds returned from completed projects in the form of balances. Resources available for approvals at the 52nd Meeting amounted to US \$77,807,050.

2007 business plans

10. The Secretariat examined approvals up until the 51st Meeting together with the total level of funds to be requested at the 52nd Meeting in view of the allocations in the 2007 business plan. Document UNEP/OzL.Pro/ExCom/52/5 provides a summary of the pertinent decisions taken at the 51st Meeting and the resulting modifications to the business plans of the agencies, and highlights projects in the business plans that have not been submitted but are needed to assist countries to return into compliance with the current control measures of the Montreal Protocol. An assessment of the forward commitments approved to-date and the additional commitments submitted to the 52nd Meeting for approval was also prepared.

Final report on priorities for the triennium 2006-2008 beyond the needs identified by the model rolling three-year phase-out plan, taking into account the remaining unallocated funds for the triennium (follow-up to decision 50/6)

11. Further to decision 50/6, a report was prepared (document UNEP/OzL.Pro/ExCom/52/6) presenting a summary of the priority areas discussed at the 50th and 51st Meetings. The report addresses each priority area taking into account the Committee’s consideration of the issues, the HCFC surveys, and relevant reports from the Technology and Economic Assessment Panel (TEAP).

Status of compliance

12. An annual update of the status of compliance of Article 5 countries was again prepared as document UNEP/OzL.Pro/ExCom/52/7 based on 2006 Article 7 data (31 countries) and for countries that had not submitted Article 7 data, based on 2006 country programme data (28 countries). For those countries that had not submitted 2006 data, latest consumption data was used. In the analysis, the phase-out from ongoing projects was deducted from the last reported consumption in order to indicate the prospects of countries to meet their ODS reduction targets.

Monitoring and Evaluation

Extended desk study on incentive programmes for retrofits

13. The extended desk study on incentive programmes for retrofit/replacement of refrigeration equipment in the industrial and commercial end-user sectors was presented as document UNEP/OzL.Pro/ExCom/52/8. The objective of the extended desk study was to review the experience available to date in the implementation of incentive programmes approved by the Executive Committee as individual activities under refrigerant management plans (RMPs) in order to determine whether the adopted implementation modality used in completed or well advanced projects has proven to be successful.

Final report on the evaluation of the Compliance Assistance Programme (CAP)

14. The final report on the evaluation of the CAP was prepared by the Senior Monitoring and Evaluation Officer as document UNEP/OzL.Pro/ExCom/52/9. The objective of the evaluation was to review the results achieved, identify the problems encountered in the process of implementation and to determine the effectiveness of CAP in relation to its objectives. The main evaluation issues were defined in the desk study on the CAP evaluation, submitted to the Executive Committee as document UNEP/OzL.Pro/ExCom/49/8.

Consolidated progress report

15. The Secretariat compiled data from the implementing and bilateral agencies to summarize the progress made and financial information on projects and activities supported by the Multilateral Fund up to 31 December 2006.

Evaluation of the implementation of the 2006 business plans

16. The evaluation of the 2006 business plans of the implementing agencies presented as UNEP/OzL.Pro/ExCom/52/16, was based on the performance indicators adopted in decision 41/93, and the revised weighting in decision 47/51, the targets that were adopted for the 2006 business plans by the Committee through decisions 48/6 to 48/9. It was also based on the implementing agencies' progress and financial reports submitted to the 52nd Meeting of the Executive Committee.

17. The Secretariat sent all national ozone officers a questionnaire regarding the assessment of qualitative performance of implementing agencies vis-à-vis the 2006 business plan. The questionnaire was based on qualitative performance indicators approved at the 46th Meeting (decision 46/14) and included a column for ranking of an implementing agencies performance by national ozone units. Following submission to the Secretariat, implementing agencies were given the opportunity to provide their input and the results were included in document UNEP/OzL.Pro/ExCom/52/16.

Implementation and submission delays

18. The Secretariat compiled an assessment of progress on projects identified to have implementation delays, based on decisions taken at previous meetings of the Executive

Committee as document UNEP/OzL.Pro/ExCom/52/17. In the document the Secretariat also addressed the Executive Committee's request to provide information on the procedures for and previous studies on implementation delays.

19. The Secretariat also prepared a report on delays in the submission of annual tranches and disbursement of funds for tranches and obligations (UNEP/OzL.Pro/ExCom/52/18) to enable the Committee to monitor the approval of annual tranches and the release of funds to implementing agencies.

Report on implementation of approved projects with specific reporting requirements

20. The Secretariat prepared document UNEP/OzL.Pro/ExCom/52/19 reporting on the progress of specific projects in Argentina, Brunei Darussalam, China, Cote d'Ivoire, Egypt, Guatemala, Haiti, Lebanon, Libyan Arab Jamahiriya, Myanmar and a technical assistance programme for the phase-out of methyl bromide in several African countries. The Secretariat reviewed the progress reports in light of the original project proposals, ODS data reported by the Governments concerned under Article 7 of the Montreal Protocol, and relevant decisions taken by the Executive Committee and the Meeting of the Parties.

Project Review

21. At the time of finalizing this document, the Secretariat received, for consideration at the 52nd Meeting multi-year agreements, projects and activities from 50 Article 5 countries amounting to a proposed funding total of US \$51,806,188. This amount included the total value of new multi-year agreements for approval in principle. Of this 66 funding requests including specific annual tranches and other projects/activities amounted to US \$49,848,894 (including agency support costs where applicable). Following review by the Secretariat, the number of projects and programmes which are being forwarded to the Executive Committee for consideration is 55 or 83.3 per cent of the total number of the funding requests, with a value of US \$40,289,357 or 80.8 per cent of the total value of the requests.

22. The Secretariat prepared an overview of issues identified during project review (document UNEP/OzL.Pro/ExCom/52/20) including a new section: "Submissions with proposed amendments to on-going projects". The new section presents submissions received from the implementing agencies proposing amendments to approved projects or annual tranches of multi year agreements (MYAs). While the proposed amendments do not include requests for additional funding they may have implications on the allocation and use of funds already approved for the project and the activities in existing agreements, and thus an Executive Committee decision on each issue is expected.

Report on the costs for carrying out a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium (follow up to decision 51/38)

23. The Secretariat prepared a bid package with terms of reference, as approved by the Executive Committee (decision 51/38), and submitted it with a request for proposal to five qualified companies that had experience with the Montreal Protocol. After reviewing the proposals submitted against the selection criteria, the evaluation team selected the one from PricewaterhouseCoopers (PwC). In accordance with decision 51/38 the costs based on the selected bid was summarized for the Executive Committee in document

UNEP/OzL.Pro/ExCom/52/50. An amended budget for the study was also prepared and can be found in the document UNEP/OzL.Pro/ExCom/52/50.

Progress report on a study on the treatment of unwanted ODS to be submitted to the Nineteenth Meeting of the Parties (follow up to decision 50/42)

24. As a follow up to decision 50/42 the Secretariat developed terms of reference for the study on unwanted ODS. The tender process and contractual arrangements were being carried out by UNON in Nairobi. The Secretariat reviewed the technical content of the proposals and met with UNON to discuss details of the contractual process and the associated costs. A status report was provided in UNEP/OzL.Pro/ExCom/52/51.

Provisional 2006 accounts

25. The Secretariat reviewed the document on the provisional 2006 accounts prepared by the Treasurer and reviewed the 2006 accounts of the Secretariat's budget (document UNEP/OzL.Pro/ExCom/52/53).

Documents and policy papers prepared by the Fund Secretariat

26. Of the documents submitted for consideration at the 52nd Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Status of contributions and disbursements (jointly with the Treasurer);
- Report on balances and availability of resources;
- Evaluation of the implementation of the 2006 business plans;
- Final report on priorities for the triennium 2006-2008 beyond the needs identified by the model rolling three-year phase-out plan, taking into account the remaining unallocated funds for the triennium (follow-up to decision 50/6);
- Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
- Extended desk study on incentive programmes for retrofits;
- Final report on the evaluation of the Compliance Assistance Programme (CAP);
- Consolidated progress report as at 31 December 2006;
- Evaluation of the implementation of the 2006 business plans;
- Project implementation delays;
- Annual tranche submission delays;
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2007 work programmes amendments of UNDP, UNEP, UNIDO and the World Bank (4 documents);
- Report on the costs for carrying out a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium (follow up to decision 51/38);

- Progress report on a study on the treatment of unwanted ODS to be submitted to the Nineteenth Meeting of the Parties (follow up to decision 50/42);
- Consideration of the issue of CTC use as feedstock and process agents, and the co-production of CTC in Article 5 countries, taking into consideration the study of the Technology and Economic Assessment Panel (TEAP) on global CTC emissions (follow-up to decision 51/36);
- Draft report of the Executive Committee to the Nineteenth Meeting of the Parties;

Meetings attended and missions undertaken

Missions of the Chief Officer

Rome, Italy (26 - 30 March 2007)

27. The Ozone Secretariat wrote to the Chief Officer on 14 March 2007 regarding the follow-up to decision XVIII/12, which requested Technology & Economic Assessment Panel (TEAP) following the workshop on the Intergovernmental Panel on Climate Change/TEAP special report, to carry out work further work on HCFCs, and the Ozone Secretariat to facilitate consultations with relevant bodies including the Multilateral Fund Secretariat. The letter also proposed an approach for TEAP, based on inter alia making use of HCFC surveys and the study prepared by Germany presented to the 51st Meeting of the Executive Committee. On that basis, and following discussions with the TEAP Co-chairs, the Chief Officer participated as an observer in the relevant sessions of the 2007 TEAP Meeting which took place in Rome.

Brussels, Belgium 15-16 April

28. The Chief Officer was invited to be a member of the Planning Committee for an International Workshop on HCFCs sponsored by the European Commission's DG Environment and DG Research that was organized on their behalf by ICF Consulting. In that capacity she participated in the first meeting of the Planning Committee that took place in Brussels Belgium on 16 April. She also participated in a further meeting of the Planning Committee in Nairobi on 2 June.2007 (see paragraph 29) .

Nairobi, Kenya (1- 9 June 2007)

29. The Chief Officer attended the Montreal Protocol meetings held in Nairobi in June. She was accompanied by the Deputy Chief Officer and a number of Senior Programme Officers who attended meetings relevant to their programme of work. The meetings included the following:

- Planning Committee for an International Workshop on HCFCs (2 June)
- 4th Meeting of the Stockholm Group in Nairobi (2-3 June 2007)
- Dialogue on key future challenges to be faced by the Montreal Protocol (2-3 June 2007)
- 27th Meeting of the Open-ended Working Group of the Parties to the Montreal Protocol (4-7 June 2007)
- 38th Meeting of the Implementation Committee under the Non-compliance Procedure (8-9 June)

Suzho City, Jiangsu Province, China (1 - 2 July 2007)

30. The Chief Officer, accompanied by the Deputy Chief Officer and the Chair of the Executive Committee, took part in a special ceremony to celebrate the accelerated phase-out of CFCs and halon in China. The ceremony and subsequent information seminar was attended by the Vice-Minister of SEPA, the Executive Secretary of the Ozone Secretariat, several members of the Executive Committee, CFC/halon producers, HCFC producers, ODS consuming industries and international agencies. The Chief Officer delivered an opening statement on behalf of the Multilateral Fund. The Secretariat also made a presentation on future issues related to HCFCs.

Missions of other Secretariat staff

Thimpu, Bhutan (6–16 April 2007)

31. A Senior Programme Officer attended the Joint Network Meeting of Southeast Asia and the Pacific and South Asia. He gave an opening statement at the meeting and made several presentations on recent decisions of the Executive Committee, the CAP evaluation, the status of the ODS destruction study, and monitoring and verifications mechanisms.

Costa Rica (14 – 19 April 2007) and Panama City (19– 20 April)

32. The Senior Monitoring and Evaluation Officer (SMEO), a Senior Programme Management Officer and a consultant travelled to Costa Rica in order to prepare a country case study regarding the evaluation of the incentive programme for retrofits of refrigeration equipment in the commercial and industrial end-users sectors. The SMEO met with officials from the Ministry of Environment and held other discussions on evaluation issues with the Ozone Unit, UNDP country office, end-user beneficiaries and representatives of the refrigeration association in Costa Rica.

33. In Panama City the SMEO visited the UNEP Regional Office for the Latin America and the Caribbean (ROLAC) to discuss the draft evaluation report on CAP activities in the region with the Regional Director of UNEP ROLAC and the CAP team.

Hanoi, Viet Nam (10 - 18 June 2007)

34. The SMEO travelled to Viet Nam together with two consultants to prepare a country case study for the evaluation of management and monitoring of national phase-out plans (NPPs).

Washington D.C., USA (12- 15 June, 2007)

35. One senior officer from the Secretariat participated in part of the Thirty-first meeting of the GEF Council in June 2007. The meeting addressed, among other topics, relations with multilateral environmental conventions and the new strategies for GEF focal areas including a strategy related to ozone, and the role of the GEF and its Secretariat vis-à-vis HCFC projects.

Vienna, Austria (1-3 July)

36. A Senior Programme officer participated in an expert group meeting on designing mechanisms to facilitate the removal of barriers to chiller replacements organized by UNIDO.

Other network meetings

37. The meeting of the Ozone Officers Network for West Asia took place in Sana'a, Yemen from 6-10 May 2007. Unfortunately the Fund Secretariat was not able to be represented. However the Secretariat provided the meeting coordinator with presentations on the recent decisions of the Executive Committee, on refrigerant management plan (RMPs) and on terminal phase-out management plans (TPMPs) for low-volume-consuming countries (LVCs).

Cooperation with Multilateral Environmental Agreements (MEAs) and other organizations

38. Mr. Maged Younes, the Acting Executive Secretary of the Stockholm Convention /the Head of the Chemicals Branch (UNEP/DTIE), visited the Secretariat on 23 April 2007 for discussions with the Chief Officer, the Deputy Chief Officer and one senior programme officer. Discussions centered on areas of possible cooperation between the Multilateral Fund and the Chemicals Branch and the Stockholm and Rotterdam conventions, in particular as a follow-up to the outcome of the International Conference on Chemicals Management (ICCM) and its Overarching Policy Strategy which requested "more effective use of and building upon existing sources of relevant global funding, including by inviting the Global Environment Facility and the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund for the Implementation of the Montreal Protocol within their mandates to consider whether and how they might support implementation of appropriate and relevant Strategic Approach objectives".

39. Following this meeting Head of the Chemicals Branch invited the Chief Officer to the SAICM donors' meeting in Paris on 11 June 2007, that was arranged as an opportunity for donors to have preliminary discussions on possible strategies for strengthening the base for SAICM implementation.

40. The Chief Officer was also invited to take part in a Stakeholder Workshop regarding capacity building related to Multilateral Environmental Agreements (MEAs) in African, Caribbean and Pacific (ACP) countries, which took place in Brussels, Belgium, on 27 March 2007. The stakeholder workshop was held as part of a formulation study to draft a financing proposal on assisting ACP countries to build capacity related to the negotiations, ratification and implementation of MEAs.

Secretariat staffing

41. Ms. Cristina Zucca, Associate Executive Assistant, left the Secretariat in June to take up a post in the Division of Environmental Law and Conventions in UNEP Nairobi.

42. In line with UNEP general policy to provide environmental convention secretariats with staff support from the 13 per cent programme support cost generated from their budgets, the Secretariat obtained funding for an IMIS assistant at G-6 level and an Associate Human Resources Officer at P-2 level. The recruitment for these posts has been initiated in the UN Galaxy system. The Secretariat was successful in obtaining the services of a 6 month intern at no cost to the Multilateral Fund.

43. In collaboration with UNEP, the Secretariat finalized the job description for the P-5 Treasury post (Administrative and Fund Management Officer) as a follow-up to decision 51/39, and the post has been advertised in the UN Galaxy system.

44. The recruitment of the P-2 Associate Information Technology Officer was finalised with the selection of Mr. Alem Mulu to the post.

Preparation for the 52nd Executive Committee meeting and related meetings

45. Logistical arrangements were made for the 52nd Meeting of the Executive Committee, to be held at the International Civil Aviation Organization (ICAO) from 23-27 July 2007. Letters of invitation and meeting documentation were provided to members of the Executive Committee, the President of the Bureau of the 18th Meeting of the Parties, the President and Vice President of the Implementation Committee, the Executive Director of UNEP, the Executive Secretary of the Ozone Secretariat, the implementing agencies and NGOs.

46. The Fund Secretariat assisted the Ozone Secretariat with preparations and arrangements for the Montreal Protocol's Contact Group on accelerated phase-out of HCFCs, the meeting of which is to be held on 28 and 29 July 2007.

Information Activities

47. The Report of the 51st Meeting of the Executive Committee in Arabic, Chinese, English, French and Spanish, a post-meeting summary and a news release were posted on the public web site (www.multilateralfund.org).

48. An area containing meeting documents in Arabic, Chinese, English, French and Spanish, and logistical information on the 52nd Meeting was created on the Multilateral Fund intranet. Documents for general distribution were additionally placed on the public web site.

49. Secretariat staff contributed to a number of 20th anniversary products. The Ozone Secretariat was provided with a chapter on evaluation and institutional learning in the Multilateral Fund for the book on exemplary projects and photographs for the Montreal Protocol picture book. The Secretariat also provided UNEP DTIE with a chapter for the booklet on achievements of the ECA network, and data and comments in regard to the Vital Ozone Graphics publication.

50. The Chief Officer also provided a short pre-publication review of "Technology Transfer for the Ozone Layer: Lessons for Climate Change" a book which has been co-authored by Stephen Andersen, K. Madhava Sarma and Kristen Taddonio.

51. Staff from the Secretariat celebrated World Environment Day (5 June) by hosting a small exhibition in the Montreal Trust Building, where Secretariat offices are located. Information materials about World Environment Day, the Multilateral Fund as well as some information materials related to the 20th anniversary of the Montreal Protocol were distributed.

52. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 51st Meeting:

- Inventory of Approved Projects as of April 2007,
- Policies, Procedures, Guidelines and Criteria as of April 2007.
