



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

**Post Meeting Summary of Decisions of the 52nd Meeting of the Executive Committee of
the Multilateral Fund for the Implementation of the Montreal Protocol**

Introduction

The 52nd Meeting of the Executive Committee, which took place in Montreal from 23 to 27 July 2007, was attended by the representatives of the 13 out of the 14 Executive Committee member Parties and by participants co-opted from 19 other countries (see attached list). Mr. Philippe Chemouny of Canada presided over the meeting as Chair of the Executive Committee. The President and Vice-President of the Implementation Committee of the Montreal Protocol, a representative of the Ozone Secretariat, representatives of the implementing agencies, the Co-Chair of the Technical and Economic Assessment Panel (TEAP) and a representative of the Alliance for Responsible Atmospheric Policy also attended the meeting.

The Committee followed its customary programme of work for the second meeting of the year which included consideration of the progress reports of the bilateral and implementing agencies on funded programmes and projects for the preceding year, the accounts of the Multilateral Fund, and the evaluation of the 2006 business plans. Two evaluation studies were also considered: one presenting the results of a desk study on incentive programmes for retrofits in the refrigeration servicing sector and the other containing the final report on the evaluation of UNEP's Compliance Assistance Programme (CAP). Other issues included the finalisation of contracting a consultant for the study on the treatment of unwanted ozone depleting substances (ODS).

At its 52nd Meeting, the Executive Committee approved investment projects and work programme activities with a value of almost US \$33.4 million, plus US \$2.7 million in support costs for implementing agencies, and took a total of 48 decisions. The most significant decisions and discussions are outlined below.

Status of resources and planning (decision 52/1 and 52/2)

The Executive Committee reviewed information on the Fund's balance, income and contributions, the encashment schedule for the existing promissory notes, and aggregate information on the status for the triennium, including data on gains and losses of the fixed-exchange rate mechanism (FERM) and addressed issues relating to the timely payment of

contributions by Parties and the liquidity of resources. The Executive Committee was informed that around 50 percent of the total amount of pledged contributions for 2007 had been paid, the highest amount ever recorded by the Executive Committee at its second meeting. The Committee thanked those Parties that had already made their contributions for 2007 (decision 52/1). At the time of the 52nd Meeting, the Fund balance stood at US \$82.4 million (decision 52/2).

2007 Business plans (decisions 52/3)

The Executive Committee was also concerned with the high number of projects in the 2007 business plans required for compliance that had not yet been put forward for approval at the 52nd Meeting, given the approaching 2010 Montreal Protocol phase-out deadline for CFCs and halons, while US \$16 million in the 2007 business plan had been allocated for projects not required for compliance some of these projects had been submitted in advance of projects required for compliance. The Executive Committee requested implementing agencies to submit these to the 53rd Meeting. The Executive Committee also asked the Secretariat to differentiate activities required for compliance and those not required for compliance by listing them separately in the project review documentation, in order to enable the Executive Committee to consider activities required for compliance first, consistent with prior Executive Committee decisions.

Final report on priorities for the triennium 2006-2008 beyond the needs identified by the model rolling three-year phase-out plan (decision 52/4)

During the discussion on the final report on priorities presented to the Meeting, the Executive Committee also considered the final three HCFC surveys conducted by UNDP. Based on information in the surveys, it had been concluded that the refrigeration and air conditioning sectors were the predominant consumers of HCFCs, followed by the foam sector, that the dominant substances were HCFC-22, followed by HCFC-141b, and that comprehensive country strategies and action plans for HCFCs were needed. The Executive Committee requested the Secretariat to prepare a document for the 53rd Meeting on options for assessing and defining eligible incremental costs for HCFC consumption and production phase-out activities.

Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol (decision 52/5)

The Executive Committee considered the latest report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol. The report stated that the remaining consumption in Article 5 countries to be addressed by projects and agreements approved by the Executive Committee amounted to 6,839 ODP tonnes, which was a reduction of 2,316 ODP tonnes from the amount reported to the 50th Meeting in November 2006. Regarding HCFCs, 19,245 ODP tonnes had been consumed in 2005, an increase of 1,120 ODP tonnes from the amount reported to the 50th Meeting.

During the process of preparing the document on status/prospects of compliance the Secretariat noted that only 77 Article 5 countries had reported operational licensing systems,

which were critical to achieving and maintaining compliance. The report also revealed that as at 1 July 2007, 78 Article 5 countries out of the 142 that had received assistance from the Multilateral Fund had not submitted 2006 country programme implementation data. Fourteen of those countries had not provided 2005 country programme data. The Executive Committee urged those countries with established licensing systems to endeavour to establish such systems as soon as possible and decided that country programme implementation data had to be submitted in advance of the last meeting of the year and subsequent meetings as a precondition for the approval and release of funding for projects. UNEP's CAP was requested to allocate time during its regional network meetings for additional training on the web-based system for reporting progress on country programme implementation.

Programme Implementation

Monitoring and Evaluation

Extended desk study on incentive programmes for retrofits in the refrigeration servicing sector (decision 52/6)

The objective of the extended desk study on incentive programmes for retrofits was to review the experience to date in implementing the incentive programmes approved by the Executive Committee as individual activities under new or existing refrigerant management plans (RMPs). After considering the desk study the Executive Committee urged Article 5 countries and respective implementing agencies to intensify their efforts to advance the implementation of approved incentive programmes in order to meet the established targets and phase-out schedules. It also drew the attention of Article 5 countries for which TPMPs had been approved or would be approved in the near future to incentive programmes as a possibility for achieving CFC phase-out in the refrigeration servicing sector, provided the necessary pre-conditions were in place and lessons learned from previous programmes were taken into account and disseminated. UNDP was requested to include a certain number of additional elements into its guidelines for retrofits and other agencies to take them into account for planning and implementing similar projects.

Final report on the evaluation of the Compliance Assistance Programme (CAP) (decision 52/7)

The Executive Committee considered the final report on the evaluation of the CAP programme which reviewed the results achieved, identified the problems encountered in the process of implementation and determined the effectiveness of the CAP in relation to its objectives. The Committee made a number of recommendations to UNEP for future orientation of the CAP and urged it and the other agencies to coordinate their activities closely: the CAP should focus on:

- Countries in potential or actual non-compliance, taking into account the likely difficulties of a number of countries in meeting the Montreal Protocol reduction target for CFC in 2007 and 31 December 2009;
- Latecomers to the Montreal Protocol;
- Further involving more advanced and experienced Article 5 countries to assist and advise less advanced in the same region;
- Further strengthening local capacities of trained trainers and partner training institutes

formed during the “train the trainers” phase to enable future and continued training of customs officers and refrigeration technicians on a sustainable basis. UNEP should also develop a strategy that would integrate the local training capacity created, placing emphasis on national ownership and securing access to appropriate know-how beyond 2010;

- Further promoting collaboration between customs and environmental authorities, in cooperation with professional associations, in order to strengthen the enforcement of legal regulations; and
- Assisting, where applicable, the enforcement of unified regulations in regional customs unions or other areas of political and economic cooperation.

2006 Progress reports of implementing and bilateral agencies (decisions 52/8 -52/13)

Each of the implementing and bilateral agencies provided the Executive Committee with an annual progress report on the implementation of approved projects and activities. These progress reports are a primary source of information with which to monitor projects. Since the Executive Committee noted the 2006 progress reports showed a slow rate of project completion for the fourth consecutive year, it requested the Secretariat to prepare a paper for its 53rd Meeting on concerns relating to the slow rate of project completion, taking into account the discussion held at the 52nd Meeting, and on options to address the issue.

Evaluation of the implementation of the 2006 business plans (decision 52/14)

The Executive Committee noted that in 2006 the agencies had achieved at least 75 per cent of their targets whereas the figure was 82 per cent for 2005. The Committee was also informed of the findings of the qualitative assessment of the implementing agencies’ performance by national ozone units, which showed that, overall, 85 to 91 per cent considered performance to be highly satisfactory or satisfactory. As only 12 countries had replied to the assessment questionnaire, the Executive Committee requested UNEP’s CAP to include, as an agenda item at its network meetings taking place before May 2008, assistance in the completion of the qualitative performance questionnaire.

Project implementation delays (decision 52/15)

Of the 34 projects listed with implementation delays at the 52nd Meeting, the Executive Committee noted that seven had been completed. The Executive Committee also made specific requests that high-level contacts be made with two governments in order to resolve ongoing difficulties in obtaining government approval for implementing components of projects approved by the Executive Committee.

Annual tranche submission delays (decision 52/16)

The Executive Committee reviewed all annual tranches of multi-year agreements (MYAs) due for submission to the 52nd Meeting noting that 14 of the 39 annual tranches had not been submitted on time. Ten projects had been withdrawn owing to low disbursement of funds and

one due to a mutual agreed change in schedule. The customary letters regarding tranches not submitted to the 52nd Meeting would be sent to eleven countries and agencies encouraging them to submit these to the 53rd Meeting.

Report on implementation of approved projects with specific reporting requirements (decision 52/17)

The Executive Committee considered progress reports on the implementation of approved projects with specific reporting requirements and made a number of relevant recommendations. At its 52nd Meeting the Executive Committee considered reports on refrigerant management plans (RMPs) in Brunei Darussalam, Haiti and Myanmar; the implementation of methyl bromide phase-out projects in Argentina, Egypt, Guatemala, and Lebanon; a policy assistance programme in Central America; verification of CFC imports and exports for 2006 in China; redeployment of the aerosol equipment purchased for a cancelled project in the Former Yugoslav Republic of Macedonia to be utilized in an aerosol project in Côte d'Ivoire; a report on the technology provider for the phase-out of CFC consumption in the manufacture of MDIs in Egypt; and the revised plan for the sustainability of a halon banking project in the Libyan Arab Jamahiriya. The Executive Committee took relevant decisions addressing specific issues that were raised in those reports to assist the countries concerned.

Project approvals (decisions 52/18 – 52/41)

The Secretariat had received funding requests with a total value of some US \$51.8 million including new multi-year agreements for approval in principle. Fifty-one projects and activities for 32 developing countries were approved at a cost of US \$33.4 million plus US \$2.7 million in support costs for implementing agencies. These projects and activities would fund the phase-out of over 732.3 ODP tonnes of ODS consumption and 590 ODP tonnes of ODP production. A total of US \$3.89 million in funding was agreed in principle for terminal phase-out plans (TPMPs) in eleven countries (Bhutan, Comoros, Costa Rica, Gabon, Kuwait, Madagascar, Moldova, Nepal, Oman, Saint Lucia and Senegal) and funding for the first tranche of these TPMPs was approved.

Other projects approvals included US \$259,713 for the total phase-out of methyl bromide used in stored commodities fumigation in Cameroon, US \$ 4.82 million for CTC phase-out in India and the extension of institutional strengthening projects in 8 countries. In accordance with decision 51/34, the Executive Committee approved project preparation in the CFC-MDI sector for India and Mexico and transition strategies and investment projects for CFC phase-out in the MDI sector for Bangladesh, amounting to US \$2.85 million, and the Islamic Republic of Iran, amounting to US \$3.60 million. With respect to the CFC-MDI sector, it also approved the addition of US \$200,000 for one year only to the budget of the CAP of UNEP for regional workshops on metered-dose inhalers (MDIs) in Article 5 countries as part of networking activities.

The Executive Committee also approved in principle US \$2.3 million for closing down CFC production in Argentina by the end of 2007 (see below).

Progress report on a study on the treatment of unwanted ODS to be submitted to the Nineteenth Meeting of the Parties (decision 52/43)

The Executive Committee considered a draft report on progress regarding the study to look at the management of unwanted ODS in non-Article 5 countries and how this might be applicable in Article 5 countries. The Committee was informed that, based on the terms of reference, a contract for the study had been awarded and work had commenced. The Secretariat was asked to finalize the progress report, taking into account the suggestions made at the Meeting, and to forward the final report to the Nineteenth Meeting of the Parties.

Accelerated phase-out of CFC production in Argentina (decision 52/47)

An informal contact group composed of four Article 5 countries (China, Guinea, Mexico and Uruguay) and four countries non Article 5 countries (Canada, Italy, Sweden and the United States of America) considered the proposal by the World Bank for the accelerated phase-out of CFC production in Argentina. Following the deliberations of the contact group, the Executive Committee earmarked US \$2.3 million for closing down CFC production in Argentina by the end of 2007, two years ahead of the existing phase-out schedule and requested the World Bank to prepare a draft agreement for intersessional approval covering the necessary steps for completing the dismantling activities required and the verification to confirm that production closure and dismantling had taken place.

53rd and 54th Meetings of the Executive Committee

It was confirmed that the Executive Committee's 53rd Meetings would be held in Montreal from 26 to 30 November 2007. The dates for the Executive Committee's 54th Meeting, also to be held in Montreal, were tentatively set for 7 to 11 of April 2008.

Report of the 52nd Meeting

A complete record of all decisions made at the 52nd Meeting, including those covered in this document, can be found in the 'Report of the Fifty-second Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol' (UNEP/OzL.Pro/ExCom/52/55) which will be published on the Multilateral Fund's website (www.multilateralfund.org) in August 2007. The report is available in Arabic, Chinese, English, French, and Spanish.

Annex I - Attendance at the 52nd Meeting of the Executive Committee

Executive Committee Members	Co-opted countries
Non Article 5	
Belgium	
Canada (Chair)	Australia
Czech Republic	
Italy	France and Germany
Japan	
Sweden	Austria and Finland
United States of America	
Article 5	
China	Bangladesh, India and Malaysia
Guinea (Vice Chair)	Gabon and Morocco
Jordan	Yemen
Mexico	Dominican Republic
Saint Lucia	Grenada and Trinidad & Tobago
Sudan*	Senegal and Namibia
Uruguay	Argentina, Bolivia and Brazil

*Sudan was represented by Senegal.