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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-ninth Meeting
Port Ghalib, Egypt, 10-14 November 2009

SECRETARIAT ACTIVITIES

Notification of the Decisions of the 58th Meeting of the Executive Committee

1. The report of the 58th Meeting (UNEP/OzL.Pro/ExCom/58/53), containing the decisions of the Executive Committee, was conveyed to all Executive Committee members, other participants of the 58th Meeting, and to Parties to the Montreal Protocol. Furthermore, decisions related to project approvals, implementation delays and annual tranche submission delays were communicated to 74 Article 5 countries, and to the relevant bilateral and implementing agencies. A post meeting document summarizing decisions taken at the 58th Meeting was sent by email to all meeting participants, to the Ozone Secretariat and UNEP OzonAction Branch for onward transmission to the Parties to the Montreal Protocol and regional networks respectively, and was also placed on the Multilateral Fund's intranet and website. A press release about the approval of Iraq's country programme and national phase-out plan was released on the Multilateral Fund and UNEP websites.

2. In accordance with decision 58/9(c) on 18 August 2009 the Chair of the Executive Committee wrote to the Government of Vanuatu urging the completion of legislation to enable the training of customs officers in order to facilitate compliance with the Montreal Protocol with respect to the Pacific Island Countries (PIC) strategy in Vanuatu.

Decisions requesting certain actions by the Secretariat and/or implementing agencies

3. The Secretariat sent instructions to the Treasurer to transfer funds to the four implementing agencies regarding the net allocations approved at the 58th Meeting, shortly after finalization of the Report of the 58th Executive Committee Meeting, and to offset bilateral project approvals against the concerned countries' contributions.

4. The Secretariat finalized the Report of the Executive Committee to the Twenty-first Meeting of the Parties (UNEP /OzL.Pro.21/6) based on the draft presented to the 58th Executive Committee Meeting and in light of the discussions held and decisions taken at that meeting. In accordance with decision 58/37(b) a detailed account of the Executive Committee's discussion on the establishment of a facility for additional income and loans and other sources was included in the report together with a reference to the document considered by the Executive Committee at its 58th Meeting (UNEP/OzL.Pro/ExCom/58/49).

5. In accordance with the Chair's request, a working document reflecting the discussions of the contact group on outstanding HCFC policy issues was posted on the Executive Committee intranet. The contact group is to be reconvened on 9 November 2009 immediately before the 59th Meeting of the Executive Committee.

Review of tasks in preparation for the 59th Meeting

6. The Secretariat has undertaken the following tasks in preparation for the 59th Meeting.

Status of resources and planning

Balances and availability of resources

7. The Secretariat prepared information on balances and the availability of resources that included a review of the obligated total balances from completed projects held by agencies, and any agency support costs associated with the funds remaining from those completed projects. It also included a calculation of the total amount of resources available to the Executive Committee for approvals at the 59th Meeting. Resources comprise 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. A total of US \$1,517,967 including agency support costs is to be returned as balances and thus, as of 4 October 2009, US \$58,585,087 was available for approvals by the Executive Committee at its 59th Meeting.

2009 business plans and annual tranche submission delays

8. The Secretariat reviewed the status of the implementation of the 2009 business plans in light of the submissions to the 59th Meeting, allocations in the 2009 business plans and decisions taken at the 57th Meeting. Document UNEP/OzL.Pro/ExCom/59/5 addresses the extent to which activities submitted to the 59th Meeting exceed the budget for the 2009 business plan and highlights activities that had been considered required for compliance that were not submitted in 2009 but had been included in the 2009 business plan. The Secretariat also prepared information on annual tranche submission delays including those that have been delayed for more than one meeting. An addendum to document UNEP/OzL.Pro/ExCom/59/5 will be issued to address the extent to which forward commitments submitted for approval at the 59th Meeting correspond to the amounts associated with them in the 2009-2011 business plans.

Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol

9. The Secretariat prepared an update of the status of compliance of Article 5 countries with Montreal Protocol control measures based on 2008 Article 7 (A7) data or 2008 country programme (CP) data. Document UNEP/OzL.Pro/ExCom/59/6 presents an analysis of A7 and CP data. A new section on HCFCs presents an analysis of the latest HCFC consumption data and indicates whether the country had received HCFC phase-out plan (HPMP) preparation funding. Information on compliance issues before the Implementation Committee, country programme data, projects with implementation delays, and over-due progress reports is also provided.

10. Part VI of the document contains a report on the web-based system for country programme data reporting initiated in April 2007 and the web-based country profiles reviews the recent use of these systems with a view toward their future use and development.

Updated model rolling three-year phase-out plan: 2010-2012 (decision 56/5)

11. In accordance with decision 56/5 the Secretariat prepared an updated model three-year rolling phase-out plan for the 2010-2012 triennium to provide guidance for the preparation of the 2010-2012 business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/59/7). Based on the results of the model, an additional 61.7 ODP tonnes of CFCs, 13.2 ODP tonnes of halons and 0.1 tonne of CTC still have to be addressed to enable all Article 5 countries to achieve compliance with the Montreal Protocol 2010 phase-out targets. The document also notes the amounts of ODS phase-out, excluding HCFCs, to be funded during the remainder of 2009 and in the 2010-2012 triennium and presents an estimated HCFC baseline of 33,700 ODP tonnes based on Article 7 data and corresponding forecasts for HCFC consumption.

Programme Implementation*Monitoring and implementation*

12. Document UNEP/OzL.Pro/ExCom/59/8 presents a consolidated project completion report (PCR), analyzing the overview of results in the 85 PCRs on investment (14) and non-investment (71) projects submitted by bilateral and implementing agencies since the 56th Meeting in November 2008. Twenty-nine PCRs for investment projects and 112 for non-investment projects are still outstanding. No PCRs for multi-year agreements (MYAs) were requested as there is no format in place for these. The lessons learned reported in PCRs are summarized in an annex to the document.

Review of approved projects with specific reporting requirements

13. The Secretariat reviewed progress reports on project implementation submitted by implementing agencies on behalf of the Governments of China (three projects), Colombia, India, the Libyan Arab Jamahiriya, Romania, the Bolivarian Republic of Venezuela and Yemen, in light of the original project proposals, ODS data reported by the respective Governments under Article 7 of the Montreal Protocol, and relevant decisions taken by the Executive Committee and the Meeting of the Parties. The Secretariat's review and comments are presented in document UNEP/OzL.Pro/ExCom/59/10. In accordance with decision 58/7, the Secretariat also reported on the progress achieved in implementing 8 chiller demonstration projects that had been approved by the 47th and 48th Meetings of the Executive Committee.

Project Review

14. The Secretariat received 146 funding requests including new multi-year agreements, tranches of approved multi-year agreements, as well as projects and activities amounting to US \$62,752,086, including agency support costs where applicable. Following the project review process by the Secretariat, 83 projects and activities amounting to US \$20,939,539 were recommended for blanket approval; 42 projects and activities amounting to US \$34,864,993 are being forwarded for consideration by the Executive Committee; and 21 projects and activities amounting to US \$1,207,689 were withdrawn by relevant agencies. The Secretariat prepared an overview of issues identified during project review (document UNEP/OzL.Pro/ExCom/59/11) which included an outline of and statistics on the submissions received from implementing and bilateral agencies and a number of policy issues presented in paragraph 15.

Policy issues from the overview paper

15. During the process of project review the Secretariat identified ten policy issues for the Executive Committee's consideration. These include the submission of 13 project preparation requests for ODS disposal projects and a number of issues regarding HCFC phase-out activities including the funding of institutional strengthening as part of an HPMP, eligibility of costs related to climate impact of conversion, and a draft agreement for HPMPs.

Compliance Assistance Programme (CAP) budget for 2010

16. The Fund Secretariat reviewed the proposed CAP budget for 2010, US \$9,628,200 including the 8 per cent agency support cost, which exceeds the approved budget for 2009 by 4.9 per cent. The increase is being requested to cover the costs for the operation of Southeast Asia (SEA) network since the Swedish International Development Cooperation Agency (Sida) had informed UNEP that this funding will cease at the end of 2009.

2010 core unit costs for UNDP, UNIDO and the World Bank

17. The Secretariat prepared document UNEP/OzL.Pro/ExCom/59/18 which presents a review of the core unit budget data and other administrative costs of UNDP, UNIDO and the World Bank for 2008-2010. The analysis includes an assessment of the extent to which resources available for administrative costs in 2010 could cover proposed 2010 costs.

Production Sector Sub-group

18. The Secretariat prepared the provisional agenda for the Production Sector Sub-group that would meet in the margins of the 59th Meeting and, in accordance with decision 57/35, undertook an analysis of the technical feasibility of redirecting HCFC-22 production from controlled uses to feedstock uses for

consideration at its 59th Meeting. Both production sector sub-group documents are available on the Executive Committee intranet.

Prioritization of HCFC phase-out technologies to minimize other impacts on the environment (decision 57/33 and paragraph 147 of the report of the 58th Meeting of the Executive Committee)

19. A full analysis of the tools for determining an indicator for the climate impact of projects funded by the Multilateral Fund is presented to the Executive Committee as document UNEP/OzL.Pro/ExCom/59/51.

Analysis of new approaches on second-stage conversions, determination of cut-off date and other outstanding HCFC policy issues and institutional strengthening funding after 2010

20. Document UNEP/OzL.Pro/ExCom/59/52 “Analysis of new approaches on second-stage conversions, determination of cut-off date and other outstanding HCFC policy issues” and documents UNEP/OzL.Pro/ExCom/59/53 and UNEP/OzL.Pro/ExCom/58/48 on institutional strengthening: options for funding after 2010, will be discussed by the HCFC contact group that will meet the day prior to 59th Meeting of the Executive Committee.

Further concept paper for a special funding facility for additional income from loans and other sources (decision 58/37)

21. Document UNEP/OzL.Pro/ExCom/59/54 presents further development of the concept presented in earlier documents considered at the 57th and 58th Meetings on a special funding facility. In accordance with decision 58/37 it addresses the questions raised at the 58th Meeting, including defining the Facility, eligibility, a discussion of the value added by the Facility versus using the Fund’s existing structure, resources in the Facility, and how the Treasurer would manage credits for climate change to make that component of a facility operational. It also discusses legal matters and juridical personalities; co-financing and resource mobilization proposals, and the impact the Facility might have on the work load of the Fund Secretariat.

Accounts of the Multilateral Fund

22. The Secretariat reviewed the document on the final 2008 accounts of the Multilateral Fund prepared by the Treasurer (document UNEP/OzL.Pro/ExCom/59/55) and highlighted the changes since the presentation of the provisional accounts at the 58th Meeting. The reconciliation of the Multilateral Fund accounts is presented as document UNEP/OzL.Pro/ExCom/59/56.

Revised 2010, 2011 and proposed 2012 budgets of the Fund Secretariat.

23. Document UNEP/OzL.Pro/ExCom/59/58 includes a revision of the 2010 budget for which the personnel component was approved by decision 54/44 as well as the budget for 2011 as approved by decision 56/68, and sets out the 2012 budget to cover staff costs in 2012. In accordance with decision 58/43 (c) the Secretariat made the necessary adjustments within its 2009 budget to offset the increase in costs resulting from the additional expenses for staff travel to and meeting costs for the 59th Meeting of the Executive Committee in Port Ghalib.

Documents and policy papers prepared by the Fund Secretariat

24. Of the documents submitted for consideration at the 59th 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;
- 2009 business plans and annual tranche submission delays;
- Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol;
- Updated model rolling three-year phase-out plan: 20010-2012 (follow-up to decision 53/5 (d));
- 2009 consolidated project completion report;
- Report on progress on the development of multi-year agreement tables;
- Report on implementation of approved projects with specific reporting requirements;
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2009 Amendments to work programmes of UNDP, UNEP, UNIDO and the World Bank (4 documents);
- 2009 core unit costs for UNDP, UNIDO and the World Bank;
- Comments on the Compliance Assistance Programme (CAP) budget for 2010;
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 59th Meeting (30 documents);
- Comments on the country programme of Somalia;
- Prioritization of HCFC phase-out technologies to minimize other impacts on the environment (decision 57/33 and paragraph 147 of the report of the 58th Meeting of the Executive Committee);
- Analysis of new approaches on second-stage conversions, determination of cut-off date and other outstanding HCFC policy issues;
- Further concept paper for a special funding facility for additional income from loans and other sources (decision 58/37);
- Reconciliation of the accounts (decisions 57/38 and 58/39);
- Comments on the proposals from the Treasurer re the Agreement between the UNEP as Treasurer of the Multilateral Fund and the Executive Committee; and,
- Revised 2010, 2011 and proposed 2012 budgets of the Fund Secretariat.

Cooperation with other Multilateral Environmental Agreements (MEAs) and other organizations

25. The Fund Secretariat received an invitation to the first and second Meetings of the Consultative Committee on Financing Options for Chemicals and Wastes, which took place from 24 to 25 July 2009 in Nairobi and from 25 to 26 October 2009 in Bangkok, Thailand. The meetings, which the Secretariat did not attend, were part of a consultative process facilitated by UNEP's Executive Director (ED) to look into identifying new and additional resources, and ways of accessing them, for the sound management of chemicals and wastes.

Strategic Approach to International Chemicals Management (SAICM)

26. In relation to the outcomes of the second session of the International Conference on Chemicals Management (ICCM2) in May 2009 as contained in the report of the second session¹, UNEP's ED wrote to the Chair of the Executive Committee regarding the implementation of SAICM. The ED's letter received on 13 October 2009 draws the Chair's attention to his earlier letter of 6 June 2006 and in particular to ICCM2's consideration of long term financing of SAICM, and asks the Chair to "*focus on*

¹ The "Report of the second session of the International Conference on Chemicals Management (ICCM2)" (available from www.saicm.org).

what the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol can and should do to ensure progress toward meeting the objectives of the Strategic Approach to International Chemicals Management on the basis of these outcomes.'

27. The Executive Committee has already addressed the issue raised in the letter of 6 June 2006, and considered this and other related issues over several meetings between 2006 and 2009. Relevant extracts from these meetings are attached as Annex I. Annex II contains copies of the relevant correspondence from the ED, the Chair of the Executive Committee, the Ozone Secretariat, SAICM and the Chief Officer. Annex III contains document SAICM/ICCM.2/INF/26 that includes the letter and report prepared by the Fund Secretariat for the second session of the ICCM2. The Secretariat would welcome the Committee's guidance on how to proceed.

Contribution of the Russian Federation to the Multilateral Fund

28. The Chief Officer received a letter dated 14 April 2009 from the Deputy Minister of the Ministry of Natural Resources and Environment of the Russian Federation, in response to her letter dated 12 January 2009, regarding payment of the Russian Federation's contribution to the Multilateral Fund. In this regard the Chief Officer had informal consultations with Russian Federation Government representatives and the Ozone Secretariat in the margins of the 29th Meeting of the Open-ended Working Group in July 2009. The letter, available to the Executive Committee as document UNEP/OzL.Pro/ExCom/59/Inf.3 states that "the writing off, in any form, of the accrued arrears in the contributions to the Multilateral Fund could have a considerable effect on the adoption of a positive decision by the Minfin (Ministry of Finance) of Russia with regard to the payment of the current contributions of the Russian Federation to the Multilateral Fund of the Montreal Protocol". This matter will be considered under Agenda Item 15 "Other matters".

Meetings attended and missions undertaken

Missions of the Chief Officer

Paris, France (2-3 September 2009)

29. The Chief Officer, together with the Executive Secretary of the Ozone Secretariat, participated in the meeting of the Compliance Assistance Programme Advisory Group (CAG). The CAG advised CAP staff on a number of issues including CAP's activities in relation to the 2010 CFC phase-out target, HPMPs and the associated climate benefits, and Montreal Protocol and climate linkages particularly in terms of hydrofluorocarbons (HFCs).

Bangladesh 22-23 October, 2009

30. The Chief Officer took part in a high level mission to Bangladesh together with the Chair of the Executive Committee, Chief of Legal Affairs and Compliance from the Ozone Secretariat, the Chair of the Implementation Committee, the Head of UNEP OzonAction Branch and the representatives of UNDP. The purpose of the mission is to assist Bangladesh in addressing the Montreal Protocol compliance issues it faces, specifically in the context of discussions undertaken in the 42nd Implementation Committee Meeting, 29th OEWG meeting and 57th Executive Committee meeting regarding Bangladesh's non-compliance with regard to its consumption of CFCs due to challenges related to CFC metered-dose inhalers (MDIs).

Missions of other staff

Abuja, Nigeria, 14-21 August 2009)

31. A Senior Programme Officer attended the Joint Meeting of the Ozone Officers Network of English-Speaking and French-Speaking Africa where he gave a presentation on the main decisions of the 57th and 58th Executive Committee Meetings and on main issues to consider during the preparation of HPMPs.

Amman, Jordan, 30 October – 2 November 2009

32. A Senior Programme Officer went on a fact finding to Jordan to study the activities related to the demonstration project for the conversion of HCFC to non-HCFC technology in the manufacturing of mini-split units at Petra Engineering.

Regional network meetings

33. The Secretariat prepared a presentation for the Joint Meeting of South Asia (SA) and South East Asia and Pacific (SEAP) networks meeting held in Chiang Mai, Thailand from 8 to 10 October 2009. The presentation was given by an Executive Committee member and covered significant decisions of the 58th Meeting as they relate to SA and SEAP network countries.

34. Secretariat staff members were able to attend only three out of the ten network meetings in 2009 since 7 network meetings took place on dates when Secretariat staff were intensely involved with preparations for Executive Committee meetings.

Update on the External Audit of the Multilateral Fund

35. A draft report on the external audit of the Multilateral Fund which took place in June and July 2009 is under review by UNON, the Ozone Secretariat the Fund Secretariat. The main purpose of the audit was to verify the 2008-2009 accounts, to review management and to evaluate projects delegated to implementing agencies. The audit recommendations will be made available to Executive Committee members when the report is finalised and transmitted to the Chief Officer through the UNEP Executive Director.

Location of Fund Secretariat office

36. The Fund Secretariat will relocate its offices in December 2009 from 1800 McGill College Avenue to 1000 de la Gauchetière Street West, Montreal, H3B 4W5. The Secretariat's phone, fax numbers and email addresses will remain the same.

Recruitment and Selection Progress Report

37. The selection process for the post of Deputy Chief Officer is underway and should be finalized early in 2010. Three professional posts at the P3 level were advertised. Ms M. Leyva has been selected as Programme Management Officer against one of the P3 positions. The interview process for the other two P3 posts has been completed and the panel recommendations are being submitted to the Central Review Board to review the selection of the recommended candidate before endorsement by the Executive Director. The post of Senior Monitoring and Evaluation Officer has been launched in Galaxy.

38. Regarding the two new general service G6 positions, one post has been filled and the other one is pending the recruitment of the supervisor.

Staff training

39. Two Senior Programme Officers travelled to New York (22-25 September 2009) and participated in module 1 of the United Nations (UN) management development programme, a mandatory leadership and management programme for senior UN staff.

40. The Senior Administrative and Fund Management Officer will attend an Administrative Management Workshop at UNEP Headquarters in Nairobi from 26-30 October, 2009.

Preparation for the meetings of the Executive Committee

41. Logistic arrangements were made for the 59th Meeting of the Executive Committee, to be held in the International Convention Centre in Port Ghalib, Egypt from 10-14 November 2009. Letters of invitation and meeting documentation were provided to members of the Executive Committee, the President of the Bureau of the Twenty-first 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. The host government agreement with the Government of Egypt was finalized.

Information activities

42. The report of the 58th Meeting of the Executive Committee in Arabic, Chinese, English, French and Spanish, a post-meeting summary and a news release were posted on the Multilateral Fund public web site (www.multilateralfund.org). A 59th Meeting site was created on the intranet containing documents and logistical information on the 59th Meeting. Documents for general distribution were placed on the public web site.

43. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 59th Meeting:

- Inventory of Approved Projects as of July 2009,
- Country Programme Summary Sheets as at July 2009,
- Policies, Procedures, Guidelines and Criteria as of July 2009.

Annex I

49th Meeting of the Executive Committee

Paragraph 24 of “Secretariat activities” (document UNEP/OzL.Pro/ExCom/49/2)

24. The Chief Officer received a letter dated 6 June 2006 from the UNEP Deputy Executive Director/Officer in charge (DED/OIC) reporting the outcome of the International Conference on Chemicals Management (ICCM) which adopted the Strategic Approach to International Chemicals Management (SAICM) on 6 February 2006 in Dubai. The ICCM also established the Quick Start Programme (QSP) as a principle mechanism for supporting the initial implementation of SAICM, comprising a Trust Fund to be administered by UNEP together with multilateral, bilateral and other forms of cooperation. The DED/OIC is encouraging the Secretariat “to consider ways in which the Multilateral Fund might be able to contribute to the QSP in accordance with the objective and strategic priorities set out in resolution I/4 of the ICCM and perhaps even to explore the potential for Multilateral Fund and QSP Trust Fund co-financing of projects”.

Decision 49/1

[.....] the Executive Committee decided:

- (a) To take note with appreciation of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/49/2;
- (b) With respect to the cooperation between the Multilateral Fund Secretariat and other relevant conventions or organizations, to request the Multilateral Fund Secretariat:
 - (i) To enhance its communication of information to the Executive Committee by adding to its reports on Secretariat activities any known or anticipated requests for information about, or for interactions with, the Multilateral Fund;
 - (ii) To respond to the request by the Subsidiary Body for Implementation of the United Nations Framework Convention on Climate Change for information on the Multilateral Fund, in line with the information already provided, attaching the full text of Article 10 of the Montreal Protocol;
- (c) To request the Chair of the Executive Committee to bring to the attention of the Ozone Secretariat, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM; and
- (d) To request the Chief Officer of the Multilateral Fund, in her response to the Deputy Executive Director of UNEP, to inform him of the procedure started under subparagraph (c) above.

50th Meeting of the Executive Committee

Paragraph 4 of “Secretariat Activities” (document UNEP/OzL.Pro/ExCom/50/2)

4. As requested by decision 49/1, paragraph (c), the Chair of the Executive Committee wrote to the Ozone Secretariat on 28 July 2006 to bring to its attention, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to

the Montreal Protocol and the Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM. The Chief Officer, pursuant to paragraph (d) of the same decision, informed the Executive Director of UNEP in a letter dated 31 July 2006 of the above procedure, in the context of the response to the invitation by ICCM. UNEP's Executive Director responded on 8 August 2006 indicating that he looked forward to hearing the outcome of further possible deliberations at the 18th Meeting of the Parties (MOP). All correspondence referred to can be made available by the Fund Secretariat at the Meeting upon request.

57th Meeting of the Executive Committee

Paragraph 20 of "Report of the 57th Meeting of the Executive Committee" (document UNEP/OzL.Pro/ExCom/57/69)

20. There had been communication between the Secretariat and several other multilateral environmental agreement (MEA) secretariats and organizations. An invitation had been received from the Secretariat of the Strategic Approach to International Chemicals Management (SAICM) for the Fund Secretariat to submit a report to the second session of the International Conference on Chemical Management (ICCM2), to be held in Geneva from 11 to 15 May 2009, on activities supported by the Multilateral Fund that contributed to the objectives of SAICM, including an update on any consideration given by the Parties to the Protocol on engagement in the initiative. The Chief Officer sought guidance from the Committee on responding to the request from the SAICM Secretariat.

Decision 57/1 (b) and (c)

[.....] the Executive Committee decided:

- (b) To request the Secretariat:
 - (i) To prepare a report for the second session of the International Conference on Chemical Management (ICCM2), taking into account the guidance provided at the 57th Meeting and the letter sent to the Secretariat of the Rotterdam Convention;
 - (ii) To circulate the draft report to interested Executive Committee Members and the Chair, by mid-April 2009 for review, before sending it to the Strategic Approach to International Chemicals Management Secretariat in time for the May meeting;
- (c) To request the Chief Officer to report back to the Executive Committee at its 58th Meeting on her attendance at ICCM2.

58th Meeting of the Executive Committee

Paragraphs 30 and 35 of "Secretariat Activities" (document UNEP/OzL.Pro/ExCom/58/2)

30. The Chief Officer attended the International Conference on Chemical Management (ICCM2), during which she made a brief presentation on the report on the contribution of the Multilateral Fund to the Strategic Approach to International Chemicals Management (SAICM). She also took the opportunity to have a brief meeting with Mr. Achim Steiner, Executive Director of UNEP, Ms. Sylvie Lemmet, Director of UNEP DTIE and the head of the Montreal Protocol units in UNDP and the World Bank on the future work of the Multilateral Fund in respect of HCFC phase-out and achieving related climate benefits.

35. Pursuant to decision 57/1, the Fund Secretariat prepared a brief report on the contribution of the Multilateral Fund to the implementation of the Strategic Approach to International Chemicals

Management (SAICM) for the second session of the International Conference on Chemical Management (ICCM2). The report took into account the guidance provided by the Executive Committee at its 57th Meeting, the letter sent to the Secretariat of the Rotterdam Convention and comments received from Australia, Belgium and the United States on the draft report circulated to Executive Committee members for their review in April 2009. As reported in paragraph 30, the Chief Officer attended ICCM2. The document from the Fund Secretariat “Report on the contribution of the Multilateral Fund for the Implementation of the Montreal Protocol to the implementation of the Strategic Approach to International Chemicals Management” (SAICM/ICCM.2/INF/26) is available on the SAICM website.

Annex II

Correspondence related to cooperation with the Strategic Approach to International Chemicals Management (SAICM)

- Attachment 1: Letter of 15 September 2009 from the UNEP ED to Chair of the Executive Committee
- Attachment 2: Letter of 26 February 2009 from the Ozone Secretariat to the Chief Officer in response to letter of 8 January 2006 from the Chief Officer
- Attachment 3: Letter of 8 January 2009 from the Chief Officer to the Ozone Secretariat enclosing letter of 25 November 2008 from the SAICM Secretariat
- Attachment 4: Letter of 28 July 2006 from the Chair of the Executive Committee to the Ozone Secretariat
- Attachment 5: Letter of 31 July 2006 from the Chief Officer to the Executive Director of UNEP containing the letter dated 6 June 2006 from the UNEP Deputy Executive Director/Officer in charge (DED/OIC)



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente
Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



15 September 2009

Dear Mr. Klaly,

Having successfully concluded the second session of the International Conference on Chemicals Management held in Geneva from 11 to 15 May 2009, the focus is swiftly turning to the implementation of the agreed outcomes and the steps we should be taking in the short- and medium-term to ensure progress towards meeting the objectives of the Strategic Approach to International Chemicals Management. As convener of the Conference and on behalf of the President of the International Conference on Chemicals Management, Mr. Ivan Eržen, I would like to thank you for your contributions made to the Conference and encourage you to focus on what the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol can and should do to ensure progress towards meeting the objectives of the Strategic Approach to International Chemicals Management on the basis of these outcomes. The agreed outcomes are contained in the finalized report of the second session, which I am pleased to enclose, with a view to conveying the recommendations of the Conference to the Fund's Secretariat.

The second session of the Conference, being the first time it performed its substantive functions, saw significant progress achieved despite a heavy agenda. In institutional terms, the Conference has adopted its rules of procedure (resolution II/1), and established its Bureau as well as an Open-ended Working Group as its subsidiary body with important intersessional functions. In substantive terms, the Conference has made important progress in relation to emerging policy issues as set out in resolution II/4 dealing with lead in paint, chemicals in products, electrical and electronic products, and nanotechnologies and manufactured nanomaterials. The Conference also considered chemicals management issues from different sectoral perspectives, such as health (resolution II/8) and took steps to enhance synergies and coordination with and among intergovernmental organizations and relevant actors, such as the Commission on Sustainable Development (resolution II/7). It considered regional activities and coordination (resolution II/2) as well as several guidance tools and documents for the implementation of the Strategic Approach. In addition, the Conference took action on perfluorinated chemicals, by adopting resolution II/5. The Conference furthermore developed a process for the updating of the Global Plan of Action (Annex 2 of the report). It also agreed on modalities for reporting on Strategic Approach implementation (Annex 3 of the report).

Of particular interest to the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol may be the Conference's consideration of the long-term financing of Strategic Approach implementation. You will recall that Section V of the Overarching Policy Strategy contains an invitation to the Multilateral Fund to consider whether and how it may support implementation of appropriate and relevant Strategic Approach objectives and to report accordingly. I would like to

Mr. Khaled Klaly

Chair of the Executive Committee

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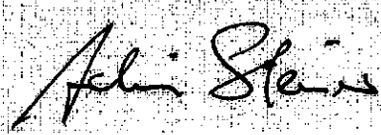
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draw your attention to my letter of 6 June 2006 and subsequent correspondence seeking to follow up on the financial arrangements contained in the Overarching Policy Strategy and invite you to consider the matter further in light of resolution II/3 adopted by the Conference at the second session. Resolution II/3 seeks to enhance progress on the financial arrangements envisaged in the Section V of the Overarching Policy Strategy. Putting emphasis on the cross-sectoral character of chemicals management, it encourages mainstreaming and prioritization of sound chemicals management in national development planning and in international development assistance. The resolution invites all stakeholders to provide funding for the implementation of the Strategic Approach, to build on existing synergies as well as to strengthen support for activities contributing to the achievement of Strategic Approach objectives, and to contribute to the Quick Start Programme. It furthermore encourages research on the economic and social costs of unsound chemicals management as well as on economic instruments that internalize the external costs related to chemicals. Under the terms of the resolution, all stakeholders are invited to assess and report on the steps they have undertaken to implement the Strategic Approach financial arrangements at the latest six months before the third session of the Conference to the secretariat. In relation to the Conference's consideration of long-term financing of chemicals management, I would also like to draw your attention to the discussion and conclusions of the respective high-level round table (Annex 4 of the report).

In closing, I would like to emphasize that the progress achieved thus far, including the successful conclusion of the second session of the Conference, is the product of the shared commitment and joint effort of all stakeholders to the Strategic Approach. I would like to encourage you to build on the momentum generated to make further progress towards achieving the Johannesburg Plan of Implementation objective of sound chemicals management by 2020.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Achim Steiner', is written over a rectangular area with a light gray grid pattern.

Achim Steiner
Executive Director

Annex II
UNITED NATIONS ENVIRONMENT PROGRAMMEProgramme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente
(Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة)

联合国环境规划署



Our Ref: Oz.Sec/Meetings/MG/jn

26 February 2009

Dear Ms. Nolan,

I am pleased to acknowledge receipt of your letter dated 8 January 2009 regarding the second session of the International Conference on Chemicals Management (ICCM) to be held in May 2009.

The first meeting of the International Conference on Chemicals Management was held in Dubai, United Arab Emirates in February 2006. During that meeting, and in the context of the adoption of the Strategic Approach to Chemicals Management, the Montreal Protocol and its Multilateral Fund were invited to consider whether and how, within their mandates, they might support the implementation of appropriate and relevant objectives of the Strategic Approach.

As you may recall, this request was presented to the Parties at the 18th Meeting of the Parties in document UNEP/OzL.Pro.18/2 for their information and guidance. At that meeting, however, no decision was taken by the Parties on this matter.

Yours sincerely,

Marco Gonzalez
Executive Secretary
Secretariat of the Vienna Convention
and the Montreal Protocol

Ms. Maria Nolan
Chief Officer
Multilateral Fund for the Implementation of the Montreal Protocol
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Montreal H3A 3J6
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MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

8 January 2009


Dear Mr. Gonzalez,

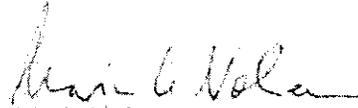
I refer to the attached letter from the Coordinator of the SAICM Secretariat to the Fund Secretariat and the invitation to participate in, and to prepare a report for the second session of the International Conference on Chemicals Management (ICCM) to be held in May 2009.

In addition to the request for information on the activities supported by the Multilateral Fund which might be considered to have contributed to SAICM's objectives, it is expected that the report should also contain an update on actions agreed by Montreal Protocol governing bodies on the further engagement in SAICM.

You may recall that the then Chairman of the Executive Committee, Mr. Khaled Klaly, wrote to you on 28 July 2006 transmitting decision 49/1 of the Executive Committee with regards to SAICM citing in particular paragraph (c) which requested the Chair of the Executive Committee to *"bring to the attention of the Ozone Secretariat, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM"*.

I would be grateful if you could kindly provide me with information on what further action has been taken by the Ozone Secretariat following our communication of decision 49/1 as soon as possible, as I would need to inform members of the Executive Committee of the SAICM invitation as well as seek their guidance on the request for a report to the second session of the ICCM.

Sincerely,



Maria Nolan
Chief Officer

Mr. Marco Gonzalez
Executive Secretary
Ozone Secretariat
UNEP

enclosure.

Annex II



25 November 2008

Dear Ms Nolan,

Further to your correspondence with the Executive Director of UNEP in 2006, I would like to invite the secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol to prepare a report for the second session of the International Conference on Chemicals Management (ICCM). The report would be on the Fund's contributions to the implementation of the Strategic Approach to International Chemicals Management (SAICM).

The second session of the ICCM, scheduled for 11 to 15 May 2009 in Geneva, will be the first opportunity to review implementation progress since the adoption of SAICM in February 2006. It will also be the first time the ICCM performs its official functions, including evaluating the performance of the financing of SAICM and working to ensure that the necessary financial and technical resources are available for SAICM implementation.

You will recall that the SAICM financial arrangements set out in the Overarching Policy Strategy include "making more effective use of and building upon existing sources of relevant global funding, including by inviting... the Multilateral Fund... within [its] mandate to consider whether and how [it] might support implementation of appropriate and relevant SAICM objectives and to report."

A report from the Fund secretariat might include an analysis of the extent to which the Fund's mandate would allow it to support SAICM objectives (set out in section IV of the SAICM Overarching Policy Strategy, available at www.saicm.org) and an account of activities supported by the Fund in the period 2006-2009 which might be considered, in whole or in part, to have contributed to the achievement of SAICM objectives. The report might also include an update on what further consideration, if any, has been given by Montreal Protocol governing entities to engagement in SAICM since the matter was discussed by the Executive Committee and referred to the Ozone Secretariat (your letter of 31 July 2006 refers). The report would be issued as an Information Document in English only, unless the Fund secretariat wishes to arrange translation itself. We would need to receive the report by 15 March 2009.

Please let me know if the Fund secretariat would like to accept the invitation to prepare the report for the second session of the ICCM. In closing, I should also note that we very much hope it will be possible for the secretariat of the Fund to participate in the second session of the ICCM, for which official invitations will be issued in mid-January 2009. Should it be of interest, booking forms for side events, exhibitions and offices are available on the SAICM website, www.saicm.org.

Yours sincerely,

Matthew Gubb
Coordinator, SAICM secretariat

Ms. Maria Nolan
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SAICM Secretariat Chemicals Branch Division of Technology, Industry and Economics
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MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Executive Committee

28 July 2006

Dear Mr. Gonzalez,

I refer to decision 49/1 adopted by the Executive Committee at its 49th Meeting in the context of agenda item 3 concerning Secretariat Activities and to the outcome of the International Conference on Chemicals Management (ICCM), held on 4-6 February 2006, as it relates to the Multilateral Fund.

As you may know, the International Conference on Chemicals Management, held in Dubai on 4-6 February 2006, adopted the Strategic Approach to International Chemicals Management (SAICM). One of the documents adopted by the Conference, the SAICM Overarching Policy Strategy, makes specific reference to the Multilateral Fund. In particular, in its chapter on financial considerations, it invites the Multilateral Fund, within its mandate, *"to consider whether and how it might support implementation of appropriate and relevant Strategic Approach objectives"*.

The Deputy Executive Director and Officer in Charge of UNEP, Mr. Kakakhel, brought this matter to the attention of the Chief Officer of the Multilateral Fund, through a letter dated 6 June 2006, hereby enclosed, requesting her to draw it to the attention of the Multilateral Fund's appropriate authorities.

The Chief Officer did so in the context of the report on Secretariat Activities, presented to the Executive Committee at its 49th Meeting as document UNEP/OzL.Pro/ExCom/49/2, which contained a section on Cooperation with other Multilateral Environmental Agreements. Following the presentation of the report and subsequent discussion, the Committee, by decision 49/1 (c), requested the Chair of the Executive Committee to *"bring to the attention of the Ozone Secretariat, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM"*.

Mr. Marco Antonio González Salazar
Executive Secretary
Ozone Secretariat
UNEP

Enclosures

Pursuant to that decision, I am therefore writing to you in my capacity as the Chair of the Executive Committee to bring to the attention of the Ozone Secretariat the abovementioned invitation, which is hereby enclosed.

Please also find enclosed for your reference an extract of the report of the 49th Meeting, containing the full text of decision 49/1.

Sincerely



Khaled Klaly
Chair of the Executive Committee of the
Multilateral Fund

c.c. Ms. Maria Nolan
Chief Officer
Multilateral Fund Secretariat



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

31 July 2006

Dear Mr. Steiner,

As you may be aware, Mr. Kakakhel wrote to me on 6 June 2006, in his capacity as Deputy Executive Director and Officer in Charge, informing me of the outcome of the International Conference on Chemicals Management (ICCM), held on 4-6 February 2006, as it refers to the Multilateral Fund. He conveyed to me the invitation made by that Conference to the Multilateral Fund, to consider within its mandate *"whether and how it might support implementation of appropriate and relevant Strategic Approach objectives and to report"*. Mr. Kakakhel in his letter also encouraged me to draw the ICCM invitation *"to the attention of the appropriate authorities of the Multilateral Fund and its Secretariat, and to report to the second session of the ICCM in 2009 on Fund activities that contribute to SAICM implementation"*.

This invitation was brought to the attention of the Executive Committee, at its 49th Meeting, held in Montreal on 10-14 July 2006, in the context of the report on Secretariat Activities. Following the report and subsequent discussion, the Executive Committee adopted decision 49/1, which *inter alia* agreed a communication procedure between the Multilateral Fund and the Parties to the Montreal Protocol, through the Ozone Secretariat, on the ICCM invitation and requested me to bring that procedure to your attention.

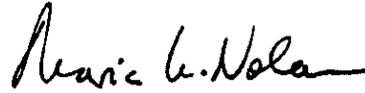
In particular the Executive Committee in paragraph (c) of decision 49/1 requested the Chair *"to bring to the attention of the Ozone Secretariat, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM"*. In this context, you may be interested to note that the Eighteenth Meeting of the Parties to the Montreal Protocol will take place from 30 October to 3 November 2006 in New Delhi.

Mr. Achim Steiner
Executive Director
UNEP

Therefore, pursuant to decision 49/1, I am informing you that the Chair of the Executive Committee, Mr. Klaly, has written to the Ozone Secretariat for the purpose of bringing the abovementioned invitation to the attention of the Parties to the Montreal Protocol. His letter, dated 28 July 2006, is enclosed with the full text of decision 49/1 for your information and reference.

I would also like to take this opportunity to congratulate you on your recent appointment as Executive Director of UNEP and to wish you every success in your future work.

Yours sincerely



Maria Nolan
Chief Officer

c.c.: Mr. Shafqat Kakakhel
Deputy Executive Director
UNEP

Mr. Khaled Klaly
Chair of the Executive Committee
of the Multilateral Fund



United Nations Environment Programme

برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ЭКОЛОГИЧЕСКОМУ СОТРУДНИЧЕСТВУ

Our Ref: DTIE/MB/SAICM

6 June 2006

Dear Ms. Nolan,

You will recall that on 6 February 2006 in Dubai, United Arab Emirates, the International Conference on Chemicals Management (ICCM) adopted the Strategic Approach to International Chemicals Management (SAICM). The development of this important new international policy framework was initiated by UNEP Governing Council in 2002 and endorsed by Heads of State and Government at their world summits in Johannesburg in 2002 and again in New York in 2005. SAICM's adoption in Dubai was the culmination of a three-year negotiation involving representatives of Governments, intergovernmental organizations and non-governmental organizations drawn from sectors such as agriculture, environment, health, industry and labour.

SAICM will serve as a key tool for stakeholders as they work towards the Johannesburg Plan of Implementation goal that, by 2020, chemicals are produced and used in ways that minimize significant adverse effects on human health and the environment. The SAICM texts comprising the Dubai Declaration on International Chemicals Management, the Overarching Policy Strategy and the Global Plan of Action can be found at www.chem.unep.ch/saicm.

In its resolution I/1 the ICCM "commended SAICM to the attention of the governing bodies of relevant intergovernmental organizations and encouraged them to endorse or otherwise appropriately acknowledge the Strategic Approach with a view to incorporating its objectives into their programmes of work within their mandates." I am pleased to note that UNEP Governing Council, the UNITAR Board of Trustees and the World Health Assembly have already endorsed or formally noted SAICM. I look forward to news of action by other governing bodies, where appropriate, in due course.

.../2

Ms. Maria Nolan
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United Nations Environment Programme

-2-

Furthermore, the Ministers, heads of delegation and other stakeholders who adopted the Dubai Declaration expressed their intention of striving to "integrate SAICM into the work programmes of all relevant United Nations organizations, specialized agencies, funds, and programmes consistent with their mandates as accorded by the respective governing bodies." In the same vein, the SAICM Overarching Policy Strategy makes specific reference to the Multilateral Fund for the Implementation of the Montreal Protocol. In its chapter on financial considerations, that document notes that "financial arrangements for the Strategic Approach include, among other things:... making more effective use of and building upon existing sources of relevant global funding" and in that regard it invites the Multilateral Fund, within its mandate, "to consider whether and how it might support implementation of appropriate and relevant Strategic Approach objectives and to report." Accordingly I would encourage you to draw this invitation to the attention of the appropriate authorities of the Multilateral Fund and its secretariat, and to report to the second session of the ICCM in 2009 on Fund activities that contribute to SAICM implementation.

One of the principal mechanisms for supporting the initial implementation of SAICM will be the Quick Start Programme (QSP) established by the ICCM. The QSP comprises a UNEP-administered trust fund together with multilateral, bilateral and other forms of cooperation. The ICCM invited stakeholders, including intergovernmental organizations to contribute to the QSP. I encourage you to consider ways in which the Multi Lateral Fund might be able to contribute to the QSP in accordance with the objective and strategic priorities set out in resolution I/4 of the ICCM. For example, it may be appropriate to note certain Multilateral Fund projects as supporting QSP priorities and perhaps even to explore the potential for Multilateral Fund and QSP co-financing of projects.

Further information on SAICM and the QSP is available on the SAICM web site www.chem.unep.ch/saicm or from the SAICM secretariat, Chemicals Branch, UNEP/DTIE, 11-13 chemin des Anémones, CH-1219 Châtelaine, Geneva, Switzerland, telephone (41 22) 917 8334, fax (41 22) 797 3460, e-mail saicm@chemicals.unep.ch.

UNEP looks forward to working with Multilateral Fund in the implementation of SAICM and the achievement of the Johannesburg goal of sound management of chemicals by 2020.

Yours sincerely,



Shafiqat Kakakhel
Deputy Executive Director and
Officer-in-Charge

Annex III

Document SAICM/ICCM.2/INF/26: Report on the contribution of the Multilateral Fund for the Implementation of the Montreal Protocol to the implementation of the Strategic Approach to International Chemicals Management



SAICM/ICCM.2/INF/26

Distr.: General
29 April 2009



English only

International Conference on Chemicals Management

Second session

Geneva, 11–15 May 2009

Item 4 (e) of the provisional agenda*

**Implementation of the Strategic Approach to International Chemicals Management:
financial and technical resources for implementation**

**Report on the contribution of the Multilateral Fund for the
Implementation of the Montreal Protocol to the implementation of
the Strategic Approach to International Chemicals Management**

Note by the secretariat

The secretariat has the honour to circulate, in the annex to the present note, a report by the Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol on the Fund's contribution to the implementation of the Strategic Approach to International Chemicals Management. The document has been reproduced as received, without formal editing, and is provided for the information of the Conference.

* SAICM/ICCM.2/1.

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Annex



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

22 April 2009

Dear Mr. Gubb,

I refer to your letter dated 25 November 2008 inviting the Secretariat of the Multilateral Fund to prepare a report for the second session of the International Conference on Chemicals Management (ICCM), which will be held in Geneva in May 2009, and the subsequent exchange of e-mails between our Secretariats on this issue.

The Executive Committee, at its recently concluded 57th meeting has agreed that a short report be provided for the ICCM briefly covering information on activities supported by the Multilateral Fund that may have contributed to SAICM objectives. Please find this report attached.

As you are aware, I will be participating in the ICCM 2 meeting in May and, if required, will be ready to provide an oral summary to this meeting on the attached report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Maria Nolan".

Maria Nolan
Chief Officer

Mr. Matthew Gubb
Coordinator, SAICM secretariat
Geneva, Switzerland
Fax: 41 22 797 3460

Enclosure

**BRIEF REPORT ON THE CONTRIBUTION OF THE MULTILATERAL FUND OF
THE MONTREAL PROTOCOL TO THE IMPLEMENTATION OF THE STRATEGIC
APPROACH TO INTERNATIONAL CHEMICALS MANAGEMENT (SAICM)**

Background:

1. The Overarching Policy Strategy of the SAICM as adopted at the First International Conference on Chemicals Management (ICCM 1) in February 2006 has, as its overall objective the achievement of the sound management of chemicals throughout their life-cycle so that, by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment. This objective will be achieved by implementing activities set out in the Global Plan of Action, which covers the following main areas of work:

- Identifying measures to support risk reduction;
- Strengthening knowledge and information;
- Strengthening of institutions, law and policy to promote good governance;
- Enhancing capacity building;
- Addressing illegal international traffic; and
- Improving general chemical management practices.

2. In the same overarching policy strategy, SAICM financial arrangements include, *inter alia*, “making more effective use of and building upon existing sources of relevant global funding including by inviting the Multilateral Fund within its mandate to consider whether and how it might support implementation of appropriate and relevant SAICM objectives and to report to the ICCM.”

3. This short paper is prepared as a report to the Second Session of the International Conference of Chemicals Management upon invitation by the SAICM Secretariat.

The Multilateral Fund and SAICM Objectives

4. At its 49th Meeting, the Executive Committee of the Multilateral Fund agreed on decision 49/1(c) with regards to SAICM, which states to “*bring the attention of the Ozone Secretariat prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandate and report to the ICCM.*” This decision was conveyed to the 18th Meeting of the Parties for their action. At that time the Parties to the Montreal Protocol did not address this issue.

5. The Parties to the Montreal Protocol established, at their 2nd Meeting in 1990 a financial mechanism according to Article 10 of the Montreal Protocol to provide financial and technical assistance to countries operating under Article 5(1) of the Montreal Protocol (developing countries) to enable them to comply with the phase-out of ozone-depleting substances (ODS)

following the control schedule under the Protocol. In implementing this mandate the Multilateral Fund for the implementation of the Montreal Protocol, since 1991, has approved US\$2.3 billion for activities that have contributed towards phasing out the consumption and production of ozone depleting chemicals in over 140 countries.

6. Most of these funded activities include elements similar to those in the SAICM Global Plan of Action, recognizing that all of the Fund's work is related to ozone protection. Taking into consideration the activities listed in paragraph 1 above, the projects funded by the Multilateral Fund have contributed to the objectives of SAICM as shown below:

- Supporting **risk reduction**, as the projects funded and approved by the Multilateral Fund promote the phase-out of chemicals that pose a **risk** to the ozone layer, human health and environment;
- The Multilateral Fund ensures **knowledge and information sharing** through the operation of an information clearinghouse for the Montreal Protocol as well as a Compliance Assistance Programme;
- Training of customs officers and harmonizing customs codes for ODS are important activities that **promote knowledge and information sharing**, and encourage a stricter **monitoring of illegal trade in ODS**;
- Implementation of activities in countries are supported by approved national action plans (country programmes or strategic phase-out plans) that are prepared with broad stakeholder agreement through consultations and discussions thereby promoting **stronger governance** in the country;
- Most projects funded under the Multilateral Fund promote **good governance** by requiring countries to enact ozone protection regulations and enforce import and export licensing systems to regulate the movement of ODS across national borders to **prevent illegal trade in ODS**;
- **Capacity building** of the government institutions responsible for ozone protection is created through funded national ozone units (NOU) covered by institutional strengthening projects in each country. These units own and oversee the national programme of phasing out ODS consumption and production according to the Montreal Protocol's requirements;
- Training in good service practices for refrigeration technicians promotes safe handling of ODS during servicing and disposal of equipment and promotes **capacity building** of those stakeholders involved in ODS phase out; and
- Regional enforcement networks in at least 4 regions have been established to facilitate joint meetings between Customs Officers and the Ozone focal points to exchange information and enable the **monitoring of illegal international traffic** in ozone depleting chemicals.

7. The capacities so created and strengthened have been instrumental in achieving the success of the Montreal Protocol to date in developing countries. While these capacities have been funded in line with Article 10 of the Montreal Protocol and created to achieve the objectives of this Treaty, they embody the objectives of SAICM, and promote a synergy of activities in a number of instances. For example, in many countries, both agreements share national focal points therefore facilitating coordination of national activities in the country on chemicals management. Taking into account the success of the Montreal Protocol and its twenty years of experience in achieving its goals, SAICM could consider looking to the implementation mechanisms of the Multilateral Fund as it develops its own approaches. For instance, the concept of national ozone units/regional groupings have been effective operational models for ozone protection and may be effective for implementing SAICM objectives.

8. The experience and lessons learned under the Montreal Protocol in data collection and reporting, drafting and enacting import/export licensing systems, activities related to harmonisation of customs, and training of customs officers, among other implementation modalities could inform SAICM participants.

9. With the above, it is evident that the actions under the Multilateral Fund have proven to support many, if not all, SAICM objectives. However, it is difficult to consider other actions under the Multilateral Fund that are designed to specifically to support SAICM objectives because of the Fund's well defined mandate under the Montreal Protocol that limits the use of the Fund to providing support to implement commitments under the Protocol. Any closer collaborative actions would require careful examination of the legal, administrative and financial implications of so doing at an appropriate level, such as that of the Meeting of the Parties to the Montreal Protocol.
