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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fortieth Meeting
Montreal, 16-18 July 2003

SECRETARIAT ACTIVITIES

1. This document provides a summary of the activities undertaken by the Fund Secretariat since the 39th Meeting of the Executive Committee.

Notification of the Decisions of the 39th Meeting of the Executive Committee

2. The report of the 39th Meeting, containing the decisions of the Executive Committee, was communicated to all Executive Committee members and other participants of the 39th Meeting, as well as to the Parties to the Montreal Protocol. Additionally, decisions related to project approvals were communicated to the relevant Article 5 countries, and to bilateral and implementing agencies. In fulfilment of a proposal at the 39th meeting, a post meeting document summarizing decisions made at the 39th meeting was sent to all meeting participants and Regional Network Officers of UNEP's Compliance Assistance Programme (CAP), and placed on the Secretariat's web site. Also a press release was issued to Canadian media and to UNEP's Information Unit for Conventions (UNEP/IUC).

3. Decisions requesting certain action by the Secretariat and/or implementing agencies were addressed or communicated as directed by the Committee.

4. Resources covering all funding requests approved at the 39th meeting were transferred to the implementing agencies, and/or credited as bilateral contributions of the relevant non-Article 5 Parties.

Review of submissions to the 40th Meeting

5. The Secretariat has undertaken the following tasks in preparation for the Fortieth Meeting:

Fund Treasurer

6. As follow-up to Decisions 38/37 and 39/3(a), the Secretariat prepared terms of reference for, and recruited, a consultant to carry out a study on the Fund Treasurer. The consultant was asked to review current Treasurer's tasks, explore the suitability of institutions to take on the role of Treasurer and prepare a report on findings for the Executive Committee. A detailed questionnaire was developed by the consultant and was subsequently dispatched with an official letter from the Secretariat.

Financial and Business Planning

7. The Secretariat examined processes for identifying funds not required in the current business plan year for possible allocation to the next business plan year for funding of activities not in the three-year phase-out plan in order to accelerate phase-out or maintain momentum. A set of possible categories of activities was identified where these funds might be used; however, the Secretariat noted that the current 2003-2005 business plan exceeds the level of resources expected in the triennium.

Revised resource allocation for 2003-2005

8. Letters were sent to 42 non-Article 5 countries requesting them to submit an annual business plan for 2003 and/or a three-year business plan to the 40th Meeting. The Secretariat reviewed the business plans submitted by six responding countries, and prepared a revised resource allocation for bilateral activities for consideration by the Executive Committee.

Consolidated progress report

9. The Secretariat compiled data from all of the implementing and bilateral agencies to summarize the progress and financial information on projects and activities supported by the Multilateral Fund through 31 December 2002.

Evaluation of the Implementation of the 2002 Business Plans

10. The Secretariat reviewed and evaluated the agencies' investment project targets and achievement based on performance indicators and the progress and financial reports submitted to the 40th meeting. A supplementary analysis of the implementing agencies' historical performance based on standard performance targets was also prepared. For non-investment projects, the Secretariat reviewed performance indicators unique to UNEP, indicators common to all agencies and made assessments based on the weightings of the performance indicators. Although agencies did not fully achieve all of their targets, the performance of the Multilateral Fund was above target in terms of ODS phase-out and disbursements.

Review of projects

11. The Secretariat reviewed 57 projects and activities to phase out a total of 11,000 ODP tonnes of controlled substances both in the production and consumption sectors.

12. Considerably fewer individual projects were reviewed, compared to previous meetings, and for the first time, no individual foam projects were reviewed. Investment project submissions are now predominantly made in the context of sector phase-out plans.

13. Among these submissions, the Secretariat reviewed projects to phase out the remaining consumption of CTC in India and DPR Korea with the objective of assisting these two countries to comply with the 2005 control measures.

14. A number of projects have been received but are not being reviewed since they are not in the three-year phase-out plan. They may be considered in the next business year according to criteria for the redeployment of identified funds to additional projects designed to meet additional compliance needs to be decided at the 40th meeting.

Production Sector

15. Following the technical audit of the CFC production sector in Mexico, the Secretariat reviewed the project proposal prepared by UNIDO for the closure of the Mexican CFC production sector, taking into account the comments of the Government of Mexico on the technical audit report and the consultant's response to those comments.

16. The CFC producing plant in Venezuela was visited by the consultant team and the technical audit report of the CFC production sector in Venezuela will be finalized prior to the 40th meeting.

17. The missing CTC data were provided by the Government of India, which enabled the consultant to finalize the report on the techno-economic audit of India's CTC production sector.

18. As previously reported, a contract was awarded for the technical audit of the CTC/TCA production in China. Following the contract award, the Government of China provided the consultant with the required pre-audit data so that he could proceed with his visits. However, the consultant was advised by the Government of China to postpone his mission until public health concerns are resolved.

Monitoring and Evaluation

19. A final report on the evaluation of the halon sector and a desk study on the implementation of CFC-production sector agreements are being submitted to the 40th meeting of the Executive Committee.

Completed projects with balances and implementation delays

20. The Secretariat requested the implementing agencies to update information on projects experiencing delays that had been considered at the 39th Meeting. The Secretariat compiled and analysed the submissions of the implementing and bilateral agencies on completed and cancelled projects with balances, as well as adjustments proposed in the agencies' progress report, and assessed the status of project implementation as projects with progress, some progress or no progress so that appropriate action could be determined.

Progress of Implementation of Country Programmes for 2002

21. The Secretariat requested National Ozone Units for data on progress of implementation of country programmes for the year 2002, and in the case of 30 countries, for one or more years for the period 1999-2001. The received data were used to prepare an annual update of the status of compliance of Article 5 countries to assess the prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol and an analysis of the ODS consumption data by sector.

Documents and policy papers prepared by the Fund Secretariat

22. Of the documents submitted for consideration at the 40th Meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda of the Executive Committee
- Secretariat activities
- Service of the Treasurer (follow-up to Decision 39/3 and Decision 39/4)
- Provisional and annotated agendas of the Monitoring, Evaluation and Finance and Project Review Sub-Committees
- Final report on the evaluation of the halon sector
- Desk study on the evaluation of the implementation of CFC-production sector agreements
- Sources of information on procurement procedures of implementing agencies: follow-up to Decision 39/11(b)
- Revised allocations for the 2003-2005 triennium (Decision 39/5)
- Secretariat's proposals on criteria for project funding to accelerate phase-out and/or to maintain momentum (Decision 39/6 (c) (ii))
- Consolidated progress report through 31 December 2002
- Comments and recommendations on 2002 progress reports of implementing and bilateral agencies
- Evaluation of the 2002 Business Plans
- Performance Indicators (Decision 38/69)
- Phase-out from cancelled projects (Decision 39/13)
- Project Implementation delays
- Project balances
- Report on the status of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol
- Overview of issues identified during project review
- Comments and recommendations on the amendments to the 2003 work programmes of UNEP, UNDP, UNIDO and the World Bank
- Project evaluation sheets and comments and recommendations on all the projects and activities submitted to the 40th Meeting;
- Comments on country programme update of DPR Korea
- Work of the Sub-Committees on Monitoring, Evaluation and Finance and Project Review (Decision 39/2)
- Information Strategy: work plan with time framework and cost estimates (Decision 39/55)
- Report on the techno-economic audit of CTC producing plants in India

Meetings attended and missions undertaken

23. The Chief Officer's missions included consultations and participation in the meetings of the Global Environment Facility (Washington, April and May); visits to the UN Headquarters and UNDP (New York, 1 May); together with UNDP Montreal Protocol staff, a meeting in

London (UK) with representatives of the Indian pharmaceutical company CIPLA regarding the negotiations on transferring MDI technology to Cuba (5-7 May).

24. The Secretariat was represented at the following network meetings:

- Joint Main Meeting of the Central America, Spanish-speaking Caribbean and South America (Bogotá, Colombia, 4-9 May)
- Ozone Officers Network for English-speaking Africa (Addis Ababa, Ethiopia, 19-22 May)
- Ozone Officers Meeting for West Asia Region in Manama, Bahrain (8-11 June)

25. At the three regional meetings they attended, representatives of the Secretariat presented the three year phase-out plan of the Fund, key decisions of the 39th meeting of the Executive Committee, participated in the different working group discussions, explained a questionnaire designed to gather information on progress in the implementation of RMP's in the three regions and had bilateral discussions with members of the networks, as relevant. Responses to the questionnaire are being received and will serve as an important input in the evaluation of the RMP implementation.

26. Due to preparations for the 40th meeting, Secretariat staff were unable to attend the network meeting of Caribbean Countries in St Kitts and Nevis (16-18 June 2003) or the Small Group Meeting on RMP Review and Update held in Dhaka, Bangladesh (13-14 June 2003).

27. Four Senior Project Management Officers attended the Earth Technologies Forum (22-24 April 2003) and the 20th Meeting of the Ozone Operations Resource Group (OORG), where they had the opportunity to interact with international experts, implementing agencies and ozone officers and make relevant presentations..

28. A Senior Project Management Officer visited Venezuela in April and the Senior Monitoring and Evaluation Officer went to Brazil (May). Both visits were carried out in the context of the halon sector evaluation. On both missions, the officer was accompanied by the halon evaluation consultant and together they visited halon projects including banking and recovery and recycling centres. Country evaluation reports were prepared.

29. The Administrative and Fund Management Officer travelled to UNEP Nairobi (27 May – 3 June) to attend the 2nd Administrative Management Meeting in order to discuss administrative practices and the new electronic performance management system.

Preparation for the meetings of the Executive Committee and its Sub-Committees

30. Logistic arrangements were made for the meetings of the Executive Committee and its Sub-Committees, to be held at the International Civil Aviation Organization (ICAO) from 14 July to 18 July. Letters of invitation and meeting documentation were dispatched to members of the Executive Committee, the President of the Bureau of the 14th Meeting of the Parties, the President and Vice President of the Implementation Committee, the Executive Secretary of the Ozone Secretariat, the Implementing Agencies, the Treasurer and NGOs.

Preparation for other meetings

31. The Fund Secretariat provided logistical support to the Ozone Secretariat in organizing the meetings of the 30th Meeting of the Implementation Committee under the Non-Compliance Procedures of the Montreal Protocol; the first Meeting of the Bureau of the 14th Meeting of the Parties to the Montreal Protocol; and the 23rd Open-Ended Working Group Meeting, to be held in Montreal in early July.

Information Activities

32. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines:

- Inventory of Approved Projects as at April 2003
- Policies, Procedures, Guidelines and Criteria as at April 2003
- Country Programme Summary Sheets as at April 2003
- Project Completion Reports Summary Sheets

33. The Secretariat prepared and distributed a press release and post-meeting document following the 39th meeting. The web site was updated in preparation for the 40th meeting.
