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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-seventh Meeting  
Bangkok, 16-20 July 2012

**SECRETARIAT ACTIVITIES**

## **Introduction**

1. This document presents activities of the Secretariat since the 66<sup>th</sup> meeting of the Executive Committee.

## **Notification of the decisions of the 66<sup>th</sup> meeting of the Executive Committee**

2. The Report of the 66<sup>th</sup> meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/66/54), containing the decisions of the Executive Committee was conveyed to all Executive Committee members and other participants of the 66<sup>th</sup> meeting, and was placed on the Multilateral Fund's website. Additionally, decisions related to project approvals, implementation delays and annual tranche submission delays were communicated to 50 Article 5 countries, and to the relevant bilateral and implementing agencies. A post-meeting document summarizing decisions taken at the 66<sup>th</sup> meeting was sent by email to all meeting participants, to UNEP OzonAction Branch for onward transmission to the regional networks, and was also placed on the Multilateral Fund's website.

## **Outstanding contributions of the Russian Federation**

3. On 27 April 2012 the Chief Officer and the Senior Administrative and Fund Management Officer as well as representatives of UNEP, as Treasurer, conducted a mission to the Russian Federation to maintain the momentum of discussions on the issue of outstanding contributions of the Russian Federation which had started in the margins of the 22<sup>nd</sup> Meeting of the Parties (MOP) to the Montreal Protocol in Bali, Indonesia. They met with representatives of three key ministries of the Russian Federation: Mr. Nuritdin Inamov (Director) and Mr. Sergey Vasiliev (Focal Point for Ozone Agreements and Advisor) of the Department of International Cooperation of the Ministry of Natural Resources and Environment (MNR); Mr. Andrey Bokarev, Director of the Department of International Financial Relations, Ministry of Finance (MINFIN); and Mr Oleg Shamanov of the Ministry of Foreign Affairs (MID). Mr. Nuritdin Inamov (MNR) stressed the Russian Federation's full commitment to the Montreal Protocol's objectives and to the Multilateral Fund. In this regard he also expressed the Russian Federation's interest in becoming a member of the Executive Committee.

4. Mr. Andrey Bokarev (MINFIN) advised that the Russian Government intends to commence payment of its pledges to the Multilateral Fund from 2013 after finalization of the internal government and administrative process, and to make the first contribution as early as possible in the first quarter of that year. An agreement reflecting this outcome, that "the authorized representatives of the Russian Federation have expressed intention to commence due payments to the MLF starting from 2013 on the condition that all future contributions of the Russian Federation are not associated with the outstanding pledges for prior years, and the required decision of the Government of the Russian Federation is issued in due time to ensure the payment of the 2013 contribution" was subsequently signed by both representatives of the Fund Secretariat, UNEP as Treasurer, and the Government of the Russian Federation. A copy of the signed agreement is attached as Annex I.

5. As a follow-up to the mission, the Secretariat informed the representatives of the Russian Federation that the Treasurer, in consultation with the Secretariat, had introduced new terminology in the accounts of the Multilateral Fund to categorize the Russian outstanding contribution from 2012 and earlier, as doubtful receivables, and as such not expected to be collected as pledged. The Fund Secretariat also sent the Russian Federation the following: the methodology of calculating the annual pledges of the Russian Federation; the 2013 invoice quoting the relevant decision of the Meeting of the Parties; and the banking details of the Multilateral Fund.

## **Review of tasks in preparation for the 67<sup>th</sup> meeting**

6. The Secretariat has undertaken the following tasks in preparation for the 67<sup>th</sup> meeting.

Status of resources and planning*Balances and availability of resources*

7. For the preparation of document UNEP/OzL.Pro/ExCom/67/4 the Secretariat reviewed the obligated and unobligated balances from completed projects held by agencies, and any agency support costs associated with the funds remaining from those completed projects. The document includes a calculation of the total amount of resources available to the Executive Committee for approvals at the 67<sup>th</sup> meeting.

*2012-2014 business plans and annual tranche submission delays*

8. The Secretariat prepared a report on the status of business planning in light of decisions and approvals at the 66<sup>th</sup> meeting, submissions and recommendations/proposals for funding to the 67<sup>th</sup> meeting and allocations in the 2012-2014 business plans. Pursuant to decision 53/3(c), the document also presents information on project submission delays, and in line with decision 66/6(c), a report from the Government of Germany on adjusting its business plan to ensure that the total level of its activities was within the range of Germany's bilateral allocations for the 2012-2014 triennium.

9. Document UNEP/OzL.Pro/ExCom/67/5 also includes a calculation of the value of activities in the 2012 business plan that had not been submitted to either the 66<sup>th</sup> or 67<sup>th</sup> meeting. The document concludes with observations and recommendations.

*Status reports and compliance*

10. In accordance with decision 66/16(b) information that would have been presented under agenda item "Report on implementation of approved projects with specific reporting requirements" and "Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol" is reported in a new document "Status reports and Compliance".

11. "Status reports and compliance" includes an update of the status of compliance by Article 5 countries with the Montreal Protocol's control measures; information on Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance; data on the implementation of country programmes, including an analysis of ODS consumption data by sector plus a section that addresses the characteristics of national ODS phase-out programmes; information on projects with implementation delays and projects for which additional status reports had been requested; and reports on HCFC demonstration projects and resource mobilization activities.

*Updated model rolling three-year phase-out plan*

12. Pursuant to decision 62/5 the Secretariat prepared an updated model three-year rolling phase-out plan for the years 2013-2015 to provide guidance, as relevant, for the preparation of a business plan for the Multilateral Fund for 2013-2015. Document UNEP/OzL.Pro/ExCom/67/7 contains an overview of the current status of consumption and production of ODS excluding HCFCs in Article 5 countries and an analysis of consumption and production for each of the types of HCFCs consumed and/or produced by Article 5 countries. It also provides a brief analysis of the reduction levels from HCFC consumption baselines to which Article 5 countries have committed and a summary of the level of funding already agreed in principle for the phase-out of all ODS including HCFCs.

## Programme implementation

### *Monitoring and evaluation*

13. Pursuant to decision 66/12, the Senior Monitoring and Evaluation Officer (SMEO) prepared the revised terms of reference for the evaluation of the multi-year agreement projects (second phase) (document UNEP/OzL.Pro/ExCom/67/8). The SMEO also prepared document UNEP/OzL.Pro/ExCom/67/9 which presents a report on the desk study for evaluation of metered-dosed inhalers (MDIs). The desk study is the first phase of an evaluation of the phase-out of CFCs in MDI sector which was approved at the 65<sup>th</sup> meeting (decision 65/9) and is based on a review of projects carried out in a sample of Article 5 countries that manufacture MDIs.

### *Progress reports as at 31 December 2011*

14. The Secretariat compiled and analysed financial data from the implementing and bilateral agencies and summarized the progress made on projects and activities supported by the Multilateral Fund up to 31 December 2011. Document UNEP/OzL.Pro/ExCom/67/10 provides a summary of progress of implementation at the country level, a summary on the implementation of activities to the end of 2011, plus the comments and recommendations of the Secretariat.

### *Evaluation of the implementation of the 2011 business plans*

15. The Secretariat prepared an evaluation of the 2011 business plans of the implementing agencies, based on the performance indicators adopted in decision 41/93, the revised weighting in decision 47/51, the targets that were adopted for the 2011 business plans by the Committee through decisions 63/7 to 63/10, and the implementing agencies' progress and financial reports submitted to the 67<sup>th</sup> meeting of the Executive Committee. Document UNEP/OzL.Pro/ExCom/67/16 also presents a trend analysis for each of the nine performance indicators used in previous years' evaluations and the results of the qualitative assessment of the performance of implementing agencies based on input received from national ozone unit (NOU) officers.

## Options for an administrative cost regime for the 2012-2014 triennium

16. Pursuant to decisions 65/18 and 66/17 the Secretariat prepared a document setting out two options for an administrative cost regime for agencies that had been discussed at the 66<sup>th</sup> meeting in comparison with the current regime. Document UNEP/OzL.Pro/ExCom/67/17 also includes the administrative cost assessment with the average annual income for the 2012-2014 triennium.

## Project Review

17. The Secretariat prepared document UNEP/OzL.Pro/ExCom/67/18 which included an outline of and statistics on the submissions received from implementing and bilateral agencies. The Secretariat received 57 funding requests from bilateral and implementing agencies including new multi-year agreements and projects and activities amounting to US \$359,541,653. Following review by the Secretariat, 27 projects and activities are recommended for blanket approval and 19 were forwarded for individual consideration by the Executive Committee. The remaining 11 projects and activities have been withdrawn. The total funding requested at the 67<sup>th</sup> meeting amounts to US \$91,641,646 of which US \$75,250,000 is related to the HCFC production sector.

18. No new policy issues arose during the project review process. However, document UNEP/OzL.Pro/ExCom/67/18 includes a section on the issue of "maximizing the climate benefits from

the phase-out of HCFCs in the refrigeration servicing sector” which the Executive Committee had agreed to continue considering at its 67<sup>th</sup> meeting (decision 66/20).

#### Provisional 2011 accounts

19. The Secretariat reviewed the document on the provisional 2011 accounts of the Multilateral Fund, the four implementing agencies and the Fund Secretariat prepared by the Treasurer (document UNEP/OzL.Pro/ExCom/67/35). The final 2011 accounts will be submitted to the 68th meeting of the Executive Committee.

#### Distribution of confidential documents

20. In compliance with decision 66/55 the Secretariat prepared document UNEP/OzL.Pro/ExCom/67/36, which provides an overview of the current practices and decisions regarding the distribution of documents and the handling of confidential material. The document includes several examples of the distribution and management of confidential materials by the Executive Committee.

#### Production sector

21. The Secretariat prepared a number of documents on HCFC production phase out issues for the meeting of the Sub-group on the Production Sector which would take place in the margins of the 67<sup>th</sup> meeting of the Executive Committee.

#### **Documents and policy papers prepared by the Fund Secretariat**

22. Of the documents submitted for consideration at the 67<sup>th</sup> meeting, the following were prepared by the Fund Secretariat:

- Provisional agenda and annotated agenda;
- Secretariat activities;
- Status of contributions and disbursements (prepared in collaboration with the Treasurer);
- Report on balances and availability of resources;
- 2012-2014 business plans and annual tranche submission delays;
- Status reports and compliance;
- Updated model rolling three-year phase-out plan: 2013-2015 (decision 62/5);
- Terms of reference for the evaluation of the multi-year agreement projects (second phase) (decision 66/12);
- Desk study for evaluation of metered-dosed inhalers (MDI) projects;
- Consolidated progress report as at 31 December 2011;
- Comments and recommendations on the progress reports of bilateral agencies, UNDP, UNEP, UNIDO and the World Bank (5 documents);
- Evaluation of the implementation of the 2011 business plans;
- Options for an administrative cost regime for the 2012-2014 triennium (decisions 65/18 and 66/17);
- Overview of issues identified during project review;
- Bilateral cooperation;
- Comments and recommendations on the 2011 work programme amendments of UNDP, UNEP, UNIDO and the World Bank (4 documents);
- Project evaluation sheets, comments and recommendations on the projects and activities submitted to the 67<sup>th</sup> meeting (11 documents);

- Report on the Multilateral Fund Climate Impact Indicator (decisions 59/45, 62/62 and 63/62, 64/51, 65/48 and 66/53);
- Provisional 2011 accounts (prepared in collaboration with the Treasurer);
- Distribution of confidential documents (decision 66/55);
- Draft Report of the Executive Committee to the Twenty-fourth Meeting of the Parties to the Montreal Protocol.

## **Meetings attended and missions undertaken**

### Missions of the Chief Officer

#### *Moscow, Russian Federation, 25-27 April 2012*

23. The Chief Officer and Senior Administrative and Fund Management Officer visited Moscow to meet with senior representatives of the Government of the Russian Federation to discuss matters regarding the outstanding contributions of the Russian Federation (see paragraphs 3-7).

#### *Washington D.C. United States of America, 5-7 June 2012*

24. The Chief Officer and a Senior Programme Management Officer attended the 42<sup>nd</sup> Global Environment Facility (GEF) Council meeting where they took the opportunity to discuss with several delegations issues related to the Multilateral Fund. They also took part in meetings with staff of the GEF Secretariat and two implementing agencies, UNDP and UNIDO, that currently were preparing related projects, to consider ways in which the Multilateral Fund and the GEF could cooperate to enhance and build upon the climate benefits that can be achieved through HCFC phase-out and ODS disposal activities. This cooperation is envisaged to promote synergy between ozone-climate activities of both financial mechanisms, and potentially encourage mobilisation of resources to maximize such benefits.

25. Further discussions with the GEF Secretariat are envisaged and the feasibility of a joint publication between the two Secretariats for the 25<sup>th</sup> anniversary of the Montreal Protocol highlighting examples of cooperation between the Multilateral Fund and the GEF Secretariats is being considered.

### Missions of other staff

26. Secretariat staff attended a number of network meetings that took place between the 66<sup>th</sup> and 67<sup>th</sup> meetings of the Executive Committee as follows:

#### *Dead Sea, Jordan, 8-12 May 2012*

27. A Senior Programme Management Officer attended the Main Meeting of the West Asia Network of Ozone Officers where he gave a presentation on recent decisions of the Executive Committee and country programme data reporting.

#### *Paro, Bhutan, 15- 18 May 2012*

28. The Information Management Officer attended the Joint Meeting of the South Asia and South East Asia Networks of Ozone Officers where she gave a presentation on recent decisions of the Executive Committee and acted as moderator for the session on the communication strategy for HCFC phase-out, and attended the Regional ODS-Energy-efficiency Workshop following the network meeting.

*Lusaka, Zambia, 21-24 May 2012*

29. The Deputy Chief Officer took part in the Main Meeting of the English-Speaking Network of Ozone Officers where he gave a presentation on recent decisions of the Executive Committee.

*Santiago, Chile 3-6 July 2012*

30. A Senior Programme Management Officer will attend the Central America and the Spanish Speaking Caribbean Ozone Officers Network meeting (5-6 July) and a workshop on foams (3-4 July) that will take place in Santiago (Chile) from 3 to 6 July 2012.

*Montreal Protocol and other meetings*

31. Following the 67<sup>th</sup> meeting the Chief Officer together with a Senior Programme Management Officer and the Senior Economic Affairs Officer will attend the 32<sup>nd</sup> Meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol (OEWG) and the 48<sup>th</sup> Meeting of the Implementation Committee under the Non-Compliance Procedure of the Montreal Protocol.

32. A number of professional staff from the Fund Secretariat will also attend the “Advancing Ozone & Climate Protection Technologies - Next Steps” conference, sponsored by UNEP, UNDP, the Government of the United States of America, and the Alliance for Responsible Atmospheric Policy, which takes place in Bangkok (Thailand) from 21 to 22 July following the 67<sup>th</sup> meeting.

### **Recruitment and selection**

33. A local advertisement was placed to identify candidates for a vacant Programme Assistant position pending the advertisement of the position in the United Nations Inspira system in due course. The selection process for the Computer Operations Assistant was completed and the recruitment of the selected candidate is underway. The job opening for the position of Information Network Officer was launched in Inspira and selection process is underway.

### **Staff development and training**

34. A training course on Microsoft Office 2010 was provided for all Secretariat staff following the 66<sup>th</sup> meeting in April 2012. One staff member participated in the Women Preparing for Leadership programme organized by the United Nations Office in Nairobi. Two senior project management officers will attend the second part of the United Nations Management Development Programme from 12 to 13 July in New York.

### **Preparation for the meetings of the Executive Committee**

35. Logistic arrangements were made for the 67<sup>th</sup> meeting of the Executive Committee could be held at the United Nations Conference Centre in Bangkok (Thailand) from 16 to 20 July 2012. Letters of invitation and passwords to access meeting documentation in password protected areas of the website were provided to members of the Executive Committee, the President of the Bureau of the Twenty-third 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 non-governmental organizations. The Fund Secretariat is also providing some staff support to the Ozone Secretariat for the 32<sup>nd</sup> OEWG in Bangkok from 23 to 27 July 2012.

### **Information activities**

36. A site containing meeting documents in Arabic, Chinese, English, French and Spanish, and logistical information on the 67<sup>th</sup> meeting was created on the public website. A separate password protected site was set up for the Sub-group on the Production sector as the Sub-group's documentation is limited to Executive Committee members.

37. The Fund Secretariat reviewed and updated the following databases, documents and operational guidelines for the 67<sup>th</sup> meeting:

- Inventory of Approved Projects as of April 2012;
- Country Programme Summary Sheets as of April 2012;
- Policies, Procedures, Guidelines and Criteria as of April 2012;
- Phase-out plans and projects as of April 2012;
- HCFC phase-out management plans as of April 2012.

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### Outcome

of the Consultations between the delegation of the Russian Federation and delegation of the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer and the United Nations Environment Program

Moscow, 27 April 2012

List of participants is attached.

Consultations on the outstanding contribution of the Russian Federation to the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer (MLF) were held at the Ministry of Finance of the Russian Federation with participation of authorized representatives of:

- The Ministry of Foreign Affairs of the Russian Federation, the Ministry of Finance of the Russian Federation and the Ministry of Natural Resources and Environment of the Russian Federation, and
- The Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer (MLF) and the UN Environment Program (UNEP).

Participants to the consultations discussed the current situation of the outstanding contribution of the Russian Federation to the MLF and the possible conditions for commencement of payment of the contribution to MLF on the condition that the Government of the Russian Federation's payment is made against the current year's invoice and is not associated with the outstanding pledges for prior years, and have agreed as follows:

- (i) Referring to the relevant decisions from the 59<sup>th</sup> to the 64<sup>th</sup> meetings of the Executive Committee requesting the MLF Secretariat to negotiate with the Russian Federation the issue of the outstanding contribution of the Russian Federation to the MLF;
- (ii) Taking into account that the London Amendment to the Montreal Protocol was ratified by the USSR in 1991;
- (iii) Keeping in mind that while considering the issue of the London Amendment ratification by the USSR, the positive decision was based on the intention to grant assistance and transfer of ozone friendly technologies available at that moment in the USSR to developing countries;
- (iv) Recognizing that the contribution to the MLF, under the London Amendment to the Montreal Protocol, has become obligatory for the donors - Parties of the Montreal Protocol in 1992, namely after the above mentioned ratification by the USSR;
- (v) Recognizing that the disability of non-implementation of the technical assistance plans oriented to developing countries within the framework of the Multilateral Fund is a result of the disintegration of the country, the extinction of the USSR on 26 December 1991 and significant reduction of economic capacity in the entire post-Soviet territory

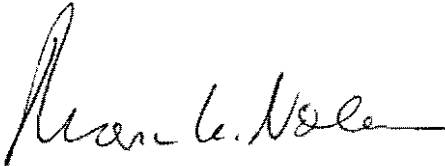
and in that circumstance the intention to grant assistance to other countries lost its applicability;

(vi) Being aware that the Russian Federation from its emergence as a country with an economy in transition as a Party not operating under paragraph 1 of Article 5 of the Montreal Protocol, and was to contribute to the Multilateral Fund under Article 10.6 of the Montreal Protocol at the same level as developed countries with reasonable funds in accordance with the UN assessed annual scale of contribution, which amounted to US \$11,7 million in 1994 and 1995, and by 2012 the total outstanding contribution of the Russian Federation has exceeded US \$105 million;

(vii) Recognizing that during the past two decades the MLF has operated efficiently and as a result the targets set under the Montreal Protocol were reached successfully, and the 2012-2014 replenishment of the MLF was approved with no reference to the outstanding contribution of the Russian Federation,

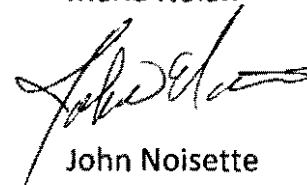
(viii) The authorized representatives of the Russian Federation have therefore expressed their intention to commence payments due to the MLF starting from 2013 on the condition that all future contributions of the Russian Federation are not associated with the outstanding pledges for prior years, and the required decision of the Government of the Russian Federation is issued in due time to ensure the payment of the 2013 contribution in 2013.

Chief Officer, Multilateral Fund for  
the Implementation of the Montreal  
Protocol on Substances that Deplete  
the Ozone Layer



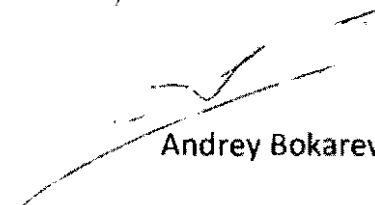
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Director, Department of International  
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and Environment of the Russian Federation



Nuritdin Inamov

Chief Division, Department of International  
Organizations, Ministry of Foreign Affairs  
of the Russian Federation



Oleg Shamanov

## List of participants of the Consultations

### MLF & UNEP delegation:

1. **Ms. Maria NOLAN**, Chief Officer, Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer
2. **Ms. Bouthena BENDAHMANE**, Treasurer of the Multilateral Fund and Senior Fund and Administrative Officer, Secretariat of the Multilateral Fund
3. **Mr. John NOISETTE**, Senior Advisor to the Office of the Operations and Corporate Services, Executive Office, UNEP
4. **Mr. Moses AJIBADE**, Treasurer of the Multilateral Fund and Finance Officer, Corporate Service Section, Executive Office, UNEP

### Russian Federation delegation:

1. **Mr. Andrey BOKAREV**, Director, Department of International Financial Relations, Ministry of Finance of the Russian Federation
2. **Mr. Nuritdin INAMOV**, Director, Department of International Cooperation, Ministry of Natural Resources and Environment of the Russian Federation
3. **Mr. Oleg SHAMANOV**, Chief Division, Department of International Organizations, Ministry of Foreign Affairs of the Russian Federation
4. **Mrs. Natalia SYUTKINA**, Deputy Director, Department of Economy and Finance, Ministry of Natural Resources and Environment of the Russian Federation
5. **Mrs. Anna VALKOVA**, Deputy Director, Department of International Financial Relations, Ministry of Finance of the Russian Federation
6. **Mr. Sergey VASILIEV**, Advisor, Department of International Cooperation, Ministry of Natural Resources and Environment of the Russian Federation, *Focal Point for Ozone Agreements*
7. **Ms. Anastasiya ZHILOVA**, Senior Expert, Department of International Financial Relations, Ministry of Finance of the Russian Federation