



**MULTILATERAL FUND  
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**

**Post Meeting Summary of Decisions of the 69<sup>th</sup> Meeting of the Executive Committee of the  
Multilateral Fund for the Implementation of the Montreal Protocol**

**Introduction**

The 69<sup>th</sup> meeting of the Executive Committee, which took place in Montreal, Canada from 15 to 19 April 2013, was attended by the representatives of 13 of the Executive Committee member Parties and by participants co-opted from 20 other countries (see attached list). Ms. Fiona Walters of the United Kingdom of Great Britain and Northern Ireland presided over the meeting as Chair of the Executive Committee in 2013. The Executive Secretary of the Ozone Secretariat, the Vice-President of the Implementation Committee, representatives of the implementing agencies, the Treasurer, representatives from the Alliance for Responsible Atmospheric Policy, the China Association of Fluorine and Silicone Industry, the Environmental Investigation Agency and Shecco also attended the meeting.

The Executive Committee followed its customary programme of work for the first meeting of the year including consideration of the three-year business plans of the bilateral and implementing agencies, monitoring and evaluation, and agencies' work programmes. The Committee also considered a proposal for stage I of the HCFC phase-out management plan (HPMP) for Barbados and a number of requests for tranches of funding for stage I of HPMPs. Other items addressed included the draft guidelines for determining funding levels for the preparation of stage II of HPMPs, which were considered for the first time, the procedure for the recruitment of the Chief Officer, the Multilateral Fund Climate Impact Indicator (MCII), interest accrued on approved funds, and the operation of the Executive Committee. The Production Sector Sub-group was reconvened and following its report to the Executive Committee, stage I of the HCFC production phase-out management plan (HPPMP) for China was approved at an amount of US \$95 million on the condition that, inter-alia, the phase-out of the entire HCFC production sector in China does not exceed US \$385 million.

The Committee took a total of 29 decisions and approved investment projects and work programme activities for 17 countries and one activity for the Europe and Central Asia region, with a value of just under US \$39.117 million plus US \$1.043 million in support costs for bilateral and implementing agencies.

**Contribution to the Multilateral Fund by the Russian Federation (decision 69/1)**

The Executive Committee expressed its appreciation to the Russian Federation for its contribution to the Multilateral Fund for the year 2013 and also to the Chief Officer, the Secretariat and a number of governments for their part in achieving a successful outcome to the issue of the country's contributions.

**Status of contributions and disbursements (decision 69/2)**

As at 12 April 2013, the balance of the Multilateral Fund stood at US \$92,793,191 of which

US \$59,365,930 was in cash and US \$33,427,261 in promissory notes. Thirty-four per cent of pledges for 2013 had been paid and the balance on the gain from the fixed-exchange-rate mechanism stood at US \$21,927,685. The Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

## **Status of resources and planning**

### ***Report on balances and availability of resources (decision 69/3)***

Bilateral and implementing agencies returned funding and support costs of US \$880,810 to the Multilateral Fund. The Executive Committee requested the Treasurer to follow up with the Government of Portugal on the cash transfer of its return and requested implementing agencies with projects completed between 2007 and 2009 to return balances as soon as possible.

### ***Status reports and compliance (decision 69/4)***

#### Country programme implementation

The Executive Committee considered the document on status reports and compliance<sup>1</sup>, and noted that 81 country programme (CP) implementation reports for the year 2011 had been submitted through the web-based system (decision 69/4(a)(ii)). A number of governments were requested to report to the Secretariat, as a matter of urgency, on whether their licensing systems were functioning “satisfactorily”, “very well” or “not so well” (decision 69/4(b)(vi)).

#### Reports on approved projects (decision 69/4(a)(iv)-(viii))

A number of reports on the implementation of approved projects were noted including CFC consumption verification for two countries, actions to facilitate implementation of projects in Haiti, a demonstration project to validate super-critical carbon dioxide in the manufacture of sprayed polyurethane rigid foam in Colombia, and the CTC phase-out plan in the Democratic People’s Republic of Korea in response to decision 68/34(b).

#### Methyl bromide phase-out (decision 69/4(b)(iv)-(v))

Implementing agencies were requested to consider the need for additional methyl bromide (MB) projects in ten countries that had projects to phase-out part of their MB consumption or were exempted from complying with the MB control measures pursuant to decision XV/12. UNIDO was requested to submit a report to the 70<sup>th</sup> meeting on MB projects in four countries that had exceeded the MB consumption targets set in their agreements, together with proposed action plans to meet those targets.

#### Resource mobilization projects of UNEP, UNDP, UNIDO and the World Bank (decision 69/6(c)-(f))

The Committee noted the individual reports on resource mobilization submitted by UNEP, UNDP and UNIDO and requested those agencies for further documentation and/or reports on results of the projects to future Executive Committee meetings. The World Bank was urged to submit a final report on its study for climate co-benefits by the 70<sup>th</sup> meeting.

---

<sup>1</sup> UNEP/OzL.Pro/ExCom/69/5

## **2013-2015 business plans (decisions 69/5 to 69/10)**

### ***Consolidated business plan (decision 69/5)***

The Executive Committee endorsed the 2013-2015 consolidated business plan of the Multilateral Fund as adjusted by the Secretariat and the Executive Committee, while noting that endorsement denoted neither approval of the projects identified therein nor their funding or tonnage levels. (See decision 69/5 for details).

### ***Bilateral business plans (decision 69/6)***

The Executive Committee noted the 2013-2015 business plans on bilateral cooperation submitted by the Governments of Germany and Japan.

### ***Agency business plans (decisions 69/7 to 69/10)***

The Executive Committee noted the 2013-2015 business plans of UNDP, UNEP, UNIDO and the World Bank. Performance indicators, which would provide the basis for the evaluation of agencies' performance in 2013, were approved for the four agencies.

## **Programme implementation**

### ***Monitoring and evaluation***

#### **Final evaluation report on multi-year agreement projects (decision 69/11)**

The Executive Committee noted the final evaluation report on multi-year agreement projects<sup>2</sup> which contains a synthesis of the findings of case studies carried out in eight non low-volume-consuming countries on the phase-out of CFCs. The Senior Monitoring and Evaluation Officer, the Secretariat, the implementing agencies and interested bilateral agencies were encouraged to review experiences in assessing the results of activities in the refrigeration and air-conditioning servicing sectors with a view to developing an approach that could be used for future evaluations.

#### **Terms of reference for the desk study on the evaluation of HPMP preparation (decision 69/12)**

The Executive Committee approved terms of reference for the expanded desk study on the evaluation of the preparatory phase of phasing out of HCFCs<sup>3</sup> which would include several case studies on specific HPMP preparation exercises.

### ***Tranche submission delays (decision 69/13)***

Fourteen out of 28 tranches of multi-year agreement (MYAs) from 18 countries that were due for submission to the 69<sup>th</sup> meeting had been submitted on time. The main reason for delayed HPMP tranches was the failure to meet the required 20 per cent disbursement threshold for the previous tranche.

---

<sup>2</sup> Document UNEP/OzL.Pro/ExCom/69/12.

<sup>3</sup> The terms of reference can be found in document UNEP/OzL.Pro/ExCom/69/13.

## **Project review**

### ***Project proposals (decisions 69/14 to 69/21 and decision 69/28(e))***

The Executive Committee approved 31 investment projects and work programme activities in 17 countries at a total value of US \$39,116,973 plus support costs of US \$1,042,867.

### Phase-out of HCFC consumption

Stage I of the HPMP for Barbados was approved in principle for the period 2013 to 2020 at a total amount of US \$312,880 (including support costs) bringing the total number of Article 5 countries with approved stage I HPMPs to 138; only seven countries do not have an approved stage I of HPMPs<sup>4</sup>.

The Committee also approved funding of US \$12,314,397 (including support costs) for the first tranche of stage I of the HPMP for Barbados and second tranches for China (extruded polystyrene foam sector), Dominican Republic, Maldives and Timor Leste. Updated agreements were approved for Maldives and Timor Leste based on the countries' established HCFC baselines for compliance.

### ODS destruction (decisions 69/18 and 69/19)

A pilot ODS destruction project for Georgia, and a demonstration project on a regional strategy for ODS waste management and disposal for the Europe and Central Asia (ECA) region submitted by the Governments of Bosnia and Herzegovina, Croatia and Montenegro, were approved with a number of conditions including: that no other funding would be made available for new activities related to ODS disposal and destruction in those countries in the absence of a new relevant decision by the Parties to the Montreal Protocol; and, that any marketing of greenhouse gas emission reductions generated by or associated with the projects would be subject to a decision by the Executive Committee.

### Other technical assistance, investment projects and work programme activities

Funding was also approved for tranches of MB phase-out plans for Chile and Mexico, the remaining part of the second tranche of the accelerated CFC production phase-out for India, the verification of production of CFCs for essential uses in China, a project promoting low-global-warming-potential (GWP) refrigerants for air-conditioning sectors in high-ambient-temperature countries in West Asia, and institutional strengthening support for 11 countries.

### HCFC consumption phase-out projects not considered

Stage I of the HPMP for the Democratic People's Republic of Korea was withdrawn prior to the meeting. The request from the Government of the Bolivarian Republic of Venezuela for the third tranche of stage I of its HPMP was deferred until the 20 per cent disbursement threshold for the previous tranche had been achieved.

---

<sup>4</sup> Countries without an approved HPMPs (stage I) are: Botswana, the Democratic People's Republic of Korea, Libya, Mauritania, South Sudan, Syrian Arab Republic and Tunisia.

**Draft guidelines for funding the preparation of stage II of HCFC phase-out management plans (decision 69/22)**

The Committee considered a document<sup>5</sup> containing draft guidelines for funding the preparation of stage II of HPMPs, which covered issues such as the timing, information requirements and suggested funding levels for the preparation of stage II of HPMPs. Due to insufficient time to consider all issues the Committee deferred consideration of the draft guidelines, as amended by a contact group that had met in the margins of the meeting, to the 70<sup>th</sup> meeting. The Executive Committee also requested the Secretariat to prepare an information document for the 70<sup>th</sup> meeting to assist the Committee in reviewing the HCFC phase-out criteria and guidelines adopted by decision 60/44, including an analysis of the cost effectiveness of projects approved so far, as well as the division of costs between incremental operating costs and incremental capital costs.

**Report on the Multilateral Fund Climate Impact Indicator (MCII) (decision 69/23)**

Following a report on the fully-developed version of the MCII<sup>6</sup>, the Executive Committee requested the Secretariat to maintain an online discussion forum on the MCII to enable continued and transparent exchanges among members, implementing agencies and the Secretariat on the matter. The next report on progress made and experience gained in applying the MCII to project submissions would be considered at the last meeting in 2014, as well as the results of an independent review to be undertaken, and a progress report to the 72<sup>nd</sup> meeting. Furthermore the report of the Executive Committee to the Twenty-fifth Meeting of the Parties would include information on the MCII, its envisioned link to climate change, and the need for that information to be consistent with information used in climate-related bodies of the United Nations.

**Fund transfers and information on any interest accrued on funds held by China for stage I of its HPMP, and historical implementation modalities of the Multilateral Fund (decision 69/24)**

The Executive Committee noted that China had stated that interest accrued on funds held for stage I of its HPMP could be returned to the implementing agencies or offset against future tranches. The Executive Committee requested the Secretariat in collaboration with the implementing agencies and the Treasurer to prepare a paper for the 71<sup>st</sup> meeting on options as to how funds for the HPMP in China could be disbursed as close as possible to the time when they were needed. The Committee also requested implementing agencies to report on interest provided by China on funds transferred for the HPMP in the relevant tranche implementation reports; and urged the implementing agencies and the Treasurer to reach an agreement with the Secretariat on how to record disbursement for the implementation modality, including means of returning balances used for stage I of the HPMP for China and similar projects, in the Fund's annual progress and financial reports and the accounts of the Fund, and to report back to the 70<sup>th</sup> meeting.

With reference to the information document to be prepared for the 70<sup>th</sup> meeting to assist the Executive Committee in reviewing the HCFC consumption sector guidelines in decision 60/44 (see decision 69/22), the Secretariat was encouraged to consider options that ensure that the level of funding for the first year of stage II would meet the 20 per cent disbursement threshold and that subsequent tranches were considered in light of the need for cash and the likelihood of reaching the disbursement threshold.

---

<sup>5</sup> Document UNEP/OzL.Pro/ExCom/69/33.

<sup>6</sup> Document UNEP/OzL.Pro/ExCom/69/34.

### **Operation of the Executive Committee (decision 69/25)**

The Executive Committee considered an analysis prepared by the Secretariat regarding the option of holding only two Executive Committee meetings per year on the basis of current status of policies and guidelines, the status of approvals of the HPMPs and the foreseen future workload of the Committee. Members expressed support for holding two meetings a year in 2014 on a trial basis. However, due to some concern about the proposed intersessional approval procedure, the Secretariat would prepare an analysis of the implications of holding only two meetings a year without any intersessional approval procedure for consideration at the 70<sup>th</sup> meeting.

### **Recruitment process for the position of Chief Officer of the Multilateral Fund Secretariat (decision 69/26)**

The revised vacancy announcement for the post of Chief Officer with a closing date of 24 April 2013 was approved by the Executive Committee. The selection panel for the post was established and its members would work intersessionally on the matters within its purview, and report to the 70<sup>th</sup> meeting of the Executive Committee on progress made.

### **Decision of the Parties at their Twenty-fourth Meeting regarding the evaluation of the Financial Mechanism (decision 69/27)**

A modified version of the report<sup>7</sup> prepared by the Secretariat in response to decision XXIV/11 of the Parties on the 2012 evaluation of the Financial Mechanism of the Montreal Protocol would be forwarded to the Twenty-Fifth Meeting of the Parties. The report would summarize all the actions taken by the Executive Committee on each of the recommendations contained in the 2012 evaluation, and include any relevant decisions or actions taken at the Committee meetings prior to that Meeting of the Parties.

### **Production sector (decision 69/28)**

The Production Sector Sub-Group was reconvened with the following composition: Canada (facilitator), Finland, India, Japan, Kuwait, Nicaragua, Serbia, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Uruguay. The Sub-group met in the margins of the 69<sup>th</sup> meeting on a number of matters as follows.

#### ***HCFC production phase-out in China (decision 69/28(e))***

The issue of the HPPMP for China had been considered by a small negotiating group that had been constituted to agree on a decision on that issue. Based on the outcome of negotiations the Executive Committee approved a total of US \$95 million for stage I of the HPPMP for China to meet the freeze and 10 per cent reduction of China's HCFC production baseline, recognizing China's need to front-load payments in this sector. The funding would be approved in four tranches: US \$24 million (2013), US \$23 million (2014), US \$24 million (2015), and US \$24 million (2016), with release of the 2014, 2015 and 2016 tranches only after verification of prior year data. The total amount of HCFC phase-out to be achieved is based on China's verified 2010 ODS production data of: 310,000 metric tonnes (mt) of HCFC-22, 98,711 mt of HCFC-141b, 33,957 mt of HCFC-142b, 2,819 mt of HCFC-123 and 401 mt of HCFC-124.

---

<sup>7</sup> Document UNEP/OzL.Pro/ExCom/69/38 - Decisions of the Parties at their Twenty-Fourth Meeting regarding the Evaluation of the Financial Mechanism.

Stage I of the HPPMP for China was approved on a number of conditions. Briefly: total compensation for the entire China HCFC production sector would not exceed US \$385 million; production lines producing only HCFCs for controlled uses will be closed and dismantled; China agreed to retire an additional 24 per cent of production capacity beyond these tonnages to take into account average utilization of HCFC production; China will ensure that any HCFC plants that will receive funding do not switch to producing HCFCs as industrial feedstock, a use not controlled by the Montreal Protocol; China will coordinate with stakeholders and make best efforts to manage HCFC production and associated by-product production in HCFC plants in accordance with best practices to minimize associated climate impacts; and, China's performance under the HPPMP will be verified before further annual tranches are released and any interest earned by China on the amounts received will be offset against future tranches of funding. Full details of the conditions attached to stage I of the HPPMP for China can be found in decision 69/28(e).

### ***Production sector issues to be addressed at the 70<sup>th</sup> meeting***

At 70<sup>th</sup> meeting the Production Sub-group on the Production sector would consider a draft agreement for the HPPMP for China, the HCFC production sector guidelines and a brief report by the Secretariat on the allocation from the polyurethane foam sector to the production sector in the agreement between the World Bank and China for stage I of HCFC phase-out in the polyurethane foam and production sectors. Text about the issue of the eligibility of swing-plants for any additional support for HCFC production phase-out would be considered in the context of the report of the Executive Committee to the Twenty-fifth Meeting of the Parties.

### **Other matters**

#### ***70<sup>th</sup> and 71<sup>st</sup> meetings of the Executive Committee (decision 69/29)***

The Executive Committee decided to hold its 70<sup>th</sup> meeting in Bangkok from 1 to 5 July 2013 and its 71<sup>st</sup> meeting in Montreal from 2 to 6 December 2013.

### **Report of the 69<sup>th</sup> meeting**

A complete record of all decisions made at the 69<sup>th</sup> meeting can be found in the "Report of the Sixty-ninth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol" (UNEP/OzL.Pro/ExCom/69/40) which is published on the Multilateral Fund's website ([www.multilateralfund.org](http://www.multilateralfund.org)). The report is available in Arabic, English, French, and Spanish.

**Annex I - Attendance at the 69<sup>th</sup> meeting of the Executive Committee**

Executive Committee Members	Co-opted countries
Non Article 5*	
Belgium	Netherlands
Canada	Australia
Finland	Sweden
Japan	
United Kingdom of Great Britain and Northern Ireland (Chair)	France , Germany and Italy
United States of America	
Article 5	
India	China and Jordan
Kuwait	Bahrain and Malaysia
Mali	Comoros (the) and Democratic Republic of the Congo (the)
Nicaragua	Haiti and Mexico
Serbia (Vice Chair)	Georgia
Uganda	Egypt and Mauritius
Uruguay	Argentina, Brazil and Colombia

\*Bulgaria did not attend.