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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-second Meeting
Montreal, 3-7 December 2018

Addendum

**STATUS OF CONTRIBUTIONS AND DISBURSEMENTS
Report from the Treasurer**

This document is being issued:

- To **replace** paragraph 8 as follows:

8. As a follow-up to decision 81/1(d)¹, the Chief Officer had several consultations, including bilateral discussions in the margins of the 40th meeting of the Open-ended Working Group of the Parties to the Montreal Protocol (OEWG)² with representatives of the Governments of Israel and Kazakhstan to consider options to start making payments to the Multilateral Fund. In addition, the Chief Officer and the Treasurer had bilateral meetings with representatives from the Governments of Azerbaijan, Kazakhstan, and Ukraine in the margins of the Thirtieth Meeting of the Parties to the Montreal Protocol³. The discussions are summarized below:

- (a) With regard to Azerbaijan, the Secretariat informed the representative from the Government that the Treasurer could allocate any new contribution, once made, to a specific year if so requested by her Government, in line with the previous decision of the Executive Committee (i.e., decision 77/1(d)). In response, the representative of Azerbaijan explained recent changes in her Government and requested that a letter be sent to the Assistant of Minister of Ecology and Natural Resources addressing the matter of the outstanding contributions. This letter was accordingly sent on 21 November 2018;
- (b) With regard to Israel, the Secretariat and the Treasurer met with the representatives from the Government of Israel attending the 40th OEWG meeting, where matters related to the Multilateral Fund in general and the outstanding contributions from the Government were discussed. Subsequent to those discussions, the Secretariat provided specific information

¹ The Chief Officer and the Treasurer were requested to continue following up with countries that had contributions outstanding for one triennium or more and to report back to the 82nd meeting.

² Vienna, Austria, 11-14 July 2018.

³ Quito, Ecuador, 5-9 November 2018.

requested by the Government, including on potential bilateral activities. Discussions were expected to continue in the margins of the Thirtieth Meeting of the Parties; however, the Government of Israel was unable to attend;

- (c) With regard to Ukraine, the Secretariat was informed that relevant Government authorities were aware of the outstanding contributions to the Multilateral Fund. However, the Government was giving high priority to the ratification of the Kigali Amendment of the Montreal Protocol with a view of depositing the instrument of ratification at the United Nations in New York as soon as possible. Once this process had been finalized, internal discussions would resume on the matter of addressing the outstanding contributions.

8(bis). With regard to Kazakhstan, the outstanding contributions to the Multilateral Fund relate to the 2001-2013 period. Although Kazakhstan ratified the London Amendment on 26 July 2001, the Government started making payment against its annual pledged contributions to the Fund from 2014 onwards. That is the year when the Treasurer first sent an invoice based on the report of the Twenty-sixth Meeting of the Parties (2014) where Kazakhstan's yearly pledge was reflected in the table of assessed contribution by Party for the 2015-2017 triennium. None of the relevant reports of the Meetings of the Parties prior to 2014 had included Kazakhstan in the list of Parties contributing to the replenishment of the Multilateral Fund and, therefore, no invoices had been sent prior to that date. In 2014, when this situation was identified, the Treasurer recorded the 2001-2013 contributions (amounting to US \$954,013) as outstanding contributions, and sent an invoice to the Government of Kazakhstan including the outstanding contributions.

8(ter). During several previous discussions on this matter, the representatives of the Government of Kazakhstan had expressed their great concern at being asked to pay annual pledged contributions for years when there was no annual pledge reflected for Kazakhstan in relevant reports of the Meeting of the Parties and no invoices had been sent to the Government for that period.

8(qua). Given this unique situation, the Secretariat and the Treasurer have sought advice from UNEP on the legal basis for insisting that the Government of Kazakhstan make payment to the Multilateral Fund for the 2001-2013 period. Following the advice received, the Secretariat and the Treasurer held discussions with the representatives from the Government of Kazakhstan in the margins of the Meeting of the Parties inviting the country to pay the outstanding contributions in good will. Again, the representatives expressed their Government's disappointment regarding what had occurred in 2016, namely when the UNEP representative in New York reached out to the Kazakhstan mission to address the matter. It was pointed out that the Government had paid its contributions for 2014, 2015 and 2016, but had decided to hold its 2017 and 2018 contributions until the invoices excluded the outstanding contributions for the 2001-2013 period. The representatives of the Government explored the possibility of removing the outstanding contributions for the 2001-2013 period from the accounts of the Multilateral Fund, based on their arguments provided.

8(quin). Based on the outcomes of the recent discussions with the Government, and further advice received by UNEP, the Secretariat is recommending to the Executive Committee that the Government of Kazakhstan be requested to pay its contributions only from 2014 when the Parties to the Montreal Protocol allocated for the first time to Kazakhstan a yearly pledged contribution to the Multilateral Fund, which requires that the 2001-2013 outstanding contributions of the country reflected in the status of the Multilateral Fund be removed.

- To **add** sub-paragraphs (b)(bis), (b)(ter), (b)(qua), (b)(quin) and (b)(sex) in paragraph 9 as follows:

- (b)(bis) To note with appreciation, the discussions between the representatives of the Government of Azerbaijan and the Secretariat and the Treasurer, and invite the Government to commence contributing to the Multilateral Fund;

- (b)(ter) To note with appreciation, the discussions between the representatives of the Government of Israel and the Secretariat and the Treasurer, and invite the Government to commence contributing to the Multilateral Fund;
 - (b)(qua) To note with appreciation that the Government of Kazakhstan started to pay its contributions to the Multilateral Fund from 2014, when the assessed contribution by Kazakhstan for the replenishment of the Multilateral Fund for the 2015-2017 triennium was recorded for the first time at the Twenty-sixth Meeting of the Parties;
 - (b)(quin) To request the Treasurer to remove the 2001-2013 outstanding contributions of Kazakhstan from the status of the Multilateral Fund without setting a precedent of removing any outstanding contributions due from any other party to the Fund from the report of the Treasurer on the status of contributions and disbursements or the accounts of the Fund;
 - (b)(sex) To note with appreciation, the discussions between the representatives of the Government of Ukraine and the Secretariat and the Treasurer, and to invite the Government to continue its internal discussions in order to commence contributing to the Multilateral Fund; and
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