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Multilateral Fund for the Implementation of  
the Montreal Protocol

***POLICIES, PROCEDURES, GUIDELINES AND  
CRITERIA***

(As at June 2024)

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**I. FINANCIAL MECHANISM****INTERIM FINANCIAL MECHANISM**

The Parties to the Montreal Protocol at their Second Meeting decided to establish for the three-year period from 1 January 1991 to 31 December 1993 or until such time as the Financial Mechanism is established, an Interim Financial Mechanism according to the following:

1. The Interim Financial Mechanism is established for the purposes of providing financial and technical cooperation, including the transfer of technologies, to Parties operating under paragraph 1 of Article 5 of the Montreal Protocol to enable their compliance with the control measures set out in Articles 2A to 2E of the Protocol. The Mechanism, contributions to which shall be additional to other financial transfers to Parties operating under that paragraph, shall meet all agreed incremental costs of such Parties, in order to enable their compliance with the control measures of the Protocol. An indicative list of the categories of incremental costs is attached as Appendix I to this decision.

2. The Mechanism established under paragraph 1 shall include a Multilateral Fund. It may also include other means of multilateral, regional and bilateral cooperation. The Executive Committee requested the Secretariat of the Vienna Convention and its Montreal Protocol to continue providing secretarial services to the Multilateral Fund. All expenses related to these services will at a later stage be charged to the Multilateral Fund.

*(UNEP/OzL.Pro.2/3, Decision II/8, paras. 1 and 2).*

The Executive Committee requested the Executive Director of UNEP to secure the approval of the Secretary-General of the United Nations to establishing the Interim Multilateral Ozone Fund in accordance with the financial rules and regulations of the United Nations and to its administration by the Executive Director of UNEP. The account established with UNEP would receive contributions to the Interim Multilateral Ozone Fund and would make transfers from it according to directions provided by the Executive Committee.

*(UNEP/OzL.Pro.ExCom.1/2, para. 13).*

The Executive Committee requested the Secretariat of the Vienna Convention and its Montreal Protocol to continue providing secretarial services to the Multilateral Fund. All expenses related to these services will at a later stage be charged to the Multilateral Fund.

*(UNEP/OzL.Pro.ExCom.1/2, para. 25).*

The Interim Multilateral Fund for the Implementation of the Montreal Protocol was established on 1 January 1991 and operated until December 1992.

**FINANCIAL MECHANISM**

The Fourth Meeting of the Parties established the Financial Mechanism, including the Multilateral Fund provided for in Article 10 of the Montreal Protocol as amended at the Second Meeting of the Parties. The Parties decided that any resources remaining in the Interim Multilateral Fund shall be transferred to the Multilateral Fund. The Parties adopted the terms of reference of the Multilateral Fund and of the Executive Committee which should continue to operate under the agreements, procedures and guidelines applicable to the Interim Multilateral Fund.

*(UNEP/OzL.Pro.4/15 Decision IV/18 (sections I.1, I.2, I.5, I.7).*

*(Supporting document: UNEP/OzL.Pro.4/15 Annexes IX, X).*

The Seventh Meeting of the Parties requested the Executive Committee to consider innovative mobilization of existing and additional resources in support of Protocol objectives and any further action by the end of 1996 and to report thereon to the Eighth Meeting of the Parties; and that the actions set out in Annex I.1 should be taken to improve the functioning of the Financial Mechanism.

*(UNEP/OzL.Pro.7/12 Decision VII/22).*

The Eighth Meeting of the Parties requested the Executive Committee to move forward as expeditiously as possible on decision VII/22, and in particular Actions 5, 6, 10, 11, 14 and 21, and to report back to the Ninth Meeting of the Parties.

*(UNEP/OzL.Pro.8/12, Decision VIII/5).*

The Eighth Meeting of the Parties decided:

1. to note with appreciation the measures taken by the Executive Committee to improve the Financial Mechanism;
2. to request the Executive Committee to continue with further actions to implement decision VII/22 to improve the Financial Mechanism and report to the Meetings of the Parties annually.

*(UNEP/OzL.Pro.8/12, Decision VIII/7, para. 1 and 2).*

The Twenty-first Meeting of the Executive Committee, having considered the report on actions to improve the functioning of the Financial Mechanism (UNEP/OzL.Pro/ExCom/21/33), which had been prepared in response to decision VIII/5 of the Eighth Meeting of the Parties, decided:

- (a) that the report should be forwarded to the Open-ended Working of the Parties at its fifteenth meeting, with the amendments agreed to by the Executive Committee at its Twenty-first Meeting;
- (b) that, at its Twenty-second Meeting, the Executive Committee should hold a substantive discussion on measures to be taken to move forward on the actions referred to in decision VIII/5 of the Eighth Meeting of the Parties to the Montreal Protocol.

*(UNEP/OzL.Pro/ExCom/21/36, Decision 21/38, para. 54).*

*(Supporting document: UNEP/OzL.Pro/ExCom/21/33).*

The Twenty-second Meeting of the Executive Committee decided:

- (a) to defer to its Twenty-third Meeting the substantive discussion, called for by its Decision 21/38, on measures to be taken to move forward on the actions referred to in decision VIII/5 of the Eighth Meeting of the Parties, expressing the hope that the subject could be taken up early in the meeting;
- (b) to agree that its report on actions to improve the functioning of the Financial Mechanism to forwarded to the Open-Ended Working Group of the Parties at its Fifteenth Meeting, would first be reviewed on its behalf by the Chairman, the Vice-Chairman and the representatives of India and the United States.

*(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/73, para. 104).*

The Twenty-third Meeting of the Executive Committee decided:

- (a) to examine the subject again at a subsequent meeting (i.e., actions to improve the Financial Mechanism), in time for a report to be submitted to the Tenth Meeting of the Parties;
- (b) to request the World Bank to submit the concessional financing study to the Executive Committee at its Twenty-fourth Meeting.

*(UNEP/OzL.Pro/ExCom/23/68, Decision 23/49, para. 87).*

The Tenth Meeting of the Parties decided:

1. to note with appreciation the work and the report of the Executive Committee on the measures taken to improve the Financial Mechanism and technology transfer and on its excellent functioning in 1998;
2. to request the Executive Committee to report annually to the Meetings of the Parties on the operation of the Financial Mechanism and the measures taken to improve the operation.

*(UNEP/OzL.Pro.10/9, Decision X/31).*

### **Study to evaluate the Financial Mechanism of the Multilateral Fund**

The Thirteenth Meeting of the Parties decided:

1. to evaluate and review, by 2004, the financial mechanism established by Article 10 of the Montreal Protocol with a view to ensuring its consistent, effective functioning in meeting the needs of Article 5 Parties and non-Article 5 Parties in accordance with Article 10 of the Protocol, and to launch a process for an external, independent study in that regard which shall be made available to the 16th Meeting of the Parties;
2. that the study shall focus on the management of the financial mechanism of the Montreal Protocol;
3. that the terms of reference and modalities of the study shall be submitted to the 15th Meeting of the Parties;
4. to consider the necessity to launch such an evaluation on a periodic basis;
5. to request the existing evaluation mechanism in place within the United Nations system to provide the Meeting of the Parties, for its consideration, with any relevant findings on the management of the financial mechanism of the Montreal Protocol at any time such findings are available.

*(UNEP/OzL.Pro/13/10, Decision XIII/3).*

The Fortieth Meeting of the Executive Committee decided:

- (a) to note the comments of the Executive Secretary of the Ozone Secretariat (i.e., Decision VI/6 had provided for the Ozone Secretariat to fund the first such study and that a similar proposal would be considered at the next Meeting of the Parties); and
- (b) to set aside US \$500,000 from the funds returned by the Implementing Agencies at the 40th Meeting of the Executive Committee pending a decision by the 15th Meeting of the Parties on how to fund a study to

evaluate the financial mechanism of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/56, para. 112).*

The Fifteenth Meeting of the Parties decided:

1. to approve the terms of reference of the study on the management of the financial mechanism of the Montreal Protocol, contained in annex I.2 to the present report;
2. to set up a steering panel of six members to supervise the evaluation process and to select a consultant or consultants to carry out the study, to act as a point of contact for the consultant or consultants during the course of the study and to ensure that the terms of reference are implemented in the most appropriate manner possible;
3. to select the following six members to serve as the steering panel from among the Parties to the Montreal Protocol: Algeria, Colombia, France, Japan, Syrian Arab Republic and the United States of America. The appointed panel has equal representation of individuals selected by Parties operating under Article 5 of the Montreal Protocol and Parties not so operating;
4. to request the Ozone Secretariat to finalize the procedure for the selection of the qualified external and independent consultant or consultants. On the basis of submitted proposals, the Secretariat shall prepare a short list of qualified bidders and facilitate review of relevant proposals by the steering panel;
5. to instruct the steering panel to organize its meetings with the assistance of the Ozone Secretariat with dates and venues selected, as far as possible, to coincide with other ozone meetings, thereby reducing the related costs;
6. to approve the provision of up to \$500,000 in the 2004 budget of the Trust Fund for the Montreal Protocol to fund the study;
7. to ensure that the final report and recommendations are made available to Parties for consideration at the Sixteenth Meeting of the Parties.

*(UNEP/OzL.Pro.15/9, Decision XV/47).*

The Fifteenth Meeting of the Parties decided to approve the budget for the Trust Fund of the Montreal Protocol in the amount of \$5,185,353 for 2004, which includes the following:

- (a) a provision in the amount of \$500,000 to enable the Ozone Secretariat to facilitate the review of the financial mechanism as provided in decision XIII/3 and decision XV/47;
- (b) a provision of \$596,000 for the extraordinary Meeting of the Parties, including funds for the attendance of members and experts of the Methyl Bromide Technical Options Committee to its special meeting as called for in decision XV/56.

*(UNEP/OzL.Pro.15/9, Decision XV/52, para.3).*

The Forty-first Meeting of the Executive Committee decided to request the Treasurer to cancel the set-aside of US \$500,000 for the study on the evaluation of the financial mechanism in the light of Decision XV/52 of the Fifteenth Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/9, para. 40(b)).*

The Sixteenth Meeting of the Parties decided:

1. to request the Executive Committee of the Multilateral Fund, within its mandate, to consider the report on the 2004 evaluation and review of the financial mechanism of the Montreal Protocol, with a view to adopting its recommendations, whenever appropriate, in the process of continuous improvement of the management of the Multilateral Fund, and having in mind the need to contribute to the assessment by the Technology and Economic Assessment Panel of the 2006–2008 replenishment of the Multilateral Fund;
2. to request the Executive Committee regularly to report back to and seek guidance from the Parties on the subject. To this effect, the Executive Committee shall submit a preliminary assessment to the Open-ended Working Group at its twenty-fifth meeting and include a component in its annual report to the Meeting of the Parties, on progress made and issues encountered in its consideration of the recommended actions contained in the executive summary of the evaluation report.

*(UNEP/OzL.Pro.16/17, Decision XVI/36).*

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to request the Secretariat to invite Executive Committee members, bilateral and Implementing Agencies,

and the Treasurer to provide comments and to complete the column entitled “recommended action” in the table contained in Annex I.3 to the present report, to compile the comments received, and to prepare a document for the 45th Meeting of the Executive Committee;

- (b) to invite Executive Committee members wishing to do so to provide comments on contributions for the assessment by the Technology and Economic Assessment Panel of the 2006-2008 replenishment of the Multilateral Fund;
- (c) to convene a contact group to meet during the 45th Meeting of the Executive Committee in order to draft a preliminary assessment report on the recommendations in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol for the 25th Meeting of the Open-ended Working Group, based on the document prepared by the Secretariat; and
- (d) to consider the preliminary assessment report at the 45th Meeting.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/60, para.251 ).*

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to note the report contained in documents UNEP/OzL.Pro/ExCom/45/51 and Add.1;
- (b) to reclassify pre-session meeting documentation as General Distribution from the 46th Meeting onwards in the languages produced for the meetings, while restricting access to any project documents that a Party requested to be classified as such until the Executive Committee’s consideration of the matter;
- (c) to consider at its 46th Meeting whether a further review of the weighting of the quantitative performance indicators was warranted based on their application in the evaluation of the Implementing Agencies’ 2004 business plans to be submitted to the 46th Meeting;
- (d) to request the Secretariat:
  - (i) to prepare a draft outline of an Executive Committee primer to be considered at the 46th Meeting of the Executive Committee, being the basis of the draft primer to be presented to the 47th Meeting, noting that the primer should include, inter alia, a summary of relevant decisions, procedures related to the approval of ODS phase-out projects, and rules and practices of the Executive Committee;
  - (ii) to prepare a paper addressing the feasibility and desirability of extending the current performance indicators to bilateral Implementing Agencies for submission to the 46th Meeting of the Executive Committee;
- (e) to request the Implementing Agencies to provide the Fund Secretariat with information on how to avoid future delays as part of a lessons-learned document to be prepared by the Secretariat for consideration at the 46th Meeting of the Executive Committee;
- (f) to request the Treasurer:
  - (i) to circulate to the Secretariat and Implementing Agencies prior to each Executive Committee meeting a ledger indicating when promissory notes are transferred, received and encashed;
  - (ii) to report on progress in documenting the Treasurer’s internal procedures and practices annually until they had been fully documented;
  - (iii) to provide a detailed report once a year and interim reports at other times, as appropriate, on quality control measures to improve the accuracy of recordkeeping;
- (g) to forward its assessment report on the recommendations in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (contained in Annex I.4 to the present report) for consideration at the 25th Meeting of the Open-ended Working Group.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/59, para. 193).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/51 and Add.1).*

The Twenty-first Meeting of the Parties decided to start discussing the terms of reference for an evaluation of the financial mechanism of the Montreal Protocol during the thirtieth meeting of the Open-ended Working Group, in 2010, and to finalize them during the Twenty-Third Meeting of the Parties, in 2011, at the latest.

*(UNEP/OzL.Pro.21/8, Decision XXI/28).*

The Twenty-second Meeting of the Parties decided:

1. To approve the terms of reference for an evaluation of the financial mechanism of the Montreal Protocol



- contained in [Annex I.5 to the present report];
2. To set up a steering panel of eight members to supervise the evaluation process, to select an evaluator to carry out the evaluation, to act as a point of contact for the evaluator during the evaluation and to ensure that the terms of reference are implemented in the most appropriate manner possible;
  3. To select from among the parties to the Montreal Protocol the following eight parties to serve as the members of the steering panel: Austria, Canada, Colombia, India, Japan, Nigeria, the former Yugoslav Republic of Macedonia and the United States of America, thereby ensuring that the appointed panel has equal representation of individuals selected by parties operating under paragraph 1 of Article 5 of the Montreal Protocol and parties not so operating;
  4. To request the Ozone Secretariat to finalize the procedure for the selection of the qualified external and independent evaluator: on the basis of submitted proposals, the Secretariat shall prepare a shortlist of qualified applicants and facilitate the review of relevant proposals by the steering panel;
  5. To instruct the steering panel to organize its meetings with the assistance of the Ozone Secretariat with dates and venues selected, as far as possible, to coincide with other Montreal Protocol meetings, thereby reducing related costs;
  6. To approve a total budget for the evaluation of up to 200,000 United States dollars, with the amount of \$70,000 to start the application bidding process to come from the 2011 budget of the Trust Fund for the Montreal Protocol on the understanding that the parties will decide in 2011 on the funding source for the balance of the budget;
  7. To ensure that the final report and recommendations of the evaluator are made available to parties for consideration at the Twenty-Fourth Meeting of the Parties;

*(UNEP/OzL.Pro.22/9, Decision XXII/2).*

The Twenty-fourth Meeting of the Parties decided:

1. To note with appreciation the report on the 2012 evaluation of the financial mechanism of the Montreal Protocol;
2. To request the Executive Committee of the Multilateral Fund, within its mandate, to consider the report on the 2012 evaluation of the financial mechanism of the Montreal Protocol, as appropriate, in the process of continuously improving the management of the Multilateral Fund;

*(UNEP/OzL.Pro.24/10, Decision XXIV/11).*

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To note the report on the decision taken by the Parties at their Twenty Fourth Meeting regarding the evaluation of the Financial Mechanism, as contained in document UNEP/OzL.Pro/ExCom/69/38; and
- (b) To forward a modified version of it to the Parties at their Twenty-Fifth Meeting, including any relevant decisions or actions taken at the meetings of the Executive Committee prior to that date.

*(UNEP/OzL.Pro/ExCom/69/40, decision 69/27)*

*(Supporting document: UNEP/OzL.Pro/ExCom/69/38).*

### **Loan for Study on the review of the Financial Mechanism**

The Thirteenth Meeting of the Executive Committee approved a US \$450,000 reimbursable cash advance to the Ozone Secretariat to enable it to facilitate the study on the Financial Mechanism, and requested the Sixth Meeting of the Parties to the Montreal Protocol to arrange to reimburse the funds to the Multilateral Fund within the course of the 1995 financial year. The Executive Committee placed on record the fact that the cash advance should not set a precedent for similar demands in the future for cash advances from the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/13/47, para. 37).*

The Sixth Meeting of the Parties took note of the ongoing reviews under paragraph 8 of Article 5 of the Montreal Protocol and decided:

- (a) to approve the loan of US \$450,000 from the Multilateral Fund to the Secretariat as a one-time measure to facilitate the review of the Financial Mechanism; and
- (b) to repay the loan to the Multilateral Fund through necessary additional contributions to the Trust Fund for the Montreal Protocol as proposed in the revised budget for 1994 and 1995.

*(UNEP/OzL.Pro/6/7 (paras. 1, 2).*

**MULTILATERAL FUND**

The Multilateral Fund shall:

- (a) meet, on a grant or concessional basis as appropriate, and according to criteria to be decided upon by the Parties, the agreed incremental costs;
- (b) finance clearing-house functions to:
  - (i) assist Parties operating under paragraph 1 of Article 5, through country specific studies and other technical co-operation, to identify their needs for co-operation;
  - (ii) facilitate technical co-operation to meet these identified needs;
  - (iii) distribute, as provided for in Article 9 of the Protocol, information and relevant materials, and hold workshops, training sessions and other related activities for the benefit of Parties that are developing countries; and
  - (iv) facilitate and monitor other multilateral, regional and bilateral co-operation available to Parties that are developing countries; and
- (c) finance the secretarial services of the Multilateral Fund and related support costs.  
*(UNEP/OzL.Pro/2/3 Decision II/8, para. 3).*  
*(UNEP/OzL.Pro/4/15 Decision IV/18, para. 1).*

**Juridical personality and privileges and immunities**

The Sixth Meeting of the Parties decided to clarify the nature and legal status of the Fund as a body under international law as follows:

- (a) Juridical personality: The Multilateral Fund shall enjoy such legal capacity as is necessary for the exercise of its functions and the protection of its interests, in particular the capacity to enter into contracts, to acquire and dispose of movable and immovable property and to institute legal proceedings in defense of its interests;
- (b) Privileges and immunities:
  - (i) the Fund shall, in accordance with arrangements to be determined with the Government of Canada, enjoy in the territory of the host country, such privileges and immunities as are necessary for the fulfillment of its purposes;
  - (ii) the officials of the Fund Secretariat shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Multilateral Fund.

*(UNEP/OzL.Pro/6/7 Decision VI/16).*

**TREASURER OF THE FUND**

The Executive Committee invited UNEP to be the Treasurer of the Fund. Thus, UNEP is responsible for receiving and administering contributions, and disbursing funds to the Fund Secretariat and the Implementing Agencies based on the directive of the Executive Committee. Following consultation with United Nations officials, UNEP shall submit investment plans related to contributions held in reserve for the Executive Committee's approval.

*(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (section I.3.1)).*

**Agreement with UNEP-Treasurer**

Agreement with the United Nations Environment Programme (UNEP) as the Treasurer of the Interim Multilateral Fund for the Montreal Protocol. (Note: This agreement was superseded by a revised agreement approved at the Forty-second Meeting of the Executive Committee).

*(UNEP/OzL.Pro/ExCom/5/16, para. 18).*

*(Supporting document: UNEP/OzL.Pro/ExCom/5/4/Rev.1).*

The Fortieth Meeting of the Executive Committee decided to amend paragraph 3.1 of Article III of the agreement between the Executive Committee and UNEP to read as follows: "UNEP in its capacity as Treasurer shall be reimbursed for costs incurred for services it will provide pursuant to this Agreement. Modalities for the provision of services and the reimbursement of costs shall be agreed upon by the Executive Committee of the Multilateral Fund and the United Nations Environment Programme".

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/3, para. 28 (b)).*

The Forty-second Meeting of the Executive Committee decided to approve the agreement between UNEP and the Executive Committee on the service of the Treasurer, as contained in Annex I.6 to the present report, to be

signed on behalf of the Executive Committee by the Chair.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/42 (a), para. 140 (a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/47/Rev.1).*

**Cost of the Treasurer to the Multilateral Fund**

The Thirty-eighth Meeting of the Executive Committee decided to request UNEP to continue to provide the service of Treasurer at zero cost to the Multilateral Fund, along the lines of the original agreement, for a further period of six months to enable the appropriate bodies, among them the Executive Committee, to examine the issue.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/37, para. 72 (a)).*

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to express appreciation for the fact that, consistent with the agreement reached with the Executive Committee in 1991, UNEP had acted as Treasurer of the Multilateral Fund for the past 12 years at no cost to the Fund;
- (b) to take note of the fact that, in a letter submitted to the 38th Meeting of the Executive Committee, the Executive Director of UNEP had informed the Executive Committee that UNEP's role as Treasurer could no longer be performed free of charge;
- (c) to request the Secretariat to explore with UNEP, the World Bank and other potential bodies which might act as Treasurer of the Multilateral Fund, their experience, potential services and fees associated with taking on that role, taking into account the views expressed by representatives at the 39th Meeting of the Executive Committee, and to report back to the 40th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/3, para. 31).*

Also, at its Thirty-ninth Meeting, the Executive Committee agreed to request UNEP to continue providing the services of Treasurer of the Multilateral Fund under the current agreement for a period not exceeding 1 September 2003.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/4, para. 34).*

The Fortieth Meeting of the Executive Committee decided:

- (c) to request UNEP to continue acting as Treasurer of the Multilateral Fund until the modalities of cost estimates and reimbursement could be agreed;
- (d) pending the conclusion of such agreement, to inform the Executive Director of UNEP that the Multilateral Fund would reimburse UNEP for the costs of doing so at a rate of US \$301,000 per annum as quoted by UNEP, whose starting point would be 1 September 2003;
- (e) to define precisely the services that would be required of the Treasurer and to request the Secretariat to collect additional information on the services available in other organizations and reflect them in a new draft agreement;
- (f) to re-examine the issue at its 41st Meeting.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/3, para. 28 (c - f)).*

*(Supporting document: UNEP/OzL.Pro/40/5 and Add.1).*

The Forty-first Meeting of the Executive Committee decided:

- (a) to request UNEP to continue acting as Treasurer;
- (b) to negotiate a new agreement with UNEP for its services as Treasurer;
- (c) that the new agreement should stipulate that the annual fee of the Treasurer would remain in effect unchanged for a period of five years as of the date of the agreement;
- (d) that, pending the conclusion of the new agreement, UNEP should continue to be reimbursed for the cost of acting as Treasurer at a rate of US \$301,000 per annum;
- (e) to request UNEP to substantiate its request for an annual fee of US \$500,000, including clarification of its need for additional support staff, and to seek further savings in this area;
- (f) also to request UNEP to provide information on the rate of return on its Fund investments; and
- (g) to re-examine the issue at its 42nd Meeting.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/3, para. 32).*

The Forty-second Meeting of the Executive Committee decided:

- (b) to approve an annual fee amounting to US \$500,000, inclusive of annual inflation, effective 1 April 2004 continuing for the next five years, for UNEP for providing the service of the Treasurer, as indicated in Annex I.2 to the present report; and
- (c) to request the Secretariat to ensure that the functions of Treasurer (Annex I.2) were clearly distributed between the P-4 and P-5 positions mentioned in document UNEP/OzL.Pro/ExCom/42/47/Rev.1.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/42 (b, c), para. 140 (b, c)).*

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the reply of 27 March 2006 by the Executive Director of UNEP to the letter from the Chair dated 19 December 2005;
- (b) to note that the P5 position provided for in decision 42/42, required for the efficient provision of the services of the Treasurer, had not been filled and that, in the absence of the P5 staff member, the functions related to that level had been performed by the Secretariat, that could become increasingly difficult taking into account the Secretariat's limited staffing capacity;
- (c) to continue to withhold US \$100,000 pending further consultations with UNEP; and
- (d) to request the Chair to write to the Executive Director of UNEP communicating the Executive Committee decision on the matter.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/41, para. 79).*

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to note the progress reported with respect to the P5 position addressed in decisions 42/42 (c) and 48/41 (b);
- (b) to note that the Executive Committee still felt that the services provided were not up to the standard required and believed that the appointment of a P5 officer was needed to achieve that standard; and
- (c) to agree to the request for the release of the US \$100,000 thus far withheld, on the understanding that, at the 50th Meeting:
  - (i) the matter would be addressed in the context of consideration of the release of funding for 2007 treasury fees; and
  - (ii) by that time, UNEP would have presented a mutually agreeable solution to the P5 issue.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/39, para. 160).*

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note the Treasurer's report on the agreement between the Executive Committee and UNEP as Treasurer of the Fund as contained in document UNEP/OzL.Pro/ExCom/59/57;
- (b) To maintain the fee level at US \$500,000 per annum until the Executive Committee had had an opportunity to consider the results of the audit of the Secretariat on administrative and Fund management matters;
- (c) To review the Treasurer's service at its 62nd Meeting, taking into account any relevant audit observation;
- (d) To note that provision of data on expenditures was a matter of transparency and was inherent to the mandate of UNEP; and
- (e) To request UNEP to provide indicative data on expenditures between 2004 and 2009, to the extent feasible, and to bring to the 62nd Meeting a plan for providing expenditure data as part of its future treasury services.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/51, para. 275).*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/57).*

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the Treasurer's indicative report on its 2004-2009 expenditures;
- (b) Also to note that the United Nations audit report did not contain any observation on the services of the Treasurer;
- (c) To approve the Treasurer's proposal to maintain the existing level of its fees at US \$500,000 per annum until UNEP reverted to the Executive Committee; and
- (d) To request the Treasurer to include in the accounts of the Fund Secretariat an indicative breakdown of the US

\$500,000 annual fees for the provision of treasury services, as shown in table 1 of document UNEP/OzL.Pro/ExCom/62/60.

*(UNEP/OzL.Pro/ExCom/62/62, Decision 62/66, para. 168).  
(Supporting document: UNEP/OzL.Pro/ExCom/62/60).*

**Draft agreement between the Treasurer and the Implementing Agencies**

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to take note of documents UNEP/OzL.Pro/ExCom/46/39 and Corr.1, together with the Secretariat's verbal update;
- (b) to endorse the text of the draft agreements between the Treasurer and UNDP, UNEP, UNIDO, and the World Bank, respectively, with the proposed differences in the text as follows:
  - (i) in Clause 3.2, stipulating that commitment was conditional upon receipt of funds in the case of UNDP, UNEP and the World Bank and not conditional upon receipt of funds in the case of UNIDO;
  - (ii) in Clause 4.3, stipulating that in the event that there were insufficient funds for the external audit processes of the World Bank, any subsequent additional audit costs would be borne by the Fund after approval by the Executive Committee;
  - (iii) in Clause 5.1, on the proposed termination notice of 30 days for the World Bank and 180 days in the case of the other agencies; and
- (c) to attach the final text of the agreements with UNDP, UNEP, UNIDO and the World Bank to the present report (Annexes I.7, I.8, I.9 and I.10, respectively).

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/34, para.139 ).  
(Supporting document: UNEP/OzL.Pro/46/39 and Corr.1).*

**Requests to the Treasurer**

The Thirty-eighth Meeting of the Executive Committee also decided to request the Treasurer:

- (i) to include an explanatory section on "Methodology and Assumptions" with future reports;
- (ii) to carry out a reconciliation every year;
- (iii) to include in his report to each meeting of the Executive Committee the value of the promissory notes as at the date of that meeting.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/1, para. 31 (b)).*

The Fortieth Meeting of the Executive Committee decided:

- (b) to note:
  - (i) that the explanation of the methodology and assumptions being used by the Treasurer could be made available through the Internet;
  - (ii) the payments by Parties of their contributions in accordance with the financial procedures and regulations in force in their respective countries;
  - (iii) with concern the low level of rates of payment of contributions; and
  - (iv) the importance of reconciled financial accounts, which would facilitate the financial decisions of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/2, pars.25 (b)).*

The Forty-first Meeting of the Executive Committee decided:

- (b) to note with appreciation the note by the Treasurer on the methodology and assumptions used, and the increased transparency of data submission;
- (i) to request the Treasurer to amend the last two rows of the table showing the 1991-2003 summary status of contributions and other income to read "outstanding contributions for certain countries with economies in transition", and to add a footnote to the new title specifying the countries with economies in transition concerned.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/2, para. 30 (a, b, i)).*

The Forty-seventh Meeting of the Executive Committee decided to take note, with appreciation, of the report of the Treasurer, including tables showing the updated status of the Fund and the ledger on the issue, receipt and

encashment of promissory notes as at 18 November 2005, which are reproduced in Annex I to the present report. (UNEP/OzL.Pro/ExCom/47/61, Decision 47/1, para. 21).

The Forty-ninth Meeting of the Executive Committee decided to request the Treasurer to provide the 50th Meeting of the Executive Committee with information on when Parties that had been unable to make their contributions by 1 June would make their payments, in accordance with decision XI/6, paragraph 7, of the Eleventh Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/2, para. 34 (a)).

The Fiftieth Meeting of the Executive Committee decided:

- (a) to note:
  - (ii) the intersessional approval of US \$2 million plus US \$0.1 million in support costs for the World Bank towards Argentina's CFC production closure project;
  - (iii) that US \$67,735,710 of promissory notes had been encashed since the 49th Meeting of the Executive Committee;
  - (iv) With appreciation that US \$51,234,834 related to accelerated encashment of notes by France and the United Kingdom;
- (b) to urge the remaining countries holding promissory notes to take the necessary action to accelerate their encashment and to encash those promissory notes issued by 31 December 2005 before the 51st Meeting of the Executive Committee;
- (c) to encourage Parties with outstanding contributions to pay them at their earliest convenience and in this regard to note with concern that several Parties had not responded to the Treasurer's request to provide information on when they would make their outstanding payments in line with decision XI/6, paragraph 7, of the Eleventh Meeting of the Parties; and
- (d) to note the updated list of countries opting to use the fixed-exchange-rate mechanism facility in making their contributions to the Fund for the triennium 2006-2008 as at 6 November 2006.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/1 para. 31).

#### **Rate of return on UNEP's fund investments**

The Forty-second Meeting of the Executive Committee decided:

- (a) to take note of the information provided by UNEP on its fund investments (UNEP/OzL.Pro/ExCom/42/48); and
- (b) to request UNEP to maximize the benefits to the Multilateral Fund and the contributing Parties when exercising its functions as Treasurer.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/43, para. 141).

(Supporting document: UNEP/OzL.Pro/ExCom/42/48).

#### **ADMINISTRATOR**

The World Bank shall be invited to co-operate with and assist in administering and managing the programme to finance the agreed incremental costs of Parties operating under paragraph 1 of Article 5. Should the World Bank accept this invitation, the President of the World Bank shall be the Administrator of this programme, which shall operate under the authority of the Executive Committee.

(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 15).

(UNEP/OzL.Pro/4/15 Annex IX to Decision IV/18, para. 16).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix IV).

#### **OFFER OF THE GOVERNMENT OF CANADA**

The Second Meeting of the Parties accepted with appreciation the offer of the Government of Canada to:

- (a) host Executive Committee meetings as necessary during the interim period;
- (b) support participation of developing countries in those meetings.
- (c) assume the administrative costs of those initiatives.

(UNEP/OzL.Pro/2/3 Decision II/8 B).

The Fourth Meeting of the Parties decided to accept with appreciation the offer of Canada to host the Secretariat of the Multilateral Fund on the same terms as they hosted the Secretariat of the Interim Multilateral Fund and to locate

the Secretariat at Montreal, Canada.

*(UNEP/OzL.Pro/4/15 Decision IV/18 (section I.8)).*

**Host Government Agreement between the Government of Canada and the Multilateral Fund**

The Twenty-fifth Meeting of the Executive Committee decided:

- (a) to authorize the Chairman of the Executive Committee to sign the Host Government Agreement between the Government of Canada and the Multilateral Fund for the Implementation of the Montreal Protocol (Annex I.11);
- (b) to request the Chief Officer to seek legal advice from the United Nations Office of Legal Affairs as to who should sign the Agreement between the United Nations and the Government of Canada concerning the Privileges, Immunities and Other Facilities of United Nations officials servicing the Secretariat of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/25/68, Decision 25/57, para. 107).*

*(Supporting document: UNEP/OzL.Pro/ExCom/25/Inf.2).*

**FINANCIAL AND TECHNICAL ASSISTANCE**

Financial and technical assistance from the Multilateral Fund shall be available only to Article 5 Parties and in compliance with the requirements of the Protocol, to facilitate compliance with the control measures set out in Articles 2A to 2E of the Protocol and to finance the incremental costs incurred in meeting these requirements.

*(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (section III)).*

All technical assistance and pre-investment activities shall be provided in the form of grants or, in certain circumstances, in-kind support. At the request of an Article 5 Party, in-kind support can be provided in the form of expert personnel, technology, technical documentation and training.

The Fund Secretariat and the Implementing Agencies shall co-operate with the Parties to provide information on funding available for projects, to secure the necessary contacts and to coordinate, when requested by the interested Party, projects financed from other sources with activities financed under the Protocol.

The financing of activities or other costs, including resources channeled to third Party beneficiaries, shall require the concurrence of the recipient Governments concerned. Recipient Governments shall, where appropriate, be associated with the planning of projects and programmes. Nothing shall preclude an Article 5 Party from applying for its requirements for agreed incremental costs solely from the resources available to the Multilateral Fund.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 21-23).*

*(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix IV).*

The Sixth Meeting of the Parties decided that the Executive Committee will consider projects from Parties temporarily classified as operating under Article 5. The projects approved when such temporary classification is operative will continue to be funded even if the countries subsequently are reclassified as not operating under Article 5 on receipt of data. However, no project will be sanctioned during a period during which the country is classified as not operating under Article 5.

*(UNEP/OzL.Pro/6/7 Decision VI/5, para. b).*

**CONTRIBUTIONS TO THE MULTILATERAL FUND**

The Second Meeting of the Parties established an Interim Multilateral Fund, of US \$160 million, which could be raised by up to US \$80 million during the three-year period (1991-1993) when more countries became Parties to the Protocol.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 1).*

The Thirty-first Meeting of the Executive Committee decided to entrust to the Sub-Committee on Monitoring, Evaluation and Finance consideration of issues pertaining to contributions at future meetings of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/1, para. 15(f)).*

The Thirty-fifth Meeting of the Executive Committee decided to consider the Treasurer's report on the status of contributions and disbursements in plenary meetings of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/1, para. 24(c)).*

**Contribution modalities**

The Multilateral Fund shall be financed by contributions from Parties not operating under paragraph 1 of Article 5 in convertible currency or, in certain circumstances, in-kind and/or in national currency, on the basis of the United

Nations scale of assessments.

*(UNEP/OzL.Pro/2/3 Decision II/8, para. 7).*

The Sixth Meeting of the Parties decided, regarding developing-country Parties which are initially classified as not operating under Article 5 and then reclassified, that any outstanding contribution to the Multilateral Fund will be disregarded only for the years in which they are reclassified as operating under Article 5. Any Party reclassified as operating under Article 5 will be allowed to utilize the remainder of the 10-year grace period.

*(UNEP/OzL.Pro/6/7 Decision VI/5, para. d).*

Contributions from States that become Parties not operating under paragraph 1 of Article 5 after the beginning of the financial period of the Mechanism shall be calculated on a pro rata basis for the balance of the financial period.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 10).*

Any developing-country Party initially classified as non-Article 5 but reclassified subsequently as operating under Article 5 shall not be requested to contribute to the Multilateral Fund. Such Parties are urged not to request financial assistance for national programmes from the Multilateral Fund but may seek other assistance under Article 10 of the Montreal Protocol. This will not apply if the initial classification of the Party as non-Article 5, made in the absence of complete data, is subsequently proved to be wrong on the basis of complete data.

*(UNEP/OzL.Pro/6/7 Decision VI/5, para. e).*

The Eighth Meeting of the Parties decided that, with effect from 1997, contributions to the Multilateral Fund concern only Parties not operating under Article 5 that are Parties to the London Amendment to the Montreal Protocol.

*(UNEP/OzL.Pro.8/12, Decision VIII/6).*

No commitments shall be made in advance of the receipt of contributions, but income not spent in a budget year and unimplemented activities may be carried forward from one year to the next within the financial period.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 19).*

Contributions not immediately required for the purposes of the Multilateral Fund shall be invested under the authority of the Executive Committee and any interest so earned shall be credited to the Multilateral Fund.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 11).*

Budget estimates, setting out the income and expenditure of the Multilateral Fund shall be drawn up by the Executive Committee and submitted to the meetings of the Parties. The proposed budget estimates shall be dispatched by the Fund Secretariat to all Parties at least 60 days before the date fixed for the opening of the meeting of the Parties at which they are to be considered.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 12, 13).*

In the event that the Chief Officer of the Fund Secretariat anticipates that there may be a shortfall in resources over the financial period as a whole, he shall have discretion to adjust the budget approved by the Parties so that expenditures are at all times fully covered by contributions received.

*(UNEP/OzL.Pro/2/3 Appendix IV of Decision II/8, para. 18).*

*(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix IV).*

The Twenty-sixth Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/26/70, Decision 26/1, para. 13(a)).*

The Twenty-seventh Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/27/48, Decision 27/1, para. 193(c)).*

The Twenty-eighth Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/28/57, Decision 28/1, para. 13(a)).*

The Twenty-ninth Meeting of the Executive Committee decided to request the Meeting of the Parties to urge Parties to pay their contributions to the Fund promptly and in full.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/2, para. 17(a)).*

The Thirtieth Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/5, para. 20(b)).*

The Thirty-first Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.



*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/1, para. 15(b)).*

The Thirty-fifth Meeting of the Executive Committee decided to urge those Parties that had not yet done so to pay their outstanding contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/1, para. 24(b)).*

The Thirty-seventh Meeting of the Executive Committee decided:

- (b) to note that the current year's rate of payment of contributions appeared slightly slower than the previous year;
  - (c) to express gratitude to Parties that had made their contributions on time.
- (UNEP/OzL.Pro/ExCom/37/71, Decision 37/2, para. 27 (b), (c)).*

The Fortieth Meeting of the Executive Committee decided:

- (c) to urge those Parties that had not yet done so to make their contributions in a timely manner;
- (d) to request the Treasurer:
  - (i) to remind Parties of the need for early payment of their contributions;
  - (ii) to include footnotes in the report to indicate the provisional nature of the unreconciled financial accounts; and
  - (iii) to report on how the financial accounts were to be reconciled as well as on how this reconciliation might be effected as early in the year as possible.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/2, para. 25 (c, d)).*

The Forty-first Meeting of the Executive Committee decided:

- (c) to note the reduction in the amount of losses from use of the fixed exchange rate mechanism and from the process for encashing promissory notes;
- (d) to request contributing Parties to cooperate with the Treasurer to facilitate the timely encashment of promissory notes;
- (e) to note that the cooperation of Parties' financial authorities in sending written notification of payment to the Treasurer would be greatly appreciated;
- (f) to urge those Parties that had not yet done so to make their contributions in a timely manner;
- (g) to note with appreciation the contribution of Azerbaijan and encourage other Parties to follow the example it had set;
- (h) to urge Parties with contributions that were long overdue to comply with paragraph 7 of Decision XI/7 of the Eleventh Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/2, para. 30 (c to h)).*

The Forty-second Meeting of the Executive Committee decided:

- (d) to note with appreciation the updated information on the status of payments provided by number of countries during the Meeting;
- (e) to urge those Parties that had not yet done so to make their contributions in a timely manner; and
- (f) to urge Parties with contributions that were long overdue to comply with paragraph 7 of Decision XI/7 of the Eleventh Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/2 (d, e, f), para. 28 (d-f)).*

The Forty-third Meeting of the Executive Committee decided:

- (c) to urge those Parties that had not yet done so to make their contributions in a timely manner; and
- (d) to urge Parties to make contributions by 1 June each year, and, if that was not possible, to notify the Treasurer in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/1 (c, d), para. 25).*

The Sixteenth Meeting of the Parties decided to urge those Parties to pay their outstanding contributions to the Multilateral Fund as soon as possible, in view of the current compliance needs of Parties operating under Article 5 of the Montreal Protocol.

*(UNEP/OzL.Pro.16/17, Decision XVI/37).*

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to note:
- (i) with appreciation the report of the Treasurer, including the tables showing the updated status of the Fund as at 29 November 2004;
  - (ii) the information provided by the Secretariat concerning the contributions from the Russian Federation and accordingly to request the Secretariat to communicate with the Government of the Russian Federation on the issue of their contributions; and
- (b) to provide copies of the decision of the most recent Meeting of the Parties relating to outstanding contributions to those Parties that had never paid their contributions to the Multilateral Fund or had done so at an amount inferior to one annual contribution.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/1, para. 30).*

The Forty-fifth Meeting of the Executive Committee noted that the Treasurer had sent numerous letters urging donor countries that had not paid their contributions up to and including 2004 to the Multilateral Fund to do so and that no reply had been received from those countries regarding failure to comply with their commitments, and decided to request the Chair to send letters to those donor countries that had arrears up to and including 2004, and had not replied to the Treasurer, asking them to respond and to indicate when they would be able to meet their commitments. The Chair would report to the 47th Meeting on the issue.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/2, para. 26 (b)).*

The Forty-sixth Meeting of the Executive Committee decided to take note, with appreciation, of the report of the Treasurer, including the tables showing the updated status of the Fund and the ledger on the issuing, receipt and encashment of promissory notes as at 30 June 2005.

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/1, para. 22).*

The Forty-ninth Meeting of the Executive Committee decided:

- (b) to note with concern that US \$95,637,792 in promissory notes had not been encashed, representing approximately two thirds of the Fund's annual budget;
- (c) to note with concern that no feedback had been provided to the Treasurer on his request to accelerate the encashment of promissory notes;
- (d) to urge countries holding promissory notes to take the necessary action to accelerate their encashment before the 50th Meeting of the Executive Committee;
- (e) to note the list of countries opting to use the fixed-exchange-rate mechanism facility for their contributions to the Fund for the triennium 2006-2008 as at 7 July 2006, contained in the Appendix to Annex I to the present report; and
- (f) to note that from 2006 onwards, the Government of Sweden would be devoting its entire contribution to the Fund as a multilateral contribution.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/2, para. 34 (b) to (f)).*

The Fiftieth Meeting of the Executive Committee decided:

- (a) to note:
  - (ii) the intersessional approval of US \$2 million plus US \$0.1 million in support costs for the World Bank towards Argentina's CFC production closure project;
  - (iii) that US \$67,735,710 of promissory notes had been encashed since the 49th Meeting of the Executive Committee;
  - (iv) With appreciation that US \$51,234,834 related to accelerated encashment of notes by France and the United Kingdom;
- (b) to urge the remaining countries holding promissory notes to take the necessary action to accelerate their encashment and to encash those promissory notes issued by 31 December 2005 before the 51st Meeting of the Executive Committee;
- (c) to encourage Parties with outstanding contributions to pay them at their earliest convenience and in this regard to note with concern that several Parties had not responded to the Treasurer's request to provide information on when they would make their outstanding payments in line with decision XI/6, paragraph 7, of the Eleventh Meeting of the Parties; and

(d) to note the updated list of countries opting to use the fixed-exchange-rate mechanism facility in making their contributions to the Fund for the triennium 2006-2008 as at 6 November 2006.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/1 para. 31).*

The Fifty-second Meeting of the Executive Committee decided:

(b) in accordance with decision XI/6 of the Eleventh Meeting of the Parties, to urge all Parties to pay their contributions to the Multilateral Fund in full, as early as possible, and no later than 1 June of each year. Parties unable to make their contributions by 1 June should notify the Treasurer as to when during the calendar or fiscal year their payment would be made, but contributing Parties should strive to make their contributions no later than 1 November of that year; and

(c) to thank those Parties that had already made their contributions for 2007, in light of the relatively high rate of payment recorded at the second Executive Committee Meeting of the year as compared with previous years.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/1, para. 27 (b) and (c)).*

The Fifty-third Meeting of the Executive Committee decided to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/1, para. 26 (b)).*

The Fifty-fourth Meeting of the Executive Committee decided:

(b) to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible, particularly as the current year was the last year of the current replenishment period; and

(c) that the report of the Executive Committee to the Meeting of the Parties should emphasize the Committee's concerns in relation to the arrears in contributions to the Multilateral Fund in light of the 2010 phase-out target.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/2 para.30 (b) and (c))*

The Fifty-fifth Meeting of the Executive Committee decided to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible, particularly as the current year was the last year of the current replenishment period.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/1 para.24(b))*

The Fifty-sixth Meeting of the Executive Committee decided:

(a) to note the report of the Treasurer on the status of contributions and disbursements, the information on promissory notes and the list of countries using the fixed-exchange mechanism during the 2006-2008 triennium as contained in Annex I to the present report;

(b) to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible, considering that the present Meeting was the last Meeting of the last year of the current replenishment period; and

(c) that, in accordance with decision 54/2, the report of the Executive Committee to the Meeting of the Parties should provide information on the arrears in contributions to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/64 para 26)*

The Sixty-third Meeting of the Executive Committee decided:

(b) To note the encashment of its promissory note by the Government of France;

(c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible; and

(d) To note the obligation of UNEP, as Treasurer of the Multilateral Fund, to make provision for doubtful debts in the accounts of the Multilateral Fund in line with the recommendation of the United Nations Board of Auditors.

*(UNEP/OzL.Pro/ExCom/63/60, Decision 63/1 para 24)*

The Sixty-fourth Meeting of the Executive Committee decided:

(c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible; and

(d) To recall decision XI/7 of the Eleventh Meeting of the Parties, which called for the Executive Committee to take action to ensure as far as possible that the whole of the budget had been committed by the end of the triennium.

*(UNEP/OzL.Pro/ExCom/64/53, Decision 64/1 para 22)*

The Sixty-fifth Meeting of the Executive Committee decided:

(b) To urge all Parties with outstanding pledges to pay their contributions to the Multilateral Fund in full and as

early as possible;

(c) To request contributing Parties with promissory notes due for encashment after the replenishment period to facilitate the acceleration of their encashment as soon as possible and before the end of the replenishment period 2009-2011; and

(d) To call on the implementing agencies to accept promissory notes if necessary.

*(UNEP/OzL.Pro/ExCom/65/60, Decision 65/1 para 24)*

The Sixty-sixth Meeting of the Executive Committee decided to urge all Parties with outstanding pledges to pay their contributions to the Multilateral Fund in full and as early as possible

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/1 para 24 (d)).*

The Sixty-seventh Meeting of the Executive Committee decided:

(c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/2 para 23 (c)).*

The Sixty-eighth Meeting of the Executive Committee decided:

(a) (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2012-2014 as contained in Annex I to the final report; and

(c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/1 para 26 (a)(ii) and (c)).*

The Sixty-ninth, Seventieth, Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, Seventy-fifth, Seventy-sixth, Seventy-seventh, Eightieth, Eighty-first, Eighty-second, Eighty-third, Eighty-fourth, Eighty-fifth, and Eighty-sixth and Ninety-first Meetings of the Executive Committee decided:

To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*(UNEP/OzL.Pro/ExCom/69/4, UNEP/OzL.Pro/ExCom/70/59, UNEP/OzL.Pro/ExCom/71/64, UNEP/OzL.Pro/ExCom/72/47, UNEP/OzL.Pro/ExCom/73/62, UNEP/OzL.Pro/ExCom/74/56, UNEP/OzL.Pro/ExCom/75/8, UNEP/OzL.Pro/ExCom/76/66, and UNEP/OzL.Pro/ExCom/77/76, UNEP/OzL.Pro/ExCom/80/59; UNEP/OzL.Pro/ExCom/81/58, UNEP/OzL.Pro/ExCom/82/72, UNEP/OzL.Pro/ExCom/83/48, UNEP/OzL.Pro/ExCom/84/75), UNEP/OzL.Pro/ExCom/86/100, UNEP/OzL.Pro/ExCom/91/72).*

*Decisions 69/2(b) para 23(b); 70/1(b) para 32(b); 71/2(c) para 27(c); 72/1(b) para 27(b); 73/1(b) para 24(b); 74/1(d) para 26(d); 75/1(c) para 31(c); 76/1 para.28 (c), 77/1 para.24 (c), 80/1 para 24(c); 81/1 para 23(c); 82/1(c); 83/2(d); 84/1(b); 85/1(b); 86/3(b); 91/2(b).*

The Seventy-ninth Meeting of the Executive Committee decided:

(a) To note the report of the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries that had opted to use the fixed exchange rate mechanism during the 2015-2017 triennium contained in Annex I to the present report.

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/2-, para 21)*

*(Supporting document: UNEP/OzL.Pro/ExCom/79/51).*

The Eightieth Meeting of the Executive Committee decided:

(a) To note:

(i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes, the countries that had opted to use the fixed exchange rate mechanism (FERM) during the 2015–2017 triennium, and the implementation of the FERM, contained in Annex I to the present report;

(b) To request the Secretariat to provide, for the consideration of the 81<sup>st</sup> meeting, additional information on the transfer of funds by the Treasurer on behalf of governments contributing to bilateral projects.

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/1, para 24)*

*(Supporting document: UNEP/OzL.Pro/ExCom/80/3).*

The Eighty-first Meeting of the Executive Committee decided:

(a) To note:

- (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes and the countries that had opted to use the fixed-exchange-rate mechanism (FERM) during the 2018–2020 triennium, contained in Annex I to the present report.

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/1(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/81/3).*

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries that had opted to use the fixed exchange rate mechanism during the 2018–2020 triennium, contained in Annex I to the present report.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/1(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/82/3).*

The Eighty-fifth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report.
- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 86<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/85/67, Decision 84/1(a) and (c)).  
(Supporting document: UNEP/OzL.Pro/ExCom/85/3).*

The Eighty-sixth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report.
- (d) To note the adjustments in the bilateral contributions by Czechia, Germany, Japan and Sweden, resulting from a reconciliation exercise between invoices, payments in cash and information, contained in the Secretariat's inventory of approved projects, included in Annex II to the present report; and
- (e) To request the Treasurer in cooperation with the Secretariat to finalize the reconciliation exercise for the bilateral contributions by Canada, Finland, France, Portugal and Spain, and to report back at the 87<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/86/100, Decision 86/3(a) (d)-(e)).  
(Supporting document: UNEP/OzL.Pro/ExCom/86/3).*

The Eighty-seventh Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report.
- (c) To note the adjustments in the bilateral contribution by Canada, France, Portugal and Spain, resulting from a reconciliation exercise between invoices, payments and the Secretariat's inventory of approved projects, included in Annex I to the present report;
- (d) To request the Treasurer, in cooperation with the Secretariat, to finalize the review of the amounts of the bilateral contribution by Finland recorded in the Multilateral Fund, and to report back at the 88<sup>th</sup> meeting; and
- (e) To request the World Bank to return to the Multilateral Fund, in cash, balances from completed or cancelled projects, interest accrued and other adjustments totalling US \$3,280,455, which was the amount in excess of the offsets that the Treasurer had been able to make from projects approved for the World Bank since the 83<sup>rd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/87/58, Decision 87/1)  
(Supporting document: UNEP/OzL.Pro/ExCom/87/3).*

The Eighty-eighth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report.

- (b) To note the finalization of the review of the amounts of the bilateral contribution by Finland recorded in the Multilateral Fund in line with decision 87/1(d).

*(UNEP/OzL.Pro/ExCom/88/79, Decision 88/2((a) and b)).  
(Supporting document: UNEP/OzL.Pro/ExCom/88/3).*

The Ninetieth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex I to the present report;

*(UNEP/OzL.Pro/ExCom/90/40, Decision 90/1(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/90/3).*

The Ninety-first Meeting of the Executive Committee decided:

- (b) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex II to the present report;

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/2(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/91/3).*

The Ninety-second Meeting of the Executive Committee decided:

- (c) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex I to the present report;

*(UNEP/OzL.Pro/ExCom/92/56, Decision 92/2(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/92/3).*

The Ninety-third Meeting of the Executive Committee decided:

- (d) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex I to the present report;

*(UNEP/OzL.Pro/ExCom/93/105, Decision 93/2(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/93/3).*

The Ninety-fourth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, contained in annex I to the present report;

*(UNEP/OzL.Pro/ExCom/94/67, Decision 94/1(a)).  
(Supporting document: UNEP/OzL.Pro/ExCom/94/3).*

### **Countries encountering temporary difficulties**

The Fifth Meeting of the Parties noted the recommendations of the Executive Committee with respect to the countries encountering temporary difficulties and requested the Executive Committee to continue to make its best efforts to consider various possibilities for addressing the situation by obtaining contributions in kind wherever possible and to report on this matter to the Sixth Meeting of the Parties.

*(UNEP/OzL.Pro/5/12 Decision V/10).*

The Tenth Meeting of the Executive Committee urged Hungary, Bulgaria and Poland to co-operate with UNEP IE/PAC to provide information on available technologies and expertise in those countries for dissemination to Article 5, paragraph 1, countries. It also encouraged those countries to contact Article 5, paragraph 1, countries to identify opportunities for co-operation through in-kind contributions.

*(UNEP/OzL.Pro/ExCom/10/40 (paras. 149, 154).*

### **Contributions in arrears or outstanding**

The Thirteenth Meeting of the Executive Committee requested the Treasurer to find ways and means to identify the causes of non-payment of contributions and to attempt to open avenues for speedy payment, bearing in mind

the report of the Sub-Committee on Financial Matters, which was submitted to the Tenth Meeting of the Executive Committee, and the view of the Committee that the dispatch of reminder letters to Parties in arrears was not in itself adequate. It also agreed that the Treasurer should be requested to undertake a study on the various options to be adopted on all fronts (Treasurer, Executive Committee, UNEP, Meeting of the Parties to the Montreal Protocol, etc.) to encourage payment of the arrears and generally to make timely payments.

*(UNEP/OzL.Pro/ExCom/13/47 (paras. 22, 38).*

The Fourteenth Meeting of the Executive Committee decided that the correspondence between the Treasurer and countries with contributions in arrears should be made available to the Executive Committee. If that procedure did not yield results, the Executive Committee would consider what further steps could be taken. The Executive Committee did not, however, have any objection to the publication of the list of outstanding contributions.

*(UNEP/OzL.Pro/ExCom/14/15, para. 30).*

The Twenty-ninth Meeting of the Executive Committee decided to request the Sub-Committee on Monitoring, Evaluation and Finance to examine the situation of contributions outstanding for three years or more.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/2, para. 17(b)).*

The Fifty-ninth Meeting of the Executive Committee decided to request the Secretariat to place the matter of the outstanding contributions to the Multilateral Fund by the Russian Federation on the agenda for the consideration of the Committee at its 60<sup>th</sup> Meeting.

*(UNEP/OzL.Pro/ExCom/59/54, para. 290).*

The Sixtieth Meeting of the Executive Committee decided:

- (b) To request the Chief Officer to reply to the letter from the Government of the Russian Federation and convey the Executive Committee's views on the long outstanding contributions from the Russian Federation, as expressed at the 60th Meeting; and
- (c) Also to request the Chief Officer to invite representatives of the Ministry of Natural Resources and the Environment and the Ministry of Finance of the Russian Federation, the Chair and Vice-Chair of the Executive Committee, the Treasurer and the Ozone Secretariat to participate in an informal meeting to be held the day before the commencement of the 30th meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer.

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/2, para.357(b and c))*

*(Supporting document: UNEP/OzL.Pro/exCom/60/4).*

At its Sixty-seventh Meeting, the Executive Committee decided:

- (a) To note with appreciation the Government of the Russian Federation's intent to start payments to the Multilateral Fund from 2013 with the understanding that future contributions of the Russian Federation would not be associated with the outstanding pledges for prior years, and that the administrative process within the Government of the Russian Federation would be completed in due time to ensure that the payment of the 2013 contribution could be made;
- (b) To request the Chair of the Executive Committee to write to the Government of the Russian Federation welcoming its future contributions and future engagement in the Multilateral Fund; and
- (c) To request the Treasurer to maintain the outstanding contributions of the Russian Federation in the outstanding contributions category of the accounts of the Fund.

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/1, para.17).*

At its Sixty-ninth Meeting, the Executive Committee decided:

- (b) To express its appreciation:
  - (i) To the Russian Federation for its contribution to the Multilateral Fund for the year 2013; and
  - (ii) To the Chief Officer, the Secretariat and a number of governments for their efforts to resolve the issue.

*(UNEP/OzL.Pro/ExCom/69/40, Decision 69/1, para.19(b)).*

At its Seventy-first Meeting, the Executive Committee decided:

- (d) To request the Treasurer, in consultation with the Fund Secretariat, to continue the discussions with the Holy See on its outstanding contributions to the Multilateral Fund and to report back to the Executive Committee at its 72<sup>nd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/71/64, Decision 71/2, para.27(d)).*

At its Seventy-second Meeting, the Executive Committee decided:

- (d) To request the Treasurer, in consultation with the Secretariat, to continue the discussion with the Holy See and

the Government of Kazakhstan on their respective outstanding contributions to the Multilateral Fund and to report back to the Executive Committee at its 73<sup>rd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/72/47, Decision 72/1, para.27(d)).*

At its Seventy-third Meeting, the Executive Committee decided:

- (c) To request the Treasurer, in consultation with the Secretariat, to continue the discussions with the Holy See and the Government of Kazakhstan on their respective outstanding contributions to the Multilateral Fund and to report back to the Executive Committee at its 74th meeting.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/1(c), para.24(c)).*

The Seventy-fourth Meeting of the Executive Committee decided:

- (b) To note with appreciation the payments made to the Multilateral Fund by the Holy See and the Government of Kazakhstan, as reported in Annex I to the present report

*(UNEP/OzL.Pro/ExCom/74/56, Decision 74/1 para.26 (b)).*

The Seventy-fourth Meeting of the Executive Committee decided:

- (b) To urge:

(i) Belarus to make its contributions to the Multilateral Fund for the 2015-2017 triennium, while noting that it had not previously made contributions;

(ii) The Secretariat and the Treasurer to strengthen outreach to contributing Parties that had outstanding contributions for one triennium or more in order to emphasize the need to make payments to the Multilateral Fund in accordance with the replenishments decided by the Parties;

(iii) Those contributing Parties with arrears from the 2012-2014 triennium to pay them during 2015;

*((UNEP/OzL.Pro/ExCom/74/56, Decision 74/3, para.34(b)).*

The Seventy-fifth Meeting of the Executive Committee decided:

- (d) To request the Secretariat, as follow-up to decision 74/3(b), to report to the 76th meeting on the feedback received from countries with outstanding contributions from one triennium or more.

*((UNEP/OzL.Pro/ExCom/75/85, Decision 75/1(d), para.31(d)).*

The Seventy-sixth Meeting of the Executive Committee decided:

- (c) To request the Secretariat to continue to follow up with the countries that had outstanding contributions for one triennium or more, and to report back to the 77th meeting

*((UNEP/OzL.Pro/ExCom/76/66, Decision 76/1(c), para.28(c)).*

The Seventy-seventh Meeting of the Executive Committee decided:

- (c) To note with appreciation the intention of the Government of Belarus to start paying its contributions in 2016, with the understanding that the 2016 payment would not be associated with the contributions outstanding for Belarus for prior years;

- (d) To request the Treasurer, in cases where the country had a long-outstanding contribution, to allocate any new contribution to a specific year, if so requested by the country; and

- (e) To request the Chief Officer and the Treasurer to continue to follow up with countries that had contributions outstanding for one triennium or more and to report back to the 79<sup>th</sup> meeting.

*((UNEP/OzL.Pro/ExCom/77/76, Decision 77/1(c,d,e), para.24(c)-(e)).*

The Seventy-ninth Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with countries that had contributions outstanding for one triennium or more and to report back to the 80<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/2, para 21).*

*(Supporting document: UNEP/OzL.Pro/ExCom/79/51).*

The Eightieth Meeting of the Executive Committee decided:

- (a) To note:

(ii) With appreciation that the Government of Azerbaijan was taking steps towards paying its contributions to the Multilateral Fund from 2017 onwards;



- (d) To request the Chief Officer and the Treasurer to continue to follow up with contributing Parties that had contributions outstanding for one triennium or more and to report back to the 81<sup>st</sup> meeting.

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/1, para 24).*

*(Supporting document: UNEP/OzL.Pro/ExCom/80/3).*

The Eighty-first Meeting of the Executive Committee decided:

- (a) To note:

(ii) With appreciation the partial payment made by the Government of Greece toward its outstanding contributions and its commitment to pursue payment of the arrears, as expressed in its message to the Treasurer;

(iii) With appreciation the payment by the Government of Portugal of its outstanding contributions to the Multilateral Fund;

- (d) To request the Chief Officer and the Treasurer to continue to follow up with Parties that had outstanding contributions for one triennium or more and to report back to the 82<sup>nd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/1(a) and (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/81/3).*

The Eighty-second Meeting of the Executive Committee decided:

- (b) To note with appreciation that the Government of Kazakhstan had started to pay its contributions to the Multilateral Fund from 2014 when the assessed contributions by Kazakhstan for the replenishment of the Multilateral Fund for the 2015–2017 triennium had been recorded for the first time, at the Twenty-Sixth Meeting of the Parties to the Montreal Protocol;

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

- (d) To note with appreciation, the discussions between the representatives of the Government of Israel and the Secretariat and the Treasurer and to invite that Government to commence contributions to the Multilateral Fund;

- (e) To note with appreciation, the discussions between the representatives of the Government of Ukraine and the Secretariat and the Treasurer and to invite that Government to continue its internal discussions with a view to commencing contributions to the Multilateral Fund;

- (g) To request the Treasurer to remove the 2001–2013 outstanding contributions of Kazakhstan from the accounts and the status of the Multilateral Fund without setting a precedent of removing from the report of the Treasurer on the status of contributions and disbursements or the accounts of the Fund the outstanding contributions to the Fund due from any other party; and

- (h) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 83<sup>rd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/1(b)-(e), (g) and (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/3).*

The Eighty-third Meeting of the Executive Committee decided:

- (b) Also to note, with appreciation, the receipt of the first contribution of the Government of Uzbekistan for 2019;

- (c) To invite the Government of Azerbaijan to continue its internal discussions with a view to commencing contributions to the Multilateral Fund, noting, with appreciation, that discussions had also taken place between the representatives of that Government and the Secretariat;

- (e) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more and to report back at the 84<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/83/48, Decision 83/2(b), (c) and (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/83/3).*

The Eighty-fourth Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more and to report back at the 85<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/1(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/3).*

The Eighty-fifth Meeting of the Executive Committee decided:

- (d) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 86<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/85/67, Decision 84/1(d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/85/3).*

The Eighty-sixth Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 87<sup>th</sup> meeting;

*(UNEP/OzL.Pro/ExCom/86/100, Decision 86/3(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/86/3).*

The Eighty-seventh Meeting of the Executive Committee decided:

- (a) To request the Chief Officer and the Treasurer to continue following up with Parties that had contributions outstanding for one triennium or longer, and to report back at the 88<sup>th</sup> meeting;

*(UNEP/OzL.Pro/ExCom/87/58, Decision 87/1(b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/87/3).*

The Eighty-eighth Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 90<sup>th</sup> meeting.

*(UNEP/OzL.Pro/ExCom/88/79, Decision 88/2(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/88/3).*

The Ninetieth Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 91<sup>st</sup> meeting.

*(UNEP/OzL.Pro/ExCom/90/40, Decision 90/1(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/90/3).*

The Ninety-first Meeting of the Executive Committee decided:

- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back to the Committee at the 92<sup>nd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/2(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/3).*

The Ninety-second Meeting of the Executive Committee decided:

- (b) To note with appreciation, the discussions among the representatives of the Government of Israel, the Secretariat and the Treasurer, and to invite the Government of Israel to continue its internal discussions with a view to resuming contributions to the Multilateral Fund; and
- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 93<sup>rd</sup> meeting.

*(UNEP/OzL.Pro/ExCom/92/56, Decision 92/2).*

*(Supporting document: UNEP/OzL.Pro/ExCom/92/3).*

The Ninety-third Meeting of the Executive Committee decided:

- (b) To note also the discussions between the representatives of the Government of Israel and the Deputy Executive Director of UNEP, as well as the communication with the Secretariat, and to invite the Government to resume its contributions to the Multilateral Fund;

- (c) To note further the discussions between the representatives of the Russian Federation and the Deputy Executive Director of UNEP, as well as the communication with the Treasurer, and to invite the Government to pay its outstanding contributions to the Multilateral Fund;
- (d) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 94th meeting; and
- (e) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*((UNEP/OzL.Pro/ExCom/93/105, Decision 93/2(b to e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/93/3).*

The Ninety-fourth Meeting of the Executive Committee decided:

- (b) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 94th meeting; and
- (c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

*((UNEP/OzL.Pro/ExCom/94/67, Decision 94/1(b to c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/94/3).*

### **Outstanding contributions from Parties that had not ratified the London Amendment**

The Ninth Meeting of the Parties decided:

1. to agree to waive the outstanding contributions to the Multilateral Fund specified in Annex I.12 of this report as a one-time measure;
2. to agree that the issue of waiving outstanding contributions to the Multilateral Fund assessed before ratification of the London Amendment by any Party will neither be raised nor will this decision be cited as a precedent in future.

*(UNEP/OzL.Pro.9/12, Decision IX/38).*

The Ninth Meeting of the Parties also decided that the amount already paid by Cyprus to the Multilateral Fund should not be refunded.

*(UNEP/OzL.Pro.9/12, Decision IX/39).*

### **Additional contributions to the Multilateral Fund**

The Seventy-seventh Meeting of the Executive Committee decided:

(d) With respect to the intended US \$27 million fast-start contributions in 2017 from some of the non-Article 5 Parties:

- (i) To accept, with appreciation, the additional contributions announced by a number of non-Article 5 Parties to provide fast-start support for implementation of the Kigali Amendment, noting that such funding was one-time in nature and would not displace donor contributions;
- (ii) That the additional contributions mentioned in sub-paragraph (d)(i) above should be made available for Article 5 countries that had an HFC consumption baseline year between 2020 and 2022 and that had formally indicated their intent to ratify the Kigali Amendment and take on early HFC phase-down obligations in order to support their enabling activities, such as capacity building and training in handling HFC alternatives, Article 4B licensing, reporting, and project preparation activities, taking into account, but not restricted to, relevant guidelines and decisions of the Executive Committee;
- (iii) To request the Secretariat to develop a document describing possible procedures for countries identified in sub-paragraph (d)(ii) above in accessing the additional fast-start contributions for enabling activities;
- (iv) That the Treasurer would communicate with contributing non-Article 5 countries on procedures for making the additional contributions available to the Multilateral Fund for the purpose of early action in respect of the Kigali Amendment;
- (v) That the Secretariat would report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund; and

*((UNEP/OzL.Pro/ExCom/77/76, Decision 77/59)*

*(Supporting document: UNEP/OzL.Pro/ExCom/77/70/Rev.1).*

The Seventy–eighth Meeting of the Executive Committee decided:

- (a) To note the report by the Treasurer on the status of the additional contributions to the Multilateral Fund as contained in documents UNEP/OzL.Pro/ExCom/78/3 and Corr.1;
- (b) Further to note with appreciation the status of pledged additional contributions distributed among the 16 non-Article 5 Parties to provide fast-start support for implementation of the Kigali Amendment; and
- (c) To request the Treasurer to report to the Executive Committee on the additional contributions received for fast-start support separately from the other pledged contributions to the Multilateral Fund at the 79<sup>th</sup> meeting.

*((UNEP/OzL.Pro/ExCom/78/11, Decision 78/1)*

*(Supporting document: UNEP/OzL.Pro/ExCom/78/3 & Corr.1).*

The Seventy–ninth Meeting of the Executive Committee decided:

- (a) To note the report by the Treasurer on the status of additional contributions to the Multilateral Fund (decision 78/1(c)) contained in documents UNEP/OzL.Pro/ExCom/79/44 and Corr.1, and as orally amended during the meeting;
- (b) Further to note with appreciation the six non-Article 5 countries that had made payments to provide fast-start support for the implementation of the HFC phase-down: Denmark, Finland, Ireland, Italy, Luxembourg and New Zealand; and
- (c) To request the Treasurer, at the 80th meeting, to report to the Executive Committee on the status of the additional contributions for fast-start support separately from other pledged contributions to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/42, para 133)*

*(Supporting document: UNEP/OzL.Pro/ExCom/79/44 & Corr.1).*

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of additional contributions to the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/80/53, as orally amended during the meeting;
- (b) Further to note with appreciation that 11 non-Article 5 countries had paid their pledged additional voluntary contributions to provide fast-start support for HFC phase-down; and
- (c) To request the Treasurer to report again to the Executive Committee on the status of the additional contributions received for fast-start support separately from other pledged contributions to the Multilateral Fund at the 81<sup>st</sup> meeting.

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/74, para 235)*

*(Supporting document: UNEP/OzL.Pro/ExCom/80/53).*

The Eighty–first Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of additional contributions to the Multilateral Fund and availability of resources contained in document UNEP/OzL.Pro/ExCom/81/5;
- (b) Further to note, with appreciation, that 16 non-Article 5 countries had paid the additional contributions that they had pledged to provide fast-start support for implementation of the HFC phase-down; and
- (c) To request the Treasurer, at the 82<sup>nd</sup> meeting, to continue reporting on the status of the additional contributions received for fast-start support separately from other pledged contributions to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/3(a)-(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/81/5).*

The Eighty–second Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report of the Treasurer on the status of additional contributions to the Multilateral Fund and availability of resources contained in document UNEP/OzL.Pro/ExCom/82/5;
  - (ii) With appreciation that all 17 non-Article 5 countries had paid the additional contributions that they had pledged to provide fast-start support for implementation of the HFC phase-down; and

- (b) To request the Treasurer, at the 83<sup>rd</sup> meeting, to report on the status of the additional contributions for fast-start support separately from other contributions pledged to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/3(a) and (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/5).*

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of additional contributions to the Multilateral Fund and availability of resources contained in document UNEP/OzL.Pro/ExCom/83/5;
- (b) To request the Treasurer, to submit to the 84<sup>th</sup> meeting, as part of the 2018 accounts of the Multilateral Fund, a certified statement of income and disbursements of the additional contributions for fast-start support for the implementation of HFC phase down separately from the regular contributions to the Multilateral Fund; and
- (c) To consider at the 84<sup>th</sup> meeting how to use any remaining balances, taking into consideration the consultations on the issue between the Chief Officer and the 17 donor countries that had paid additional contributions to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/83/48, Decision 83/4(a)-(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/83/5).*

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of additional contributions to the Multilateral Fund and availability of resources contained in document UNEP/OzL.Pro/ExCom/84/5;
- (b) To note with appreciation the agreement of donor countries to amalgamate the balances from the additional contributions for fast-start support for HFC phase-down with the regular contributions to the Multilateral Fund;
- (c) To request the Treasurer:
- (i) To add, as additional income, the balance of US \$13,698 remaining from the additional contributions to the regular contributions to the Multilateral Fund;
  - (ii) To add, as additional income, the balances from completed projects and projects completed “by decision of the Executive Committee” remaining from the additional contributions that had been returned at the 84<sup>th</sup> meeting, or that would be returned at future meetings, to the regular contributions to the Multilateral Fund; and
- (d) To note that, as of the 85<sup>th</sup> meeting, the status of the additional contributions to the Multilateral Fund would no longer be reported to the Executive Committee separately from the regular contributions to the Fund.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/3).*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/5).*

## **REPLENISHMENTS OF THE MULTILATERAL FUND**

### **1994-1996 replenishment**

At the Fourth Meeting of the Parties, the total contribution to the Fund for 1993 was set at US \$113.34 million. The Parties committed themselves to a replenishment of the Fund in order to meet on grant or concessional terms the requirements of Parties operating under paragraph 1 of Article 5 of the Protocol, in respect of agreed incremental costs. Thus, a level of contribution of US \$340-500 million was recommended for 1994-1996. The total contribution to the Fund for 1994 will not be less than the commitments for 1993.

The Fifth Meeting, the Parties adopted the budget for 1994-1996 of US \$510 million for the Multilateral Fund for the implementation of the Montreal Protocol with the understanding that US \$55 million of that sum will be provided by funds unallocated during the 1991-1993 period.

*(UNEP/OzL.Pro/4/15 Decision IV/18 (section I.3).*

*(UNEP/OzL.Pro/5/12 Decision V/9 (section 1).*

### **1997-1999 replenishment**

The Eighth Meeting of the Parties decided:

1. to note with appreciation the report of the Executive Committee on the three-year rolling business plan and the report of the TEAP on replenishment;
2. to adopt a budget for 1997-1999 of US \$540,000,000 with the understanding that US \$74,000,000 of that sum will be provided by funds unallocated during 1994-1996: this US \$74,000,000 figure does not include

sums listed as disputed in document UNEP/OzL.Pro.8/L.2, which appears as Annex VIII to this report;

3. the agreed budget figure includes a sum of US \$10 million to enable Parties operating under Article 5 to apply the measures contained in paragraph 2 of decision VII/8 of the Seventh Meeting of the Parties and to assist those Parties to start the implementation of any recommendations that might arise from the Ninth Meeting of the Parties on this matter;
4. to adopt the scale of contributions for the Multilateral Fund based on a replenishment of US \$466,000,000 as set out in Annex I to this report of US \$155,333,333 for 1997, US \$155,333,333 for 1998 and US \$155,333,333 for 1999;
5. that the Executive Committee should take action to ensure as far as possible that the whole of the budget for 1997-1999 is committed by the end of 1999, and that Parties not operating under Article 5 should accordingly make timely payments;
7. to agree that adjustments to the United Nations scale of assessment should not affect the rates of contributions of individual Parties during a replenishment period;
8. to agree that contributions of Parties not operating under Article 5 which ratify the London Amendment during a replenishment cycle should be calculated on a pro-rata basis for the balance of the replenishment cycle, starting with the date on which the London Amendment entered into force for it. Contributions of such countries should be considered as additional resources during the replenishment cycle; such Parties should be formally added to the list of contributors and taken into account in the distribution of assessments during the next replenishment.

*(UNEP/OzL.Pro.8/12, Decision VIII/4, paras 1-5 and 7-8).*

The Twenty-ninth Meeting of the Executive Committee noted that the total value of approved projects and activities in the 1997-1999 triennium was about US \$509 million. Additionally, the value, as submitted, of projects and activities which it had not been possible to finalize at the Twenty-ninth Meeting amounted to some US \$13 million, potentially increasing the total expenditure in the triennium to US \$522 million. The Executive Committee decided that, in order to facilitate, as far as possible, committal of the 1997-1999 replenishment, those projects and activities included in that US \$13 million amount should be resubmitted to the Thirtieth Meeting and counted against the 1999 business plans.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/20, para. 46).*

### **2000-2002 replenishment**

The Tenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to prepare a report for submission to the Eleventh Meeting of the Parties, and present it through the Open-ended Working Group at its nineteenth meeting, to enable the Eleventh Meeting of the Parties to take a decision on the appropriate level of the 2000-2002 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, inter alia:
  - (a) all control measures, and relevant decisions, agreed by the Parties to the Montreal Protocol, including decisions agreed by the Tenth Meeting of the Parties, in so far as these will necessitate expenditure by the Multilateral Fund during the period 2000-2002;
  - (b) the need to allocate resources to enable all Article 5 Parties to maintain compliance with the Montreal Protocol;
  - (c) agreed rules and guidelines for determining eligibility for funding of investment projects (including the production sector) and non-investment projects;
  - (d) approved country programmes;
  - (e) financial commitments in 2000-2002 relating to sectoral phase-out projects agreed by the Executive Committee;
  - (f) experience to date, including limitations and successes of the phase-out of ozone-depleting substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its Implementing Agencies;
  - (g) the impact that the controls and country activities are likely to have on the supply and demand for ozone-depleting substances, and the effect that this will have on the cost of ozone-depleting substances and the resulting incremental cost of investment projects during the period under examination;

- (h) administrative costs of the Implementing Agencies, taking into account paragraph 6 of decision VIII/4, and the cost of financing the secretariat services of the Multilateral Fund, including holding meetings;
2. that, in undertaking this task, the Technology and Economic Assessment Panel should consult widely with relevant persons and institutions and other relevant sources of information deemed useful;
3. that the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two months before the nineteenth meeting of the Open-ended Working Group.

*(UNEP/OzL.Pro.10/9, Decision X/13).*

The Eleventh Meeting of the Parties decided:

1. to adopt a budget for 2000-2002 of 475,700,000 United States dollars on the understanding that 35,700,000 United States dollars of that sum will be provided by funds not allocated during 1997-1999. The Parties noted that outstanding contributions from some Parties with economies in transition in the period 1997-1999 stood at 34,703,856 United States dollars;
2. to adopt the scale of contributions for the Multilateral Fund based on a replenishment of 440,000,000 United States dollars, of 146,666,666 United States dollars for 2000, 146,666,666 United States dollars for 2001, and 146,666,666 United States dollars for 2002, as it appears in Annex VI to the report of the Eleventh Meeting of the Parties;
3. that the Executive Committee should take action to ensure as far as possible that the whole of the budget for 2000-2002 is committed by the end of 2002, and that Parties not operating under Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6.

*(UNEP/OzL.Pro.11/10, Decision XI/7).*

### **2003-2005 replenishment**

The Thirteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to prepare a report for submission to the 14th Meeting of the Parties, and present it through the Open-ended Working Group at its 22nd meeting, to enable the 14th Meeting of the Parties to take a decision on the appropriate level of the 2003-2005 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, inter alia:
  - (a) all control measures, and relevant decisions, agreed by the Parties to the Montreal Protocol and the Executive Committee including decisions agreed by the 13th Meeting of the Parties and the 35th Meeting of the Executive Committee, in so far as these will necessitate expenditure by the Multilateral Fund during the period 2003-2005;
  - (b) the need to allocate resources to enable all Article 5 Parties to maintain compliance with the Montreal Protocol;
  - (c) agreed rules and guidelines for determining eligibility for funding of investment projects (including those in the production sector) and non-investment projects;
  - (d) approved country programmes;
  - (e) financial commitments in 2003-2005 relating to sectoral phase-out projects agreed by the Executive Committee;
  - (f) experience to date, including limitations and successes of the phase-out of ozone-depleting substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its Implementing Agencies;
  - (g) the impact that the controls and country activities are likely to have on the supply and demand for ozone-depleting substances, and the effect that this will have on the cost of ozone-depleting substances and the resulting incremental cost of investment projects during the period under examination;
  - (h) administrative costs of the Implementing Agencies, taking into account paragraph 6 of decision VIII/4, and the cost of financing the secretariat services of the Multilateral Fund, including the holding of meetings;
2. that, in undertaking this task, the Technology and Economic Assessment Panel should consult widely with relevant persons and institutions and other relevant sources of information deemed useful;
3. that the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two

months before the 22nd Meeting of the Open-ended Working Group.

*(UNEP/OzL.Pro/13/10, Decision XIII/1).*

The Thirteenth Meeting of the Parties also decided to set up an Ad Hoc Working Group on the 2003-2005 replenishment with membership comprising the following Parties operating under Article 5: Argentina, Brazil (Co-Chair), China, Colombia, India, Islamic Republic of Iran, Nigeria, Tanzania and Zimbabwe; and the following Parties not operating under Article 5: Australia, Finland (Co-Chair), France, Germany, Italy, Japan, Poland, United Kingdom of Great Britain and Northern Ireland and United States of America. The ad hoc working group will meet following the 22nd Meeting of the Open-ended Working Group to provide initial feedback to the Technology and Economic Assessment Panel and advice on sensitivity analyses.

*(UNEP/OzL.Pro/13/10, Decision XIII/2).*

The Fourteenth Meeting of the Parties decided:

1. to adopt a budget for 2003-2005 of \$573,000,000 on the understanding that \$76,000,000 of that sum will be provided by funds not allocated during 2000-2002, and that \$23,000,000 of the same sum will be provided from interest accruing to the Fund and other sources during the 2003-2005 triennium. The Parties noted that outstanding contributions from some Parties with economies in transition in the period 2000-2002 stood at \$10,585,046;
2. to adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$ 474,000,000, of \$158,000,000 for 2003, \$158,000,000 for 2004, and \$158,000,000 for 2005 as it appears in Annex II to the report of the Fourteenth Meeting of the Parties;
3. that the Executive Committee should take action to ensure, as far as possible, that the whole of the budget for 2003-2005 is committed by the end of 2005, and that Parties not operating under Article 5 should make timely payments in accordance with paragraph 7 of Decision XI/6.

*(UNEP/OzL.Pro.14/9, Decision XIV/39).*

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to take note of the report on financial planning for the triennium 2003-2005 contained in UNEP/OzL.Pro/ExCom/39/7;
- (b) to adopt a resource allocation of US \$224 million in 2003, US \$191 million in 2004, and US \$158 million in 2005;
- (c) to urge countries with economies in transition that had not previously paid to pay their contributions to the Fund for the 2003-2005 triennium to enable the compliance of Article 5 countries with the 2005 and 2007 control measures of the Montreal Protocol, and to avoid shortfalls arising from non-payment or delayed payment of pledged contributions during the compliance period for Article 5 countries;
- (d) also to urge contributing Parties to make their payments for the year 2003 by June 2003, in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, to enable the timely implementation of the three-year phase-out plan;
- (e) that the US \$248 million in resources available for new commitments should be allocated according to the compliance needs of Article 5 countries;
- (f) that the total allocation for the bilateral projects during the triennium, 2003-2005, was US \$47.4 million for planning purposes only, not as an absolute cap on the value of bilateral projects that could be submitted;
- (g) to request contributing Parties that had not submitted an annual business plan for 2003 and/or a three-year business plan to do so prior to the 40th Meeting of the Executive Committee;
- (h) also to request the Sub-Committee on Monitoring, Evaluation and Finance to consider, at its 20th Meeting, the allocation of any resources from the total bilateral allocation not anticipated to be required by contributing Parties based on the bilateral business plan submitted to the 40th Meeting of the Executive Committee, in view of the compliance requirements of all Article 5 Parties;
- (i) to note that the level of the bilateral allocation planned for the triennium did not limit the right of a party to use up to 20 per cent of its contribution for bilateral projects.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/5, para. 36).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/8/Rev.1).*



**2006-2008 replenishment**

The Sixteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to prepare a report for submission to the Seventeenth Meeting of the Parties, and to present it through the Open-ended Working Group at its twenty-fifth meeting, to enable the Seventeenth Meeting of the Parties to take a decision on the appropriate level of the 2006–2008 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, among other things:
  - (a) all control measures, and relevant decisions, agreed by the Parties to the Montreal Protocol and the Executive Committee including decisions agreed by the Sixteenth Meeting of the Parties and the Executive Committee at its forty-fifth meeting, in so far as the decisions will necessitate expenditure by the Multilateral Fund during the period 2006–2008; in addition, the Technology and Economic Assessment Panel report should include a scenario which indicates costs associated with implementation by Parties operating under paragraph 1 of Article 5 of the adjustment relating to methyl bromide proposed by the European Community;
  - (b) the need to allocate resources to enable all Parties operating under paragraph 1 of Article 5 to maintain compliance with Articles 2A–2I of the Montreal Protocol;
  - (c) agreed rules and guidelines for determining eligibility for funding of investment projects (including those in the production sector), non-investment projects and sectoral or national phase-out plans;
  - (d) approved country programmes;
  - (e) financial commitments in 2006–2008 relating to national or sectoral phase-out plans agreed by the Executive Committee;
  - (f) the provision of funds for accelerating phase-out and maintaining momentum, taking into account the time lag in project implementation;
  - (g) experience to date, including limitations and successes of the phase-out of ozone-depleting substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its Implementing Agencies;
  - (h) the current trends in the cost of ozone-depleting substances and the resulting incremental costs of investment projects during the period under review;
  - (i) administrative costs of the Implementing Agencies and the cost of financing the secretariat services of the Multilateral Fund, including the holding of meetings;
2. that, in undertaking this task, the Technology and Economic Assessment Panel should give due consideration to the evaluation and review of the financial mechanism of the Montreal Protocol to be undertaken by the Parties in 2004, pursuant to decision XIII/3;
3. that, in undertaking this task, the Panel should consult widely with all relevant persons and institutions and other relevant sources of information deemed useful;
4. that the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two months before the twenty-fifth Meeting of the Open-ended Working Group.

*(UNEP/OzL.Pro.16/17, Decision XVI/35).*

The Forty-fourth Meeting of the Executive Committee decided that the Chair and the Vice-Chair, as well as the Chief Officer, should cooperate fully with the Technical and Economic Assessment Panel's study on the 2006–2008 replenishment of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/62, para. 259).*

The Seventeenth Meeting of the Parties decided:

1. to adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for 2006–2008 of \$470,000,000 on the understanding that \$59,600,000 of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the 2003–2005 triennium, and that \$10,000,000 will be provided from interest accruing to the Fund during the 2006–2008 triennium. The Parties note that outstanding contributions from some Parties with economies in transition in the period 2003–2005 stand at \$7,511,984;

2. to adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$133,466,667 for 2006, \$133,466,667 for 2007, and \$133,466,666 for 2008 as it appears in annex III to the report of the seventh meeting of the Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer and the Seventeenth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer;
3. that the Executive Committee should take action to ensure, as far as possible, that the whole of the budget for 2006–2008 is committed by the end of 2008, and that Parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6.  
*(UNEP/OzL.Pro.17/11, Decision XVII/40).*

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to note the report on financial planning for the 2006-2008 triennium contained in document UNEP/OzL.Pro/ExCom/48/5;
- (b) to adopt a resource allocation of US \$164.47 million in 2006, US \$165.57 million in 2007, and US \$139.96 million in 2008;
- (c) to urge contributing Parties to make payments for the year 2006 by 1 June 2006 in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, and to enable the full commitment of the US \$470 million budget during the 2006-2008 triennium, as foreseen in decision XVII/40 of the Seventeenth Meeting of the Parties (paragraph 3);
- (d) to urge contributing Parties to pay the arrears amounting to US \$38.8 million remaining from the 2003-2005 triennium during 2006, as the contributing Parties had already paid US \$21 million of the US \$59.6 million in arrears due as part of the 2006-2008 replenishment;
- (e) to urge contributing Parties using promissory notes to enable the Treasurer to accelerate the encashment of promissory notes in accordance with decision 25/2;
- (f) to urge countries with economies in transition that had not paid previously to make their contributions to the Multilateral Fund for the 2006 2008 triennium to facilitate the full implementation of the three-year phase-out plan in order to enable Article 5 countries to comply with the control measures of the Montreal Protocol, and also to avoid shortfalls arising from non payment or delayed payment of pledged contributions during the compliance period for Article 5 countries;
- (g) to agree that the amount of US \$142 million in resources available for new commitments during the 2006 2008 triennium should be allocated as a first priority for the compliance needs of Article 5 countries; and
- (h) to request that bilateral agencies specify the costs of planned activities in their annual business plans.  
*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/3, para. 35).*  
*(Supporting document: UNEP/OzL.Pro/ExCom/48/5).*

### **2009-2011 replenishment**

The Nineteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to prepare a report for submission to the Twentieth Meeting of the Parties, and to present it through the Open-ended Working Group at its twenty-eighth meeting, to enable the Twentieth Meeting of the Parties to take a decision on the appropriate level of the 2009–2011 replenishment of the Multilateral Fund. In preparing its report, the Panel should take into account, among other things:
  - (a) all control measures and relevant decisions agreed by the Parties to the Montreal Protocol and the Executive Committee, including decisions agreed by the Nineteenth Meeting of the Parties and the Executive Committee at its fifty third and fifty-fourth meetings insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2009–2011, including scenarios which indicate eligible incremental costs and cost-efficiencies associated with implementation by Parties operating under paragraph 1 of Article 5 of the adjustments and decisions relating to HCFCs, and, in addition, the Panel should provide indicative figures for the periods 2012–2014 and 2015–2017 in order to provide information to support a stable level of funding that would be updated prior to figures for those periods being finalized;
  - (b) the need to allocate resources to enable all Parties operating under paragraph 1 of Article 5 to maintain

- compliance with Articles 2A–2I of the Montreal Protocol and possible new agreed compliance measures relevant to the period 2009–2011 under the Montreal Protocol;
- (c) rules and guidelines agreed by the Executive Committee, up to and including its fifty fourth meeting, for determining eligibility for funding of investment projects (including those in the production sector), non-investment projects and sectoral or national phase-out plans;
  - (d) approved country programmes;
  - (e) financial commitments in 2009–2011 relating to national or sectoral phase-out plans agreed by the Executive Committee;
  - (f) the provision of funds for accelerating phase-out and maintaining momentum, taking into account the time lag in project implementation;
  - (g) experience to date, including limitations and successes of the phase-out of ozone depleting substances achieved with the resources already allocated, as well as the performance of the Multilateral Fund and its implementing agencies;
  - (h) the impact that the international market, ozone-depleting substance control measures and country phase out activities are likely to have on the supply of and demand for ozone-depleting substances, the corresponding effects on the price of ozone-depleting substances and the resulting incremental costs of investment projects during the period under review;
  - (i) administrative costs of the implementing agencies and the cost of financing the secretariat services of the Multilateral Fund, including the holding of meetings;
2. that, in undertaking this task, the Panel should consult widely with all relevant persons and institutions and other relevant sources of information deemed useful;
  3. to request the Panel to provide additional information on the levels of funding required for replenishment in each of the years 2012, 2013 and 2014 and to study the financial and other implications of a possible longer replenishment period, in particular whether such a measure would provide for more stable levels of contributions;
  4. that the Panel shall strive to complete its work in time to enable its report to be distributed to all Parties two months before the twenty-eighth Meeting of the Open-ended Working Group;
  5. to request the Panel to take into account the conclusions resulting from the study conducted by the Executive Committee pursuant to paragraph 2 of decision XVIII/9 in the event that proposals for control measures related to the subject of that study are submitted to the Ozone Secretariat.

*(UNEP/OzL.Pro.19/7, Decision XIX/10).*

The Twentieth Meeting of the Parties decided”

1. to adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for 2009–2011 of \$490,000,000 on the understanding that \$73,900,000 of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the 2006–2008 triennium, and that \$16,100,000 will be provided from interest accruing to the Fund during the 2009–2011 triennium. The Parties note that outstanding contributions from some Parties with economies in transition in the period 2006–2008 stand at \$5,604,438;
2. to adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$133,333,334 for 2009, \$133,333,333 for 2010, and \$133,333,333 for 2011 as it appears in annex III to the report of the eighth meeting of the Conference of the Parties to the Vienna Convention for the Protection of the Ozone Layer and the Twentieth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer;
3. that the Executive Committee should take action to ensure, as far as possible, that the whole of the budget for 2009–2011 is committed by the end of 2011, and that Parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6.

*(UNEP/OzL.Pro.20/9, Decision XX/10).*

The Executive Committee at its Fifty-seventh Meeting decided:

- (a) to note the report on financial planning for the 2009-2011 triennium as contained in document UNEP/OzL.Pro/ExCom/57/5;

- (b) to request that bilateral agencies specify the costs of planned activities in their annual business plans and attempt to remain within the estimates specified when submitting the relevant projects during the 2009-2011 triennium;
- (c) to urge contributing Parties to make payments no later than 1 June each year in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties so as to enable full commitment of the US \$490 million budget during the 2009-2011 triennium, as provided in paragraph 3 of decision XX/10 of the Twentieth Meeting of the Parties;
- (d) to urge those contributing Parties with arrears from the 2006-2008 triennium to pay them during 2009 as they accounted for US \$43.2 million of the US \$73.9 million carry-over from the 2006-2008 triennium;
- (e) to request those contributing Parties that had not provided for accelerated encashment of promissory notes to consider allowing an accelerated encashment schedule or adjusting their encashment schedule for future promissory notes so that they corresponded to the year in which the contributions were due;
- (f) to urge countries with economies in transition that had never paid to make their contributions to the Multilateral Fund for the 2009-2011 triennium;
- (g) to adopt a resource allocation of US \$106 million in 2009, US \$181 million in 2010, and US \$203 million in 2011;
- (h) to consider the availability of cash flow for the 2011 budget at the first Meeting of the Executive Committee in 2011 in light of the collection of interest, the payment of contributions from countries that had not previously paid, and any losses due to non payment or the fixed-exchange-rate mechanism; and
- (i) in the context of business planning, to monitor the impact of the allocation of annual tranche funding in multi-year agreements on the new indicative allocation of US \$340.6 million in the budget for the 2009-2011 triennium to enable as many HCFC phase-out plans for as many countries as possible to be accommodated during the triennium.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/4, para. 40).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/5).*

The Executive Committee at its Sixty-third Meeting decided:

- (a) To note the information on the availability of cash flow for the 2011 budget, as contained in document UNEP/OzL.Pro/ExCom/63/5;
- (b) To agree on a 2011 budget of US \$275.4 million, while noting that only US \$220.6 million were likely to be available in 2011; and
- (c) To urge Parties with fixed encashment schedules to accelerate those encashment schedules for their promissory notes, as needed.

*(UNEP/OzL.Pro/ExCom/63/60, Decision 63/3, para. 30).*

*(Supporting document: UNEP/OzL.Pro/ExCom/63/5).*

### **2012-2014 replenishment**

The Twenty-second Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Twenty-Third Meeting of the Parties, and to present it through the Open-ended Working Group at its thirty-first meeting, to enable the Twenty-Third Meeting of the Parties to take a decision on the appropriate level of the 2012–2014 replenishment of the Multilateral Fund;
2. That, in preparing the report referred to in the preceding paragraph, the Panel should take into account, among other things:
  - (a) All control measures and relevant decisions agreed upon by the parties to the Montreal Protocol and the Executive Committee, in particular those related to the special needs of low volume and very-low-volume-consuming countries, and decisions agreed upon by the Twenty Second Meeting of the Parties and the Executive Committee at its sixty-first and sixty-second meetings insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2012–2014;
  - (b) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 of the Montreal Protocol to maintain compliance with Articles 2A–2E, 2G and 2I of the Protocol;

- (c) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 to meet 2013 and 2015 compliance obligations in respect of Articles 2F and 2H of the Protocol;
  - (d) Rules and guidelines agreed upon by the Executive Committee at all meetings, up to and including its sixty-second meeting, for determining eligibility for the funding of investment projects, non investment projects, including institutional strengthening, measures to combat illegal trade and sectoral or national phase-out plans, including hydrochlorofluorocarbon phase-out management plans, measures to manage banks of ozone-depleting substances and ozone-depleting substance destruction projects;
  - (e) The impact that the international market, ozone-depleting substance control measures and country phase-out activities are likely to have on the supply of and demand for ozone-depleting substances, the corresponding effects on the price of ozone-depleting substances and the resulting incremental costs of investment projects during the period under review;
3. That, in preparing the report referred to above, the Panel should consult widely all relevant persons and institutions and other relevant sources of information deemed useful;
  4. That the Panel shall strive to complete the report referred to above in time to enable it to be distributed to all parties two months before the thirty-first meeting of the Open ended Working Group;
  5. That the Panel should provide indicative figures for the periods 2015–2017 and 2018–2020 to support a stable and sufficient level of funding, on the understanding that those figures will be updated in subsequent replenishment studies;

*(UNEP/OzL.Pro.22/9, Decision XXII/3).*

The Twenty-third Meeting of the Parties decided:

1. To adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for 2012–2014 of \$450,000,000 on the understanding that \$34,900,000 of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the 2009–2011 triennium, and that \$15,100,000 will be provided from interest accruing to the Fund during the 2012–2014 triennium. The parties note that outstanding contributions from some parties with economies in transition in the period 2009–2011 stand at \$5,924,635;
2. To adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$133,333,334 for 2012, \$133,333,333 for 2013, and \$133,333,333 for 2014 as it appears in annex III to the report of the ninth meeting of the Conference of the Parties to the Vienna Convention and the Twenty-third Meeting of the Parties to the Montreal Protocol;
3. That the Executive Committee should take action to ensure, as far as possible, that the whole of the budget for 2012–2014 is committed by the end of 2014, and that parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6;

*(UNEP/OzL.Pro.23/11, Decision XXIII/15).*

The Executive Committee at its Sixty-sixth Meeting decided:

- (a) To take note of the report on financial planning for the 2012–2014 triennium contained in document UNEP/OzL.Pro/ExCom/66/5;
- (b) To request:
  - (i) That bilateral agencies specify the costs of planned activities in their annual business plans and make efforts to remain within the estimates specified when submitting those projects during the 2012–2014 triennium;
  - (ii) Those contributing Parties that did not provide for accelerated encashment of promissory notes to consider either allowing the Treasurer to accelerate the encashment schedule or adjusting their encashment schedules for future promissory notes to correspond to the year in which the contributions were due;
  - (iii) The Government of Germany to provide an update through the Treasurer on its efforts with regard to encashment of its promissory notes prior to the 67th meeting of the Executive Committee;
- (c) To urge:
  - (i) Parties to pay their contributions for each year by June, in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, so as to enable full commitment of the US \$450 million budget

- during the 2012-2014 triennium, as provided in paragraph 3 of decision XXIII/15 of the Twenty-third Meeting of the Parties;
- (ii) Those contributing Parties with arrears from the 2009-2011 triennium to pay them during 2012, as they accounted for US \$10.3 million of the US \$34.9 million carry-over from the 2009-2011 triennium, noting that US \$24.6 million of the funds carried over were available for commitment;
  - (iii) Countries with economies in transition that had not previously paid their contributions to make their contributions to the Multilateral Fund for the 2012-2014 triennium;
- (d) To consider the availability of cash flow for the 2014 budget at the first meeting of 2014 in light of the collection of interest, the payment of contributions from Parties that had not previously paid, and any losses due to non-payment or the fixed-exchange-rate mechanism; and
- (e) To adopt a resource allocation of US \$145 million in 2012, US \$145 million in 2013, and US \$160 million in 2014, with any unallocated funds to be allocated subsequently during the 2012-2014 triennium.

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/3, para. 27).*

*(Supporting document: UNEP/OzL.Pro/ExCom/66/5).*

### **2015-2017 replenishment**

The Twenty-fifth Meeting of the Parties decided:

*Recalling* the parties' decisions on previous terms of reference for studies on the replenishment of the Multilateral Fund for the Implementation of the Montreal Protocol,

*Recalling* also the parties' decisions on previous replenishments of the Multilateral Fund,

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Twenty-Sixth Meeting of the Parties, and to submit it through the Open-ended Working Group at its thirty-fourth meeting, to enable the Twenty-Sixth Meeting of the Parties to take a decision on the appropriate level of the 2015–2017 replenishment of the Multilateral Fund;
2. That, in preparing the report referred to in paragraph 1 of the present decision, the Panel should take into account, among other things:
  - (a) All control measures and relevant decisions agreed upon by the parties to the Montreal Protocol and the Executive Committee, in particular those pertaining to the special needs of low volume- and very-low-volume-consuming countries, in addition to small and medium-sized enterprises, and the decisions of the Twenty Fifth Meeting of the Parties and the Executive Committee at its seventieth and seventy-first meetings insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2015–2017;
  - (b) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 to maintain compliance with Articles 2A–2E, 2G and 2I of the Protocol;
  - (c) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 to maintain or meet 2013, 2015 and 2020 compliance obligations in respect of Articles 2F and 2H of the Protocol, taking into account the extended commitment provided by parties operating under paragraph 1 of Article 5 under approved hydrochlorofluorocarbon phase-out management plans;
  - (d) Dividing the funding relating to the 2020 target applicable to hydrochlorofluorocarbon consumption and production in an appropriate manner, including, but not limited to, one scenario that divides the funding relating to the 2020 target applicable to hydrochlorofluorocarbon consumption equally between the 2015–2017 and 2018–2020 replenishments;
  - (e) Rules and guidelines agreed upon by the Executive Committee at all its meetings, up to and including its seventy-first meeting, for determining eligibility for the funding of investment projects and non investment projects, including, but not limited to, institutional strengthening;
  - (f) The need to allocate sufficient resources to the activities in the servicing sector in stage II of hydrochlorofluorocarbon phase-out management plans through technical assistance such as recovery, training and other necessary activities;
3. That, as a separate element to the funding requirement estimated in paragraph 2 of the present decision, the Panel should provide indicative figures for additional resources that would be needed to enable parties

operating under paragraph 1 of Article 5 to gradually avoid high-global-warming-potential alternatives to ozone-depleting substances, taking into account the availability of safe, environmentally friendly, technically proven and economically viable technologies;

4. That, in preparing the said report, the Panel should consult widely all relevant persons and institutions and other relevant sources of information deemed useful;
5. That the Panel should strive to complete the report referred to above in good time to enable it to be distributed to all parties two months before the thirty-fourth meeting of the Open ended Working Group;
6. That the Panel should provide indicative figures for the periods 2018–2020 and 2021–2023 to support a stable and sufficient level of funding, on the understanding that those figures will be updated in subsequent replenishment studies;

*(UNEP/OzL.Pro.25/9, Decision XXV/8).*

The Twenty-sixth Meeting of the Parties decided:

1. To adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for 2015–2017 of \$507,500,000 on the understanding that \$64,000,000 of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the 2012–2014 triennium, and that \$6,000,000 will be provided from interest accruing to the Fund during the 2015–2017 triennium. The parties note that outstanding contributions from some parties with economies in transition in the period 2012–2014 stands at \$8,237,606;
2. To adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$145,833,333 for 2015, \$145,833,333 for 2016, and \$145,833,333 for 2017 as it appears in annex III to the report of the tenth meeting of the Conference of the Parties to the Vienna Convention and the Twenty-Sixth Meeting of the Parties to the Montreal Protocol;
3. That the Executive Committee should take action to ensure, as far as possible, that the whole of the budget for 2015–2017 is committed by the end of 2017, and that parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6;

*(UNEP/OzL.Conv.10/7-UNEP/OzL.Pro.26/10, Decision XXVI/10).*

The Seventy-fourth Meeting of the Executive Committee decided:

- (e) To note that the Government of Germany had been able to reduce the schedule of payment of its promissory notes for the 2015-2017 replenishment period from five to four years and that it was committed to fitting the encashment schedule within the triennium for the 2018-2020 replenishment period.

*(UNEP/OzL.Pro/ExCom/74/56, Decision 74/1 para.26 (e)).*

The Seventy-fourth Meeting of the Executive Committee decided:

- (c) To adopt a resource allocation of US \$179.9 million in 2015, US \$173.8 million in 2016, and US \$153.8 million in 2017, with any unallocated funds to be allocated subsequently during the 2015-2017 triennium; and
- (d) To consider the availability of cash flow for the 2016 and 2017 budgets at the first meeting of 2016 in light of the collection of interest, unexpected return of unused balances from projects/agreements, the payment of pledges from trienniums prior to the last replenishment, any losses due to non-payment of pledges expected from the last replenishment, and any losses or gains due to the fixed-exchange-rate mechanism.

*((UNEP/OzL.Pro/ExCom/74/56, Decision 74/3, para.34(c)and (d)).*

### **2018-2020 replenishment**

The Twenty-eighth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Twenty-Ninth Meeting of the Parties, and to submit it through the Open-ended Working Group at its thirty-ninth meeting, to enable the Twenty-Ninth Meeting of the Parties to adopt a decision on the appropriate level of the 2018–2020 replenishment of the Multilateral Fund;
2. That, in preparing the report referred to in paragraph 1 of the present decision, the Panel should take into account, among other things:
  - (a) All control measures and relevant decisions agreed upon by the parties to the Montreal Protocol and the Executive Committee of the Multilateral Fund, in particular those pertaining to the special needs of low

- volume- and very-low-volume-consuming countries, in addition to small and medium-sized enterprises, and the decisions of the Twenty Eighth Meeting of the Parties and the Executive Committee at its meetings, up to and including its seventy-eighth meeting, insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2018–2020;
- (b) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 of the Montreal Protocol (Article 5 parties) to achieve and/or maintain compliance with Articles 2A–2E, 2G, 2H, 2I and 2J of the Protocol;
  - (c) The need to allocate resources to enable all Article 5 parties to meet compliance obligations relevant in the replenishment period 2018–2020 in respect of Article 2F of the Protocol, providing support for a transition to low-global-warming-potential (GWP) or zero-GWP alternatives in hydrochlorofluorocarbon (HCFC) phase-out, taking into account decision XIX/6 of the Meeting of the Parties and the extended commitments made by Article 5 parties under approved HCFC phase-out management plans;
  - (d) Rules and guidelines agreed upon by the Executive Committee at all its meetings, up to and including its seventy-eighth meeting, for determining eligibility for the funding of investment projects and non investment projects, including, but not limited to, institutional strengthening;
3. That the Technology and Economic Assessment Panel should provide indicative figures of the resources within the estimated funding required for phasing out HCFCs that could be associated with enabling Article 5 parties to encourage the use of low-GWP or zero-GWP alternatives and indicative figures for any additional resources that would be needed to further encourage the use of low-GWP or zero-GWP alternatives;
  4. The need for additional resources to enable Article 5 parties to carry out initial activities related to the phase-down of HFCs listed under Annex F and controlled under Article 2J;
  5. That in preparing the report the Panel should consult widely, including all relevant persons and institutions and other relevant sources of information deemed useful;
  6. That the Panel should strive to complete the report in good time to enable it to be distributed to all parties two months before the thirty-ninth meeting of the Open ended Working Group;
  7. That the Panel should provide indicative figures for the periods 2021–2023 and 2024–2026 to support a stable and sufficient level of funding, on the understanding that those figures will be updated in subsequent replenishment studies;

*(UNEP/OzL.Pro.28/11, Decision XXVIII/5).*

The Twenty-ninth Meeting of the Parties decided:

1. To adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for the triennium 2018–2020 of \$540,000,000, on the understanding that \$34,000,000 of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the triennium 2015–2017, and that \$6,000,000 will be provided from interest accruing to the Fund during the triennium 2018–2020. The parties note that outstanding contributions from parties with economies in transition in the period 2015–2017 amount to \$10,452,429;
2. Also to adopt the scale of contributions for the Multilateral Fund based on a replenishment of \$166,666,667 for 2018, \$166,666,667 for 2019 and \$166,666,666 for 2020, as it appears in annex III to the report of the combined eleventh meeting of the Conference of the Parties to the Vienna Convention and the Twenty-Ninth meeting of the Parties to the Montreal Protocol;
3. That the Executive Committee should take action to ensure, to the extent possible, that the entire budget for the triennium 2018–2020 is committed by the end of 2020 and that parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6;

*(UNEP/OzL.Pro.29/8, Decision XXIX/1).*

The Eighty-first Meeting of the Executive Committee decided:

- (b) To adopt resource allocations of US \$194.4 million in 2018, US \$174.6 million in 2019, and US \$171 million in 2020;

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/27(b), para 96)*

*(Supporting document: UNEP/OzL.Pro/ExCom/81/12).*



**2021-2023 replenishment**

The Thirty-first Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Thirty-Second Meeting of the Parties, and to submit it through the Open-ended Working Group at its forty-second meeting, to enable the Thirty-Second Meeting of the Parties to adopt a decision on the appropriate level of the 2021–2023 replenishment of the Multilateral Fund;
2. That, in preparing the report referred to in paragraph 1 of the present decision, the Panel should take into account, among other things:
  - (a) All control measures and relevant decisions agreed upon by the parties to the Montreal Protocol and the Executive Committee of the Multilateral Fund, including decision XXVIII/2, and the decisions of the Thirty-First Meeting of the Parties and the Executive Committee at its meetings, up to and including its eighty-fifth meeting, insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2021–2023;
  - (b) The need to consider the special needs of low-volume-consuming and very-low-volume-consuming countries;
  - (c) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 of the Montreal Protocol (Article 5 parties) to achieve and/or maintain compliance with Articles 2A–2J of the Protocol, taking into account decision XIX/6 of the Meeting of the Parties, and the reductions and extended commitments made by Article 5 parties under approved hydrochlorofluorocarbon (HCFC) phase-out management plans, and decision XXVIII/2, and noting that the Panel in its supplementary report shall provide any information or clarification as requested by any party relating to the allocation of resources;
  - (d) Decisions, rules and guidelines agreed by the Executive Committee at all its meetings, up to and including its eighty-fifth meeting, in determining eligibility for the funding of investment projects and non-investment projects;
  - (e) The need to allocate resources for Article 5 parties to comply with the Kigali Amendment to the Montreal Protocol, including the preparation and, if needed, the implementation of phase-down plans for hydrofluorocarbons (HFCs) that could include early activities in the servicing/end users sector in order to comply with the Kigali Amendment by addressing the high growth rate in HFC consumption;
  - (f) The need to allocate resources to the low-volume-consuming countries for the introduction of zero-global-warming-potential or low-global-warming-potential alternatives to HFCs and to maintain energy efficiency in the servicing/end users sector, in line with any relevant decisions of the Executive Committee;
  - (g) Three scenarios representing different potential levels of ratification of the Kigali Amendment when estimating the funding requirement for the phase-down of HFCs;
  - (h) The cost of supporting a limited number of stand-alone projects transitioning out of HFCs, in accordance with paragraph 4 of decision XXX/5;
3. That the Panel should provide indicative figures of the resources within the estimated funding required for phasing out HCFCs that could be associated with enabling Article 5 parties to directly transition from HCFCs to the use of low-global-warming-potential or zero-global-warming-potential alternatives, taking into account global warming potential, energy use, safety and other relevant factors. The indicative figures should be provided for a range of typical scenarios, including a low-volume-consuming country, a small manufacturing country and a medium-sized manufacturing country;
4. That, in preparing the report, the Panel should consult widely, including all relevant persons and institutions and other relevant sources of information deemed useful;
5. That the Panel should strive to complete the report in good time to enable it to be distributed to all parties two months before the forty-second meeting of the Open-ended Working Group;
6. That the Panel should provide indicative figures for the periods 2024–2026 and 2027–2029 to support a stable and sufficient level of funding, on the understanding that those figures will be updated in subsequent replenishment studies.

*(UNEP/OzL.Pro.31/9/Add.1, Decision XXXI/1).*

The Thirty-third Meeting of the Parties decided:

1. To adopt the level of indicative contributions for the parties listed in table A, set forth in the annex to the present decision, for 2022 on an interim basis pending a final decision by the Meeting of the Parties on a revised budget for the Multilateral Fund for the triennium 2021–2023;

2. That any contributions made by parties in advance of a final decision on the revised budget for the Multilateral Fund for the triennium 2021–2023 shall be without prejudice to the overall level of the replenishment or to the agreed level of contributions by parties.

**Annex to decision XXXIII/2**

Table A

<i>Party</i>	<i>2022 amount in United States dollars or in national currency*</i>
Australia	AUD 7 833 905
Austria	USD 1 814 500
Belgium	EUR 2 066 538
Bulgaria	USD 113 333
Croatia	HRK 1 718 129
Cyprus	EUR 100 377
Czechia	USD 867 000
Denmark	DKK 10 142 404
Estonia	EUR 88 795
Finland	EUR 1 064 772
France	EUR 11 346 191
Germany	EUR 14 918 851
Greece	EUR 1 099 827
Hungary	HUF 115 977 788
Ireland	EUR 782 325
Italy	EUR 8 751 822
Latvia	EUR 116 747
Lithuania	EUR 168 171
Luxembourg	EUR 149 485
Malta	EUR 37 371
Netherlands	USD 3 734 833
Norway	NOR 18 194 536
New Zealand	NZD 957 172**
Poland	USD 2 119 500
Portugal	EUR 915 287
Romania	RON 1 941 505
Slovakia	EUR 373 558
Slovenia	EUR 196 122
Spain	EUR 5 704 676
Sweden	SEK 21 440 390
United Kingdom of Great Britain and Northern Ireland	USD 11 247 500

\* Based on the amounts set out in annex III to the report of the combined eleventh meeting of the Conference of the Parties to the Vienna Convention and Twenty-Ninth Meeting of the Parties to the Montreal Protocol.

\*\* Subject to government procedures and approval.

(*UNEP/OzL.Pro.33/8/Add.1, Decision XXXIII/2*).

The Fifth Extraordinary Meeting of the Parties decided:

1. To adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol for the triennium 2021–2023 of \$540,000,000, on the understanding that \$65,000,000 of that budget will be provided from the contributions due to the Multilateral Fund and from other sources for the triennium 2018–2020;
2. To note that \$246 million in remaining funds that were due to the Multilateral Fund during the triennium 2018–2020 will be used after 2023 to support the implementation of the Montreal Protocol;
3. To note that outstanding contributions from parties with economies in transition for the period 2018–2020 amount to \$3,659,668;
4. To adopt the scale of contributions for the Multilateral Fund for the triennium 2021–2023 based on replenishment of \$475 million for the triennium 2021–2023 as it appears in the annex to the report of the Fifth Extraordinary Meeting of the Parties to the Montreal Protocol;
5. That the Executive Committee of the Multilateral Fund should take action to ensure, to the extent possible, that the entire budget for the triennium 2021–2023 is committed by the end of 2023 and that parties not operating under paragraph 1 of Article 5 should make timely payments in accordance with paragraph 7 of decision XI/6.

*(UNEP/OzL.Pro.ExMOP.5/3/Add.1, Decision Ex.V/1)*

**2024–2026 replenishment**

The Thirty-fourth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to prepare a report for submission to the Thirty-Fifth Meeting of the Parties to the Montreal Protocol, and to submit it through the Open-ended Working Group of the Parties to the Montreal Protocol at its forty-fifth meeting, to enable the Thirty-Fifth Meeting of the Parties to adopt a decision on the appropriate level of the 2024–2026 replenishment of the Multilateral Fund;
2. That, in preparing the report referred to in paragraph 1 of the present decision, the Panel should take into account, among other things:
  - (a) All control measures and relevant decisions agreed upon by the parties to the Montreal Protocol and the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, including paragraphs 9 to 25 of decision XXVIII/2, and the decisions of the Thirty Fourth Meeting of the Parties and the Executive Committee at its meetings, up to and including its ninety-second meeting, insofar as those decisions will necessitate expenditure by the Multilateral Fund during the period 2024–2026;
  - (b) The special needs of low volume-consuming and very low volume-consuming countries;
  - (c) The need to allocate resources to enable all parties operating under paragraph 1 of Article 5 of the Montreal Protocol to comply with Articles 2A–2J of the Protocol, and the reductions and extended commitments made by parties operating under paragraph 1 of Article 5 under approved hydrochlorofluorocarbon (HCFC) phase-out management plans and Kigali hydrofluorocarbon (HFC) implementation plans;
  - (d) Decisions, rules and guidelines agreed by the Executive Committee at all its meetings, up to and including its ninety-second meeting, in determining eligibility for the funding of investment projects and non investment projects;
  - (e) The need to allocate resources for activities to maintain and/or enhance energy efficiency while phasing down HFCs, including those relating to pilot and demonstration projects, in accordance with any energy efficiency cost guidance developed by the Executive Committee, or, should the Executive Committee not adopt cost guidance in time to be considered in the report, for a scenario for a funding window to support such activities;
  - (f) The need to allocate resources for supporting activities related to gender mainstreaming as part of the gender policy of the Multilateral Fund, taking into account the implementing agencies' existing policies to promote gender mainstreaming and the mandate set out in Executive Committee decision 84/92;

- (g) The need to allocate resources for a funding window for activities to support end-of-life management and disposal of controlled substances in an environmentally sound manner, in accordance with any relevant decisions by the Executive Committee, or, should the Executive Committee not adopt relevant decisions in time to be considered in the report, for a scenario for funding a limited number of demonstration projects;
  - (h) A scenario to increase funding for institutional strengthening and the compliance assistance programme to assist parties operating under paragraph 1 of Article 5 to strengthen their national capacities to address challenges associated with implementing the Kigali Amendment;
3. That, in estimating the funding requirement associated with the HCFC and HFC targets, the Panel will use a clearly explained compliance-based methodology that is informed by, but independent of, the business plan of the Multilateral Fund, taking into account policy guidance provided by the Meeting of the Parties and/or the Executive Committee;
  4. That the Panel should provide indicative figures associated with enabling parties operating under paragraph 1 of Article 5 to implement HCFC phase-out management plans and Kigali HFC implementation plans in a coordinated manner. Indicative figures should be provided for a range of typical scenarios, using all relevant data available to the Panel;
  5. That, in preparing the report, the Panel should consult widely, including all relevant persons and institutions and other relevant sources of information deemed useful;
  6. That the Panel should strive to complete the report in good time to enable it to be distributed to all parties two months before the forty-fifth meeting of the Open ended Working Group;
  7. That the Panel should provide indicative figures for the periods 2027–2029 and 2030–2032 to support a stable and sufficient level of funding, on the understanding that those figures will be updated in subsequent replenishment studies.

*(UNEP/OzL.Pro.34/9/Add.1, Decision XXXIV/2).*

The Thirty-fifth Meeting of the Parties decided:

1. To adopt a budget for the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer for the triennium 2024–2026 of 965 million United States dollars, on the understanding that 428,699,680 dollars of that budget will be provided from anticipated contributions due to the Multilateral Fund and other sources for the triennium 2021–2023, and that 10,700,320 dollars will be provided from interest accruing to the Fund during the triennium 2024–2026;<sup>1</sup>
2. To adopt the scale of contributions for the Multilateral Fund based on a replenishment of 175.2 million dollars for 2024, 175.2 million dollars for 2025 and 175.2 million dollars for 2026, as set out in the annex to the present decision;
3. That the Executive Committee should take action to ensure, to the extent possible, that the entire budget for the triennium 2024–2026 is committed by the end of 2026, and that parties not operating under paragraph 1 of Article 5 of the Montreal Protocol should make timely payments in accordance with paragraph 7 of decision XI/6.

*(UNEP/OzL.Pro.35/12/Add.1, Decision XXXV/1).*

### **BUSINESS PLAN OF THE MULTILATERAL FUND**

#### **Three-year (1994-1996) business plan of the Multilateral Fund**

The Executive Committee adopted the proposed three-year plan and budget (1994-1996) for submission to the meeting of the Open-ended Working Group (Geneva, August 1993).

*(UNEP/OzL.Pro/ExCom/10/40, para. 144).*

*(Supporting document: UNEP/OzL.Pro/ExCom/10/40, Annex II).*

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<sup>1</sup> In decision Ex.V/1 on replenishment for the triennium 2021–2023, the parties noted, in paragraph 2, that 246 million United States dollars in remaining funds that were due to the Multilateral Fund during the triennium 2018–2020 would be used after 2023 to support the implementation of the Montreal Protocol.

**Financial planning and projections of cash flow for the triennium 1997-1999**

Having considered the report of the Secretariat on financial planning and projections of cash flow for the triennium 1997-1999 (UNEP/OzL.Pro/ExCom/21/5), the Executive Committee decided:

- (a) to note that the 1997-1999 budget approved by the Parties consisted of US \$74 million carried over from 1996 and US \$466 million in new pledges, with the new pledges being assessed at US \$155,333,333 for each year of the triennium;
- (b) to agree that, as the most effective way of using the carry-over to assist all countries in meeting their 1999 freeze obligations, the entire US \$74 million should be allocated to the 1997 budget, for planning purposes;
- (c) that financial planning by the Executive Committee for the triennium should be based on the amounts that, based on historical precedent, it knew would actually be paid into the Multilateral Fund;
- (d) that eligible projects for which no funding was immediately available would, as in the past, be cleared for approval pending receipt of the necessary funds;
- (e) that the Executive Committee would review annually the level of pledged funds that were actually paid into the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/21/36, Decision 21/3, para. 9).*

*(Supporting document: UNEP/OzL.Pro/ExCom/21/5).*

**Three-year (1997-1999) business plan of the Multilateral Fund**

The Twenty-first Meeting of the Executive Committee decided:

- (a) to take note of the three-year (1997-1999) business plan of the Multilateral Fund;
- (b) to note that decision 21/3, subparagraph (b), by which it decided to allocate all of the US \$74 million carry-over from the triennium 1994-1996 to the budget for 1997, would be reflected in section III of the 1997-1999 business plan;
- (c) that sections III and IV of the plan should be revised, and that section V should be expanded to take into account the comments made during the meeting;
- (d) to note the need to improve the business plans for the year 1998 and future years, bearing in mind that, in preparing previous business plans, the most effective procedure had not always been followed, namely, planning of activities first, to be followed by implementation, which would be monitored, and, on the basis of that monitoring, revision and continuation of the activities.

*(UNEP/OzL.Pro/ExCom/21/36, Decision 21/4 (para 10)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/21/6).*

The Twenty-second Meeting of the Executive Committee decided:

- (a) to endorse the targets for ODS approvals and expenditures for the triennium, noting that the 1998 and 1999 figures were indicative only and would be reviewed at the next meeting of the Executive Committee, and taking into consideration the following elements:
  - (i) the Multilateral Fund, in 1997 and the first half of 1998, would give priority to approving projects with the highest ODP value and short implementation duration for countries that had yet to meet their freeze obligations. This would allow these projects to be implemented before 1 July 1999 in order to curtail the ODS consumption growth in these countries;
  - (ii) the Fund would continue to provide funding for all ODS consumption sectors to enable all Article 5 countries to maintain the momentum of phase-out according to the strategies in their country programmes;
  - (iii) halon would continue to receive high priority due to its high ODP value and the cost-effectiveness of halon phase-out projects. This would include consideration of the first sectoral phase-out programme from an Article 5 country in the halon sector;
  - (iv) the Fund would continue the practice of setting up a special allocation for LVCs. Implementing Agencies should be encouraged to target funds to assist those countries;
  - (v) funding of full and gradual closure projects in the production sector would be considered during this triennium. Considering that the guidelines for shutting down ODS production facilities would be ready in 1997, and project formulation would be under way in the same year, allocations for the production

sector would be made in 1998 and 1999;

- (vi) future budgets should include project preparation funds for investment projects under investment, rather than non-investment, allocations;
- (b) to request the Secretariat to send letters around mid-year to all countries involved in bilateral activities, asking whether they intended to utilize the full amount allocated to them for bilateral activities. If they did not intend to do so, those funds could be reallocated;
- (c) to insert a new line in Table 3 of the three-year business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/22/12), after the investment line, entitled "Funds reserved for preparation of investment projects";
- (d) to take into account the possible increase in the importance of non-investment projects.  
(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/11 (para 26).  
(Supporting document: UNEP/OzL.Pro/ExCom/22/12).

**Consolidated business plan of the Multilateral Fund for the year 2000**

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to note with concern the limited coverage of countries in the consolidated draft business plan for the year 2000;
- (b) that, if the Parties were to agree a level of replenishment lower than the current triennium (1997-1999), the Executive Committee should maintain the indicative figure approved by the Executive Committee at its Twenty-eighth Meeting for the year 2000 and change the allocation for the years 2001 and 2002. If the agreed level of replenishment is higher, then the resource allocation should be increased equally on a pro rata basis for each year of the triennium (2000 to 2002);
- (c) to note that the issue of including in business plans countries that had not yet ratified the London Amendment would be reviewed by the Executive Committee at its Thirtieth Meeting.  
(UNEP/OzL.Pro/ExCom/29/65, Decision 29/12, para. 31).

The Twenty-ninth Meeting of the Executive Committee also decided:

- (a) to hold, at its Thirtieth Meeting, an in-depth debate among all members, focusing on the issues of the sectoral aspects of ODS phase-out, the status of all Article 5 countries in terms of meeting their commitments under the Montreal Protocol, an analysis of global needs for the attainment of ODS phase-out targets and a strategic plan for ensuring global coverage by the Multilateral Fund;
- (b) to authorize the Secretariat of the Multilateral Fund to prepare the draft three-year business plan of the next triennium for consideration by the Executive Committee at its Thirtieth Meeting. This, together with other relevant Secretariat analyses, would be the platform for the discussion on the strategic planning for the Multilateral Fund.  
(UNEP/OzL.Pro/ExCom/29/65, Decision 29/13, para. 34).

The Thirtieth Meeting of the Executive Committee decided:

- (a) to take note of the consolidated business plan of the Multilateral Fund for the year 2000 (UNEP/OzL.Pro/ExCom/30/10 and Corr.1);
- (b) that countries which had not ratified the London Amendment might be maintained in the 2000 business plan of the Multilateral Fund;
- (c) to request the Secretariat to write to Parties which had not ratified the London Amendment to the Montreal Protocol requesting them to proceed rapidly with ratification;
- (d) also to request the Implementing Agencies to emphasize further the need to ratify the London Amendment to the Montreal Protocol in their consultations with Article 5 Parties;
- (e) to adopt the disbursement target of US \$148.8 million and the phase-out target of 29,542 ODP tonnes for the year 2000.  
(UNEP/OzL.Pro/ExCom/30/41, Decision 30/13, para. 32).

**Consolidated business plan of the Multilateral Fund for the year 2001**

The Thirty-second Meeting of the Executive Committee decided:

- (a) to note the consolidated draft business plan of the Multilateral Fund for the year 2001

(UNEP/OzL.Pro/ExCom/32/11);

- (b) to determine the appropriateness of mechanisms to ensure funding in 2001 for the compliance of Article 5 countries with the initial control measures of the Montreal Protocol, and establish the criteria for those mechanisms, if and where relevant.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/8, para. 19).*

*(Supporting document: UNEP/OzL.Pro/ExCom/32/11).*

The Thirty-third Meeting of the Executive Committee decided:

- (a) to note the planned increase in forward commitments and also the increase in the number of countries that appeared to be able to achieve compliance with the approval and implementation of planned activities in the 2001 business plan;
- (d) to request the Multilateral Fund Secretariat to send a letter to Article 5 countries, in the context of future business planning, to advise on what was left of the ODS consumption in their domestic and commercial refrigeration manufacturing subsectors;
- (e) to adopt a phase-out target of 13,926 ODP tonnes and a disbursement target of US \$118 million for activities already financed by the Multilateral Fund to be achieved in 2001;
- (f) to note the consolidated 2001 business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/33/8 and Corr.1).

*(UNEP/OzL.Pro/ExCom/33/32, Decision 33/4, para. 21 (a, d, e, f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/33/8 and 33/8/Corr.1).*

### **Consolidated business plan of the Multilateral Fund for the year 2002**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to note the consolidated draft business plan of the Multilateral Fund for the year 2002 contained in document UNEP/OzL.Pro/ExCom/35/5;
- (b) to request Implementing Agencies to resolve data discrepancy issues before including projects from countries with data inconsistencies in their final 2002 business plans in the light of the Executive Committee's decisions on strategic planning;
- (c) to approve a resource allocation of US \$176 million for the purposes of the 2002 final business plan, including US \$130 million for investment projects, US \$22.7 million for non-investment projects, US \$20 million for bilateral co-operation, and US \$3.3 million for the Secretariat/Executive Committee/Monitoring and Evaluation function;
- (e) also to authorize the Secretariat to adjust the resource allocation by the amount of interest and funds returned from completed and cancelled projects when the final accounts of the Fund for 2001 were available, taking into account the balances to be returned up to the 37th Meeting;
- (g) also to request the Secretariat to include in its consolidated draft business plans updated versions of the reports on the status of Article 5 countries in achieving compliance, taking into account the Executive Committee's decisions on strategic planning;
- (i) to encourage Implementing Agencies to continue to reach out to those countries at risk of non-compliance to provide proposals for activities to be included in the agencies' final business plans.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/2, para. 26 (a, b, c, e, g, h, i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/5).*

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to note the consolidated 2002 business plan of the Multilateral Fund, as contained in UNEP/OzL.Pro/ExCom/36/8/Rev.1 and Add.1, and to convey its appreciation to Implementing Agencies for taking into account the Executive Committee's strategic planning approach by increasing the number of country-driven and compliance-driven projects in drafting their 2002 business plans;
- (b) to adopt a phase-out target from approved projects and activities amounting to 15,936 ODP tonnes for investment projects and 624 ODP tonnes for non-investment projects, and a disbursement target of US \$106.28 million for investment projects;
- (c) to maintain projects and activities in the 2002 business plan for countries with sectoral data discrepancies in the light of Decision 35/57;

- (d) to request the Implementing Agencies to submit to the 37th Meeting addenda to their 2002 final business plans in the light of any modification to the level of resource allocation for 2002;
- (e) to adopt a weighting of 10 points for the performance indicator “timely submission of progress reports” with 5 points for submission of the report on time and 5 points for submission of a revision and responses to questions within five working days after receipt of comments.
- (f) noting that the overall coordination of projects was the responsibility of the country concerned, that:
  - (i) when CFC or ODS terminal phase-out plans were being prepared for a country, the country concerned should ensure that one agency assumed coordination for all related sectors and brought forward complete national proposals for the approval of the Executive Committee;
  - (ii) implementing and bilateral agencies should coordinate among themselves when preparing activities for phase-out of ODS in the servicing sector, with a view to bringing to the Executive Committee one complete national proposal for the servicing sector, in line with the principles and requirements of Decision 31/48 on Refrigerant Management Plans (RMP);
  - (iii) implementing and bilateral agencies should also coordinate among themselves and with the Fund Secretariat in their business planning for 2003 to ensure that countries that were at risk of non-compliance with either the halon or methyl bromide freezes and were still eligible for projects in those sectors were given special consideration;
- (g) to request the Secretariat to monitor the approved and planned forward commitments in the context of business planning and reporting on progress;
- (h) also to request the World Bank to provide the Secretariat with estimated figures for its forward commitments for 2003 and beyond before the end of the present Meeting and to report to the Executive Committee thereon.

*(UNEP/OzL.Pro/ExCom/36/36, Decision 36/5, para. 38).*

*(Supporting document: UNEP/OzL.Pro/ExCom/36/8/Rev.1 and Add.1).*

### **Consolidated business plan of the Multilateral Fund for the year 2003**

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to note the consolidated 2003 business plan of the Multilateral Fund contained in UNEP/OzL.Pro/ExCom/39/8/Rev.1;
- (b) to adopt 2003 phase-out targets of 22,936 ODP tonnes for consumption and 10,663 ODP tonnes for production, and a 2003 disbursement target of US \$121 million for activities financed by the Multilateral Fund;
- (c) to request the Secretariat:
  - (i) to identify funds not required in the current business plan year beginning with 2003 for possible allocation to the next business plan year for the needs of the Implementing Agencies in assisting Article 5 Parties to meet their compliance targets;
  - (ii) to propose for consideration by the Executive Committee at its 40th Meeting, criteria for the redeployment of identified funds to additional projects designed to meet additional compliance needs of Article 5 Parties to assist in early phase-out and/or maintain momentum.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/6, para. 37).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/8/Rev.1).*

Also, at its Thirty-ninth Meeting, the Executive Committee decided not to consider project proposals for phase-out that was not included in the 2003-2005 phase-out plan of the Multilateral Fund until the availability of funding for accelerated phase-out had been clarified and appropriate criteria for approval had been adopted.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/49, para. 87).*

### **Revised resource allocation for the 2003-2005 triennium**

The Fortieth Meeting of the Executive Committee decided:

- (a) to note with appreciation the 2003-2005 business plan letters submitted by the Governments of Spain, Switzerland and the United States of America and the amendments to the 2003-2005 business plans of Canada, Czech Republic, France, Germany, Hungary and Sweden as contained in UNEP/OzL.Pro/ExCom/40/11, Add.1 and Add.2/Rev.1, the business plan submitted by Japan immediately preceding the 40th Meeting of the Executive Committee and summarized orally by the representative of



Japan at the Executive Committee Meeting, as well as the information that a business plan letter would shortly be received from Austria;

- (b) to request contributing Parties that had indicated their interest in undertaking bilateral projects during the triennium but had not submitted specific information with regard to such projects to do so as soon as possible and at a minimum to submit business plans prior to the 42nd Meeting of the Executive Committee, indicating, to the extent practicable, the following information:
  - (i) the projects planned to be submitted during the triennium;
  - (ii) the estimated value of each planned project; and
  - (iii) the phase-out associated with each planned project, where applicable;
- (c) to urge contributing Parties to prioritize, for inclusion in their three-year business plans, projects required for countries to comply with impending Montreal Protocol control measures, using as a basis the three-year phase-out plan of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/6, para. 36).*

*(Supporting document: UNEP/OzL.Pro/ExCom/40/11, Add.1 and Add.2/Rev.1).*

### **Consolidated business plan of the Multilateral Fund for the years 2004-2006**

The Forty-second Meeting of the Executive Committee decided:

- (a) to note the report on financial planning as contained in documents UNEP/OzL.Pro/ExCom/42/4 and Corrs.1 and 2;
- (b) to adopt a resource allocation of US \$237 million for 2004 and US \$178 million for 2005, with any remaining funds from 2004 to be allocated to 2005;
- (c) to note that all projects in the bilateral and Implementing Agencies' 2004 business plans for accelerating phase-out and maintaining momentum could be considered for funding in 2004.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/3 (a, b, c), para. 32 (a-c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/4 and Corrs. 1 and 2).*

The Forty-second Meeting of the Executive Committee decided:

- (a) to note the consolidated 2004-2006 business plan of the Multilateral Fund as contained in UNEP/OzL.Pro/ExCom/42/6 and Corr.1;
- (b) to invite Executive Committee members to submit proposals on qualitative performance indicators to the Secretariat by 31 July 2004;
- (c) to request the Implementing Agencies and the Secretariat to consider further the proposals on qualitative performance indicators, taking into account any proposals received from Executive Committee members, and to report thereon to the 44th Meeting of the Executive Committee; and
- (d) also to request the Secretariat to present the development over time of the performance indicators for each Implementing Agency, in the consolidated business plan, to enable comparison and evaluation of their performances.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/5, para. 40).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/6 and Corr.1).*

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to note the report on the status of the 2004 business plans as contained in documents UNEP/OzL.Pro/ExCom/44/5 and Add.1 and the submission of priority projects as requested in decision 43/3 (c) (iii); and
- (b) having agreed that the need for a special funding window for accelerated phase out and maintaining momentum would have to be based on the availability of funds remaining after considering the funding required for projects to meet compliance needs that would be contained in the 2005 business plans of bilateral and Implementing Agencies, to consider the need for a funding window for accelerating phase-out and maintaining momentum in the context of the 2005 business plans to be submitted to the 45th Meeting.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/3, para. 38).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/5 and Add. 1).*

### **Consolidated business plan of the Multilateral Fund for the years 2005-2007**

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to note the consolidated 2005-2007 business plan of the Multilateral Fund (including its impact on the funding window as per decision 44/3 and status of compliance) as contained in document UNEP/OzL.Pro/ExCom/45/5;
- (b) to maintain metered dose inhaler (MDI) transition strategies in countries with no remaining funding eligibility;
- (c) in the light of decision XVI/13 of the Parties, to establish a funding window amounting to US \$15.2 million for the chiller sector in 2005;
- (d) to request the Secretariat to prepare a study, with input from the Implementing Agencies, on criteria and modalities for chiller demonstration projects, including how different regional funds for the chiller sector might come into operation, taking into account proposals submitted and comments made during the current Meeting, for consideration at the 46th Meeting, examining issues such as fairness of funding and any limits on the number or cost of projects to be funded, etc.;
- (e) to handle HCFC survey projects in the manner prescribed in decision 45/6;
- (f) to maintain in the business plan any CTC/TCA/methyl bromide projects for countries with a very low volume of consumption;
- (g) to defer consideration of ODS destruction projects until the 46th Meeting;
- (h) to note that, although planned activities exceeded the 2005 budget, it was expected that, based on historic performance, the funds actually approved were likely to be lower than those planned and therefore within the budget for the 2003-2005 triennium, enabling the Executive Committee to fulfil the Parties' directive to fully commit the 2003-2005 budget, pursuant to decision XIV/39 of the Parties;
- (i) to note that, in the light of the expected availability of funds for all projects in the business plans and the fact that the business plans for 2005 included projects for accelerating phase-out and maintaining momentum, there was no need for a special funding window for that purpose; and
- (j) to urge bilateral and multilateral Implementing Agencies to increase their efforts to implement approved projects to facilitate the 2005 reductions in consumption and production of controlled substances, bearing in mind that 96,734 ODP tonnes were scheduled to be phased out in 2005 from approved projects.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/4, para. 39).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/5/).*

### **Consolidated business plan of the Multilateral Fund for the years 2006-2008**

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to note the consolidated 2006-2008 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/48/6;
- (b) to urge bilateral and multilateral implementing agencies to increase their efforts to implement approved projects to facilitate achieving the 2007 reduction in controlled substances, noting that 42,175 ODP tonnes were scheduled to be phased out in 2006 from approved projects; and
- (c) to request bilateral and implementing agencies to strive to have as many terminal phase-out management plans as possible from their 2007 business plans ready for submission to the 50th Meeting of the Executive Committee, provided that the conditions in decisions 45/54 and 46/17 had been met, and on the understanding that the Executive Committee would consider funding the first tranche of those terminal phase-out management plans should sufficient funds be available.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/4, para. 41).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/6/).*

### **Consolidated business plan of the Multilateral Fund for the years 2007-2009**

Having considered the priorities for the 2006-2008 triennium for the US \$61 million not directly required for compliance with control measures up to the year 2010, the removal or maintenance of any non-priority activities in the 2007-2009 business plans, the need for the development of further guidance on eligible incremental costs for HCFC activities, the report on HCFC surveys by UNDP, and Germany's study on HCFC consumption and production in China, the Fifty-first Meeting of the Executive Committee decided:

- (a) to note the 2007-2009 consolidated business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/51/6 without prejudice to consideration of the individual business plans;

- (b) to regard the following areas as priorities when allocating the US \$61 million in unallocated funds to activities not required for compliance, according to the compliance-oriented, model rolling three-year phase out plan for 2007-2009:
- (i) additional funding initiatives outside the budget, namely:
    - a. additional activities/studies currently outside the budget, on a case-by-case basis;
    - b. CFC solvents;
    - c. Activities in countries that were currently not Parties, on the understanding that funds would not be disbursed until the country had become a Party;
    - d. terminal phase-out management plan (TPMP) preparation and a TPMP for Armenia;
    - e. institutional strengthening, on a case-by-case basis;
    - f. methyl bromide (MB) consumption in Parties that had not ratified the Copenhagen Amendment, on the understanding that funds would not be disbursed until ratification had occurred, not even for project preparation;
    - g. acceleration of CFC production phase-out;
  - (c) also to consider the following areas as priorities, on a case-by-case basis:
    - (i) combating illegal trade;
    - (ii) halon not required by model rolling three-year phase-out plan;
    - (iii) accelerated MB phase-out;
    - (iv) MB non-investment projects;
    - (v) metered-dose inhaler activities, in accordance with decision 51/34;
  - (d) to remove HCFC activities and ODS disposal from the 2007-2009 business plans for the time being on the understanding that those issues would be considered at the first meeting of the Executive Committee in 2008; and
  - (e) to urge bilateral and implementing agencies to increase their efforts to implement approved projects to facilitate achieving the 2007 reduction in controlled substances, noting that 35,945 ODP tonnes were scheduled to be phased out in 2007 from approved projects.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/5 para. 58).*

*(Supporting document: UNEP/OzL.Pro/ExCom/51/6)*

### **Consolidated business plan of the Multilateral Fund for the years 2008-2010**

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to note the consolidated 2008-2010 business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/54/6;
- (b) with respect to HCFC activities:
  - (i) to request the Secretariat to include an HCFC analysis in future versions of the compliance-oriented model/three-year phase-out plan;
  - (ii) to request implementing agencies to include tonnage for all HCFC activities, excluding preparatory projects, based on current practices or any modifications subsequently approved by the Executive Committee;
  - (iii) to remove from the business plans HCFC demonstration and investment activities and associated project preparation, and costs related to technical assistance for start-up, and to reconsider including those activities in the business plans at the 56th Meeting in the light of decision 54/39;
- (c) to remove ODS disposal activities from the business plans but to maintain project preparation for Japan's ODS destruction demonstration project, on the understanding that it would not be submitted until 2009, as well as the study on ODS disposal pursuant to the conditions agreed in the context of the Executive Committee's consideration of the World Bank's business plan (see decision 54/10).

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/5 para. 49(a,b, c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/6).*

### **Consolidated business plan of the Multilateral Fund for the years 2009-2011**

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to note:
  - (i) the consolidated 2009-2011 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/57/7;
  - (ii) with concern that the amounts in the business plans exceeded the budget for the triennium owing largely to the uncertainty in the costing of HCFC activities;
- (b) that requests for HCFC investment projects and sector plans should be consistent with the requirements of decision 54/39 and provide an indication of how those investment projects related to the HPMP and an indication of when the HPMP would be submitted;
- (c) that the value of annual tranches for HCFC multi-year agreement activities should be considered in HPMP proposals in the light of budgetary restrictions;
- (d) to urge bilateral and implementing agencies to continue their efforts to implement approved projects to ensure the expected phase-out of 8,836 ODP tonnes in 2009;
- (e) to request the Secretariat to prepare, for the 59th Meeting, a strategic analysis to assist the Executive Committee in providing guidance to the bilateral and implementing agencies on how to equitably allocate, in their 2010 and 2011 business plans, funds for all eligible Article 5 countries to enable them to comply with the HCFC 2013 freeze and the 2015 10 per cent reduction, within the limits of available resources. The strategic analysis should take into consideration any decisions on HCFC costs and funding eligibility taken by the Executive Committee prior to the 59th Meeting, and present options on how funding could be allocated, taking into account countries' total HCFC consumption and the sectoral distribution of that consumption;
- (f) to remove from the implementing agencies' business plans:
  - (i) all metered-dose inhaler strategies;
  - (ii) all HCFC production components;
  - (iii) all HCFC foam demonstration projects except:

Country	Agency	Sector / Sub-sector	Total value of demonstration project (US \$)	Total ODS (ODP tonnes)	Project preparation (US \$000)
Brazil	UNDP	Validation of methylal in foams	499,000	0.0	0
China	World Bank	Demonstration of pre-blended hydrocarbon polyol for foam system house	1,000,000*	60.0	86
China	World Bank	Use of hydrocarbon blowing agents in the insulation foam for solar energy water heaters	840,000	20.0	32
China	World Bank	Replace HCFC-141b with liquid carbon dioxide in spray foam applications	323,000	20.0	32
Egypt	UNDP	Validation of low cost hydrocarbons in foams	462,000	0.0	32

\*An indicative cap on the value of this project was applied to the activity.

- (iv) all HCFC refrigeration demonstration projects, noting that the project in Jordan had been reclassified as an investment project;
- (v) all HCFC solvent demonstration projects;
- (vi) all ODS disposal projects except:

Country	Agency	Project	Total value of demonstration project (US \$)	Total ODS (ODP tonnes)	Project preparation cost (US \$)
Brazil	UNDP	ODS disposal project	753,000	75	43,000

Country	Agency	Project	Total value of demonstration project (US \$)	Total ODS (ODP tonnes)	Project preparation cost (US \$)
Ghana	UNDP	ODS disposal project	753,000	75	32,000
Indonesia	World Bank	ODS disposal project	0	60	54,000
Mexico	UNIDO	ODS disposal project	645,000	40	86,000
Philippines	World Bank	ODS disposal project	0	12	54,000
Turkey	UNIDO	ODS disposal project	538,000	14	65,000
Regional: Asia and the Pacific	Japan	ODS demonstration project	200,000	Not available	Not specified

- (g) to include in Annex III to the present report the list of ODS disposal projects removed from the business plans and explanations of those maintained in the business plans with respect to selection criteria; and
- (h) to request the Secretariat to prepare a document containing criteria and guidelines for the selection of ODS disposal projects for consideration of the Committee at its 58th Meeting, taking into account decision XX/7 of the Twentieth Meeting of the Parties, and the contact group discussions on ODS disposal project selection held at the 57th Meeting.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/6 para.61).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/7).*

The Fifty-ninth Meeting of the Executive Committee decided to allow additional HCFC projects that demonstrated alternative or new technology and that could provide the information required by decision 55/43 to be included in the 2010 business plans of the bilateral and implementing agencies. This also covered demonstration projects to determine the effectiveness of low-global warming potential (GWP) alternatives to HCFCs in the air conditioning and refrigeration sector in high ambient temperature areas in Article 5 countries, as requested in decision XXI/9 of the Twenty-First Meeting of the Parties.:

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/9 para.60).*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/11).*

**Consolidated business plan of the Multilateral Fund for the years 2010-2012**

The Sixtieth Meeting of the Executive Committee decided:

- (a) To note the consolidated 2010-2012 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/60/7 and the fact that it addressed activities for compliance with the 2015 control measures of the Montreal Protocol;
- (b) To adopt a budget of US \$193.9 million for 2010, while noting the budget of US \$203 million for 2011, established by decision 57/4;
- (c) To modify the multi-year agreement amounts in the agencies' business plans to reflect the records of the Fund Secretariat;
- (d) To integrate terminal phase-out management plan activities beyond 2010 and those planned for Somalia into HCFC phase-out management plans;
- (e) To request the bilateral and implementing agencies to consider the need for methyl chloroform activities in Haiti and the Democratic People's Republic of Korea;
- (f) To amend the business plans of the bilateral and implementing agencies according to the model rolling three-year phase-out plan for institutional strengthening projects;
- (g) To remove new project preparation requests for ODS disposal included in the business plans, except those required by decision 59/10 and requests for countries that had been considered at the 59th Meeting;
- (h) To modify the allocation for the ODS disposal activity in China in the business plans of Japan to US \$1,320,000 for 100 ODP tonnes and of UNIDO to US \$1,320,000 for 100 ODP tonnes;

- (i) To request the bilateral and implementing agencies at the 61st Meeting to suggest a level of funding for ODS activities in low-volume-consuming (LVC) countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties;
- (j) To establish a resource allocation for HCFC production in the business plans amounting to US \$147,000,000 for the period 2010 to 2014, guided by the amount suggested by the UNEP's Technology and Economic Assessment Panel in its Assessment of the Funding Requirements for the Replenishment of the Multilateral Fund for the Period 2009-2011;
- (k) To maintain activities in the business plans for additional HCFC demonstration projects beyond those for which project preparation had already been approved;
- (l) To maintain activities in the business plans for HCFC demonstration projects with no phase-out;
- (m) To remove from the business plans activities for HCFC demonstration projects to be submitted after 2010;
- (n) To modify the business plans for HPMP, HCFC demonstration and HCFC investment project preparation to correspond to the values approved for such activities in the light of decisions 55/13 and 56/16;
- (o) To request:
  - (i) A status report on establishing or modifying licensing systems, legislation and regulations pursuant to funding provided through decision 54/39(e) to address the accelerated phase out of HCFCs, to be submitted to the 61st Meeting in the context of the agencies' progress reports;
  - (ii) That the business plans to be submitted to the 61st Meeting address planning for the period 2010 to 2014 and the 63rd Meeting 2011 to 2014; and
  - (iii) Implementing agencies to indicate in their submissions to the 61st Meeting and in future business plans:
    - a. The level of HCFC phase-out, by chemical, for example HCFC-22 and HCFC-141b; and
    - b. The level of climate co-benefits that could be achieved through HCFC phase-out activities required to achieve compliance;
- (p) To request the bilateral and implementing agencies to revise their 2010-2012 business plans to take into account the criteria for funding HCFC phase-out in the consumption sector adopted by the Executive Committee (see decision 60/44), and in particular:
  - (i) To ensure that the selection of projects in the business plans was consistent with the cut-off date applicable to HCFC-based capacity;
  - (ii) To include projects for second-stage conversions when they were necessary, and/or the most cost-effective projects in the manufacturing sector, to facilitate the compliance of Article 5 countries with HCFC control measures up to and including the 2020 reduction step;
  - (iii) To adjust the indicative costs of HCFC projects in the business plans to reflect the relevant parameters agreed with respect to incremental operating costs, phase-out costs in the refrigeration servicing sector, and cost-effectiveness thresholds; and
  - (iv) To ensure that for each Article 5 country included in the business plans, the year or years of HCFC consumption used to calculate the quantity of HCFC tonnage to be funded for phase-out to achieve compliance with the 2013 HCFC freeze and 2015 HCFC 10 per cent reduction corresponded to one of the two agreed options for the starting point for aggregate sustained reductions;
- (q) To request the bilateral and implementing agencies to submit their revised business plans to the 61st Meeting of the Executive Committee taking into account the above, and
- (r) To request the Secretariat to prepare a revised consolidated business plan for the 61st Meeting based on the revised business plans submitted.

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/5 para.57).*

*(Supporting document: UNEP/OzL.Pro/ExCom/60/7).*

### **Revised 2010-2014 consolidated business plan of the Multilateral Fund**

The Sixty-first Meeting of the Executive Committee decided:

- (a) To note the revised consolidated business plan for the years 2010-2014 contained in documents UNEP/OzL.Pro/ExCom/61/7 and Corr.1, as adjusted, on the understanding that the costs and ODP values

related to HCFCs were only indicative and did not restrict the submission of projects to those costs and values;

- (b) To consider, at its 62nd Meeting, the issue of financing activities to meet the 2013 freeze target at future Executive Committee meetings as part of the project approval process;
- (c) For countries for which ODP values in the business plans submitted by the bilateral and implementing agencies exceeded the calculated starting point, to reduce the total ODP tonnage to reflect the calculated starting points as per decision 60/5(p)(iv) and pro-rated by agency;
- (d) To reduce the HCFC investment component tonnage for Colombia in Canada's business plan to zero tonnage;
- (e) To remove the HCFC phase-out management plan for Sri Lanka from the World Bank's business plan;
- (f) To maintain terminal phase-out management plan and national phase-out plan entries for activities initially approved in 2008 or 2009 for Burundi, Eritrea and Iraq and allow for their submission up to the 63rd Meeting;
- (g) To apply the cost-effectiveness values for the foam and refrigeration sectors (converted to US \$/ODP) in the category "Combined Replenishment Study and Decision 60/44(f)" in Table 1 of document UNEP/OzL.Pro/ExCom/61/7/Corr.1, plus a 25 per cent climate premium as provided for in decision 60/44(f)(iv), including agency fees, to the ODP tonnages in the business plans as adjusted by sub-paragraphs (c) and (d) above for those sectors; and
- (h) To allocate US \$22,190,000 included in the adjusted business plans of the bilateral and implementing agencies from the 2010 and 2011 business plans for HCFC investment projects in non-low-volume-consuming countries that had not yet been approved, based on the overall ratio of reductions to the values in the business plans for the years 2010 and 2011 applied equally to all relevant bilateral and implementing agencies for the 2012-2014 triennium, pro rated by entry.

*(UNEP/OzL.Pro/ExCom/61/58, Decision 61/5 para.30).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/61/7 and Corr.1).*

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2010 business plans as contained in documents UNEP/OzL.Pro/ExCom/62/5 and Add.1 and the fact that US \$44.2 million in activities required for compliance had not been submitted to the 62nd meeting;
  - (ii) With appreciation, that all annual tranches of multi-year agreements due for submission had been submitted on time to the 62nd meeting;
  - (iii) The reports provided by UNDP, UNEP and UNIDO on their dialogue with countries on the 2009 business plans' qualitative performance evaluations; and
- (b) To request UNIDO to implement decision 61/17(d) with respect to Kyrgyzstan and to report to the 63rd meeting on the results of its consultations.

*(UNEP/OzL.Pro/ExCom/62/62, Decision 62/3, para.22).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/62/5 and Add.1).*

#### **Consolidated business plan of the Multilateral Fund for the years 2011-2014**

The Sixty-third Meeting of the Executive Committee decided:

- (a) To endorse the 2011-2014 consolidated business plan of the Multilateral Fund, as adjusted by the Secretariat and the Executive Committee and contained in document UNEP/OzL.Pro/ExCom/63/7, while noting that endorsement denoted neither approval of the projects identified therein nor their funding or tonnage levels, and:
  - (i) That the global project for information, communication and education activities in the development and implementation of a knowledge portal for HCFC phase out and HCFC phase-out management plan (HPMP) implementation could be implemented under the existing resources of UNEP's Compliance Assistance Programme (CAP);
  - (ii) To maintain the activities in the business plan for those countries that had already received funding to

- phase out more than 10 per cent of their estimated baseline/starting point;
- (b) To maintain current levels of funding for institutional strengthening for business planning purposes until such time as a decision had been taken on the actual levels;
  - (c) To set a window for ODS destruction for low-volume-consuming countries, pursuant to decision XXI/2 of the Twenty-first Meeting of the Parties, amounting to US \$3 million;
  - (d) To allow the modification of performance indicators based on data in the business plans only if new Executive Committee decisions were applied to adjust the business plans submitted;
  - (e) To monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet those commitments;
  - (f) That:
    - (i) Project preparation could be funded for stage II activities and might be included prior to the completion of stage I in business plans for the years 2012-2014;
    - (ii) The duration of the next business plan should be only for the next triennium 2012-2014, and include any multi-year funding after 2014;
  - (g) To remove the UNDP HPMP activities for Gambia (the) from UNDP's business plan, as requested by the Government of the Republic of the Gambia;
  - (h) To remove the UNDP individual foam project for Argentina from UNDP's business plan, as requested by the Government of Argentina, and to include the individual foam project in the World Bank's business plan;
  - (i) To transfer the HPMP preparation and the relevant lead agency role in Argentina from UNDP to UNIDO;
  - (j) To agree that any additional project preparation activity funding should be deducted from the funding eligibility for the HPMP if a country chose to assign an implementing agency other than the one originally approved to conduct the HPMP and to request the initial implementing agency to transfer the results of the HPMP preparation to the new implementing agency; and
  - (k) To request bilateral and implementing agencies to agree on a distribution of the tonnage for HPMPs, followed by agreement with the relevant countries, and to report to the 64th meeting on the agreement.

*(UNEP/OzL.Pro/ExCom/63/60, Decision 63/5 para.39).*

*(Supporting document: UNEP/OzL.Pro/ExCom/63/7).*

The Sixty-fourth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2011 business plans as contained in documents UNEP/OzL.Pro/ExCom/64/5 and Add.1, and the fact that US \$64.9 million in activities in plans required for compliance had not been submitted to the 64th meeting;
  - (ii) The information on annual tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by the World Bank as contained in document UNEP/OzL.Pro/ExCom/64/5;
  - (iii) That three out of four annual tranches of MYAs due for submission had been submitted on time to the 64th meeting; and
- (b) To request the World Bank to work with the Government of India to expedite the signing of the agreements for the accelerated CFC production sector closure project (IND/PRO/59/INV/435) as soon as possible to enable the second tranche of the agreement to be submitted to the 65th meeting.

*(UNEP/OzL.Pro/ExCom/64/53, Decision 64/3, para.27).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/64/5 and Add.1).*

The Sixty-fifth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2011 business plans as contained in document UNEP/OzL.Pro/ExCom/65/5;
  - (ii) The information on annual tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP and UNIDO, as contained in document UNEP/OzL.Pro/ExCom/65/5;
  - (iii) That two out of five annual tranches of MYAs due for submission had been submitted on time to the 65th



meeting;

- (b) That the balance of the 2011 budget would be included in the carry-over calculation for the next triennium to be addressed in the context of the funding requirements for 2012-2014;
- (c) That the balance of US \$453,747 set aside for a special funding facility, as per decision 55/2(b), would be included in the carry-over calculation;
- (d) To request the Secretariat to send a letter to:
  - (i) The Government of Armenia to urge the submission of the second tranche of its HCFC phase-out management plan (HPMP) to the 67th meeting; and
  - (ii) The Government of Nigeria to urge the submission of the second tranche of its HPMP to the 66th meeting.

*(UNEP/OzL.Pro/ExCom/65/60, Decision 65/3, para.30).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/65/5).*

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2012-2014 business plans and tranche submission delays contained in documents UNEP/OzL.Pro/ExCom/67/5 and Add.1;
  - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP, UNEP, UNIDO and Germany, as shown in Table 7 in document UNEP/OzL.Pro/ExCom/67/5;
  - (iii) That seven out of 18 tranches of MYAs due for submission had been submitted on time to the 67th meeting;
  - (iv) That the total value of Germany's business plan for the 2012-2014 triennium was within Germany's allocation for bilateral activities;
- (b) To encourage implementing agencies to submit requests to enable funding for all remaining eligible countries that had not yet received funding for stage I HCFC phase-out activities during the current triennium and to take into account business plan allocation; and
- (c) To request the Secretariat to send letters to the Governments of Brazil, Chile, the Islamic Republic of Iran, Mexico and Saint Lucia urging the submission of the second tranches of their HCFC phase-out management plans to the 68th meeting.

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/4, para.27).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/67/5 and Add.1).*

### **Consolidated business plan of the Multilateral Fund for the years 2012-2014**

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) To endorse the consolidated 2012-2014 business plan of the Multilateral Fund, as contained in documents UNEP/OzL.Pro/ExCom/66/7 and Add.1 as further 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, and based on its consideration:
  - (i) To adjust the business plans of the bilateral and implementing agencies as proposed by the Secretariat in documents UNEP/OzL.Pro/ExCom/66/7 and Add.1;
  - (ii) To also adjust the business plans of the bilateral and implementing agencies by applying the cost-effectiveness threshold of US \$6.92/kg to all foam projects, including those in the rigid polyurethane foam sector;
  - (iii) To limit new HCFC phase-out activities that would exceed a 10 per cent reduction of the baseline to no more than a 35 per cent reduction of the baseline in non-low-volume-consuming countries for those activities in the business plan that had not yet been submitted;
  - (iv) To maintain in the business plans of the bilateral and implementing agencies only those ODS destruction projects for which project preparation funds had already been approved by the Executive Committee;
  - (v) To remove phase-out activities involving swing plants, pending an Executive Committee decision on funding eligibility for swing plants, on the understanding that requests for such activities could be

reintroduced into the business plans of the implementing agencies after the Executive Committee had agreed on the HCFC production sector guidelines, as appropriate;

- (vi) To remove activities for the United Arab Emirates on the understanding that the Executive Committee would defer the request of the United Arab Emirates for assistance from the Multilateral Fund to a future meeting to allow more time for discussion with the country;
- (vii) To further adjust all new activities in the business plan to the budget allocation for the 2012-2014 triennium;
- (b) To maintain the project for promoting alternatives to HCFCs in air-conditioning sectors in high ambient temperature countries in West Asia in the business plan for 2012, with adjusted funding of US \$250,000 for the entire project;
- (c) To request the Fund Secretariat, in cooperation with the implementing agencies, to prepare guidelines for stage II of HCFC phase-out management plan preparation in the light of any comments raised during the meeting, including options for phase-out up to the 2020 control target and for total phase-out in accordance with the Montreal Protocol schedule, and to present a first draft of such guidelines to the 69th meeting of the Executive Committee;
- (d) To request the Fund Secretariat to discontinue climate impact data reporting at the business plan stage of project consideration; and
- (e) To monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet commitments for both the HCFC consumption and production sectors.

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/5, para.37).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/66/7 and Add.1).*

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2012-2014 business plans and tranche submission delays as contained in documents UNEP/OzL.Pro/ExCom/68/5 and Add.1;
  - (iv) The reports provided by UNEP and the World Bank on their discussions with countries on the 2011 business plan's qualitative performance evaluations;
- (b) To request:
  - (i) UNEP to report to the 69th meeting on the action taken for projects in Haiti to improve training components and fund transfer and to provide sufficient technical advice for technology decision-making;
  - (ii) The bilateral and implementing agencies to address in their 2013-2015 business plans those activities not submitted in 2012 as planned, as contained in Annexes IV and V to the present report;
  - (iii) The Secretariat:
    - a. Through its coordination meeting with bilateral and implementing agencies to adjust all new activities in the 2013-2015 business plans for 2013 and 2014 to the budget allocation for the 2012-2014 triennium and for up to an allocation of US \$150 million for all activities in 2015, for planning purposes;
  - (iv) The Secretariat and bilateral and implementing agencies to take into account the planned commitments and standard activities in business planning for new activities in 2015, assuming continued Compliance Assistance Programme, institutional strengthening, core unit and project preparation for HPMPs at current rates, with growth as allowed by existing decisions, for planning purposes.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/3, para.31).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/68/5 and Add.1).*

### **Consolidated business plan of the Multilateral Fund for the years 2013-2015**

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To endorse the consolidated 2013-2015 business plan of the Multilateral Fund contained in documents UNEP/OzL.Pro/ExCom/69/6 and Corr.1 as further 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;
- (b) To adjust the value in the business plans for the production sector to maintain overall activities within the budget for the triennium;
  - (c) To remove the following projects:
    - (i) The ODS alternative mapping studies from UNDP's business plan;
    - (ii) The global project on bridging technology innovation gaps from UNEP's business plan;
    - (iii) The HCFC phase-out management plan (HPMP) for the Democratic People's Republic of Korea from the business plans of UNIDO and UNEP;
    - (iv) Funding for the methyl bromide technical assistance project in Ethiopia from UNIDO's business plan;
  - (d) To add to UNEP's business plan stage II of the HPMP project preparation funds for Kiribati in the amount of US \$22,600 in the year 2018;
  - (e) To postpone the inclusion of the HPMPs for Libya and Tunisia in UNIDO's business plan to 2014;
  - (f) To reinstate the investment activities for stage II of the HPMP for Mexico in UNIDO's business plans for 2014 taking into account decision 64/45(e);
  - (g) To request a bilateral or implementing agency to include funding for stage I of the HPMP for Botswana in its business plan;
  - (h) To allow UNEP to include the logical framework analysis tables in the compliance assistance programme (CAP) budget document rather than in its business plan, as had been required by decision 48/7(d);
  - (i) To allow the submission of ODS destruction projects where project preparation had already been approved in accordance with the approved guidelines no later than the 72nd meeting of the Executive Committee;
  - (j) To move funding for the institutional strengthening project for Qatar to 2014 in UNIDO's business plan;
  - (k) To request the Secretariat and the implementing agencies to address the issue raised by the World Bank concerning performance indicators to be submitted to the 70th meeting; and
  - (l) To request the Senior Monitoring and Evaluation Officer and the implementing agencies to agree a schedule for the submission of project completion reports.

*(UNEP/OzL.Pro/ExCom/69/40, Decision 69/5, para.47).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/69/6 and Corr.1).*

**Consolidated business plan of the Multilateral Fund for the years 2014-2016**

The Seventy-first Meeting of the Executive Committee decided:

- (a) To note the consolidated 2014-2016 business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/71/7;
- (b) To add to the 2014 business plans those multi-year agreement and institutional strengthening activities from the 2013 business plans that had not been submitted or not approved at the 71st meeting;
- (c) To remove activities in the refrigeration servicing sector in Bosnia and Herzegovina from Italy's business plan;
- (d) To request bilateral and implementing agencies:
  - (i) To submit stage I HCFC phase-out management plan (HPMP) activities for Botswana not included in the business plans;
  - (ii) In future business plans:
    - a. To provide a distribution of tonnage for HPMPs according to the cost effectiveness of the overall HPMP agreement;
    - b. To indicate project funding requirements based on the estimated tonnage required to achieve the next scheduled reduction;
    - c. To indicate those countries for which business plan entries represented a 100 per cent phase-out in accordance with decision 62/10; and
- (e) To endorse the consolidated 2014-2016 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.

*(UNEP/OzL.Pro/ExCom/71/64, Decision 71/18 para.71).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/71/7).*

The Seventy-second Meeting of the Executive Committee decided:

- (a) To note the update on the implementation of the 2014-2016 business plan of the Multilateral Fund and cash flow availability, as contained in documents UNEP/OzL.Pro/ExCom/72/5 and Add.1, and the remaining activities required/not required for compliance, as contained in Annex II to the present report; and
- (b) To request the Secretariat to continue to monitor cash flow availability in the update on the implementation of the 2014-2016 business plan to be submitted to the 73rd meeting.

*(UNEP/OzL.Pro/ExCom/72/47, Decision 72/3 para.34).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/72/5 and Add.1).*

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the update on implementation of the 2014-2016 business plan and cash-flow availability (decision 72/3(b)) contained in document UNEP/OzL.Pro/ExCom/73/5; and
- (b) To add to the 2015-2017 business plan the activities from the 2014 business plan that had not been approved in 2014, as contained in Annex II to the present report.

*((UNEP/OzL.Pro/ExCom/73/62, Decision 73/3, para.24(c)).31).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/73/5).*

### **Consolidated business plan of the Multilateral Fund for the years 2015-2017**

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the consolidated 2015-2017 business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/73/18;;
- (b) To adjust the business plan as recommended by the Secretariat in document UNEP/OzL.Pro/ExCom/73/18;
- (c) To further adjust the business plan as proposed during the discussion by the Executive Committee and/or the presentation of the business plans by bilateral and implementing agencies by:
  - (i) Prorating new HCFC activities so that the total budget for the 2015 2017 business plan reflected the decision of the Twenty-sixth Meeting of the Parties on the level of replenishment of the Multilateral Fund for the 2015 2017 triennium;
  - (ii) Removing:
    - a. Project preparation activities for stages I and II of HCFC production phase-out management plans (HPPMPs);
    - b. Activities in stage I of HPPMPs that had not previously been approved;
    - c. The project for technical assistance for the HCFC servicing sector in the Asia and Pacific region;
    - d. Those demonstration projects for alternatives with low global-warming potential (GWP) and district cooling feasibility studies in the business plan so that any demonstration projects and district cooling feasibility studies might be considered by the Executive Committee;
    - e. Project preparation for district cooling feasibility studies unless such project preparation was deducted from the allocation for district cooling indicated in decision 72/40;
- (d) To request that demonstration projects for low-GWP alternatives and technical assistance for feasibility studies in district cooling, be submitted as per decision 72/40(b), without a requirement for those activities to be included in business plans;
- (e) To request bilateral and implementing agencies to include in their business plans activities in stage II of the HCFC phase-out management plan (HPMP) for Kenya; and
- (f) To endorse the consolidated 2015-2017 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 approval of their funding or tonnage levels, on the understanding that agencies would place significantly greater emphasis on HCFC phase-out in the foam sector in stage II of the HPMPs included in their business plans for the 2016-2018 period.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/27 para.98).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/71/18).*

The Seventy-fourth Meeting of the Executive Committee decided:

(a) To note:

(i) The update on the implementation of the consolidated 2015-2017 business plan of the Multilateral Fund and financial planning for the triennium 2015-2017, as contained in documents UNEP/OzL.Pro/ExCom/74/5, Corr.1 and Add.1;

(ii) That US \$7,608,250 in activities pursuant to decision XXVI/9 (paragraph 4), which had not been included in the 2015-2017 business plans, had been submitted to the 74th meeting;

(iii) That the total estimated costs of the project preparation requested and proposed demonstration projects for low global-warming potential (GWP) alternatives exceeded the funding window of US \$10 million established by decision 72/40;

*((UNEP/OzL.Pro/ExCom/74/56, Decision 74/3, para.34(a)(i)-(iii)).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/74/5 & Corr.1).*

The Seventy-fifth Meeting of the Executive Committee decided:

(a) To note:

(i) The update on the implementation of the 2015–2017 business plans contained in documents UNEP/OzL.Pro/ExCom/75/5 and Add.1;

(ii) That activities amounting to US \$28,467,046 in the 2015 business plan had not been submitted to the 75th meeting, but that several of those activities had been included in the business plans of the bilateral and implementing agencies for the year 2016;

(b) With regard to actions to fully utilize the budget of the 2015-2017 triennium as per decision XXVI/10 of the Twenty-Sixth Meeting of the Parties:

(i) To encourage bilateral and implementing agencies, in agreements for stage II of HCFC phase-out management plans, to carefully plan the timing and value of tranches to reduce possible carryovers from late submissions; and

(ii) To note that Article 5 countries for which multiple tranche requests had been submitted to the same meeting due to major delays in implementation would submit revised plans of action to take into account the reallocation of the outstanding tranches.

*((UNEP/OzL.Pro/ExCom/75/85, Decision 75/3, para.38)).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/74/5 & Add.1).*

### **Consolidated business plan of the Multilateral Fund for the years 2016-2018**

The Seventy-fifth Meeting of the Executive Committee decided:

(a) To note the consolidated business plan of the Multilateral Fund for 2016–2018 contained in document UNEP/OzL.Pro/ExCom/75/21;

(b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/75/21;

(c) To further adjust the business plan by adding to the 2016 business plan the HCFC phase out management plans (HPMPs) from the 2015 business plan that had been deferred at the 75th meeting;

(d) To request bilateral and implementing agencies to include in their business plans project preparation for stage II of the HPMPs for Kenya and the Syrian Arab Republic; and

(e) To endorse the consolidated business plan of the Multilateral Fund for 2016–2018, as adjusted in subparagraphs (b) and (c) above, while noting that endorsement denoted neither approval of the projects identified therein nor their funding or tonnage levels.

*((UNEP/OzL.Pro/ExCom/75/85, Decision 75/22, para.126)).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/74/21).*

The Seventy-sixth meeting of the Executive Committee decided:

(a) To note the update on the status of implementation of the 2016–2018 consolidated business plan of the Multilateral Fund contained in documents UNEP/OzL.Pro/ExCom/76/5, Add.1 and Add.1/Corr.1;

*UNEP/OzL.Pro/ExCom/76/66, Decision 76/3, para 35(a)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/76/5 and Add.1).*

The Seventy-seventh meeting of the Executive Committee took note of the update on the status of implementation of the 2016-2018 consolidated business plan of the Multilateral Fund contained in documents UNEP/OzL.Pro/ExCom/77/5 and Add.1;

*UNEP/OzL.Pro/ExCom/77/76, para 28.*  
*(Supporting document: UNEP/OzL.Pro/ExCom/77/5 and Add.1).*

### **Consolidated business plan of the Multilateral Fund for the years 2017-2019**

The Seventy-seventh meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/20;
- (b) To adjust the business plan:
  - (i) As proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/77/20;
  - (ii) By adding to the 2017 business plan the HCFC phase-out management plans (HPMPs) and institutional strengthening projects from the 2016 business plan that had been deferred at the 77th meeting;
  - (iii) Based on decisions taken and the values for HPMPs approved or revised in principle at the 77th meeting;
- (c) To request bilateral and implementing agencies to include in the business plans activities under stage II of the HPMPs for Kenya and Syrian Arab Republic;
- (d) To endorse the consolidated business plan of the Multilateral Fund for 2017–2019, adjusted as per subparagraphs (b)(i) to (iii) above, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels; and
- (e) To request the implementing agencies each to provide a detailed report to the 79th meeting on the feasibility studies of using not-in-kind technologies.

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/27, para 100)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/77/20).*

The Seventy-ninth meeting of the Executive Committee decided:

- (a) To note the update on the status of implementation of the 2017–2019 consolidated business plan contained in documents UNEP/OzL.Pro/ExCom/79/17 and Add.1; and
- (b) Further to note that US \$9,700,228 for HFC-related activities in the manufacturing sector pursuant to decision 78/3(g) had been submitted to the 79th meeting, but that it had not been included in the 2017–2019 consolidated business plan.

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/23, para 82)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/79/17 & Add.1).*

The Eightieth Meeting of the Executive Committee took note of the update on the implementation of the 2017-2019 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/80/14.

*(UNEP/OzL.Pro/ExCom/80/59, para 107)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/80/14).*

### **Consolidated business plan of the Multilateral Fund for the years 2018-2020**

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2018–2020 contained in document UNEP/OzL.Pro/ExCom/80/16;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/80/16;
- (c) To further adjust the business plan as proposed at the 80th meeting during the discussions and/or during the presentation of the business plans by bilateral and implementing agencies:
  - (i) By adding to the 2018 business plan HCFC phase-out management plans (HPMPs) and institutional strengthening activities from the 2017 business plan that had been deferred at the 80th meeting;

- (ii) By taking into account the values approved in principle for new HPMPs at the 80th meeting;
- (iii) By removing:
  - a. Activities related to stage III of HPMPs;
  - b. Project activities related to the Democratic People's Republic of Korea;
- (iv) By adjusting the agency support cost for HFC enabling activities to seven per cent of the project costs;
- (v) By prorating, pursuant to any decision taken by the Twenty-Ninth Meeting of the Parties on the level of replenishment of the Multilateral Fund for the 2018–2020 triennium, new HCFC and HFC activities in order to reach the total budget for the 2018–2020 business plan;
- (d) To request bilateral and implementing agencies to include in their business plans the activities in stage II of the HPMPs for Mauritania and Syrian Arab Republic that had not been included;
- (e) To endorse the consolidated business plan of the Multilateral Fund for 2018–2020, as adjusted according to sub-paragraphs (b) and (c) above, while noting that endorsement denoted neither approval of the projects identified therein nor their funding or tonnage levels; and
- (f) To request the Secretariat to submit to the 81<sup>st</sup> meeting a document on the implications for Multilateral Fund institutions in terms of expected workload in the coming years, including in relation to the Kigali Amendment for the phase-down of HFCs.

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/34, para 114)*

*(Supporting document: UNEP/OzL.Pro/ExCom/80/16).*

The Eighty-first Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The update on the implementation of the consolidated 2018–2020 business plan of the Multilateral Fund and financial planning for the triennium 2018–2020 as contained in document UNEP/OzL.Pro/ExCom/81/12;
  - (ii) That US \$21,912,004 in HFC phase-down activities had been submitted to the 81<sup>st</sup> meeting, including US \$11,290,807 that had not been included in the 2018–2020 business plan;
- (c) To urge bilateral and implementing agencies to submit all projects and activities endorsed in the business plan in order to utilize fully the resources available during the for 2018–2020 triennium; and
- (d) To consider the availability of cash flow for the 2020 budget at the last meeting of 2019 in light of: the collection of interest; the unexpected return of unused balances from projects/Agreements; the payment of pledges from triennia prior to the previous replenishment; any losses due to non-payment of pledges expected from the previous replenishment; and any losses or gains due to the fixed-exchange-rate mechanism.

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/27(a)(i-ii),(c),(d), para 96)*

*(Supporting document: UNEP/OzL.Pro/ExCom/81/12).*

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The update on the status of implementation of the 2018–2020 consolidated business plan of the Multilateral Fund, contained in document UNEP/OzL.Pro/ExCom/82/23; and
  - (ii) That US \$4,120,570 in HFC phase-down activities had been submitted at the 82<sup>nd</sup> meeting, including US \$2,959,457 that had not been included in the 2018–2020 business plans.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/43).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/23).*

### **Consolidated business plan of the Multilateral Fund for the years 2019–2021**

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2019–2021 contained in document UNEP/OzL.Pro/ExCom/82/25;
- (b) To adjust the business plan:
  - (i) As proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/82/25;
  - (ii) Further as proposed at the 82<sup>nd</sup> meeting during the discussions and/or during the presentation of the business plans by bilateral and implementing agencies:
    - a. By adding to the 2019 business plan HCFC phase-out management plans (HPMPs) from the 2018

- business plan that had been deferred at the 82<sup>nd</sup> meeting;
- b. By taking into account the values approved in principle for new HPMPs at the 82<sup>nd</sup> meeting;
- (c) To allow:
- (i) The inclusion of stage III of HPMPs in the 2019–2021 consolidated business plan only for those countries that had had stage II of an HPMP approved to meet a reduction target by 2020;
- (ii) The inclusion of project preparation for stage III of HPMPs in the 2019–2021 consolidated business plan for those countries for which stage II of the HPMP went beyond 2020, with the understanding that requests for project preparation would not be submitted more than two years before the end date of stage II of the HPMP; and
- (d) To endorse the consolidated business plan of the Multilateral Fund for 2019–2021, as adjusted according to sub paragraphs (b) and (c) above, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/45).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/25).*

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note:
- (i) The update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/83/13;
- (ii) That HFC phase-down activities submitted to the 83<sup>rd</sup> meeting amounted to US \$1,849,684, including US \$64,200 for activities not included in the 2019–2021 business plans.

*(UNEP/OzL.Pro/ExCom/83/48, Decision 83/46).*

*(Supporting document: UNEP/OzL.Pro/ExCom/83/13).*

The Eighty-fourth Meeting of the Executive Committee decided to note:

- (a) The update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/84/24; and
- (b) That US \$2,539,511 in HFC phase-down activities had been submitted to the 84<sup>th</sup> meeting, including US \$1,101,777 that had not been included in the 2019–2021 business plans.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/44).*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/24).*

### **Consolidated business plan of the Multilateral Fund for the years 2020-2022**

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/26;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/84/26;
- (c) To further adjust the business plan as proposed at the 84<sup>th</sup> meeting during the discussions and/or during the presentation of the business plans by bilateral and implementing agencies:
- (i) By adding to the 2020 business plan HCFC phase-out management plans (HPMPs) from the 2019 business plan that had been deferred at the 84<sup>th</sup> meeting; and
- (ii) By taking into account the values approved in principle for new HPMPs at the 84<sup>th</sup> meeting;
- (d) To reinstate stage I of the HCFC production phase-out management plan and project preparation for India;
- (e) To allow the submission of activities related to stage III of HPMPs for countries with an approved stage II of HPMPs with reduction targets below the 2025 compliance targets;
- (f) To reinstate HFC phase-down preparation activities for countries that had not ratified the Kigali Amendment but had submitted a letter indicating their Government's intent to make best efforts to ratify the Kigali Amendment;
- (g) To reinstate activities in the 2022 business plan related to HFC phase-down management plans submitted by countries that had ratified the Kigali Amendment; and
- (h) To endorse the consolidated business plan of the Multilateral Fund for 2020–2022, as adjusted by the Secretariat and the Executive Committee, taking into consideration relevant decisions taken at the 84<sup>th</sup> meeting,



while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/46).*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/26).*

**Consolidated business plan of the Multilateral Fund for the years 2021-2023**

The Eighty-seventh Meeting of the Executive Committee noted:

- (a) The update on the status of implementation of the 2021–2023 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/87/11;
- (b) That the total value of activities submitted to the 87<sup>th</sup> meeting amounted to US \$22,042,297 (including US \$8,802,041 for HFC-related activities), of which US \$1,003,880 was associated with project proposals not included in the 2021 business plan; and
- (c) With appreciation, the report provided by UNIDO on the outcome of its discussions with the Government of Iraq on the issues raised in the assessment of its qualitative performance, in line with decision 86/8(b).

*(UNEP/OzL.Pro/ExCom/87/58, para.95).*

*(Supporting document: UNEP/OzL.Pro/ExCom/87/11).*

**Consolidated business plan of the Multilateral Fund for the years 2022-2024**

The Eighty-seventh Meeting of the Executive Committee noted:

- (a) To note the consolidated business plan of the Multilateral Fund for 2022–2024 contained in document UNEP/OzL.Pro/ExCom/88/22;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/88/22;
- (c) To further adjust the business plan;
- (d) By adding to the 2022 business plan an HFC investment project that had been deferred at the 88<sup>th</sup> meeting;
- (e) By taking into account the values approved in principle for revised and new HPMPs at the 88<sup>th</sup> meeting;
- (f) To allow the submission of activities related to stage III of HPMPs including project preparation for countries with an approved stage II of HPMP with a reduction target beyond 2024;
- (g) To reinstate the global HFC technical assistance project “Twinning of Ozone Officers and National Energy Policymakers to support Kigali Amendment Objectives”; and
- (h) To endorse the consolidated business plan of the Multilateral Fund for 2022–2024, as adjusted by the Secretariat and the Executive Committee taking into consideration relevant decisions taken at the 88<sup>th</sup> meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

*(UNEP/OzL.Pro/ExCom/88/79, Decision 88/34).*

*(Supporting document: UNEP/OzL.Pro/ExCom/88/22).*

The Ninetieth Meeting of the Executive Committee noted:

- (a) The update on the status of implementation of the 2022–2024 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/90/11;
- (b) That the total value of activities submitted to the 90<sup>th</sup> meeting amounted to US \$18,550,280 (including US \$2,872,500 for HFC-related activities), of which US \$1,043,745 was associated with project proposals not included in the 2022 business plan; and
- (c) With appreciation, the report provided by UNIDO on the outcome of its discussion with the Government of Iraq on the issues raised in the assessment of its qualitative performance, in line with decision 88/8(b).

*(UNEP/OzL.Pro/ExCom/90/40, Decision 90/29).*

*(Supporting document: UNEP/OzL.Pro/ExCom/90/11).*

The Ninety-first Meeting of the Executive Committee noted:

- (a) The update on the status of implementation of the 2022–2024 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/91/20; and
- (b) That the total value of activities submitted to the 91<sup>st</sup> meeting amounted to US \$83,048,165 (including US \$4,829,989 for HFC-related activities), of which US \$18,297,605 was associated with project

proposals not included in the 2022 business plan.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/29).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/20).*

**Consolidated business plan of the Multilateral Fund for the years 2023-2025**

The Ninety-first Meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2023–2025 contained in document UNEP/OzL.Pro/ExCom/91/22;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/91/22;
- (c) To adjust the business plan further:
  - (i) By adding to the 2023 business plan projects and activities that had been deferred at the 91st meeting;
  - (ii) By taking into account the values approved in principle for revised and new HCFC phase out management plans (HPMPs) at the 91st meeting;
- (d) To allow Nigeria to submit stage IV of its HPMP in 2025 and the request for the associated project preparation in 2023;
- (e) To maintain the energy-efficiency activities for Cambodia and Kyrgyzstan, which had agreements for the complete phase-out of HCFCs, noting that the implementing agencies concerned did not have any remaining HPMP tranches to request on behalf of those countries; and
- (f) To endorse the consolidated business plan of the Multilateral Fund for 2023–2025, as adjusted by the Secretariat and the Executive Committee, taking into consideration relevant decisions taken at the 91<sup>st</sup> meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/31).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/22).*

The Ninety-second Meeting of the Executive Committee noted:

- (a) The update on the status of implementation of the 2023–2025 consolidated business plan of the Multilateral Fund, as contained in document UNEP/OzL.Pro/ExCom/92/11; and
- (b) That the total value of activities as requested at the 92nd meeting amounted to US \$31,154,966 (including US \$3,822,128 for HFC-related activities), of which US \$1,544,028 was associated with project proposals not included in the 2023 business plan.

*(UNEP/OzL.Pro/ExCom/92/56, para. 97).*

*(Supporting document: UNEP/OzL.Pro/ExCom/92/11).*

The Ninety-third Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The update on the status of implementation of the 2023–2025 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/93/23;
  - (ii) That the total value of activities submitted to the 93rd meeting amounted to US \$100,567,379 (including US \$23,789,140 for HFC-related activities; US \$7,419,281 for pilot projects for energy efficiency; and US \$3,222,500 for the preparation of national inventories of banks of waste-controlled substances), of which US \$12,521,905 was associated with project proposals not included in the 2023 business plan; and
- (b) To allow, on an exceptional basis, bilateral and implementing agencies to submit, during 2024, projects for the preparation of national inventories of banks of waste-controlled substances under the funding window established pursuant to decision 91/66, even in cases where such projects had not been included in the agencies' business plans.

*(UNEP/OzL.Pro/ExCom/93/105, decision 93/26).  
(Supporting document: UNEP/OzL.Pro/ExCom/93/23).*

**Consolidated business plan of the Multilateral Fund for the years 2024-2026**

The Ninety-third Meeting of the Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2024–2026 contained in document UNEP/OzL.Pro/ExCom/93/25;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/93/25;
- (c) To further adjust the business plan:
  - (i) By adding to the 2024 business plan projects and activities that had been deferred at the 93rd meeting;
  - (ii) By taking into account the values approved in principle at the 93<sup>rd</sup> meeting for new HCFC phase-out management plans and Kigali HFC implementation plans; and
- (d) To endorse the consolidated business plan of the Multilateral Fund for 2024–2026, as adjusted by the Secretariat and the Executive Committee, taking into consideration relevant decisions taken at the 93<sup>rd</sup> meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

*(UNEP/OzL.Pro/ExCom/93/105, Decision 93/28).  
(Supporting document: UNEP/OzL.Pro/ExCom/93/25).*

The Ninety-fourth Meeting of the Executive Committee decided:

- (e) To note:
  - (iii) The update on the status of implementation of the 2024–2026 consolidated business plan of the Multilateral Fund and financial planning for the triennium 2024–2026 contained in document UNEP/OzL.Pro/ExCom/94/12;
  - (iv) That the total value of activities as requested at the 94th meeting amounted to US \$62,835,221, including US \$4,791,958 for HFC-related activities, US \$2,830,001 for pilot projects on energy efficiency and US \$2,418,400 for the preparation of national inventories of banks of waste-controlled substances, of which US \$5,994,565 was associated with project proposals not included in the 2024 business plan;
  - (v) With appreciation, the report provided by UNDP on the outcome of its discussions with the Government of the Dominican Republic on the issues raised in the assessment of its qualitative performance, in line with decision 93/8(b);
- (f) To adopt a resource allocation of US \$181 million in 2024, US \$392 million in 2025 and US \$392 million in 2026, with any unallocated funds to be allocated subsequently during the 2024–2026 triennium;
- (g) To urge implementing agencies to submit all projects and activities endorsed in the business plan in order to utilize fully the resources available during the 2024–2026 triennium; and
- (h) To consider the availability of cash flow for the 2026 budget at the last meeting in 2025 in light of the collection of interest, the unexpected return of unused balances from projects/agreements, the payment of pledges from trienniums prior to the replenishment for the period 2024–2026, any losses due to the non-payment of pledges expected from the replenishment for the period 2024–2026 and any losses or gains due to the fixed-exchange-rate mechanism.

*(UNEP/OzL.Pro/ExCom/94/67, Decision 94/15).  
(Supporting document: UNEP/OzL.Pro/ExCom/94/12).*

**STRATEGIC PLANNING OF THE MULTILATERAL FUND**

The Thirtieth Meeting of the Executive Committee decided:

- (a) that the question of strategic planning should be discussed informally immediately prior to the Thirty-first Meeting of the Executive Committee and should also be included in the agenda of that Meeting for formal consideration;
- (b) to request those members who had made detailed comments to submit them in written form to the Secretariat as early as possible;
- (c) to request the Secretariat to prepare a paper containing the above comments and to provide it, together with the information summary prepared by the meeting of the informal advisory group, held in Paris from 19-21 January 2000, to Executive Committee members for the informal discussions to be held immediately prior to the Thirty-first Meeting;
- (d) that the development of an overall strategy should be thorough and careful;
- (e) that, in the meantime, however, in order to facilitate the process, to request the Implementing Agencies involved with institutional strengthening in those Article 5 countries unable to comply with the CFC freeze and also with the 2002 freeze on halons and methyl bromide to contact urgently the National Ozone Units of the countries concerned to assess what activities may need to be undertaken to ensure compliance; and
- (f) to request the Implementing Agencies and the Secretariat to report to the Thirty-first Meeting of the Executive Committee on the results of the above contacts with the National Ozone Units with proposals for recommendations to be taken into account by the Executive Committee in their deliberations on activities of the Implementing Agencies.

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/57, para. 88).*

*(Supporting document: UNEP/OzL.Pro/ExCom/30/35).*

#### **Informal meeting on strategic planning**

The Thirty-first Meeting of the Executive Committee decided to hold a two-day informal meeting on strategic planning of the Multilateral Fund in the compliance period immediately prior to the Sub-Committee meetings preceding the Thirty-second meeting of the Committee.

*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/46, para. 73(a)).*

#### **Framework on the objective, priorities, problems and modalities for strategic planning**

At the Thirty-second Meeting, there was an exchange of views on the significance and consequences of adopting the “Draft framework on the objective, priorities, problems and modalities for strategic planning of the Multilateral Fund in the compliance period”. There was general agreement that the framework could not be used as a basis for action until certain points were elaborated further. It was also evident to the members that, in order to achieve the desired result, the steps required to make the framework a solid basis for formulating implementable strategic planning should be taken as soon as possible. The Executive Committee therefore decided:

- (a) to adopt the “Draft framework on the objective, priorities, problems and modalities for strategic planning of the Multilateral Fund in the compliance period”, annexed to the report of the second informal meeting on strategic planning of the Multilateral Fund in the compliance period (UNEP/OzL.Pro/ExCom/32/43), as the basis for future work in strategic planning;
- (b) to invite members of the Executive Committee to submit their ideas to the Secretariat for onward distribution to all members of the Executive Committee;
- (c) to invite members of the Executive Committee to exchange ideas on the issue;
- (d) to request the Secretariat of the Multilateral Fund to prepare an issue paper on this subject for submission to the Thirty-third Meeting of the Executive Committee;
- (e) to hold a discussion on the issue at the Thirty-third Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/75, paras. 92 and 93).*

*(Supporting document: UNEP/OzL.Pro/ExCom/32/43).*

The Executive Committee at its Thirty-third Meeting had a wide-ranging discussion on the issues raised in the document and reached a consensus on the need for a country-driven approach, allowing countries to retain the flexibility to determine the type of approach that would best enable Article 5 countries to meet their obligations under the Montreal Protocol. Representatives of several Article 5 countries emphasized the need for additional funding for capacity-building and institutional strengthening that would enable National Ozone Units to compile accurate data and to effect a smooth transition towards a country-driven approach. Several other representatives

emphasized that additional funding for such activities would need to be based on the understanding that Article 5 countries made a commitment to reduce national aggregate ODS consumption permanently. As some Article 5 country representatives stressed the need to consider the implications of this, it was understood that there would need to be further discussion of the issue before any use of such a concept. In discussing modalities for the new strategy, several representatives weighed its implications in relation to the roles and responsibilities of the various stakeholders, the issue of fixed shares for Implementing Agencies, the balance between investment and non-investment projects, and the need for clear administrative procedures. It was also noted that country programme updates and/or refrigerant management plans and their updates, could assist countries when preparing their national compliance strategies. It was noted that some representatives emphasized the importance of exchange of information between the Implementation Committee and the Executive Committee, which could be carried out by having the Chairs and Vice-Chairs of the respective Committees attend each other's meetings. The Executive Committee therefore decided:

- (a) to adopt as the basis for future work in strategic planning the framework on the objectives, priorities, problems and modalities for strategic planning of the Multilateral Fund in the compliance period (Annex I.13);
- (b) to request the Secretariat to prepare specific proposals for changes in procedures, implementation mechanisms, and modalities made necessary by paragraph (a) above on the understanding that it might not be possible or necessary to cover all topics at once and that consequently several papers might be needed for consideration at different future meetings of the Executive Committee;
- (c) to note that updates to country programmes and refrigerant management plans would provide Article 5 countries with a mechanism for national phase-out strategies and to encourage Article 5 countries to take advantage of that opportunity.

*(UNEP/OzL.Pro/ExCom/33/32, Decision 33/54, paras 82-87).*

*(Supporting document: UNEP/OzL.Pro/ExCom/33/30).*

The Thirty-fourth Meeting of the Executive Committee decided to take up the matter of extension of Decision 33/2, as outlined in paragraph 7 of document UNEP/OzL.Pro/ExCom/34/19, to other sectors in the context of its discussions on strategic planning under agenda item 7.

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/17, para. 36).*

*(Supporting document: UNEP/OzL.Pro/ExCom/34/19).*

### **Guide for resource planning for the triennium 2003-2005**

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to adopt document UNEP/OzL.Pro/ExCom/37/66 and Corr.1, in addition to document UNEP/OzL.Pro/ExCom/37/18 and Corr.1, as a flexible guide for resource planning for the 2003-2005 triennium;
- (b) to request the Secretariat to prepare, in collaboration with Implementing Agencies, bilateral agencies and Article 5 countries, a model rolling three-year phase-out plan for the Multilateral Fund, taking into account the results generated by the compliance-oriented model as included in Annex I to document UNEP/OzL.Pro/ExCom/37/66 and Corr.1, as well as UNEP/OzL.Pro/ExCom/37/18 and Corr.1;
- (d) to note that interested countries would produce conference room papers on the bidding concept and on alternative concepts for resource allocation, for consideration at the 38th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/68, para. 155 (a, b, d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/18, UNEP/OzL.Pro/ExCom/37/66 and Corr.1).*

The Thirty-ninth Meeting of the Executive Committee decided to express its deep appreciation for the work of the Secretariat in the transition period from project-driven to compliance-driven planning, and for the Chief Officer's extraordinary guidance, talent and innovation in general and in formulating a new funding method based on strategic planning for the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/2, para. 22(b)).*

### **MODEL THREE-YEAR PHASE-OUT PLAN**

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to note that the Multilateral Fund had been established to enable Article 5 countries to comply with the Montreal Protocol. The model three-year phase-out plan, as adjusted and corrected taking into account

actions taken at the 38th Meeting of the Executive Committee, inter alia, suggested the reductions that would presumably be needed over the next three years to enable the compliance of all Article 5 countries with the interim compliance measures that had to be met in 2005 and 2007;

- (b) to adopt the model three-year phase-out plan, as revised, as an important guide that should be considered by UNDP, UNIDO, the World Bank and, as appropriate, bilateral agencies, in the preparation of the annual and/or multi-year business plans of the agencies during the 2003 to 2005 triennium. The model may be further revised taking into consideration guidance provided by the 14th Meeting of the Parties, if any (and any further changes, consistent with and agreed under Decision 35/57 and related decisions as regards tables 1 to 4 of document UNEP/OzL.Pro/ExCom/38/58 and any changes agreed by the Secretariat and interested parties as regards tables 5 to 7, taking into account more detailed country specific information, where available);
- (c) to request UNDP, UNIDO the World Bank and bilateral agencies, as appropriate, to take into account the ODS phase-out generated by the model as a basis for the preparation of multi-year agreements and consider allocating the annual funding tranches accordingly;
- (d) that the Secretariat should report to the Executive Committee after each meeting of the Sub-Committee on Project Review regarding any changes or modification to the model three-year phase-out plan, and the possible implications that that may have for the approval of future projects presumed to be necessary to enable compliance;
- (e) to urge Article 5 countries and their co-operating Implementing Agencies to accelerate the pace of implementation during the 2003 to 2005 timeframes, considering that the model also demonstrates that compliance over the next three years will also rest on the timely implementation of the very large number of already approved but unimplemented projects;
- (f) to request the Secretariat to update the model at each last meeting of the Executive Committee of the calendar year for the following three years, in order to have a rolling model three-year ODS phase-out plan.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/66, para. 111).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/58).*

The Forty-first Meeting of the Executive Committee decided:

- (a) a status report on the process undertaken up to the 41st Meeting in implementing the Fund's three-year model phase-out plan; and
- (b) guidance on the funding allocations for the remainder of the triennium, including total allocations for 2004 and 2005, allocations of the Implementing Agencies and the bilateral agencies, and a possible allocation for a funding window on accelerated phase-out and maintaining momentum.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/81, para. 120).*

The Forty-second Meeting of the Executive Committee decided:

- (a) to note that the draft model three-year phase-out plan 2004-2006 presented in document UNEP/OzL.Pro/ExCom/42/5 had been used as the reference for the preparation of the 2004-2006 business plans of the Implementing Agencies;
- (b) to adopt the model three-year phase-out plan 2004-2006 as a reference for resource planning for the corresponding triennium;
- (c) to urge Article 5 countries with projects approved but not implemented and the cooperating implementing and bilateral agencies to accelerate the pace of implementation during the 2004-2006 triennium; and
- (d) to request the Secretariat to present an updated model three-year rolling phase out plan for the years 2005-2007 to the first meeting of the Executive Committee in 2005 in order to provide guidance, as appropriate, for the preparation of the 2005-2007 business plan of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/4, para. 37).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/5).*

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to adopt the 2005-2007 model three-year phase-out plan as a flexible guide for resource planning to phase out eligible ODS for the corresponding triennium, without prejudice to the level of funding to be agreed by the Parties for the 2005 2007 triennium;

- (b) to urge Article 5 countries with approved projects not yet implemented and the cooperating bilateral and Implementing Agencies to accelerate the pace of implementation during the 2005-2007 triennium;
- (c) to urge bilateral and Implementing Agencies to work with those countries that had been identified as needing immediate assistance to achieve the 2005 CTC and TCA phase-out targets and to include activities in their 2005-2007 business plans as appropriate; and
- (d) to request the Secretariat to present an updated model three-year rolling phase out plan for the years 2006-2008 to the last Meeting of the Executive Committee in 2005 to provide guidance as relevant for the preparation of the 2006-2008 business plan of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/5, para. 45).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/7 and Corr.1).*

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to adopt the 2006-2008 model three-year phase-out plan as a flexible guide for resource planning for the 2006-2008 triennium;
- (b) to urge Article 5 countries with approved but not implemented projects and the cooperating bilateral and implementing agencies to accelerate the pace of implementation during the 2006-2008 triennium;
- (c) to urge bilateral and implementing agencies to work with those countries that had been identified as needing immediate assistance to achieve the 2007 and 2010 Montreal Protocol's phase-out targets and to include activities in their 2006-2008 business plans as appropriate; and
- (d) to request the Secretariat to present an updated model three-year rolling phase out plan for 2007-2010 to the last meeting in 2006 to provide guidance, as relevant, for the preparation of the 2007-2009 business plan of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/5, para. 34).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/7).*

The Fiftieth Meeting of the Executive Committee decided:

- (a) to adopt the 2007-2009 model three-year phase-out plan (UNEP/OzL.Pro/ExCom/50/7) as a flexible guide for resource planning for the corresponding triennium;
- (b) to urge Article 5 countries with approved but not implemented projects and the cooperating bilateral and implementing agencies to accelerate the pace of implementation during the 2007-2009 triennium;
- (c) to urge bilateral and implementing agencies to work with those countries that had been identified as needing immediate assistance to achieve the 2007 and 2010 phase-out targets in the Protocol and to include activities in their 2007-2009 business plans as appropriate;
- (d) to request the Secretariat to present an updated model three-year rolling phase-out plan for the years 2008-2010 to the last Meeting of the Executive Committee in 2007 to provide guidance, as relevant, for the preparation of the 2008-2010 business plan of the Multilateral Fund; and
- (e) to note that:
  - (i) some 40,254.8 ODP tonnes of ODS consumption and 54,509.0 ODP tonnes of ODS production had yet to be phased out in approved multi-year sectoral and national phase-out plans;
  - (ii) some 37,971.0 ODP tonnes of ODS consumption and 40,724.8 ODP tonnes of ODS production had yet to be phased out in approved individual or umbrella projects; and
  - (iii) sixty-four refrigerant management plan projects for low volume consuming countries; 32 terminal phase-out management plans for low-volume-consuming countries; and 35 national ODS phase-out plans for non-low-volume-consuming countries were currently being implemented.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/5 para. 49).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/7).*

The Fifty-third Meeting of the Executive Committee decided:

- (a) to adopt the 2008-2010 model rolling three-year phase-out plan as a flexible guide for resource planning for the corresponding period;
- (b) to urge Article 5 countries with approved but not implemented projects, and the relevant implementing and bilateral agencies, to accelerate the pace of implementation during the 2008-2010 period;

- (c) to urge bilateral and implementing agencies to work with those countries that had been identified as in need of immediate assistance to achieve the Protocol's 2007 and 2010 phase-out targets, and to include activities in their 2008-2010 business plans as appropriate;
- (d) to request the Secretariat to present an updated model rolling three-year phase-out plan for the years 2009-2011 to the last Meeting in 2008 to provide guidance, as relevant, for the preparation of the 2009-2011 business plan of the Multilateral Fund;
- (e) to note that:
  - (i) in total about 57,885.5 ODP tonnes of ODS consumption and 54,455.0 ODP tonnes of ODS production had yet to be phased out during the remainder of 2007 and in the 2008-2010 period;
  - (ii) fifty-three terminal phase-out management plans (TPMPs) for low-volume-consuming (LVC) countries, 42 national ODS phase-out plans for non-LVC countries, and 10 phase-out plans in the production sector in five non-LVC countries were currently being implemented; and
  - (iii) national phase-out plans (NPPs) for two non-LVC countries and TPMPs for 31 LVC countries had yet to be submitted for consideration and approval by the Executive Committee.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/5 para. 44).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/7).*

The Fifth-sixth Meeting of the Executive Committee decided:

- (a) To adopt the 2009–2011 model three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium as contained in document UNEP/OzL.Pro/ExCom/56/7;
- (b) To urge Article 5 countries with approved but not implemented projects, and the relevant bilateral and implementing agencies, to accelerate the pace of implementation during the 2009–2011 triennium;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as in need of immediate assistance to achieve the 2010 Protocol's phase out targets, and to include activities in their 2009-2011 business plans as appropriate;
- (d) To request the Secretariat to present an updated model three-year rolling phase-out plan for the years 2010–2012 to the last meeting of the Executive Committee in 2009 to provide guidance, as relevant, for the preparation of the 2010–2012 business plan of the Multilateral Fund;
- (e) To note that:
  - (i) In total around 12,197.8 ODP tonnes of ODS consumption and 7,997.0 ODP tonnes of ODS production had yet to be phased out during the remainder of 2008 and in the 2009-2011 triennium;
  - (ii) The 2007 HCFC consumption and production reported by 144 Article 5 countries was 26,367.8 ODP tonnes and 30,581.3 ODP tonnes, respectively. The level of HCFC consumption had been estimated at 32,606 ODP tonnes in 2013 and the HCFC production would follow the demand;
  - (iii) Eighty-six terminal phase-out management plans (TPMPs) for low volume consuming (LVC) countries, 40 national ODS phase-out plans for non LVC countries, and 12 phase-out plans in the production sector in seven non LVC countries were currently being implemented; and
  - (iv) A national phase-out plan for one non-LVC country and TPMPs for 10 LVC countries had yet to be submitted for consideration and approval by the Executive Committee.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/5 para 43)*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/7).*

The Fifth-ninth Meeting of the Executive Committee decided:

- (a) To adopt the 2010-2012 model rolling three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium, noting the significant uncertainty with regard to the amount of HCFC consumption to be addressed during this period;
- (b) To urge Article 5 countries with approved but not implemented projects, and the relevant bilateral and implementing agencies, to accelerate the pace of implementation during the 2010-2012 triennium;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as being in need of immediate assistance to meet the 2010 Montreal Protocol phase-out targets, and to include activities



in their 2010 business plans as appropriate;

- (d) To request the Secretariat to present an updated model rolling three-year phase-out plan for the years 2011-2013 to the last Meeting of the Executive Committee in 2010 to provide guidance, as relevant, for the preparation of the 2011-2013 business plan of the Multilateral Fund; and
- (e) To note that:
  - (i) Some 17,704 ODP tonnes of ODS consumption and 6,018 ODP tonnes of ODS production had yet to be phased out in approved multi-year sectoral and national phase out plans during the remainder of 2009 and in the 2010-2012 triennium;
  - (ii) Some 19,780 ODP tonnes of ODS consumption had yet to be phased out in approved individual or umbrella projects (on the basis of the progress report submitted by bilateral and implementing agencies to the 58th Meeting of the Executive Committee);
  - (iii) Three refrigerant management plan projects for low-volume-consuming (LVC) countries approved in accordance with decision 31/48 (e.g., to achieve the 2005 and 2007 CFC phase-out targets on time); 98 terminal phase-out management plans for LVC countries; 41 national ODS phase-out plans for non-LVC countries; and 12 phase-out plans in the production sector in seven non-LVC countries were currently being implemented.

*(UNEP/OzL.Pro/ExCom/59/59 Decision 59/5 para 40)*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/7).*

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the model rolling three-year phase-out plan of the Multilateral Fund for the years 2011-2013, as contained in document UNEP/OzL.Pro/ExCom/62/7;
- (b) To urge Article 5 countries, with approved but not implemented projects, and the relevant bilateral and implementing agencies, to accelerate the pace of implementation during the period 2011-2013;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as being in need of immediate assistance to meet the 2013 and 2015 Montreal Protocol phase-out targets, and to include relevant activities in their 2011-2014 business plans, as appropriate;
- (d) To request the Fund Secretariat to present an updated model three-year rolling phase-out plan for the years 2013-2015 to the second meeting of the Executive Committee in 2012 to provide guidance, as relevant, for the preparation of a business plan for the Multilateral Fund for 2013-2015;
- (e) To note:
  - (i) That some 14,579.3 ODP tonnes of ODS consumption had yet to be phased out in approved multi-year sectoral and national phase out plans during the remainder of 2010 and in the period 2011-2013; and
  - (ii) That 41 national ODS phase-out plans for non-low-volume-consuming (non LVC) countries, 98 terminal phase-out management plans for LVC countries, and 12 phase-out plans in the production sector in seven non-LVC countries were currently being implemented.

*(UNEP/OzL.Pro/ExCom/62/62 Decision 62/5 para 29)*

*(Supporting document: UNEP/OzL.Pro/ExCom/62/7).*

Following clarification of the future status of the model rolling three-year phase-out plan, and its relationship to the planning process of the Multilateral Fund and to other documents, including that on status reports and compliance, the Executive Committee at its Sixty-sixth Meeting decided:

- (a) To note the 2013-2015 model rolling three-year phase-out plan contained in document UNEP/OzL.Pro/ExCom/67/7;
- (b) To urge bilateral and implementing agencies to work with those Article 5 countries that did not yet have an approved HCFC phase-out management plan (HPMP) to complete the preparation of their HPMPs and to submit them for the Executive Committee's consideration; and
- (c) To request the Secretariat to assess the HCFC compliance requirements for all Article 5 countries in the document on status reports and compliance to serve as a guide for preparation of the Multilateral Fund's business plan.

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/6 para 32)*

*(Supporting document: UNEP/OzL.Pro/ExCom/67/7).*

### PROMISSORY NOTES

The Eleventh Meeting of the Executive Committee decided that promissory notes do constitute committable resources and that the deposit of a promissory note would be considered to be payment of a country's contribution to the Fund.

The Twelfth Meeting of the Executive Committee decided that arrears for 1993 and prior years should be paid in cash in accordance with the decision taken at the Eleventh Meeting of the Executive Committee on establishing promissory notes for payment of future contributions. However, in view of the difficulties experienced by countries with economies in transition in meeting their obligations, the Executive Committee decided to extend to them the facilities of payment of their arrears through promissory notes.

*(UNEP/OzL.Pro/ExCom/12/37, para. 20).*

Promissory notes would be encashed on a fixed schedule with the option of accelerated encashment on demand by the Treasurer in light of needs on a pro rata basis. If there was a need for an accelerated encashment, notes deposited prior to 1994 should be encashed before accelerated encashment of notes deposited in 1994 or after was required.

The scheduling of draw down from 1994 promissory notes would begin in 1995. If the notes deposited before 1994 were encashed in totality in 1994, the draw down from 1994 promissory notes could begin in 1994.

*(UNEP/OzL.Pro/ExCom/11/36, para. 128).*

*(Supporting document: UNEP/OzL.Pro/ExCom/11/7).*

### Encashment schedule

The Twelfth Meeting of the Executive Committee agreed to adopt the following encashment schedule as an initial encashment schedule which could be modified later on the basis of experience gained:

Encashment dates	1994 portion scheduled	1995 portion scheduled	1996 portion scheduled
1 January 1995	1/6th 1994		
1 July 1995	1/6th 1994		
1 January 1996	1/6th 1994	1/6th 1995	
1 July 1996	1/6th 1994	1/6th 1995	
1 January 1997	1/6th 1994	1/6th 1995	1/6th 1996
1 July 1997	1/6th 1994	1/6th 1995	1/6th 1996
1 January 1998		1/6th 1996	1/6th 1995
1 July 1998		1/6th 1995	1/6th 1996
1 January 1999			1/6th 1996
1 July 1999			1/6th 1996

This schedule would be subject to acceleration in the light of needs. As also decided by the Committee, the schedule begins in 1995; if, however, notes deposited before 1994 were encashed in totality in 1994, the draw-down from 1994 notes could begin in 1994.

*(UNEP/OzL.Pro/ExCom/12/37, para. 31, and Annex II).*

*(Supporting document: UNEP/OzL.Pro/ExCom/12/4).*

The Executive Committee urged the Treasurer, in collaboration with the World Bank, to put in place modalities for transferring promissory notes from the Treasurer to the Bank, in consultation with the Parties concerned and as and when those Parties informed the Treasurer of their intention to pay their contributions in the form of promissory notes.

*(UNEP/OzL.Pro/ExCom/13/47, para. 31).*

The Twenty-first Meeting of the Executive Committee decided to express the hope that any outstanding issues related to the full use of promissory notes would be resolved by the time of the Twenty-second Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/21/36, Decision 21/1 d, para. 7).*

The Twenty-fifth Meeting of the Executive Committee decided that, in view of the significant shift in the composition of cash and promissory notes in the resources of the Multilateral Fund and operational needs, the Treasurer should have the flexibility to implement the Executive Committee decision on accelerated encashment on need, provided that any accelerated encashment was done on a pro-rata basis across all the promissory notes received by the Treasurer, to provide fairness, and with a reasonable period of time of advance notice.

*(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(b)).*

The Forty-first Meeting of the Executive Committee decided:

- (a) to request the Treasurer to provide a report to the 42nd Meeting of the Executive Committee on the historical use of promissory notes. For each promissory note submitted to date, the report should include: country of origin, denomination, date of submission, place of custody, deposit bank of account, date of final Treasurer encashment, any exchange rate loss or gain that resulted to the Fund from the use of the note, schedule of encashment or other stipulation (if any) included by the country concerned with the submission of the note, but should not be drafted with a view to limiting countries' right to use promissory notes;
- (b) also to request the Treasurer to report on rules and/or systems for the transparent and equitable encashment of promissory notes used in other forums, with a view to enabling the Executive Committee to determine the advisability of establishing more standardized rules for the use of promissory notes, and in an effort to ensure that the notes, as well as the contributions in cash, of all donors were treated equitably and exchange rate loss was minimized.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/4, para. 34).*

The Forty-second Meeting of the Executive Committee decided:

- (a) to take note of the additional information provided by the Treasurer; and
- (b) to request UNEP to complete the study on the encashment of promissory notes and submit a report thereon to the Executive Committee at its 43rd Meeting.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/44, para. 143).*

The Executive Committee at its Sixty-seventh Meeting decided:

- (a) To note:
  - (iii) The feedback received from the Government of Germany on the proposed accelerated encashment schedule to the effect that it would not be possible to accelerate encashment of such notes during the current replenishment period and that the German Parliament's approval would be required to accelerate the encashment of promissory notes during the next replenishment period;
  - (iv) That the encashment schedule for Germany's promissory notes for the 2012-2014 triennium went beyond the replenishment period and that some of the notes would be due for encashment between 2015 and 2017;
- (b) To request the Government of Germany to pursue with the relevant authorities the issue of encashment of Germany's promissory notes within the next replenishment period, and to inform the Executive Committee accordingly at its first meeting in 2014;

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/2, para. 23(a)(iii and iv) and (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/67/3).*

The Executive Committee at its Seventy-second Meeting decided:

- (d) To further urge the Government of Germany to continue to consider the accelerated encashment of its promissory notes during the replenishment period.

*(UNEP/OzL.Pro/ExCom/72/47, Decision 72/1, para. 27(d)).*

### **Exchange rate fluctuations**

The Twenty-fifth Meeting of the Executive Committee decided that contributing parties which issued promissory notes in currencies other than the United States dollar should be responsible for the upward or downward movement of the value of their promissory notes due to exchange rate fluctuations. The variance between the value of the note when it was deposited and the value of the note when it was cashed should be credited or debited to the account of the note-issuing party and reflected in the contribution due from the party in the following year.

*(UNEP/OzL.Pro/ExCom/25/68, Decision 25/2, para. 23(c)).*

### **CONCESSIONAL LOANS**

Assistance for investment projects shall generally be provided in the form of grants. However, where the investment project has a short payback period (e.g., one to two years), financing may take the form of highly concessional loans. If an Implementing Agency believes that a highly concessional loan is appropriate for a particular project, it shall recommend this action at the next meeting of the Executive Committee. The Committee shall make the final decision on the terms of assistance.

*(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (sections V.1, V.2, V.3)).*

**Facility for additional income from loans and other sources**

The Fifty-fifth Meeting of the Executive Committee decided to consider a facility for additional income from loans and other sources to be maintained and the potential uses of those funds.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/2(f), para. 29(b)).*

The Fifty-sixth Meeting of the Executive Committee decided to request that the discussions held at the 56th Meeting be taken into account when preparing a revision of the desk study on the evaluation of chiller projects and when preparing a policy paper on "a facility for additional income from loans and other sources" in response to decision 55/2.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/10 para 65).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/11/Add.1).*

The Fifty-seventh Meeting of the Executive Committee decided to request the Secretariat:

- (a) to take note of the document on the facility for additional income from loans and other sources (UNEP/OzL.Pro/ExCom/57/64).
- (b) to prepare a paper on a special funding facility within the Multilateral Fund, together with an executive summary. The paper should take into account the views that had been expressed at the 57th Meeting as compiled by the Secretariat, and would be posted on its intranet, together with any views received by the Secretariat during the intersessional period; and
- (c) to submit the revised paper to the Executive Committee at its 58th Meeting.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/37 para 192).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/64).*

The Fifty-eighth Meeting of the Executive Committee decided:

- (b) that the detailed account of the Executive Committee's discussion on the establishment of a facility for additional income and loans and other sources would be included in the Report of the Executive Committee to the Twenty-first Meeting of the Parties, together with a reference to the document considered by the Executive Committee on the subject (UNEP/OzL.Pro/ExCom/58/49);
- (c) to request the Secretariat to prepare a further concept paper for the 59th Meeting expanding on papers presented to date with respect to the elements raised at the 58th Meeting, and in particular, highlighting a definition of a facility and the added value of establishing a facility;
- (d) to request the Secretariat and the Treasurer to address the implications of optimally managing credits for climate change and other environmental benefits from the global carbon markets with a view to making that component of a facility operational;
- (e) to request the Secretariat to seek advice from external carbon market specialists on how the market might best be employed in the longer term in the context of a facility;
- (f) to accept the offer of the World Bank to make a representative from its Treasury Department available to the 59th Meeting of the Executive Committee to present mechanisms, such as advanced commitments, for dealing with additional financing and blending Multilateral Fund funds with carbon financing; and
- (g) to defer consideration of requests for resource mobilization pending further discussion on this topic.

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/37 para 171 (b, c, d, e, f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/58/49).*

The Fifty-ninth Meeting of the Executive Committee decided to request the Secretariat to consolidate the material presented during the Meeting on the Special Funding Facility, with any additional contributions submitted by Members by the end of 2009, into a single agenda item addressing both the Facility as well as any issues related to decision XIX/6 paragraph 11(b) of the Nineteenth Meeting of the Parties for consideration at its 60th Meeting.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/48 para 263f).*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/54).*

The Sixtieth Meeting of the Executive Committee decided to request the Secretariat to present the report of the Executive Committee on the special funding facility to the 30<sup>th</sup> Meeting of the of the Open-ended Working Group of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (OEWG), based on Annex V to document UNEP/OzL.Pro/ExCom/60/50, the "Excerpt from Report of the 59<sup>th</sup> Meeting of the Executive Committee, Agenda item 12: Further Concept Paper for a Special Funding Facility for Additional Income from Loans and Other Sources (decision 58/37)".

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/48 para 209).*

*(Supporting document: UNEP/OzL.Pro/ExCom/60/50).*

**Study on concessional loan mechanism**

The World Bank should be asked to prepare a study on how to set up a concessional loans mechanism; i.e., what options were available given current Implementing Agencies and their procedures, what steps would be required to put the mechanism in place, and to what extent could the Bank use its resources or the resources from other sources for phase-out in Article 5 countries.

*(UNEP/OzL.Pro/ExCom/16/20, para. 82e).*

The Twentieth Meeting of the Executive Committee decided:

- (a) to take note of the joint World Bank/Fund Secretariat document on concessional lending for ODS phase-out;
- (b) to take note of the information provided during the discussion in the Committee on the interest expressed by the Inter-American Development Bank in providing concessional loans for ODS phase-out and the possibility of mobilizing funding from other sources, including the private sector;
- (c) to note also the reservations expressed by some members of the Committee with respect to the provision of concessional loans from the Multilateral Fund;
- (d) that, in the light of the discussion at the current meeting of the Executive Committee, there was a need for a wider examination of the various possibilities of concessional lending for ODS phase-out;
- (e) to request the Secretariat and the World Bank to prepare for submission to the Executive Committee, through its Sub-Committee on Financial Matters, a further report exploring the practical options for providing concessional loans for ODS phase-out in Article 5 countries, *inter alia*, through regional development banks and the private sector.

*(UNEP/OzL.Pro/ExCom/20/72, Decision 20/39, para. 58).*

*(Supporting document: UNEP/OzL.Pro/ExCom/20/59).*

**Innovative funding**

The Twenty-first Meeting of the Executive Committee decided:

- (a) to invite the Secretariat and the Implementing Agencies to submit for the consideration of the Executive Committee an innovative proposal for a demonstration project or projects to illustrate how concessional lending and other forms of innovative funding, including financing from the private sector, can be used to advance the phase-out of ozone-depleting substances by providing funding for projects and activities that may or may not otherwise be eligible for full funding in the form of grants from the Multilateral Fund;
- (b) to approve the request of the World Bank for US \$60,000 toward the cost of a concessional financing study to be carried out by the International Finance Corporation with a view to providing the Executive Committee with a comprehensive report that would:
  - (i) explore ways in which private-sector finance can be mobilized to assist Article 5 countries in phasing out ozone-depleting substances, particularly in sectors with a good return on investments in ozone-friendly technologies;
  - (ii) provide a final theoretical overview of ways in which concessional funding and other forms of innovative funding, including on-lending, can be used to augment and make most effective use of the resources of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/21/36, Decision 21/39, para. 55).*

*(Supporting document: UNEP/OzL.Pro/ExCom/21/34).*

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the World Bank to consider how innovative funding could be applied to this or a similar project;
- (b) that any project along these lines should be considered in the context of the paper on concessional loans currently being prepared by the World Bank.

*(UNEP/OzL.Pro/ExCom/23/68, Decision 23/30, para. 55).*

The Twenty-fourth Meeting of the Executive Committee decided:

- (a) to request members of the Executive Committee to submit their thoughts on the issue of concessional loans, in writing, to the Secretariat by the end of April;
- (b) to request the Secretariat to circulate those views to all members of the Executive Committee before the Twenty-fifth Meeting of the Executive Committee;

- (c) to request the World Bank to submit to the Twenty-fifth meeting of the Executive Committee the results of its study on concessional loans, and to resubmit its project proposal on concessional loans in accordance with Decision 23/30; and
- (d) to undertake substantive discussion on the subject of concessional loans at its Twenty-fifth Meeting.  
(*UNEP/OzL.Pro/ExCom/24/47, Decision 24/62, para. 104*).

**Open-ended contact group on concessional lending**

The Twenty-fifth Meeting of the Executive Committee decided to establish an open-ended contact group, with no specific terms of reference to consolidate all views and formulate a consensus on concessional lending. The group should begin its discussions immediately and should report back to the next meeting of the Executive Committee.

(*UNEP/OzL.Pro/ExCom/25/68, Decision 25/53, para. 94*).

The convener of the Contact Group on Concessional Lending, which had held two meetings in Cairo during the Twenty-sixth Meeting of the Executive Committee, gave a report on the work of the group and said that its conclusions were as follows:

- (a) progress was made by the Group in getting a better understanding of both the fears of countries in initiating concessional financing, and the broad conceptual framework under which such financing could exist;
- (b) there was agreement that it would be useful to more fully develop potential models for such financing, and provide examples, which, to the degree possible, describe how the fears were addressed;
- (c) there was agreement that it would be useful to ask Implementing Agencies, bilateral donors, Article 5 countries and companies to, if they desired, bring forward innovative ideas in this area for the Executive Committee's consideration.

The Executive Committee took note of the presentation of the convener of the Contact Group on Concessional Lending and noted that the full report on its meetings would be circulated to all members of the Committee.

(*UNEP/OzL.Pro/ExCom/26/70 (paras. 81 and 82)*).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to request the Secretariat, in co-operation with the Implementing Agencies, to prepare a document for the Twenty-eighth Meeting of the Executive Committee containing a compendium of past decisions and describing experiences so far with loan components;
- (b) to request the Secretariat and the Implementing Agencies to collaborate on real-life scenarios, highlighting issues and problems that might be associated with them, including such concerns as the lack of management capacity in some countries and the fear of augmenting the national debt of countries that were already in economic crisis.

- (c) to consider this subject again at the Twenty-eighth Meeting.

(*UNEP/OzL.Pro/ExCom/27/48, Decision 27/84, para. 128*).

(*Supporting document: UNEP/OzL.Pro/ExCom/27/47*).

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the following principles presented by the representative of Canada and discussed by the Executive Committee:
  - (i) recipient Governments should not be required to assume additional official debt as a result of agreeing to Multilateral Fund projects that utilized more innovative financing arrangements;
  - (ii) if a country agreed to a project which included concessional lending or "innovative funding" arrangements, any funds which are eventually repaid to the project should be used, at the direction of the Executive Committee, to address further related needs within the same country;
  - (iii) the parameters of innovative financing projects must be tailored to meet the needs of the project being considered and the capacity of the recipient country;
  - (iv) the operation of concessional loans, or other innovative financing mechanisms, required an appropriate provision for administrative costs;
- (b) to invite the members of the Executive Committee to submit to the Secretariat comments on these four principles or further such principles required, to be incorporated into a broad framework document to be

considered at the Twenty-ninth Meeting of the Executive Committee;

- (c) to discuss the issue and principles at the Twenty-ninth Meeting, both as an item on the agenda and in a large-scale informal meeting.

*(UNEP/OzL.Pro/ExCom/28/57, Decision 28/48, para. 87).*

The Twenty-ninth Meeting of the Executive Committee decided to take note of the documents on the subject, including an analysis prepared by the World Bank on past experience with concessional loans, and the proposed framework contained in pages 4 and 5 of document UNEP/OzL.Pro/ExCom/29/59, as a useful basis for further discussion, and to seek the guidance of the Meeting of the Parties on how to proceed further.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/71, para. 113).*

The Thirtieth Meeting of the Executive Committee decided to include an item on concessional lending in the agenda of its Thirty-first Meeting.

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/2, para. 7).*

The Thirty-second Meeting of the Executive Committee decided to defer further consideration of concessional lending at this time.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/83, para. 105).*

The Thirty-third Meeting of the Executive Committee decided that concessional lending would be placed on the agenda of the Thirty-fourth Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/33/32, Decision 33/59 para. 101).*

### **Technical workshop on concessional lending**

The Thirty-fourth Meeting of the Executive Committee decided:

- (a) to consider the proposal for a technical workshop on concessional lending at its 35th Meeting;
- (b) to request the Secretariat, as preparation for that meeting:
- (i) to recirculate its document UNEP/OzL.Pro/ExCom/29/59, as well as the note produced by the representative of Canada, reporting on the informal meeting convened on 23 November 1999 during the 29th Meeting of the Executive Committee at Beijing;
  - (ii) to prepare a report containing a compilation of the experience of the World Bank, which had applied innovative funding modalities to projects financed by the Multilateral Fund in Mexico, Thailand and Turkey, as well as other relevant information that could facilitate the understanding of the process of concessional lending;
- (c) to take the proposal made by the Government of Japan as a basis of further discussion at its 35th Meeting, the text of which is reproduced as follows:

“The Executive Committee, having discussed the document submitted by the Government of Japan (UNEP/OzL.Pro/ExCom/34/CRP. 1 of 22 June 2001):

“(a) decides to approve the convening of a technical workshop, in a project to be implemented by the Government of Japan with the assistance of the Implementing Agencies, to:

“(i) promote exchange of views on the objectives and modalities of concessional lending including pros and cons to Article 5 countries among the Member Governments of the Executive Committee;

“(ii) deepen the understanding of operations of any practical and workable concessional lending schemes available within the United Nations system;

“(iii) review relevant experience of the Fund and the Implementing Agencies as well as Article 5 countries in innovative financing in this field;

“(b) requests the Government of Japan in co-operation with the Secretariat and interested Implementing Agencies to make substantive and the relevant logistical arrangements for the convening of the workshop in a most cost-effective manner, at a time in which the Japanese Government deems appropriate by the end of June 2002, on the understanding that the agencies should make substantive contributions based on their experience in this area; and

“(c) requests the Secretariat and, as appropriate, the agencies to report on the findings of the workshop to the 37th Meeting of the Executive Committee.

“(d) requests the Executive Committee at its 34th Meeting to approve US \$[75,000] to support the participation

of the relevant experts and resource persons from Article 5 countries. This amount should be offset against Government of Japan's 2001 contribution to the Multilateral Fund.”

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/69, para. 118).*

*(Supporting document: UNEP/OzL.Pro/ExCom/34/CRP.1).*

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to take note with appreciation of the information paper provided by the World Bank on innovative financing for effective ODS phase-out;
- (b) to approve the convening of a technical workshop, in the context of a project to be implemented by the Government of Japan with the assistance of the Implementing Agencies, to:
  - (i) promote exchange of views on the objectives and modalities of concessional lending including pros and cons, among Article 5 countries members of the Executive Committee;
  - (ii) deepen the understanding of operations of any practical and workable concessional lending schemes available within the United Nations system;
  - (iii) review relevant experience of the Fund and the Implementing Agencies, as well as Article 5 countries, in innovative financing in this field;
- (c) to request the Government of Japan, in co-operation with the Secretariat and interested Implementing Agencies, to make the substantive and relevant logistical arrangements for the convening of the workshop in the most cost-effective manner at a time deemed appropriate by the Japanese Government, preferably back-to-back with the meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol, to be held at the end of December 2002, on the understanding that the agencies would make substantive contributions based on their experience in this area;
- (d) also to request the Secretariat and, as appropriate, the agencies to report on the findings of the workshop to the next appropriate Meeting of the Executive Committee;
- (e) to approve US \$75,000, on an exceptional basis, to support the substantive and relevant logistical arrangements, including the participation of Executive Committee members from Article 5 countries and the relevant experts and resource persons from Article 5 countries. This amount should be offset against the Government of Japan's 2001 contribution to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/61, para. 134).*

### **Report of the Fund Secretariat on the technical workshop on concessional lending**

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to note with appreciation the report of the Fund Secretariat on the Technical Workshop on Concessional Lending (UNEP/OzL.Pro/ExCom/38/67 and Corr.1) as well as the report of UNEP on the proceedings of the workshop (UNEP/OzL.Pro/ExCom/38/Inf.2);
- (b) to express gratitude to the Government of Japan for the convening of the technical workshop with the assistance of UNEP;
- (c) to note that the technical workshop served for useful exchange of views between Article 5 countries and non-Article 5 countries on concessional lending;
- (d) to further note that the respective reports contained useful information on the modalities of concessional lending and their practical applications;
- (e) to acknowledge the significant progress achieved in discussing the issue of concessional lending at the technical workshop and at the Thirty-eighth Meeting of the Executive Committee;
- (f) to include an item on concessional lending on the agenda of the 39th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/75, para. 144).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/38/67, 38/67/Corr.1 and UNEP/OzL.Pro/ExCom/38/Inf.2).*

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to defer consideration of the issue to the Forty-first Meeting of the Executive Committee;
- (b) to request the Secretariat to prepare historical documentation on concessional lending for distribution to members of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/57, para. 112).*



The Forty-first Meeting of the Executive Committee decided:

- (a) to note that, having reviewed the experiences of the Multilateral Fund and the progress made in the implementation of the projects on highly concessional terms approved to date for Article 5 countries, the Implementing Agencies and the Article 5 countries concerned had accumulated sufficient useful competence and expertise to further identify and implement projects with innovative financing; and
- (b) to request the Secretariat, the Implementing Agencies and bilateral agencies to continue to explore opportunities and possibilities for carrying out more pilot and demonstration projects in countries that wished to do so in order to illustrate how concessional lending or other innovative financial mechanisms could be used in accordance with Article 10 of the Montreal Protocol and thereby facilitate and/or advance national compliance with the Protocol, and to report from time to time to the Executive Committee and to the Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/96, para. 155).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/83).*

#### **FIXED EXCHANGE RATE MECHANISM**

The Tenth Meeting of the Parties decided:

1. to request the Treasurer of the Multilateral Fund to prepare, in consultation with relevant institutions and Parties and in time for the nineteenth meeting of the Open-ended Working Group, a discussion paper which describes how a mechanism using fixed currency exchange rates could be implemented for the replenishment of the Multilateral Fund for the triennium 2000-2002. The paper should examine the administrative framework, the potential impact and any risks for the operation of the Fund that are associated with the adoption of such a mechanism. The paper should also include criteria for determining if a particular currency's fluctuations had been of such a magnitude that a fixed exchange rate mechanism would not be practical, in which case that country would continue to make its commitments and payments in United States dollars;
2. to request the Treasurer of the Multilateral Fund to monitor exchange rates of donor country currencies, including the Euro, between 1 March 1999 and 30 September 1999, and to submit in time for the Eleventh Meeting of the Parties a table showing the average exchange rate for each donor country currency with the United States dollar and Special Drawing Rights (SDRs) for this period.

*(UNEP/OzL.Pro.10/9, Decision X/32).*

The Eleventh Meeting of the Parties decided:

1. to urge Parties to pay their contributions to the Multilateral Fund promptly and in full;
2. that the purpose and objective of introducing the new mechanism is to ease some of the contributing Parties' administrative difficulties due to commitments in other than their national currencies, to promote the timely payment of contributions, and to ensure that there is no adverse impact on the level of available resources of the Multilateral Fund;
3. to direct the Treasurer to proceed with the implementation of the fixed exchange-rate mechanism on a trial basis for the replenishment (2000-2002), so that payments by contributing Parties to the Fund for the triennium commencing in 2000, can be made in accordance with this mechanism;
4. that only Parties with inflation rate fluctuations of less than 10 per cent, as per the published figures of the International Monetary Fund, for the preceding triennium will be eligible to utilize the mechanism;
5. that Parties choosing to pay in national currencies will calculate their contributions based on an average United Nations exchange rate for the six months preceding the replenishment period. Parties not choosing to pay in national currencies may continue to pay in United States dollars;
6. that the Meeting of the Parties should review the implementation of the mechanism at the end of 2001 for consideration at the technical segment of the Meeting of the Parties to determine the impact of the mechanism on the operations of the Multilateral Fund and its impact on the funding of the phase-out of ozone-depleting substances in Article 5 countries during this triennium so that the ozone-depleting substances phase-out process is not adversely affected;
7. that, in order to ensure the efficient and effective operation of the Multilateral Fund, Parties should strive to pay their contributions as early in the calendar year as possible and no later than 1 June of each year. Parties unable to make their contributions by 1 June should notify the Treasurer as to when during the calendar or fiscal year their payment will be made, but contributing Parties should strive to pay their contributions no

later than 1 November of that year.

*(UNEP/OzL.Pro.11/10, Decision XI/6).*

The Thirty-first Meeting of the Executive Committee decided to request the Treasurer to prepare for submission to the Committee at its Thirty-second meeting a status report on the implementation of paragraph 6 of decision XI/6 of the Parties.

*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/1, para. 15(e)).*

The Thirty-second Meeting of the Executive Committee decided:

- (c) to urge Parties eligible to use the fixed exchange rate mechanism to inform the Treasurer by the Thirty-third Meeting of the Executive Committee of their intention to do so;
- (e) noting the provisions of para. 7 of Decision XI/6, request Parties unable to make contributions by 1 June of the current year to notify the Treasurer of their proposed payment schedule for the current triennium by the Thirty-third Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/2, para. 13 (c, e)).*

The Thirteenth Meeting of the Parties decided:

1. to request the Treasurer and the Secretariat of the Multilateral Fund to finalize the review, as per decision XI/6, and give a final report to the Parties at the 22nd Meeting of the Open-ended Working Group; and
2. that in so doing, the Secretariat should:
  - a. consult, as appropriate, other relevant multilateral funding institutions that use a fixed-exchange-rate mechanism, or similar mechanisms;
  - b. identify options on how a fixed-exchange-rate mechanism could be implemented so that the process of phasing out ozone-depleting substances is not adversely affected, and hire consultants for that purpose, as appropriate.

*(UNEP/OzL.Pro/13/10, Decision XIII/4).*

The Fourteenth Meeting of the Parties decided:

1. to direct the Treasurer to extend the fixed-exchange-rate mechanism for a further trial period of three years;
2. that Parties choosing to pay in national currencies will calculate their contributions based on an average United Nations exchange rate for the twelve-months preceding the replenishment period. This average will be based on the twelve-month period immediately preceding the first day of the meeting of the Parties during which the replenishment level will be decided. Subject to paragraph 3 below, Parties not choosing to pay in national currencies, pursuant to the fixed-exchange-rate mechanism, will continue to pay in United States dollars;
3. that no party should change the currency selected for its contribution in the course of the triennium period;
4. that only Parties with inflation rate fluctuations of less than 10 per cent, as per published figures of the International Monetary Fund, for the preceding triennium will be eligible to utilize the mechanism;
5. to urge Parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of Decision XI/6;
6. to agree, if the fixed-exchange-rate mechanism is to be used for the next replenishment period, that Parties choosing to pay in national currencies will calculate their contributions based on an average United Nations exchange rate for the six-month period commencing 1 July 2004.

*(UNEP/OzL.Pro.14/9, Decision XIV/40).*

The Seventeenth Meeting of the Parties decided:

1. to direct the Treasurer to extend the fixed-exchange-rate mechanism for a further trial period of three years;
2. that Parties choosing to pay in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 July 2004. Subject to paragraph 3 below, Parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
3. that no Party should change currency selected for its contribution in the course of the triennium period;
4. that only Parties with inflation rate fluctuations of less than 10 per cent, as per published figures of the International Monetary Fund, for the preceding triennium will be eligible to utilize the mechanism;

5. to urge Parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
6. to agree if the fixed-exchange-rate mechanism is to be used for the next replenishment period, that Parties choosing to pay in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2008.

*(UNEP/OzL.Pro.17/11, Decision XVII/41).*

The Twentieth Meeting of the Parties decided:

1. to direct the Treasurer to extend the fixed exchange-rate mechanism to the period 2009–2011;
2. that Parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions based on the average United Nations exchange rate for the six month period commencing 1 January 2008;
3. that, subject to paragraph 4 below, Parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. that no Party should change the currency selected for its contribution in the course of the triennium 2009–2011;
5. that only Parties with inflation rate fluctuations of less than 10 per cent, as per published figures of the International Monetary Fund, for the preceding triennium will be eligible to use the fixed exchange rate mechanism;
6. to urge Parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
7. to agree that if the fixed-exchange-rate mechanism is to be used for the replenishment period 2012–2014 Parties choosing to pay their contributions in national currencies will calculate their contributions based on the average United Nations exchange rate for the six month period commencing 1 January 2011.

*(UNEP/OzL.Pro.20/9, Decision XX/11).*

The Forty-second Meeting of the Executive Committee decided:

- (b) also to note the new information provided by the Treasurer on the gains and losses resulting from the fixed exchange rate mechanism;
- (c) to request the Treasurer to break down the information on gains and losses resulting from the fixed exchange rate mechanism by country and to include it in a separate column of the relevant table in future reports.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/2 (a, b, c), para. 28 (b-c)).*

The Forty-third Meeting of the Executive Committee decided to take note of the new information provided by the Treasurer on the gains and losses resulting from the fixed-exchange-rate mechanism.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/1 (b), para. 25).*

The Forty-eighth Meeting of the Executive Committee decided:

- (b) to urge Parties eligible to use the fixed-exchange-rate mechanism option to inform the Treasurer by the 49th Meeting of the Executive Committee of their intention to do so;
- (c) to request the Treasurer to add to his report to the 49th Meeting of the Executive Committee the list of countries opting to use the fixed-exchange-rate mechanism facility in making their contributions to the Fund for the triennium 2006-2008; and
- (d) also to request the Treasurer to contact Parties with pending contributions urging them to pay their contributions to the Multilateral Fund in full as early as possible in accordance with paragraph 7 of decision XI/6.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/1, para. 23).*

The Fifty-seventh Meeting of the Executive Committee decided:

- (c) to urge Parties eligible to use the fixed-exchange-rate mechanism (FERM) to advise the Treasurer of their intention to do so before the 58th Meeting of the Executive Committee; and
- (d) to request the Treasurer to add to his report to the 58th Meeting of the Executive Committee the list of Parties that had opted to use the FERM in making their contributions to the Fund during the replenishment period 2009-2011.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/2, para.30 ((c)(d)).*

The Fifty-eighth Meeting of the Executive Committee decided:

- (b) to note the list of Parties that had opted to use the fixed-exchange-rate mechanism when making their contributions to the Multilateral Fund during the 2009-2011 replenishment period, as contained in Annex I to the present report; and
- (c) to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.  
*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/1, para.28 ((b)(c)).*

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011 as contained in Annex I to the present report; and
- (b) to urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.  
*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/1, para.22 ((a)(ii) and (b)).*

The Sixtieth Meeting of the Executive Committee decided to note:

- (a) (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011, as contained in Annex I to the present report; and
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.  
*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/1 para.30 ((a)(ii) and (b)).*

The Sixty-first Meeting of the Executive Committee decided:

- (a) To note: (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011, as contained in Annex I to the present report; and
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.  
*(UNEP/OzL.Pro/ExCom/61/58, Decision 61/1 para.20 ((a)(ii) and (b)).*

The Twenty-third Meeting of the Parties decided:

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism to the period 2012–2014;
2. That parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2011;
3. That, subject to paragraph 4 below, parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. That no party should change the currency selected for its contribution in the course of the triennium 2012–2014;
5. That only parties with inflation rate fluctuations of less than 10 per cent, as per published figures of the International Monetary Fund, for the preceding triennium will be eligible to use the fixed-exchange-rate mechanism;
6. To urge parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
7. To agree that if the fixed-exchange-rate mechanism is to be used for the replenishment period 2015–2017 parties choosing to pay their contributions in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2014;

*(UNEP/OzL.Pro.23/11, Decision XXIII/16).*

The Sixty-sixth Meeting of the Executive Committee decided:

- (b) To urge all Parties eligible to use the fixed-exchange rate mechanism (FERM) to advise the Treasurer of their intention to do so before the 67<sup>th</sup> meeting of the Executive Committee;
- (c) To request the Treasurer to add to his report to the Executive Committee the list of Parties that had opted to use the FERM in making their contributions to the Fund during the replenishment period 2012-2014;  
*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/1 para.20 (b) and (c)).*

The Sixty-seventh Meeting of the Executive Committee decided:

(a) To note:

- (ii) That France should be added to the list of Parties that had opted to use the fixed exchange rate mechanism in making their contributions to the Fund during the replenishment period 2012-2014, as contained in Annex I to the present report;

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/2 para.23(a)(ii)).*

The Twenty-sixth Meeting of the Parties decided:

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism to the period 2015–2017;
2. That parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2014;
3. That, subject to paragraph 4 below, parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. That no party should change the currency selected for its contribution in the course of the triennium 2015–2017;
5. That only parties with inflation rate fluctuations of less than 10 per cent, pursuant to published figures of the International Monetary Fund, for the preceding triennium will be eligible to use the fixed-exchange-rate mechanism;
6. To urge parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
7. To agree that if the fixed-exchange-rate mechanism is to be used for the replenishment period 2018–2020, parties choosing to pay their contributions in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2017;

*(UNEP/OzL.Conv.10/7-UNEP/OzL.Pro.26/10, Decision XXVI/11).*

The Seventy-fourth Meeting of the Executive Committee decided:

- (a) To note the report updated by the Treasurer on the status of contributions and disbursements, and the information on promissory notes and countries which had opted to use the fixed-exchange-rate mechanism (FERM) during the 2015–2017 triennium, as contained in Annex I to the present report
- (c) To urge all Parties eligible to use the fixed-exchange rate mechanism (FERM) to advise the Treasurer of their intention to do so before the 75<sup>th</sup> meeting of the Executive Committee;

*(UNEP/OzL.Pro/ExCom/74/56, Decision 74/1 para.26 (a) and (c)).*

The Seventy-fifth Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries which opted to use the fixed exchange-rate mechanism (FERM) during 2015–2017 triennium contained in Annex I to the present report;
- (b) To further note the exceptional basis for the Russian Federation making its contribution under the FERM in US dollars rather than in its national currency owing to a particular administrative banking constraint;

*(UNEP/OzL.Pro/ExCom/75/85, Decision 75/1 para.26 (a) and (b)).*

The Seventy-sixth Meeting of the Executive Committee decided:

- (a) To note the report by the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries that opted to use the fixed exchange rate mechanism during the 2015–2017 triennium, as contained in Annex I to the present report;

*(UNEP/OzL.Pro/ExCom/76/66, Decision 76/1 para.28 (a)).*

The Seventy-seventh Meeting of the Executive Committee decided:

- (a) To note the report by the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries that opted to use the fixed exchange rate mechanism during the 2015–2017 triennium, as contained in Annex I to the present report;

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/1 para.24 (a)).*

The Eightieth Meeting of the Executive Committee decided:

(a) To note:

- (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes, the countries that had opted to use the fixed exchange rate mechanism (FERM) during the 2015–2017 triennium, and the implementation of the FERM, contained in Annex I to the present report;

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/1(a)(i), para 24)*

*(Supporting document: UNEP/OzL.Pro/ExCom/80/3).*

The Twenty-ninth Meeting of the Parties decided:

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism to the period 2018–2020;
2. That parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2017;
3. That, subject to paragraph 4 below, parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. That no party should change the currency selected for its contribution in the course of the triennium 2018-2020;
5. That only parties with inflation rate fluctuations of less than 10 per cent for the preceding triennium, pursuant to published figures of the International Monetary Fund, will be eligible to use the fixed-exchange-rate mechanism;
6. To urge parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
7. To agree that, if the fixed-exchange-rate mechanism is to be used for the replenishment period 2021–2023, parties choosing to pay their contributions in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2020.

*UNEP/OzL.Pro.29/8, Decision XXIX/2)*

The Eighty-first Meeting of the Executive Committee decided:

(a) To note:

- (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes and the countries that had opted to use the fixed exchange-rate mechanism (FERM) during the 2018–2020 triennium, contained in Annex I to the present report;

(b) To urge all Parties eligible to use the FERM to advise the Treasurer of their intention to do so before the 82nd meeting;

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/1(a)(i) and (b))*

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, the information on promissory notes, and the countries that had opted to use the fixed exchange rate mechanism during the 2018–2020 triennium, contained in Annex I to the present report.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/1(a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/3).*

The Ninetieth Meeting of the Executive Committee decided:

- (b) To note that the extension of the fixed-exchange-rate mechanism to the triennium 2021-2023 was pending a decision by the Fifth Extraordinary Meeting of the Parties; and

*(UNEP/OzL.Pro/ExCom/90/40, Decision 90/1).*

*(Supporting document: UNEP/OzL.Pro/ExCom/90/3(b)).*

The Fifth Extraordinary Meeting of the Parties decided:

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism to the period 2021–2023;

2. That parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions on the basis of the average United Nations exchange rate for the six-month period commencing 1 January 2020;
3. That, subject to paragraph 4 of the present decision, parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. That no party should change the currency selected for its contribution during the triennium 2021–2023;
5. That only parties with inflation rate fluctuations of less than 10 per cent for the preceding triennium, pursuant to published figures of the International Monetary Fund, will be eligible to use the fixed-exchange-rate mechanism;
6. To urge parties to pay their contributions to the Multilateral Fund in full and as early as possible in accordance with paragraph 7 of decision XI/6;
7. To agree that, if the fixed-exchange-rate mechanism is to be used for the replenishment period 2024–2026, parties choosing to pay their contributions in national currencies will calculate their contributions on the basis of the average United Nations exchange rate for the six-month period commencing 1 January or 1 July ending at least three months prior to the replenishment to be decided.

*(UNEP/OzL.Pro.ExMOP.5/3/Add.1, Decision Ex.V/2)*

The Thirty-fifth Meeting of the Parties decided:

1. To direct the Treasurer to extend the fixed-exchange-rate mechanism to the period 2024–2026;
2. That parties choosing to pay their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January 2023;
3. That, subject to paragraph 4 below, parties not choosing to pay in national currencies pursuant to the fixed-exchange-rate mechanism will continue to pay in United States dollars;
4. That no party should change the currency selected for its contribution in the course of the triennium 2024–2026;
5. That only parties with inflation rate fluctuations of less than 10 per cent for the preceding triennium, pursuant to published figures of the International Monetary Fund, will be eligible to use the fixed-exchange-rate mechanism;
6. To urge parties to pay their contributions to the Multilateral Fund in full and as early as possible, in accordance with paragraph 7 of decision XI/6;
7. To agree that if the fixed-exchange-rate mechanism is to be used for the replenishment period 2027–2029, parties choosing to pay their contributions in national currencies will calculate their contributions based on the average United Nations exchange rate for the six-month period commencing 1 January or 1 July and ending at least three months prior to the replenishment that is to be decided.

*(UNEP/OzL.Pro.35/12/Add.1, Decision XXXV/2)*

## **ACCOUNTS OF THE MULTILATERAL FUND**

### **2001 accounts of the Multilateral Fund**

The Thirty-seventh Meeting of the Executive Committee decided to take note with appreciation of the Accounts of the Multilateral Fund for the years 1991–2000 and the certified accounts for the year 2001 (UNEP/OzL.Pro/ExCom/37/8 and Corr.1).

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/6, para. 2).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/8 and Corr.1).*

The Thirty-eighth Meeting of the Executive Committee decided:

- (c) to request the Secretariat and the Treasurer to pursue their efforts to complete the reconciliation of the

accounts of UNDP and the World Bank;

- (d) also to request that a full reconciliation of the Accounts of the Fund with the data in the Implementing Agencies' progress reports be presented to the third meeting of the Executive Committee each year.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/9, para. 40 (c, d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/12).*

The Fortieth Meeting of the Executive Committee decided:

- (e) to request UNDP to address the financial inconsistencies in the context of the reconciliation of accounts pursuant to Decision 38/9(d), noting that overruns should not be allowed pursuant to Decision 17/22.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/10, para. 48(e)).*

- (h) to request UNEP to address any financial inconsistencies between the progress report data and the audited UNEP accounts in the context of the reconciliation of accounts pursuant to Decision 38/9(d), noting that overruns should not be allowed pursuant to Decision 17/22.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/11, para. 49(h)).*

- (e) to request UNIDO and the Secretariat to address the financial inconsistencies between UNIDO's progress report and the Secretariat's Inventory of Approved Projects in the context of the reconciliation of accounts to be submitted to the 41st Meeting pursuant to Decision 38/9(d), noting that overruns should not be allowed pursuant to Decision 17/22.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/12, para. 50(e)).*

- (h) to request the World Bank and the Secretariat to address the financial inconsistencies between the Bank's progress report and the Secretariat's Inventory of Approved Projects in the context of the reconciliation of accounts to be submitted to the 41st Meeting of the Executive Committee pursuant to Decision 38/9(d), noting that overruns should not be allowed pursuant to Decision 17/22.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/13, para. 51(h)).*

### **2002 accounts of the Multilateral Fund**

The Fortieth Meeting of the Executive Committee decided:

- (a) to take note of the report contained in UNEP/OzL.Pro/ExCom/40/19/Rev.1;

- (b) to request the Implementing Agencies to submit audited accounts for 2002 to the Treasurer no later than 1 September 2003 for submission to the 41st Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/14, para.52 )*

*(Supporting document: UNEP/OzL.Pro/ExCom/40/19/Rev.1).*

The Forty-first Meeting of the Executive Committee decided:

- (a) to note the reconciliation of accounts as presented in document UNEP/OzL.Pro/ExCom/41/12 and Schedules 1.1 to 1.7 of the 2002 accounts of the Fund, attached as Annex II to the present report;

- (b) to request the Treasurer, together with the Secretariat, to review the following adjustments requested for UNEP and UNIDO and to report to the 42nd Meeting of the Executive Committee in the context of the reconciliation of accounts for 2002:

(i) add US \$112,619 to the income of UNEP;

(ii) add US \$1,169,476 to the income of UNIDO;

- (c) also to request Implementing Agencies to ensure that the expenditures in their progress reports submitted to the Secretariat were consistent with their expenditures in the annual accounts of the Implementing Agencies submitted to the Treasurer; and

- (d) further to request the Secretariat and the Treasurer to pursue their efforts to complete the reconciliation of the accounts of the World Bank on the basis of audited 2002 accounts and UNDP on the basis of the UNDP Comptroller's review, with reports on the status of these efforts at each meeting until the accounts were fully reconciled, noting that this was the second consecutive year that the accounts of UNDP and the World Bank had not been fully reconciled with their progress reports.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/10, para.41).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/12).*

The Forty-second Meeting of the Executive Committee decided:

- (a) to take note of the report on reconciliation of the 2002 accounts of the Multilateral Fund (follow-up to Decision 41/10(b)) contained in document UNEP/OzL.Pro/ExCom/42/46;



- (b) to note the explanation by the Treasurer on how the following funds shown to be due to the Implementing Agencies were addressed in 2003, or what adjustments would be made in 2004 to provide the resources owed to the respective agencies as follows:
  - (i) US \$112,619 for UNEP;
  - (ii) US \$1,169,476 for UNIDO;
- (c) to request the Secretariat, on behalf of the Executive Committee, to approach the board of external auditors of the United Nations for assistance in determining the initial start-up costs for UNDP;
- (d) That adjustments should be made to the inventory of approved projects to reflect the amounts indicated in the World Bank's progress report for the projects listed in Annex III to document UNEP/OzL.Pro/ExCom/42/46;
- (e) to request the Treasurer to complete the reconciliation of the accounts of the World Bank on the basis of audited 2002 accounts, and the accounts of UNDP on the basis of the UNDP Comptroller's review, based on the figures derived from the reconciliation presented in documents UNEP/OzL.Pro/ExCom/41/12 and UNEP/OzL.Pro/ExCom/42/46, as well as any relevant decisions taken at the 42nd Meeting of the Executive Committee; and
- (f) to urge the World Bank and UNDP to submit the information required for reconciliation as soon as possible.  
*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/41, para. 137)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/42/46).*

Having considered the adjustments regarding UNDP's initial start-up costs and its 2002 accounts and given that the World Bank's audited 2002 accounts had not been submitted to the 43rd Meeting, the Forty-third Meeting of the Executive Committee decided:

- (a) to note the reconciliation of the 2002 accounts as presented in documents UNEP/OzL.Pro/ExCom/43/52 and Add.1, together with Japan's reservation;
- (b) also to note that the Treasurer would make the appropriate adjustments to account for the additional interest reported by UNDP and the audited level of initial start-up costs as indicated by UNDP to be US \$596,500; and
- (c) to urge the World Bank to submit the audited 2002 accounts to the 44th Meeting of the Executive Committee.  
*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/39, para. 137).*

### **2003 accounts of the Multilateral Fund**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to take note of the report on the 2003 accounts of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/44/65/Rev.1;
- (b) to continue with the particular practice of recording any changes reported by Implementing Agencies to a previous period's expenditures as part of the current period's transactions as a result of the reconciliation exercise between the Treasurer and the Implementing Agencies, without prejudice to existing United Nations financial rules and regulations;
- (c) to note that, notwithstanding UNEP's policy regarding its own fund to the effect that any pledges to the Fund remaining unpaid after four years were written off with the approval of the Governing Council, in the case of the Multilateral Fund, any decision on writing off such unpaid amounts would remain the responsibility of the Meeting of the Parties; and
- (d) to direct the Treasurer to review the pertinent aspects of the Implementing Agency agreements to address the issue of new cash advances being granted to Implementing Agencies when old ones had not been fully accounted for.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/54, para. 210).*  
*(Supporting document: UNEP/OzL.Pro/ExCom/44/65/Rev.1).*

### **Reconciliation of the 2002 and 2003 accounts**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to note the reconciliation of the 2002 and 2003 accounts presented in documents UNEP/OzL.Pro/ExCom/44/66, Corrs.1 and 2;

- (b) to request the Treasurer to make the necessary adjustments in accordance with his ongoing responsibility to ensure sufficient funds to cover Executive Committee approvals;
- (c) to request those bilateral agencies that advanced funds to Implementing Agencies, which were then placed in interest-bearing accounts, to return the interest collected as additional income to the Multilateral Fund in accordance with United Nations standard accounting practices, unless their agreements with Implementing Agencies stipulated otherwise; and
- (d) to request the Treasurer, the Implementing Agencies and the Secretariat to hold a workshop in the margins of the next inter-agency coordination meeting on common terminology and procedures for the reconciliation of accounts and to forward the results of the workshop to the Executive Committee if deemed necessary by the workshop participants.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/55, para. 214).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/66, Corrs. 1 and 2).*

**Reconciliation of the 2003 and 2004 accounts**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to note:
  - (i) the reconciliation of the 2003 and 2004 accounts as presented in document UNEP/OzL.Pro/ExCom/47/51/Rev.1;
  - (ii) the changes to the Inventory of Approved Projects for the projects indicated in Table 2 of the document;
- (b) to request the Treasurer to make the appropriate adjustments and to ensure that funds transferred to the implementing agencies were the net amounts authorized by the Executive Committee; and
- (c) to request the Secretariat, in cooperation with the implementing agencies and the Treasurer, to submit a report, as a follow-up to the present decision, on options for a consistent approach to the application of miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee and any consequences of alternative approaches, for consideration by the Executive Committee at its 48th Meeting.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/47, para. 172).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/51/Rev.1).*

**2005 accounts of the Multilateral Fund**

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to take note of the Fund's 2005 provisional accounts as contained in document UNEP/OzL.Pro/ExCom/49/41;
- (b) to note that the 2005 final accounts of the Fund would be submitted to the Committee at the 50th Meeting taking into account adjustments for prior years;
- (c) to note the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2003-2004 accounts exercise;
- (d) to request the Treasurer to make the necessary adjustments in 2006 to transfer bank charges on transfers made by the Treasurer to the implementing agencies from the Secretariat budget to the administrative costs, or as directed by the Executive Committee;
- (e) to take note of the Treasurer's report on the audit of the Multilateral Fund accounts and the possibility that a separate audit of the financial statements of the Multilateral Fund might take place;
- (f) to take note of the additional information provided on the outstanding contributions from countries with economies in transition and disputed contributions from countries not belonging to this category; and
- (g) to note the explanations provided in respect of the submissions of the implementing agencies' provisional accounts to the Executive Committee.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/35, para. 150).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/41).*

The Fiftieth Meeting of the Executive Committee decided:

- (a) to note the audited financial statement of the Fund as at 31 December 2005;
- (b) that the attention of the Meeting of the Parties should be drawn to the need for all outstanding contributions

to be paid; and

- (c) to note the auditors' statement on the need for reconciliation of the recorded figures as soon as the audited financial statements became available.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/43 para. 179).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/59).*

The Fiftieth Meeting of the Executive Committee also decided:

- (a) to request the Treasurer to present to the 51st Meeting of the Executive Committee an amended report on the reconciliation of the 2005 accounts containing additional information and explanations where required;
- (b) to note:
- (i) that UNIDO had written to confirm that it would comply with decision 48/38(b) by assigning miscellaneous charges of US \$361,966 for the period up to December 2005 to either project or administrative costs; and that it proposed to absorb US \$107,048 against UNIDO's administrative costs and assign US \$254,918 to project costs;
  - (ii) that any interest received on behalf of the Swedish bilateral contribution would be returned to the Fund; and
  - (iii) that the implementing agencies were unable to commit to project expenditures against promissory notes without assurance that the promissory notes were encashable upon demand and that that had already resulted in delays in implementation;
- (c) to request the Treasurer to review the Executive Committee's policy on promissory notes in recognition of financial requirements to reflect the emerging business circumstances of the Multilateral Fund;
- (d) to urge the Treasurer to provide a schedule of encashment of promissory notes;
- (e) to request UNIDO to present, in the balances report to the 51st Meeting of the Executive Committee, the list of projects to which the charges of US \$254,918 were proposed to be recorded at that Meeting;
- (f) to acknowledge the updated status of overruns reported by UNDP, noting that whilst progress had been made further explanations were still required; and
- (g) to request the Treasurer to make the following adjustments to funds approved for implementing agencies by offsetting these amounts against current or future approvals: UNDP US \$2,370; UNEP US \$373,357; World Bank US \$96,680 for 2004 and US \$622,257 for 2005.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/44 para. 184).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/60 and Add.1).*

The Fifty-first Meeting of the Executive Committee decided:

- (a) to note with appreciation the new and more informative report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report, which provided additional information on promissory notes;
- (b) to note with concern the 9.87 per cent ratio of payments to 2007 pledges at the first meeting of the year; and
- (c) to again urge all Parties to pay their contributions to the Multilateral Fund in full as early as possible.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/2 para. 3).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/51/4).*

The Fifty-first Meeting of the Executive Committee also decided:

- (a) to note:
- (i) The reconciliation of 2005 accounts as presented in documents UNEP/OzL.Pro/ExCom/51/43 and Corr.1;
  - (ii) The updated status of overruns reported by UNDP contained within those documents, and that the additional explanations requested by decision 50/44(f) had been provided;
  - (iii) The following adjustments being made by the Treasurer: UNDP US \$2,370, UNEP US \$373,357, World Bank US \$96,680 and US \$622,257, as per normal practice of the World Bank; and
- (b) to urge the Treasurer to provide information regarding UNEP support costs in time for the 52nd Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/37 para. 182).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/51/43 and Corr.1).*

**2006 accounts of the Multilateral Fund**

The Fifty-second Meeting of the Executive Committee decided:

- (a) that the 2006 final accounts of the Fund would be submitted to the Executive Committee at its 53rd Meeting;
- (b) the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2005 accounts; and
- (c) the return to the Fund by UNEP of the amount of US \$143,956 that had previously been reported as a programme support cost charge.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/45, para. 188).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/52/53).*

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note the audited financial statement of the Multilateral Fund as at 31 December 2006;
- (b) to note the auditors' request that the attention of the Meeting of Parties should once again be drawn to the necessity to declare as bad debts the longest-standing and largest debit balances;
- (c) to request the Treasurer to advise the auditors to treat as closed their observations and recommendation on long-outstanding debts, considering the fact that the Executive Committee had already drawn the Parties' attention to the matter in its report to the Nineteenth Meeting of the Parties; and
- (d) to request the Treasurer to record in the 2007 accounts the differences between the agencies provisional and final 2006 accounts as reflected in Tables 1 and 2 of document UNEP/OzL.Pro/ExCom/53/64.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/41, para. 217).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/53/64).*

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note the reconciliation of 2006 accounts as presented in document UNEP/OzL.Pro/ExCom/53/65;
- (b) to request UNEP to review the Inventory of Approved Projects figures versus progress reports and to make corrections according to the approvals recorded in the reports of the Executive Committee;
- (c) to request UNEP to present to the 54<sup>th</sup> Meeting of the Executive Committee a report on its findings on reconciling the amount of US \$105,494 and the actions it proposed to take to reconcile the data in its progress report with that in its final financial statement;
- (d) to note the explanations of UNDP, UNIDO and the World Bank on the expenditures of the programme support costs in respect of approved projects, and to request UNEP to do the same at the 54<sup>th</sup> Meeting so as to enable a better understanding of expenditures incurred against the agency's programme support costs;
- (e) to request the Treasurer to report to the 54<sup>th</sup> Meeting on the methodology used by the implementing agencies when reporting on expenditures incurred against the programme support costs for approved projects;
- (f) to request the World Bank to provide an explanation of the US \$303 excess income in order to offset that amount against future transfers, if required; and
- (g) to request the Treasurer and the agencies to make the adjustments required in the 2007 accounts as a result of the 2006 reconciliation exercise as reflected in Tables 1 and 2 of document UNEP/OzL.Pro/ExCom/53/65.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/42, para. 221).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/53/65).*

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to take note of the report on the reconciliation of the 2006 accounts contained in document UNEP/OzL.Pro/ExCom/54/55;
- (b) to agree to UNEP's request to report on its findings with regard to the US \$105,494 difference in expenditures recorded in its financial statement and its progress report, and the nature of the corrective action required, to the 55th Meeting;
- (c) to note that further work would be undertaken in the administrative cost study to address the adequacy of the agency fees and core unit funding, as well as how programme support costs received for bilateral activities were recorded;

- (d) to recommend that the consultant for the administrative cost study take into consideration document UNEP/OzL.Pro/ExCom/54/55;
- (e) to note:
  - (i) that there was no standard methodology for reporting on programme costs in the financial statements of the implementing agencies;
  - (ii) that UNEP, UNDP and the World Bank had separate trust funds for their Montreal Protocol activities; and
  - (iii) that UNDP and the World Bank had separate accounts for core unit costs and for agency fees.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/41, para. 180).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/54/55).*

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to note UNEP's explanation on the cause of the difference of US \$105,494 between the disbursements and obligations recorded in the progress report and UNEP's 2006 financial statements;
- (b) to note that corrective action would be taken to reduce UNEP's 2006 expenditures by US \$105,494 and bring them within the correct 2006 disbursement level as reflected in the progress report;
- (c) to note that UNEP was taking corrective actions to adjust the same errors that were likely to have occurred in its 2007 accounts;
- (d) to note that UNEP would put in place a system for ongoing projects to calculate and record support costs manually to eliminate the risk of incorrect generation of support costs in future; and
- (e) to request UNEP to report to the 56th Meeting of the Executive Committee on progress made in implementing those actions as part of the 2007 reconciliation of accounts exercise.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/46, para. 222).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/55/51).*

The Fifty-sixth Meeting of the Executive Committee decided:

- (b) to note that, in order to complete the 2006 reconciliation exercise, a further update from UNEP and the World Bank was required on:
  - (i) US \$105,494 project support cost expenditures;
  - (ii) US \$303 excess in the World Bank's income to allow the Treasurer to offset that amount from future transfers.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/67 para 240 (b))*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/60).*

### **2007 financial statements**

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the Fund's 2007 provisional financial statements contained in document UNEP/OzL.Pro/ExCom/55/52;
- (b) to note that the 2007 final accounts of the Fund would be submitted to the Executive Committee at the 56th Meeting;
- (c) to note that the World Bank reflected expenditures against the chiller concessional loan project for Thailand (THA/REF/26/INV/104) in its 2007 financial statement and not in its progress report, which constituted a reconciling item in the 2007 reconciliation of the accounts exercise;
- (d) to note that necessary actions had been taken by the Treasurer to reflect the adjustments resulting from the reconciliation of the 2006 accounts exercise;
- (e) to request the Treasurer to report to the 56th Meeting audit observations and recommendations on the Multilateral Fund Secretariat accounts for the Committee's consideration; and
- (f) to note the Secretariat's explanation relating to an overrun against certain budget lines in the Secretariat's main accounts.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/47, para. 226).*

*(Supporting documents: UNEP/OzL.Pro/ExCom/55/52).*

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to note the audited financial statement of the Fund as at 31 December 2007;
- (b) to note the Auditors' request that the attention of the Meeting of the Parties should once again be drawn to the need for the long-outstanding contributions to be paid or written off; and
- (c) to request the Treasurer to record in the 2008 accounts the differences between the agencies' provisional and final 2007 accounts as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/56/59.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/66 para 237)*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/59).*

The Fifty-sixth Meeting of the Executive Committee decided:

- (c) to note that the 2007 reconciliation of the accounts exercise was pending further explanation from the World Bank on the shortfall of US \$2,686,741 in its income and US \$45,161 surplus from UNEP in its income and to request UNEP and the World Bank to report on those two amounts to the 57th Meeting;
- (d) to note that UNEP was still investigating an entry of US \$93,622 in its 2007 final expenditures to explain the difference between the expenditures in its progress reports and in its provisional statement, and would report on those items at the 57th Meeting;
- (e) to request UNDP to adjust its 2007 expenditures by US \$6,445 in 2008;
- (f) to request the Treasurer to record in 2008 the 2007 income of US \$1,320,670 for UNDP, US \$187,233 for UNEP, US \$633,576 for UNIDO and US \$1,838,022 for the World Bank in 2008; and
- (g) to request the Treasurer to record the 2007 expenditures of US \$299,485 for UNDP in 2008.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/67 para 240)*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/60).*

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the document on reconciliation of the 2006 and 2007 accounts as contained in document UNEP/OzL.Pro/ExCom/57/65;
- (b) to note that reconciliation of the 2006 and 2007 accounts had been completed for UNEP;
- (c) to note the return of the US \$45,161 surplus for UNEP and to request the Treasurer to offset this amount against future transfers to UNEP;
- (d) to note the World Bank's explanation on the shortfall of US \$2,686,741 and to request the Treasurer to return US \$1,176,270 to the World Bank;
- (e) to note that follow-up actions on the 2006-2007 reconciliation of the accounts exercise had been completed for UNDP, UNEP and UNIDO; and
- (f) that the 2006-2007 reconciliation of the accounts exercise is pending the following reports to be submitted to the 59th Meeting:
  - (i) a report from the World Bank, on the amount of US \$303; and
  - (ii) a report from the Treasurer verifying that the amount of US \$1,510,471 had been deducted twice from the transfers that had been made to the World Bank.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/38, para 196)*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/65).*

### **2008 accounts of the Multilateral Fund**

The Fifty-eighth Meeting of the Executive Committee decided:

- (b) to note:
  - (i) the action taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2007 accounts exercise;
  - (ii) that the 2008 final accounts of the Fund would be submitted to the Committee at its 59th Meeting; and
  - (iii) that UNEP, including the Multilateral Fund, had been subject to an external audit in June - July 2009 and that the external auditors had visited Montreal from 15 to 26 June 2009.

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/39, para 177, b)*

*(Supporting document: UNEP/OzL.Pro/ExCom/58/51).*

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note the audited financial statement of the Fund as at 31 December 2008;

- (b) To note that the final audit report on the 2008 financial statement would be submitted to the Committee as soon as it became available; and
- (c) To request the Treasurer to record in the 2009 accounts the differences between the agencies' provisional statements and their final 2008 accounts as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/59/55.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/49, para 265)  
(Supporting document: UNEP/OzL.Pro/ExCom/59/55).*

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The reconciliation of the accounts as presented in document UNEP/OzL.Pro/ExCom/59/56;
  - (ii) That the World Bank had adjusted its inventory of projects by US \$303 and that the 2006 outstanding reconciling item of the US \$303 from the World Bank on approved projects had been closed; and
  - (iii) That all agencies had completed their 2006 reconciliation at approval, income and expenditure levels;
- (b) To note with appreciation the report provided by the World Bank on the outstanding 2007 reconciling item of US \$1,510,471;
- (c) To request the Treasurer to return the amount of US \$1,510,471 to the World Bank based on:
  - (i) The double reporting and deduction by the Treasurer of US \$870,549 of the promissory note gains;
  - (ii) The double reporting and deduction by the Treasurer of US \$640,225 on the unrealized investment loss;
  - (iii) The return of US \$303 from the Bank to the Fund.
- (d) To note the following outstanding reconciling items in the 2008 reconciliation of the accounts exercise:
  - UNDP
    - (i) An additional amount of US \$11 in UNDP's records of approved projects to be aligned with the 2008 approved projects as per the Secretariat's Inventory;
    - (ii) US \$18,567 in expenditure reported by UNDP as a project-level error adjusted in the progress report but not adjusted in the 2008 accounts;
  - UNEP
    - (iii) A shortfall of US \$176,401 against project GLO/SEV/50/TAS/276 in the approved amounts in the progress report, to be adjusted in accordance with UNEP's balance report to the 59th Meeting;
    - (iv) A shortfall of US \$1,905 in the 2008 expenditures in the accounts reported as expenditure in the 2009 accounts;
  - UNIDO
    - (v) A US \$14 surplus in UNIDO's income;
    - (vi) A US \$208 shortfall in 2008 final expenditures; and
  - World Bank
    - (vii) The 2008 standing reconciling item of US \$5,375,000 in the World Bank's income related to the United States of America bilateral project in China on accelerated production phase-out (CPR/PRO/47/INV/439);
- (e) To request the Treasurer to carry 2008 adjustments forward to 2009 by:
  - (i) Recording the amount of US \$297,686 decision 59/51 related to UNDP 2008 expenditure in 2009; and
  - (ii) Recording of the amount of US \$504,841 related to UNDP's 2008 interest income in 2009.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/50, para 269)  
(Supporting document: UNEP/OzL.Pro/ExCom/59/56).*

### **2009 accounts of the Multilateral Fund**

The Sixty-first Meeting of the Executive Committee decided:

- (a) To note the Fund's 2009 provisional accounts contained in document UNEP/OzL.Pro/ExCom/61/56;
- (b) Also to note the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the

2008 accounts exercise; and

- (c) Further to note that the 2009 final accounts of the Multilateral Fund would be submitted to the Executive Committee at its 62nd Meeting.

*(UNEP/OzL.Pro/ExCom/61/58, Decision 61/49, para 118)*

*(Supporting document: UNEP/OzL.Pro/ExCom/61/56).*

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the audited financial statement of the Multilateral Fund as at 31 December 2009, contained in document UNEP/OzL.Pro/ExCom/62/58;
- (b) Also to note that the audit report by the United Nations Board of Auditors referred to the ageing of the Multilateral Fund long-outstanding pledges and recommended that UNEP consider formulating an accounting policy for the treatment of long-outstanding pledges;
- (c) To request the Treasurer:
- (i) To bring to the Executive Committee's attention any change UNEP intended to make in the presentation of long-outstanding pledges in the Multilateral Fund accounts;
- (ii) To bring to the Executive Committee's attention any change in the current practice of separating the Multilateral Fund accounts from UNEP's accounts; and
- (iii) To record in the 2010 accounts the differences between the agencies' provisional statements and their final 2009 accounts, as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/62/58.

*(UNEP/OzL.Pro/ExCom/62/62, Decision 62/64, para 164)*

*(Supporting document: UNEP/OzL.Pro/ExCom/62/58).*

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2009 accounts, as presented in document UNEP/OzL.Pro/ExCom/62/59;
- (b) To request the implementing agencies to carry out 2009 adjustments in 2010 as follows:
- (i) UNDP to adjust its records of approved amounts by US \$(19), and its records of income by US \$9 in its progress report;
- (ii) UNEP to adjust its records of approved amounts by \$7 in its progress report; and US \$222,749 income not reflected in its progress reports;
- (c) To request the Treasurer:
- (i) To transfer US \$81 that had been overlooked during the transfers made to UNEP for the approved amounts at the 55th and 56th meetings of the Executive Committee;
- (ii) To refund to the World Bank an amount of US \$64,500 to rectify the double deduction on the transfer of the Chile halon project (CHI/HAL/42/TAS/156);
- (d) To note the 2009 reconciling items as follows:
- (i) US \$197 additional expenditure in UNIDO's 2009 accounts;
- (ii) US \$8 reported as a rounding difference in UNEP's income;
- (iii) US \$1,198,946 for the return of the loan for the Thai Chiller project (THA/REF/26/INV/104), still recorded in the World Bank's 2009 Financial Statement as income;
- (e) To note the standing reconciling items for UNDP and the World Bank as follows:
- (i) UNDP standing reconciling items for unspecified projects at the amounts of US \$68,300 and US \$29,054;
- (ii) World Bank standing reconciling items for the following projects:
- Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
  - United States bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000;
  - United States bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000; and
  - US \$8 investment income adjustment.

*(UNEP/OzL.Pro/ExCom/62/62, Decision 62/65, para 166)*

*(Supporting document: UNEP/OzL.Pro/ExCom/62/59).*



**2010 accounts of the Multilateral Fund**

The Sixty-fourth Meeting of the Executive Committee decided:

- (a) To take note of the Fund's 2010 provisional accounts contained in document UNEP/OzL.Pro/ExCom/64/51;
- (b) To note that the 2010 final accounts of the Fund would be submitted to the Committee at its 65th meeting and that further adjustments would be introduced if required;
- (c) To note the actions taken by the Treasurer in 2010 to reflect the adjustments resulting from the reconciliation of the 2009 accounts exercise; and
- (d) To request the Treasurer to reclassify the fixed-exchange-rate mechanism loss, presently classified as Secretariat's expenditure, as a separate line item in the financial statement.

*(UNEP/OzL.Pro/ExCom/64/53, Decision 64/52, para 180)*

*(Supporting document: UNEP/OzL.Pro/ExCom/64/51).*

The Sixty-fifth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The audited financial statement of the Multilateral Fund as at 31 December 2010, contained in document UNEP/OzL.Pro/ExCom/65/56;
  - (ii) The actions taken with respect to recording the loss on the fixed-exchange-rate-mechanism previously recorded as part of the Secretariat's expenditures as a separate line item in the accounts of the Fund and that any losses or gains under the mechanism would be recorded in UNEP's accounts using an identifying code;
  - (iii) The action taken regarding the return of bilateral project balances in cash as part of prior years' contributions instead of miscellaneous income;
  - (iv) The indicative breakdown of the US \$500,000 annual fees of the Treasurer, provided by the Treasurer as a supplement to the 2010 accounts only;
  - (v) That document UNEP/OzL.Pro/ExCom/65/58 on the revised 2012, approved 2013 and proposed 2014 budgets contained the Secretariat's report on monitoring staff costs and assessing the appropriate rate of increase for future years;
  - (vi) That the final audit report on the 2010 financial statement for the year ended 31 December 2010 was pending UNEP's review; and
- (b) To request the Treasurer to record in the 2011 accounts the differences between the agencies' provisional statements and their final 2010 accounts, as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/65/56.

*(UNEP/OzL.Pro/ExCom/65/60, Decision 65/50, para 194)*

*(Supporting document: UNEP/OzL.Pro/ExCom/65/56).*

The Sixty-fifth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2010 accounts, as presented in document UNEP/OzL.Pro/ExCom/65/57;
- (b) To request the implementing agencies to carry out 2010 adjustments in 2011 as follows:
  - (i) UNDP to adjust its records of approved amounts by US \$(33) in its progress report;
  - (ii) UNEP to adjust its records of approved amounts by US \$3,984 and its income by US \$22,807 and US \$13,494 in its progress report; and
  - (iii) UNIDO to adjust its records of approved amount by US \$(14) and its income by US \$226,429 and US \$3,015 in its progress report;
- (c) To request the Treasurer to refund to UNDP an amount of US \$32,642 to rectify the overstated interest income reported by UNDP as of September 2010;
- (d) To note the 2010 outstanding reconciling items as follows:
  - (i) US \$11 difference in income in UNDP's 2010 accounts;
  - (ii) US \$(12) in income and US \$184 additional expenditure in UNIDO's 2010 accounts; and

- (iii) Shortfall in income of US \$38,234 in the World Bank's 2010 accounts;
- (e) To note the standing reconciling items as follows:
  - (i) UNDP standing reconciling items for unspecified projects at the amounts of US \$68,300 and US \$29,054; and
  - (ii) World Bank standing reconciling items for the following projects:
    - a. Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
    - b. United States of America bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000; and
    - c. United States of America bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000.

*(UNEP/OzL.Pro/ExCom/65/60, Decision 65/51, para 196)*

*(Supporting document: UNEP/OzL.Pro/ExCom/65/57).*

**2011 accounts of the Multilateral Fund**

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The Multilateral Fund's provisional 2011 accounts;
  - (ii) That the final 2011 accounts of the Fund would be submitted to the Committee at the 68th meeting, and that further adjustments would be introduced as required;
  - (iii) The actions taken by the Treasurer in 2011 to reflect the adjustments resulting from the reconciliation of the 2010 accounts exercise; and
- (b) To request the Secretariat to bring to the attention of the Executive Committee elements of the 2010-2011 audit of UNEP's accounts by the United Nations Board of Auditors of relevance to the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/67/39, Decision 67/33, para 114)*

*(Supporting document: UNEP/OzL.Pro/ExCom/67/35).*

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note the audited financial statement of the Multilateral Fund as at 31 December 2011 contained in document UNEP/OzL.Pro/ExCom/68/48;
- (b) To note that the final audit report on the 2011 financial statement for the year ended 31 December 2011 had been completed;
- (c) To take note of the United Nations Board of Auditors' findings and recommendations on the MLF's 2011 accounts and:
  - (i) To request the Treasurer:
    - a. To note that the auditors had undertaken a review of the appropriateness of the current reporting arrangements for expenditures by the Trust Fund of the Multilateral Fund, and determined that the inclusion, and the presentation as a separate statement, were proper under United Nations System Accounting Standards (UNSAS);
    - b. To request UNEP to consult the Executive Committee prior to any decision regarding possible integration of the accounts of the Multilateral Fund with the accounts of UNEP under the International Public Sector Accounting Standards (IPSAS);
    - c. To reflect the footnote regarding the Russian Federation in the 2012 accounts, as directed by the Executive Committee in decision 67/1(c), requesting the Treasurer to maintain the outstanding contributions of the Russian Federation in the outstanding contributions category of the Fund's accounts;
    - d. To ensure that the recommendation by the United Nations Board of Auditors to record audited statements from implementing agencies (World Bank and UNIDO) would not prevent the annual reconciliation of the accounts taking place within the same time frame;
    - e. To request UNEP to inform the Executive Committee of any options it considers to mitigate exchange rate risks prior to their implementation;
  - (ii) To request UNEP, as implementing agency, to advise the Executive Committee if it determines that any

changes to its current practices and procedures related to cash advances may be needed; and

- (d) To request the Treasurer to record in the 2012 accounts the differences between the agencies' provisional statements and their final 2011 accounts, as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/68/48.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/43, para 180)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/68/48).*

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2011 accounts, as presented in document UNEP/OzL.Pro/ExCom/68/49;
- (b) To request the implementing agencies to carry out the following 2011 adjustments in 2012:
- (i) UNDP to adjust its records of approved amounts by US \$33 in its progress report;
  - (ii) UNEP to adjust its progress report records on approved amounts by US \$-21,960 and the Secretariat by US \$-6,232;
  - (iii) UNEP to adjust its income by US \$10,939 and US \$9,720 in its progress report;
  - (iv) UNIDO to adjust its records of approved amounts by US \$1,506;
- (c) To request the Treasurer:
- (i) To withhold from its future transfers to UNDP an amount of US \$321,101, representing the additional interest income reported by UNDP;
  - (ii) To refund to UNEP an amount of US \$10,939 to rectify an over-recovery reported by UNEP;
- (d) To note the 2011 outstanding reconciling items as follows:
- (i) US \$39 difference in income in UNEP's 2011 accounts;
  - (ii) US \$-12 in income and US \$6 less expenditure in UNIDO's 2011 accounts;
  - (iii) US \$-10 in the World Bank's approved amounts;
- (e) To note the standing reconciling items as follows:
- (i) UNDP standing reconciling items for unspecified projects at the amounts of US \$68,300 and US \$29,054;
  - (ii) World Bank standing reconciling items for the following projects:
    - Thailand chiller Project (THA/REF/26/INV/104) at the amount of US \$1,198,946;
    - Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
    - United States of America bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000; and
    - United States of America bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/44, para 182)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/68/49).*

### **2012 accounts of the Multilateral Fund**

The Seventieth Meeting of the Executive Committee decided:

- (a) To take note of the Fund's 2012 provisional accounts contained in document UNEP/OzL.Pro/ExCom/70/56;
- (b) To note:
- (i) That the 2012 final accounts of the Fund would be submitted to the Committee at the 71st meeting and that further adjustments would be introduced as required;
  - (ii) The actions taken by the Treasurer in 2012 to reflect the adjustments resulting from the reconciliation of the 2011 accounts exercise;
  - (iii) The following responses provided by the Treasurer as a follow-up to decision 68/43(c)(i):
    - a. A decision on the methodology to be adopted to integrate the accounts of the Fund with those of UNEP was still pending the outcome of discussions involving UNEP, the International Public Sector Accounting Standard team at United Nations headquarters, and the United Nations Board of Auditors;
    - b. A footnote reflecting the outstanding contribution of the Russian Federation was not necessary in the light of accounting standards, rules and practices, according to which any outstanding contributions

- not written off were maintained in the outstanding contributions category of the accounts;
- c. The issue of recording only the audited financial statements of UNIDO and the World Bank instead of their provisional accounts, as was currently the practice, was pending further discussions on the subject with the new external audit team from the National Audit Office of the United Republic of Tanzania;
  - (c) As UNEP had not yet addressed the issue of mitigating exchange rate risks, to request the Treasurer to follow the matter up with UNEP, as requested by decision 68/43(c)(i)e, and to report back at the 71st meeting;
  - (d) To note the response provided by UNEP, as implementing agency, as a follow-up to decision 68/43(c)(ii), on its current practices and procedures relating to cash advances; and
  - (e) To request UNEP to update the Committee at its 71st meeting on the procedures set by the UNEP-wide standard on cash advances and the potential impact on Multilateral Fund-funded project implementation.

*(UNEP/OzL.Pro/ExCom/70/59, Decision 70/24, para 134)*

*(Supporting document: UNEP/OzL.Pro/ExCom/70/56).*

The Seventy-first Meeting of the Executive Committee decided:

- (a) To note the final financial statements of the Multilateral Fund as at 31 December 2012 contained in document UNEP/OzL.Pro/ExCom/71/60;
- (b) To note that UNEP had yet to receive the final audit report of the 2012 accounts from the United Nations Board of Auditors;
- (c) To request the Treasurer to record in the 2013 accounts of the Multilateral Fund the differences between the implementing agencies' provisional financial statements and their final 2012 accounts, as reflected in Tables 1 and 2 of document UNEP/OzL.Pro/ExCom/71/60;
- (d) To request the Treasurer to report to the Executive Committee at its 72nd meeting on the:
  - (i) Consolidation of the Multilateral Fund accounts with those of UNEP under the International Public Sector Accounting Standards;
  - ii) Mitigation of exchange rate risks on pledged contributions;
  - (iii) Procedures set by the UNEP-wide standard on cash advances and the potential impact on Multilateral Fund-funded project implementation; and
- (e) To request the Secretariat, in cooperation with the implementing agencies and the Treasurer, to further consider the impact of fund transfers to implementing agencies from the Treasurer, including information on rates of return on interest, in the light of the information provided in document UNEP/OzL.Pro/ExCom/71/58, and to report back to the Executive Committee at its 72nd meeting.

*(UNEP/OzL.Pro/ExCom/71/64, Decision 71/46, para 175)*

*(Supporting document: UNEP/OzL.Pro/ExCom/71/60)*

The Seventy-first Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2012 accounts, as presented in document UNEP/OzL.Pro/ExCom/71/61;
- (b) To request UNEP to adjust its income by US \$11,982 in interest accrued and US \$3,675 in prior years' savings in its next progress report;
- (c) To request the Treasurer:
  - (i) To reflect in UNIDO's 2013 accounts as prior years' adjustment:
    - a. Income transfers made to UNIDO in 2012 related to the refund on completed projects amounting to US \$104,472;
    - b. Interest earned amounting to US \$221,896 for the 2nd and 3rd quarters of 2012, as adjusted at the 68th meeting;
    - c. US \$99,041 for the 4th quarter of 2012, as adjusted at the 69th meeting;
    - d. The difference in interest income between the provisional and final accounts for 2012, amounting to US \$50,951;
  - (ii) To withhold from future transfers to UNDP an amount of US \$551,278, representing the additional interest

income reported by UNDP in its final financial statement but not in its provisional financial statement, and a US \$12 historical difference in income, and to reflect these amounts as a prior year adjustment in UNDP's 2013 accounts;

- (iii) To withhold from future transfers to the World Bank an amount of US \$71,078, representing interest earned in the 4th quarter of 2011, which had not been deducted from the 2012 approvals, as the Treasurer had made no payments to the World Bank at the 66th and 67th meetings owing to a large return in balances; and
- (iv) To note that the adjustments of US \$2,880 returned twice by UNIDO against five projects, and US \$810 in agency support costs returned twice by UNEP against one project, had been effected in the report on balances and availability of resources (document UNEP/OzL.Pro/ExCom/71/4) for each agency separately;
- (d) To note the 2012 outstanding reconciling items as follows:
  - (i) US \$3,119 in income between UNEP's progress report and final accounts;
  - (ii) US \$15 in income and US \$1,197 in expenditure between UNIDO's progress report and final accounts; and
  - (iii) US \$9 in income between the World Bank's progress report and final accounts; and
- (e) To note the standing reconciling items as follows:
  - (i) UNDP for unspecified projects in the amounts of US \$68,300 and US \$29,054; and
  - (ii) World Bank for the following projects implementing with other bilateral agencies where applicable:
    - Thailand chiller project (THA/REF/26/INV/104) in the amount of US \$1,198,946;
    - Sweden bilateral (THA/HAL/29/TAS/120) in the amount of US \$225,985;
    - United States of America bilateral (CPR/PRO/44/INV/425) in the amount of US \$5,375,000; and
    - United States of America bilateral (CPR/PRO/47/INV/439) in the amount of US \$5,375,000.

*(UNEP/OzL.Pro/ExCom/71/64, Decision 71/47, para 177).*

*(Supporting document: UNEP/OzL.Pro/ExCom/71/61).*

The Seventy-second Meeting of the Executive Committee decided:

- (a) To note the accounts of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/72/44;
- (b) To request the Treasurer:
  - (i) To report on the status of consolidation of the accounts of the Multilateral Fund to the 74th meeting once the International Public Sector Accounting Standards and Umoja were fully operational;
  - (ii) To seek, in consultation with the Secretariat, expert views on the issue of fund transfers from the Treasurer to the implementing agencies and to report back to the 73rd meeting; and
  - (iii) To include in the next report on the accounts of the Multilateral Fund integrated information on the UNEP-wide standard on cash advances and the 20 per cent disbursement threshold for tranches of HCFC phase-out management plans to show clearly the relationship between the two issues, together with further information on the criteria used for the placement of funds to ensure risk reduction and the maximization of interest accrual.

*(UNEP/OzL.Pro/ExCom/72/47, Decision 72/42, para 199).*

*(Supporting document: UNEP/OzL.Pro/ExCom/72/44).*

### **2013 accounts of the Multilateral Fund**

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The final financial statements of the Multilateral Fund as at 31 December 2013 contained in documents UNEP/OzL.Pro/ExCom/73/55 and Corr.1;
  - (ii) That UNEP had received the report of the United Nations Board of Auditors for the biennium ending 31 December 2013 and that there were no major issues of relevance to the Multilateral Fund;
  - (iii) That the report of the Treasurer (UNEP/OzL.Pro/ExCom/73/57), produced pursuant to decision

- 72/42(b)(ii) and (iii), contained the information requested on the issue of funds transfers from the Treasurer to the implementing agencies and on the UNEP-wide standard on cash advances and the 20 per cent disbursement threshold for tranches of HCFC phase-out management plans, and clearly showed the relationship between the two issues, and also contained further information on the criteria used for the placement of funds to ensure risk reduction and the maximization of interest accrual; and
- (b) To request the Treasurer to record in the 2014 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2013 financial accounts and final 2013 accounts as reflected in Tables 1 and 2 of documents UNEP/OzL.Pro/ExCom/73/55 and Corr.1.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/66, para 216)*

*(Supporting document: UNEP/OzL.Pro/ExCom/73/55 and Corr.1).*

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2013 accounts contained in document UNEP/OzL.Pro/ExCom/73/56;
- (b) To request UNDP to adjust, in its progress report, the previously understated support costs under the Nigeria HCFC phase-out management plan project preparation (NIR/FOA/57/PRP/123) by US \$144;
- (c) To request the Treasurer:
- (i) To withhold from its future transfers to UNDP an amount of US \$205,719 representing the additional interest income reported by UNDP in its provisional financial statement, but not in its final financial statement, and to reflect that amount as a prior year adjustment in UNDP's 2014 accounts;
- (ii) To record the decrease in expenditure, in the amount of US \$157,470, between UNDP's provisional and final financial statements in 2014;
- (iii) To withhold from its future transfers to UNIDO an amount of US \$17,064 representing an additional interest income reported by UNIDO in its final statements, but not in its provisional statements, and to reflect that amount as a prior year adjustment in UNIDO's 2014 accounts;
- (d) To note the 2013 outstanding reconciling items as follows:
- (i) US \$322,396 in income and US \$1,578 in expenditure between UNEP's progress report and final accounts;
- (ii) US \$16 in income and US \$57 in expenditure between UNIDO's progress report and final accounts;
- (iii) US \$8 in income between the World Bank's progress report and final accounts;
- (e) To note the standing reconciling items as follows:
- (i) UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054; and
- (ii) The World Bank, for the following projects implemented with other bilateral agencies where applicable:
- a. The refund by Government of the Philippines of US \$28,434, representing an undocumented balance to the ODS project special account, which was a new item;
- b. Thailand chiller project (THA/REF/26/INV/104) in the amount of US \$1,198,946;
- c. Japan bilateral (THA/PHA/68/TAS/158) in the amount of US \$342,350, which was a new item;
- d. Sweden bilateral (THA/HAL/29/TAS/120) in the amount of US \$225,985;
- e. United States of America bilateral (CPR/PRO/44/INV/425) in the amount of US \$5,375,000; and
- f. United States of America bilateral (CPR/PRO/47/INV/439) in the amount of US \$5,375,000.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/67, para 218)*

*(Supporting document: UNEP/OzL.Pro/ExCom/73/56).*

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the report on fund transfers from the Treasurer to the implementing agencies (decision 72/42(b)(ii) and (iii)) contained in document UNEP/OzL.Pro/ExCom/73/57;
- (b) To maintain the current system for the management and transfer of funds under the Multilateral Fund from the Treasurer to implementing agencies.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/68, para 221)*

*(Supporting document: UNEP/OzL.Pro/ExCom/73/57).*

### **2014 accounts of the Multilateral Fund**

The Seventy-fourth Meeting of the Executive Committee decided:

- (a) To note the report on the status of consolidation of the accounts of the Multilateral Fund (decision 72/42(b)(i)), contained in document UNEP/OzL.Pro/ExCom/74/52;
- (b) To request the Treasurer:
- (i) To submit the final 2014 accounts of the Multilateral Fund containing the required information on the

fixed-exchange rate mechanism, promissory notes, outstanding contributions, and counterparty contribution by the Government of Canada, to the 75th meeting;

(ii) To continue submitting separate sub-accounts for each implementing agency, one for the budget of the Fund Secretariat, and another on the financial status of the Multilateral Fund, using the same format when the accounts were reported under United Nations System Accounting Standards;

(iii) To report on the status of the Multilateral Fund bank account located in New York and its impact on the financial operation of the Fund Secretariat and the Multilateral Fund to the 75th meeting; and

(iv) To organize, together with the Fund Secretariat, an information workshop to update the implementing agencies on the reporting requirement under International Public Sector Accounting Standards prior to the 75th meeting.

*(UNEP/OzL.Pro/ExCom/74/56, Decision 74/52, para 168)*

*(Supporting document: UNEP/OzL.Pro/ExCom/74/52).*

The Seventy-fifth Meeting of the Executive Committee decided:

(a) To note:

(i) The final financial statements of the Multilateral Fund as at 31 December 2014 prepared in accordance with decision 74/52(b) contained in document UNEP/OzL.Pro/ExCom/75/80;

(ii) That UNEP had received the report of United Nations Board of Auditors for the biennium ended 31 December 2014 and that there were no major issues of relevance to the Multilateral Fund;

(iii) The feedback from the Treasurer on the bank account of the Multilateral Fund in New York;

(iv) That under the International Public Sector Accounting Standards (IPSAS) contributions outstanding for up to three years are reported under the “voluntary pledges receivable” category and contributions outstanding for more than three years were maintained under “the doubtful accounts receivable” category;

(v) The report of the workshop on the reporting requirements under IPSAS contained in Annex II to document UNEP/OzL.Pro/ExCom/75/80;

(b) To request the Treasurer to record in the 2015 accounts of the Multilateral Fund the differences between the implementing agencies’ provisional 2014 financial statements and their final 2014 statements as reflected in Tables 1 and 2 of the document UNEP/OzL.Pro/ExCom/75/80; and

(c) To authorize the Treasurer to restate the 2014 expenditure balance in the 2015 accounts so that the UNIDO 2014 accounts met the IPSAS reporting requirements.

*(UNEP/OzL.Pro/ExCom/75/85, Decision 75/70, para 288)*

*(Supporting document: UNEP/OzL.Pro/ExCom/75/80).*

The Seventy-fifth Meeting of the Executive Committee decided:

(a) To note the reconciliation of the 2014 accounts contained in document UNEP/OzL.Pro/ExCom/75/81;

(b) To request the Treasurer to adjust the accounts of UNDP and UNIDO by US \$82,831 and US \$24,667, respectively, representing a higher interest income reported in their provisional financial statements than in their final financial statements;

(c) To note the 2014 outstanding reconciling items as follows:

(i) US \$157,952 between UNEP’s progress report and the Secretariat’s inventory of approved projects; US \$36,178 in income and US \$2,962,802 in expenditure between UNEP’s progress report and the final accounts;

(ii) US \$10 in income between the World Bank’s progress report and the final accounts;

(d) To request UNEP to submit a revised 2014 progress report to the 76th meeting with a view to completing the 2014 reconciliation of accounts exercise;

(e) To request UNIDO to adjust in its 2015 accounts the expenditures of US \$58,045, representing the difference in agency support costs; US \$33 in income between UNIDO’s progress report and final accounts; and US \$15 between UNIDO’s progress report and the Secretariat’s inventory of approved projects;

(f) To note the standing reconciling items as follows:

(i) UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054; and

(ii) The World Bank, for the following projects implementing with bilateral agencies where applicable:

- Thailand chiller project (THA/REF/26/INV/104) in the amount of US \$1,198,946;
- Japan bilateral (THA/PHA/68/TAS/158) in the amount of US \$342,350;
- Sweden bilateral (THA/HAL/29/TAS/120) in the amount of US \$225,985;

- United States of America bilateral (CPR/PRO/44/INV/425) in the amount of US \$5,375,000; and
  - United States of America bilateral (CPR/PRO/47/INV/439) in the amount of US \$5,375,000.
- (UNEP/OzL.Pro/ExCom/75/85, Decision 75/71, para 290)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/75/81).*

The Seventy-sixth meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2014 accounts (decision 75/71(d)) contained in document UNEP/OzL.Pro/ExCom/76/61;
- (b) To note with appreciation the submission by UNEP of a revision to its progress report as at 31 December 2014;
- (c) To request UNEP to reconcile in the 2015 accounts:
  - (i) US \$182,570, representing the differences between the accounts in the United Nations System Accounting Standards and the revised 2014 progress report of UNEP; and
  - (ii) US \$39,000, representing more expenditure in the revised 2014 progress report of UNEP than in the International Public Sector Accounting Standards.

*UNEP/OzL.Pro/ExCom/76/66, Decision 76/53, para 186)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/76/61).*

### **2015 accounts of the Multilateral Fund**

The Seventy-seventh Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The final financial statements of the Multilateral Fund as at 31 December 2015, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/77/72;
  - (ii) The report of the United Nations Board of Auditors (UNBoA) for the year ending 31 December 2015 submitted to UNEP;
  - (iii) The UNBoA observation and recommendation indicating that UNEP should bring the issue of long-outstanding contributions receivable to the attention of the Executive Committee for its consideration or write-off, and the subsequent response by UNEP, taking into account the Secretariat's comments on the issue;
- (b) To request the Treasurer to record in the 2016 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2015 financial statements and their final 2015 statements, as reflected in Table 1 of document UNEP/OzL.Pro/ExCom/77/72; and
- (c) To request the Chair of the Executive Committee to report, to the Twenty-Ninth Meeting of the Parties to the Montreal Protocol, the UNBoA observation and recommendation that UNEP should "bring again the matter to the attention of the Multilateral Fund Executive Committee for its consideration or write-off".  
*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/61, para. 219)*  
*(Supporting document: UNEP/OzL.Pro/ExCom/77/72).*

The Seventy-seventh Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2015 accounts contained in document UNEP/OzL.Pro/ExCom/77/73;
- (b) To request the Treasurer:
  - (i) To deduct from future transfers to UNDP the amount of US \$105,346, on account of an interest income reported in its 2015 final accounts that was higher than in its provisional accounts;
  - (ii) To transfer US \$21,467 to UNIDO, which represented interest earned for China in 2012, which had been offset twice, against approvals at the 71st and 74th meetings;
- (c) To request UNEP to make the following adjustments in its 2016 accounts:
  - (i) US \$329,000 in expenditure adjustments required for 2015;
  - (ii) US \$221,570 in expenditure representing an unreconciled amount carried forward from 2014;
  - (iii) US \$907,514 representing 2014 reconciliation items not adjusted/actioned in 2015;



- (iv) US \$219,231 in agency support costs recorded incorrectly in the final 2015 accounts;
- (d) To request UNEP to make the following adjustments in its 2016 progress report:
  - (i) US \$217,633 in income recorded in UNEP's 2015 accounts but not in the progress report; and
  - (ii) US \$123,412 in expenditure, and US \$190,385 in savings reflected in UNEP's 2015 accounts but not in its progress report;
- (e) To request UNIDO to reflect in its 2016 accounts US \$2,040,715 in 2015 income not recorded in 2015;
- (f) To note that the following 2015 outstanding reconciling items would be updated prior to the 80th meeting by relevant implementing agencies:
  - (i) Differences of US \$41,106 in income and US \$18,992 in expenditure between UNEP's progress report and final accounts;
  - (ii) Differences of:
    - a. US \$26 between UNIDO's progress report and the Secretariat's inventory of approved projects, to be adjusted by UNIDO in its progress report;
    - b. US \$43 in income between UNIDO's progress report and final accounts;
    - c. US \$37,725 in agency support costs expenditure between UNIDO's progress report and the final accounts; and
  - (iii) A difference of US \$143,940 in income between the World Bank's progress report and final accounts;
- (g) To note the standing reconciling items as follows:
  - (i) UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054; and
  - (ii) The World Bank, for the following projects, being implemented with other bilateral agencies where applicable:
    - The bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - The bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000;
    - The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946;
    - Stage I of the HCFC phase-out management plan for Thailand (THA/PHA/74/INV/164 and 165), in the amount of US \$10,385,585; and
    - Stage I of the HCFC production phase-out management plan for China (CPR/PRO/75/INV/568), in the amount of US \$17,740,800.

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/62, para. 221)  
(Supporting document: UNEP/OzL.Pro/ExCom/77/73).*

### **2016 accounts of the Multilateral Fund**

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the final financial statements of the Multilateral Fund as at 31 December 2016, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/80/5; and
- (b) To request the Treasurer to record in the 2017 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2016 financial statements and their final 2016 financial statements, as

reflected in Table 1 of document UNEP/OzL.Pro/ExCom/80/5.  
(UNEP/OzL.Pro/ExCom/80/59, Decision 80/3, para 30)  
(Supporting document: UNEP/OzL.Pro/ExCom/80/5).

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2016 accounts contained in document UNEP/OzL.Pro/ExCom/80/6;
- (b) To request the Treasurer to deduct from the future transfers:
  - (i) To UNDP, US \$309,668, on account of an interest income reported in its 2016 final accounts that was higher than in its provisional accounts;
  - (ii) To UNIDO, US \$78,754, on account of an interest income reported in its 2016 final accounts that had yet to be offset against new approvals;
  - (iii) To the World Bank, US \$131,618, on account of an investment income reported in its 2016 accounts that had yet to be offset against new approvals;
- (c) To request UNDP to make the following adjustments in its 2017 progress report:
  - (i) US \$56,760 in income, representing additional funds approved for a project (IDS/PHA/64/INV/195) at the 66th meeting but not adjusted in the 2016 progress report;
  - (ii) US \$312,406, representing interest from the HCFC phase-out management plan for China, adjusted in UNDP's income but not reflected in its 2016 progress report;
  - (iii) US \$39, representing an incorrect adjustment for one project (DOM/PHA/77/INV/60) in its 2016 progress report;
  - (iv) US \$34, representing a rounding difference in agency support costs adjusted in UNDP's 2015 progress report but not in its 2016 progress report;
- (d) To request UNIDO:
  - (i) To make an adjustment of US \$1,122 in its 2017 progress report, representing balances returned for several projects incorrectly reflected in its 2016 progress report;
  - (ii) To reflect in its 2017 accounts US \$2,055,000 in 2016 income not recorded in 2016;
- (e) To request the World Bank to address the rounding difference of US \$7 for 2016, of which US \$4 had been carried forward from 2015;
- (f) To note that the following 2016 outstanding reconciling items would be updated prior to the 82nd meeting by relevant implementing agencies:
  - (i) Differences of US \$110,654 in income between UNEP's progress report and final accounts;
  - (ii) Differences of US \$135,304 in income between the World Bank's progress report and final accounts;
- (g) To note the standing reconciling items as follows:
  - (i) UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
  - (ii) The World Bank, for the following projects, being implemented with other bilateral agencies, where applicable:
    - The bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - The bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
    - The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/4, para 32)  
(Supporting document: UNEP/OzL.Pro/ExCom/80/6).

### **2017 accounts of the Multilateral Fund**

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2017, prepared in accordance with the International Public Sector Accounting Standards, contained in document

UNEP/OzL.Pro/ExCom/82/6; and

- (b) To request the Treasurer to record in the 2018 accounts of the Multilateral Fund, the differences between the implementing agencies' provisional 2017 financial statements and their final 2017 financial statements as reflected in Table 1 of document UNEP/OzL.Pro/ExCom/82/6.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/4)*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/6).*

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2017 accounts contained in document UNEP/OzL.Pro/ExCom/82/7;
- (b) To request the Treasurer to deduct from future transfers:
- (i) To UNDP, US \$634,258, on account of income from interest reported in its 2017 final accounts that had yet to be offset against new approvals;
  - (ii) To the World Bank, US \$122,167, on account of income from investment reported in its 2017 final accounts that had yet to be offset against new approvals;
- (c) To request UNDP to make an adjustment of US \$410,975 in its 2018 progress report, representing interest from the HCFC phase-out management plan (HPMP) for China, adjusted in the income of UNDP but not reflected in its 2017 progress report;
- (d) To request UNIDO:
- (i) To make an adjustment of US \$38,693 in its 2018 progress report, representing income recorded in its 2017 accounts and returned in 2018;
  - (ii) To reflect in its 2018 accounts, US \$2,069,358 in income that had been recorded in 2017; and US \$61,894, representing interest from the HPMP for China that had been offset in 2017 but not reflected in its 2017 accounts;
- (e) To request the World Bank to make an adjustment of US \$4,813 in its 2018 progress report, representing funds returned from income from investment in relation to a project (CPR/PHA/73/INV/551);
- (f) To note that the following 2017 outstanding reconciling items would be updated prior to the 84th meeting by relevant implementing agencies:
- (i) Differences of US \$6,117 in income and US \$60,213 in expenditure between the progress report and final accounts of UNIDO;
  - (ii) Differences of US \$135,299 in income between the progress report and final accounts of the World Bank;
- (g) To request UNEP to submit a revised 2017 progress report at the 83rd meeting with a view to completing the 2017 reconciliation of accounts exercise, noting the following outstanding reconciliation items:
- (i) Differences of US \$7,357 in income between the progress report and final accounts of UNEP;
  - (ii) Differences of US \$15,528,515 in expenditures between the progress report and final accounts of UNEP; and
- (h) To note the standing reconciling items as follows:
- (i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
  - (ii) For the World Bank, for the following projects implementing with other bilateral agencies where applicable:
    - a. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - b. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - c. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
    - d. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/82/72, Decision 82/5).*

*(Supporting document: UNEP/OzL.Pro/ExCom/82/7).*

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note:
- (i) The reconciliation of the 2017 accounts contained in document UNEP/OzL.Pro/ExCom/83/6;
  - (ii) The submission by UNEP of a revision to its progress report as at 31 December 2017;

- (b) To request UNEP to reflect in its 2018 accounts:
- (i) US \$7,357 in income representing exchange-rate gains in prior years that had not been recorded in its 2017 final accounts; and
  - (ii) US \$317,438 in expenditure representing the difference between projected and actual agency support costs that had not been recorded in its 2017 final accounts.

*(UNEP/OzL.Pro/ExCom/83/48, Decision 83/5).*

*(Supporting document: UNEP/OzL.Pro/ExCom/83/6).*

**2018 accounts of the Multilateral Fund**

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2018, prepared in accordance with the International Public Sector Accounting Standards, and the certified statement of income and disbursements of the additional contributions for fast-start support for the implementation of HFC phase-down pursuant to decision 83/4(b), all contained in documents UNEP/OzL.Pro/ExCom/84/6 and Corr.1; and
- (b) To request the Treasurer to record in the 2019 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2018 financial statements and their final 2018 statements reflected in Table 1 of document UNEP/OzL.Pro/ExCom/84/6.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/4)*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/6).*

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2018 accounts contained in document UNEP/OzL.Pro/ExCom/84/7;
- (b) To request the Treasurer to deduct from future transfers:
  - (i) To UNDP, US \$827,039, on account of income from interest reported in its 2018 final accounts that had yet to be offset against new approvals;
  - (ii) To UNEP, US \$616,416, on account of income from interest earned in 2018, US \$449,123, on account of income from interest earned in prior years, and US \$28,906, on account of income from exchange-rate gain reported in its 2018 final accounts that had yet to be offset against new approvals;
  - (iii) To the World Bank, US \$441,943, on account of income from investment reported in its 2018 final accounts that had yet to be offset against new approvals;
- (c) To request UNDP:
  - (i) To make an adjustment of US \$33 in its 2019 progress report, representing rounding differences related to agency support costs;
  - (ii) To reflect in its 2019 accounts, US \$246,281, representing a bilateral expenditure misreported in its 2018 final accounts;
- (d) To request UNEP to make adjustments, in its 2019 progress report, of US \$317,438 and US \$83,383, representing the difference in projected and actual agency support costs in the 2017 and 2018 final accounts, respectively;
- (e) To request UNIDO:
  - (i) To make an adjustment of US \$109,825 in its 2019 progress report, representing income recorded in its 2018 accounts and balances returned only in 2019;
  - (ii) To reflect, in its 2019 accounts, US \$2,083,871 in income that had been recorded in 2018 and US \$88,547, representing interest from the HCFC phase-out management plan for China that had been offset in 2018 but not reflected in its 2018 accounts;
- (f) To request the World Bank, in its 2019 progress report, to make adjustments of US \$4,813, representing funds returned from income from an investment project (CPR/PHA/73/INV/551), and US \$1,102,100, representing funds approved at the 80<sup>th</sup> and 81<sup>st</sup> meetings;
- (g) To note that the following 2018 outstanding reconciling items would be updated prior to the 86th meeting by the relevant implementing agencies:
  - (i) Differences of US \$11,093 in income and US \$65,856 in expenditures, between the progress report and final accounts of UNIDO;
  - (ii) Differences of US \$120,198 in income, between the progress report and final accounts of the World

Bank;

(h) To note the standing reconciling items as follows:

- (i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
- (ii) For the World Bank, for the following projects implemented with other bilateral agencies where applicable:
  - a. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
  - b. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
  - c. Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
  - d. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
  - e. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/5).*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/7).*

### **2019 accounts of the Multilateral Fund**

The Eighty-sixth Meeting of the Executive Committee decided:

- (a) To note:
  - (i) The final audited financial statements of the Multilateral Fund as at 31 December 2019 prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/86/5;
  - (ii) The return of US \$1,782,262 (US \$1,735,073 from the approved 2019 budget of the Fund Secretariat and US \$47,189 from the approved budget for the monitoring and evaluation work programme) to the Multilateral Fund at the 86<sup>th</sup> meeting; and
- (b) To request the Treasurer to record in the 2020 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2019 financial statements and their final 2019 statements reflected in Table 1 of document UNEP/OzL.Pro/ExCom/86/5.

*(UNEP/OzL.Pro/ExCom/86/100, Decision 86/5)*

*(Supporting document: UNEP/OzL.Pro/ExCom/86/5).*

The Eighty-sixth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2019 accounts contained in document UNEP/OzL.Pro/ExCom/86/6;
- (b) To request the Treasurer to deduct from future transfers:
  - (i) To UNDP, US \$1,302,751, on account of income from interest reported in its 2019 final accounts that had yet to be offset against new approvals;
  - (ii) To UNEP, US \$450,092, on account of income from interest earned in 2019, US \$1,094,455, on account of income from interest earned in prior years, and US \$41, on account of income from exchange rate gain, all reported in its 2019 final accounts, that had yet to be offset against new approvals;
  - (iii) To the World Bank, US \$1,930,263, on account of income from investment earned in the fourth quarter of 2018 and in 2019, and US \$4,436,475, on account of funds returned from the 83<sup>rd</sup> and 84<sup>th</sup> meetings, both reported in its 2019 final accounts, that had yet to be offset against new approvals;
- (c) To request UNIDO to make adjustments in its 2020 accounts of US \$174,682, representing income adjustments that had been recorded in different years, and US \$2,098,458 in income that had been recorded in 2019;
- (d) To request the World Bank to make adjustments of US \$1,060,319 in its 2020 progress report, representing funds returned in relation to one project (PHI/SEV/80/TAS/01);
- (e) To note that the following 2019 outstanding reconciling items would be updated by relevant implementing agencies prior to the 88<sup>th</sup> meeting:

- (i) Differences of US \$12,597 in income and US \$61,615 in expenditures between the progress report and the final accounts of UNIDO;
- (ii) A difference of US \$115,560, in income, between the progress report and the final accounts of the World Bank;
- (f) To note the standing reconciling items as follows:
  - (i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
  - (ii) For the World Bank, for the following projects, implemented with other bilateral agencies where applicable:
    - a. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - b. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - c. Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - d. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
    - e. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/86/100, Decision 86/6)*

*(Supporting document: UNEP/OzL.Pro/ExCom/86/6).*

### **2020 accounts of the Multilateral Fund**

The Eighty-eighth Meeting of the Executive Committee decided:

- (a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2020, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/88/5; and
- (b) To request the Treasurer to record in the 2021 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2020 financial statements and their final 2020 statements reflected in Table 1 of document UNEP/OzL.Pro/ExCom/88/5.

*(UNEP/OzL.Pro/ExCom/88/79, Decision 88/4)*

*(Supporting document: UNEP/OzL.Pro/ExCom/88/5).*

The Eighty-eighth Meeting of the Executive Committee decided:

- (a) To note the reconciliation of the 2020 accounts contained in document UNEP/OzL.Pro/ExCom/88/6;
- (b) To request the Treasurer to deduct from future transfers:
  - (i) To UNEP, US \$1,080,630, on account of income from interest earned in 2020 and prior years, reported in its 2020 final accounts that had yet to be offset against new approvals;
  - (ii) To UNIDO, US \$85,020, on account of income from interest reported in its 2020 final accounts that had yet to be offset against new approvals;
  - (iii) To the World Bank, US \$22,119, on account of income from interest reported in its 2020 final accounts that had yet to be offset against new approvals;
- (c) To request UNDP to make adjustments of US \$6,740 in its 2021 progress report, representing the amount withheld for penalty in relation to a project (SRL/PHA/86/INV/58);
- (d) To request UNEP to make adjustments of US \$4,723 in its 2021 progress report, representing the amount withheld for penalty in relation to a project (SRL/PHA/86/TAS/56);
- (e) To request UNIDO to make adjustments of US \$2,022,000 in its 2021 accounts, representing income that had been recorded in 2020; and US \$89,600 in its 2021 progress report, in grants closed in 2020 but funds returned in 2021;
- (f) To request the World Bank to make adjustments in its 2021 progress report of:

- (i) US \$314,015 representing the closing balance of US \$33,907 in relation to a project (CPR/PRO/57/INV/487) and US \$280,108 in relation to a project (CPR/FOA/56/INV/478);
- (ii) US \$1,060,319, representing funds returned in relation to a project (PHI/SEV/80/TAS/01);
- (g) To note that the following 2020 outstanding reconciling items would be updated prior to the 91st meeting by relevant implementing agencies:
  - (i) Differences of US \$12,657 in income, and US \$69,436 in expenditures between the progress report and the final accounts of UNIDO;
  - (ii) Differences of US \$121,562, in income between the progress report and the final accounts of the World Bank;
- (h) To note the standing reconciling items as follows:
  - (i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
  - (ii) For the World Bank, for the following projects implementing with other bilateral agencies where applicable:
    - a) Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - b) Bilateral cooperation of the Government of Japan (VIE/PHA/76/TAS/71) and (VIE/PHA/84/INV/75), in the amount of US \$234,170;
    - c) Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - d) Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - e) Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
    - f) The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/88/79, Decision 88/5)*

*(Supporting document: UNEP/OzL.Pro/ExCom/88/6).*

### **2021 accounts of the Multilateral Fund**

The Ninety-first Meeting of the Executive Committee decided:

(a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2021, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/91/5; and

(b) To request the Treasurer to record in the 2022 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2021 financial statements and their final 2021 statements reflected in table 1 of document UNEP/OzL.Pro/ExCom/91/5.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/4).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/5).*

The Ninety-first Meeting of the Executive Committee decided:

(a) To note the reconciliation of the 2021 accounts contained in document UNEP/OzL.Pro/ExCom/91/6;

(b) To request the Treasurer to deduct from future transfers:

(i) To UNEP, US \$540,089, on account of income from interest earned in 2021 and prior years reported in its 2021 final accounts that had yet to be offset against new approvals;

(ii) To UNIDO, US \$104,843, on account of income from interest reported in its 2021 final accounts that had yet to be offset against new approvals;

(c) To request UNIDO to make:

(i) In its 2022 accounts, adjustments of US \$2,036,154 representing income that had been recorded in 2021, US \$11,317 representing grants closed in 2021 that had been recorded in 2021 progress report but

not in the final accounts and US \$65,400 representing deferred income from grants that had been recorded in 2021 in the progress report but not in the final accounts;

(ii) In its 2022 progress report, an adjustment of US \$63,435 representing expenditure that had not been recorded in 2021;

(d) To note that the following 2021 outstanding reconciling items would be updated by relevant implementing agencies prior to the 93rd meeting:

(i) Differences of US \$1,377 in income and US \$173,352 in expenditure between the progress report and the final accounts of UNIDO;

(ii) Differences of US \$417,517 in income between the progress report and the final accounts of the World Bank;

(e) To note the standing reconciling items as follows:

(i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;

(ii) For the World Bank, for the following projects implemented with other bilateral agencies where applicable:

- a. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
- b. Bilateral cooperation of the Government of Japan (VIE/PHA/76/TAS/71) and (VIE/PHA/84/INV/75), in the amount of US \$234,170;
- c. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
- d. Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
- e. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
- f. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/5).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/6).*

### **2022 accounts of the Multilateral Fund**

The Ninety-third Meeting of the Executive Committee decided:

(a) To note the final audited financial statements of the Multilateral Fund as at 31 December 2022, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/93/5;

(b) To request the Treasurer to record in the 2023 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2022 financial statements and their final 2022 statements reflected in table 1 of document UNEP/OzL.Pro/ExCom/93/5; and

(c) To note that the audited 2022 financial report of UNEP referred to the matter of outstanding contribution receivables.

*(UNEP/OzL.Pro/ExCom/93/105, Decision 93/4).*

*(Supporting document: UNEP/OzL.Pro/ExCom/93/5).*

The Ninety-third Meeting of the Executive Committee decided:

(a) To note the reconciliation of the 2022 accounts contained in document UNEP/OzL.Pro/ExCom/93/6;

(b) To request the Treasurer to deduct from future transfers:



- a. To UNDP, at the 93<sup>rd</sup> meeting, US \$457,877, on account of income from interest reported in its 2022 final accounts that had yet to be offset against new approvals;
  - b. To the World Bank, at the 95<sup>th</sup> meeting, US \$45,143, on account of income from cumulative interest accrued during stage I and stage II of the HCFC production phase-out management plan (HPPMP) between 2015 and 2019 that had been reported in its final accounts but that had yet to be offset against the future approval of the third tranche of stage II of the HPPMP as per subparagraph (c) of decision 86/99;
- (c) To request UNDP to make the following adjustments:
- a. In its 2023 progress report, adjustments of US \$316,592, representing expenditure that had been recorded in the 2022 final accounts but not in the progress report, and of US \$1,805,836, representing expenditure that had been overstated in the 2022 progress report;
  - b. In its 2023 accounts, adjustments of US \$455,191, representing expenditure from agency support costs that had been recorded in the 2022 progress report but not in the final accounts, and of US \$886, representing over-expenditure reflected in the financial statement but not in the progress report;
- (d) To request UNIDO, in its 2022 accounts, to make adjustments of US \$2,050,407, representing income that had been recorded in 2021, and of US \$122,492, representing interest for China deducted in its 2021 accounts but not yet offset against payments by UNIDO;
- (e) To note that the following 2022 outstanding reconciling items would be updated by the relevant implementing agencies prior to the 95<sup>th</sup> meeting:
- a. Differences of US \$288 in income and US \$1,524,873 in expenditure between the progress report and the final accounts of UNIDO;
  - b. Differences of US \$390,363 in income between the progress report and the final accounts of the World Bank;
- (f) To note also the standing reconciling items as follows:
- a. For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;
  - b. For the World Bank, for the following projects implemented with other bilateral agencies, where applicable:
    - i. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$339,013;
    - ii. Bilateral cooperation of the Government of Japan ((VIE/PHA/76/TAS/71) and (VIE/PHA/84/INV/75)), in the amount of US \$234,170;
    - iii. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - iv. Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - v. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
    - vi. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

*(UNEP/OzL.Pro/ExCom/93/105, Decision 93/5).*

*(Supporting document: UNEP/OzL.Pro/ExCom/93/6).*

### **Workshop on common terminology and procedures for reconciliation of accounts**

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the report on the workshop on common terminology and procedures for the reconciliation of accounts contained in document UNEP/OzL.Pro/ExCom/45/50;

- (b) to request that draft agreements/memorandums of understanding between the Treasurer and the Implementing Agencies be submitted to the Executive Committee for review and endorsement;
- (c) to note that a detailed description of procedures, roles and responsibilities for the reconciliation of the accounts would be available in the minutes of the workshop and that further work was required by the Secretariat in cooperation with the Treasurer and the Implementing Agencies to finalize and develop a manual/primer on reporting and recording of the Multilateral Fund accounts; and
- (d) to note the Treasurer's explanation on the issue of new cash advances being granted to Implementing Agencies when old ones had not been fully accounted for.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/58, para. 190).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/50).*

#### **Application of miscellaneous income, exchange rate losses and gains, and bank charges**

The Forty-eighth Meeting of the Executive Committee decided:

- (a) To note the report on options for a consistent approach to the application of miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee, and any consequences resulting from alternative approaches (follow-up to decision 47/47) as contained in document UNEP/OzL.Pro/ExCom/48/43);
- (b) To confirm that the costs approved for implementing agencies should be classified as either project or administrative costs; and
- (c) To request that all implementing agencies that had any costs charged to their Multilateral Fund accounts that were not assigned to either project or administrative costs identify those costs relating to the last replenishment period, and before that, where possible, and inform the Executive Committee at the 49th Meeting.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/38, para. 167).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/43).*

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to note the report on costs charged to the Multilateral Fund accounts that had not been assigned to either project or administrative costs with respect to the application of miscellaneous income, exchange-rate losses and gains, and bank charges (follow up to decision 48/38) as contained in document UNEP/OzL.Pro/ExCom/49/40;
- (b) to note, with appreciation, that all the costs of UNDP and the World Bank had been assigned to either project or administrative costs;
- (c) to note, with appreciation, UNEP's agreement that all costs would be classified as either project or administrative costs and that expenditures amounting to US \$60,556 that had previously not been so assigned would be categorized as such; and
- (d) to request UNIDO to continue its efforts to comply with decision 48/38(b) and to report on the outcome to the 50th Meeting of the Executive Committee in the context of the annual reconciliation of accounts required by decision 38/9(d).

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/34, para. 135).*

#### **REQUESTS BY THE PARTIES**

##### **Performance and reporting**

The Fifth Meeting of the Parties requested the Executive Committee to continue to make its best efforts to ensure, in accordance with national priorities and procedures and in conformity with the terms of reference of the Multilateral Fund for the Implementation of the Montreal Protocol, that:

- (a) continued improvements are made to the implementation processes for country programmes, workplans and projects with the aim of ensuring their speedy implementation and, in particular, the disbursement of funds; and
- (b) the Fund Secretariat, Implementing Agencies and the Parties concerned develop implementation processes to avoid duplication of effort, working within their respective areas of expertise.

The Parties also requested the Executive Committee to ensure that its annual reports cover the achievements of the operation of the Fund in accordance with its terms of reference, paying particular attention to priorities set, actions

taken and progress made.

*(UNEP/OzL.Pro/5/12 Decision V/7 (section 3).*

**Review of the operation of the Multilateral Fund**

The Fifth Meeting of the Parties requested the Executive Committee to prepare a report in respect of the review referred to in paragraph 8 of Article 5 of the Montreal Protocol, taking into account section II, paragraph 4, of decision IV/18 (to evaluate and review, by 1995, the Financial Mechanism established by Article 10 of the Protocol and Section I of the present decision, with a view to ensuring its continue effectiveness, taking into account chapters 9, 33 and 34, and all other relevant chapters of Agenda 21 as adopted by the United Nations Conference on Environment and Development, held in Rio de Janeiro in June 1992), and submit it to the Open-Ended Working Group of the Parties through the Secretariat by 31 December 1994 and to prepare, and submit through the Secretariat, an addendum to its report no later than three months before the 1995 Meeting of the Parties with a view to its consideration at that Meeting. Such a report shall include consideration of:

- (a) the operation of the Fund to date;
- (b) the rate at which low and non-ozone depleting substance technologies are being transferred to or developed by Parties operating under Article 5, including the report on the actual implementation of these technologies;
- (c) the progress made and problems encountered by Article 5 Parties in implementing their country programmes;
- (d) the current plans of Article 5 Parties as articulated in their country programmes;
- (e) the financial implications of various phase-out strategies, including a comparison in achieving the targets set in the London and the Copenhagen Amendments;
- (f) the feasibility of achieving the greatest possible reduction as soon as possible.

NOTE: This review is separate from the review of the Financial Mechanism for which Decision V/12 of the Fifth Meeting of the Parties requested the Open-Ended Working Group to develop a terms of reference.

*(UNEP/OzL.Pro/5/12 Decision V/11 (section 1).*

The Twelfth Meeting of the Executive Committee decided that the review referred to in paragraph 8 of Article 5 of the Montreal Protocol should be prepared by a well-qualified consulting firm with experience in Article 5 countries. The Fund Secretariat was requested to invite consulting firms to tender bids based on the terms of reference of the report as soon as possible so that they could be received before 1 May 1994. The Chairman and Vice-Chairman of the Executive Committee would inform the Treasurer of the additional allocation to cover the costs of the review. The funds would be transferred to the account of the Fund Secretariat and recorded in the report of the Thirteenth Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/12/37 (paras. 170, 177).*

The Executive Committee further decided that the review should take into account:

- (a) the current plans of Article 5 Parties as articulated in their country programmes;
- (b) the Report on the Operation of the Fund (UNEP/OzL.Pro/ExCom/10/36) updating the pertinent information;
- (c) the progress made and problems encountered by Article 5 Parties in implementing their country programmes, determining, on the basis of the country programmes approved by the Executive Committee, the current status of ODS technologies used in Article 5 countries and the current per capita consumption, as well as the likely growth in consumption of ODS in Article 5 countries;
- (d) provide information on legislation being enacted in Article 5 countries in consonance with the strategies and action plans included in the country programmes;
- (e) describe market dynamics impacting the phase-out of controlled substances in Article 5 countries, including determination of the background of the industrial structure of Article 5 countries and the impact of ODS phase-out on the small-scale and informal industrial sector.

*(UNEP/OzL.Pro/ExCom/12/37 (Annex V).*

*(Supporting document: UNEP/OzL.Pro/ExCom/12/35).*

The requests by the Executive Committee to the Consultant's draft Report are presented in Annex I.14.

The Fifteenth Meeting of the Executive Committee authorized the Secretariat to transmit the document to the Ozone Secretariat.

*(UNEP/OzL.Pro/ExCom/15/45 (paras. 135, 137).*

**Declaration of 2007 as “International Year of the Ozone Layer”**

The Sixteenth Meeting of the Parties, considering that entry into force of the Montreal Protocol has resulted in:

- (a) a decline in the level of ozone-depleting substances in the atmosphere;
- (b) the expectation that the ozone layer will recover by about 2050 if there is full compliance with the provisions of the Montreal Protocol;
- (c) the avoidance of further significant increases in ultraviolet radiation reaching the Earth’s surface; and, thereby, improved the expectations of human health and reduced environmental risks for life on Earth,

Gratified by the transcendent success of the Montreal Protocol,

Declares 2007 “International Year of the Ozone Layer”.

*(UNEP/OzL.Pro.16/17, Decision XVI/45).*

**Dialogue on key future challenges to be faced by the Montreal Protocol**

The Eighteenth Meeting of the Parties decided:

1. to convene a two-day open-ended dialogue, including participation by the Assessment Panels, the Ozone Secretariat, the Multilateral Fund secretariat and the implementing agencies, and inviting other relevant multilateral environmental agreement secretariats and non-governmental organizations as observers, to discuss issues related to the future key challenges of the Montreal Protocol, in accordance with the agenda contained presented below this decision;
2. that the above-mentioned dialogue will be held during the two days immediately preceding the twenty-seventh meeting of the Open-ended Working Group and that interpretation in the six United Nations languages will be provided;
3. to request the Secretariat, liaising with the appropriate Montreal Protocol bodies, to prepare and to post on its website by 30 April 2007 a background document to serve as context for the above-mentioned dialogue, containing:
  - (a) a summary of the key achievements of the Montreal Protocol, lessons learned and its present status;
  - (b) volumes of ozone-depleting substances phased out and phased in, including feedstock, by substance and by category of Parties (i.e., Parties operating under paragraph 1 of Article 5 and Parties not so operating), forecasts of future trends in production and consumption and emissions from ozone-depleting substance banks;
  - (c) a compilation of submissions by Parties received in accordance with paragraph 4 of the present decision;
  - (d) concise factual information on the topics contained in the agenda of the dialogue;
  - (e) data on the ozone-depleting substances phased out and phased in under projects approved and implemented under the Multilateral Fund;
  - (f) An overview of the current and predicted future state of the ozone layer;
4. to invite Parties to submit to the Secretariat by 16 April 2007 any suggestions they may have on the topics to be discussed under the agenda contained in the annex;
5. to further request the Secretariat to prepare, in cooperation with the co-chairs of the dialogue, a summary report of the discussions that take place during the dialogue;
6. that a summary of key issues arising from the dialogue will be prepared by the co chairs of the dialogue and presented at the twenty-seventh meeting of the Open-ended Working Group;
7. to select Mr. Khaled Klaly (Syrian Arab Republic) and Mr. Tom Land (United States of America) as co-chairs of the dialogue.

Agenda for a dialogue on key future challenges faced by the Montreal Protocol  
Nairobi, Kenya.

Day 1

Welcome / Introduction

Speech by an eminent person

Summary of key achievements of the Montreal Protocol (Ozone Secretariat)

Questions / Discussion of summary presented by the Ozone Secretariat

Lunch

Future challenges related to scientific assessment, analysis and monitoring of the state of the ozone layer

Challenges in phasing-out HCFCs. Open discussion.

Key future policy challenges related to the further management, control and/or phase-out of ozone depleting substances other than HCFCs

Day 2

Issues related to sustaining compliance, maintaining enforcement and combating illegal trade beyond 2010

Lunch

Improving cooperation and coordination of the Montreal Protocol with other multilateral environmental agreements and processes

The future of the Multilateral Fund beyond 2010

Administration and institutional issues related to the Montreal Protocol including issues related to the Meeting of the Parties, the assessment panels, the Implementation Committee and the Ozone Secretariat

Summary and conclusions

*(UNEP/OzL.Pro.18/10, Decision XVIII/36).*

## **RELATIONSHIP BETWEEN THE MONTREAL PROTOCOL AND OTHER INTERNATIONAL AGREEMENTS**

### **Cooperation between the Multilateral Fund Secretariat and other relevant conventions or organizations**

With respect to the cooperation between the Multilateral Fund Secretariat and other relevant conventions or organizations, the Forty-ninth Meeting of the Executive Committee decided 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.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/1, para. 27 (b)).*

The Fifty-first Meeting of the Executive Committee decided to request the Secretariat to transmit any relevant official documents issued by other multilateral environmental agreements, and the Global Environment Facility, to the Executive Committee.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/1 para. 22 (b)).*

The Fifty-fourth Meeting of the Executive Committee decided to request the Secretariat to circulate, via e-mail, the draft responses to the requests from the Executive Secretary of the Rotterdam Convention on the Prior Informed Consent Procedure and the Chemicals Branch of UNEP/DTIE on experiences relevant to the Convention and experiences gained in technology transfer or technical support to developing countries, respectively, before issuing them.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/1 para.24 (b)).*

The Seventy-first Meeting of the Executive Committee decided:

- (b) To request the Secretariat to incorporate into future reports on Secretariat activities an additional section summarizing the advice given by the Secretariat to other bodies and organizations to enable monitoring and to ensure consistency.

*(UNEP/OzL.Pro/ExCom/71/64, Decision 71/1(b) para.23 (b)).*

The Seventy-ninth Meeting of the Executive Committee decided:

- (b) To request the Secretariat to include in Annex I to future reports on Secretariat activities a full and comprehensive overview of the status of all discussions with multilateral environment agreements and other relevant organizations, rather than only providing new information;

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/1, para 20)*

*(Supporting document: UNEP/OzL.Pro/ExCom/79/51).*

### **Implementation of the Montreal Protocol in the light of the Kyoto Protocol**

The Tenth Meeting of the Parties decided to request, with a view in particular to assisting the Parties to the Montreal Protocol to assess the implications for the implementation of the Montreal Protocol of the inclusion of HFCs and PFCs in the Kyoto Protocol, the relevant Montreal Protocol bodies, within their areas of competence:

- (a) to provide relevant information on HFCs and PFCs to the Secretariat of the Framework Convention on Climate Change by 15 July 1999 in accordance with operative paragraph 1 of the above-mentioned decision;
- (b) to convene a workshop with the Intergovernmental Panel on Climate Change which will assist the bodies of the Framework Convention on Climate Change to establish information on available and potential ways and means of limiting emissions of HFCs and PFCs in accordance with operative paragraph 2 of the above-mentioned decision;
- (c) to continue to develop information on the full range of existing and potential alternatives to ozone depleting substances for specific uses, including alternatives not listed in Annex A of the Kyoto Protocol;
- (d) to otherwise continue to co-operate with the relevant bodies under the United Nations Framework Convention on Climate Change and IPCC on these matters; and

to report to the Open Ended Working Group at its nineteenth meeting and to the Eleventh Meeting of the Parties to the Montreal Protocol on this work.

*(UNEP/OzL.Pro.10/9, Decision X/16).*

**Intergovernmental Panel on Climate Change assessment report on ODS**

The Seventeenth Meeting of the Parties decided:

1. to request the Ozone Secretariat to organize an experts workshop in the margins of the twenty-sixth meeting of the Open-ended Working Group in 2006, to consider issues as described in paragraph 3 of the present decision, arising from the special report of the Intergovernmental Panel on Climate Change and the Technology and Economic Assessment Panel and the Technology and Economic Assessment Panel's supplementary report;
2. to request Parties to provide nominations for experts to participate in the workshop to the Ozone Secretariat by 30 March 2006, aiming for a balanced representation from regional groups;
3. to request the Technology and Economic Assessment Panel to present a summary of the reports at the workshop and that experts then produce a list of practical measures relating to ozone depletion that arise from the reports, indicating their associated ozone-depleting substances cost effectiveness and taking into account the full costs of such measures. The list should also contain information on other environmental benefits, including those relating to climate change, that would result from these measures;
4. to request the Ozone Secretariat to produce a report of the workshop to the Parties by 1 September 2006 and report to the Eighteenth Meeting of the Parties;
5. to request the Ozone Secretariat to inform the Secretariat of the United Nations Framework Convention on Climate Change of the workshop and invite its representatives to attend as observers and report back to the United Nations Framework Convention on Climate Change;
6. to request the Technology and Economic Assessment Panel to coordinate with the World Meteorological Organization and the Scientific Assessment Panel to clarify the source of the discrepancy between emissions determined from bottom-up methods and from atmospheric measurement, with a view to:
  - (a) identifying the use patterns for the total production forecast for the period 2002–2015 in both Parties operating under paragraph 1 of Article 5 of the Montreal Protocol and Parties not so operating;
  - (b) making improved estimates of future emissions from banks, including those in the refrigeration, foams and other sectors, given the accuracy of calculations of the size of banks and the emissions derived from them, as well as servicing practices, and issues relating to recovery and recycling and end-of-life;
7. to request the Technology and Economic Assessment Panel to report to the Parties at their Eighteenth Meeting on the activities referred to in paragraph 6.

*(UNEP/OzL.Pro.17/11, Decision XVII/19).*

The Eighteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to further assess the measures listed in the report of Ozone Secretariat workshop on the Intergovernmental Panel on Climate Change/Technology and Economic Assessment Panel special report, in the light of current and expected trends of ozone-depleting substance production and consumption and with a focus on hydrochlorofluorocarbons, taking into account timing, feasibility and environmental benefits in Parties operating under Article 5 and Parties not operating

under Article 5 of the Protocol;

2. to request the Technology and Economic Assessment Panel to provide information on current and future demand for, and supply of, hydrochlorofluorocarbons, giving full consideration to the influence of the Clean Development Mechanism on hydrochlorofluorocarbon-22 production, as well as on the availability of alternatives to hydrochlorofluorocarbons;
3. to request the Ozone Secretariat to facilitate consultations, as appropriate, by the Technology and Economic Assessment Panel with relevant organizations, namely, the United Nations Framework Convention on Climate Change Secretariat, the Intergovernmental Panel on Climate Change, the Executive Board of Clean Development Mechanism of the Kyoto Protocol, and the secretariat of the Multilateral Fund, to enable the Technology and Economic Assessment Panel to draw on the work already carried out under these organizations, including any work relating to hydrochlorofluorocarbon-22, and consider, in cooperation with the Scientific Assessment Panel, the implications of these findings for the recovery of the ozone layer;
4. to request the Technology and Economic Assessment Panel to report its findings on the issues mentioned in paragraphs 1 and 2 above to the Open-ended Working Group at its twenty-seventh meeting for consideration, with a view to providing a final report to the Nineteenth Meeting of the Parties.

*(UNEP/OzL.Pro.18/10, Decision XVIII/12).*

### **International Conference on Chemicals Management**

The Forty-ninth Meeting of the Executive Committee decided:

- (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.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/1, para. 27 (c, d)).*

The Fifty-seventh Meeting of 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.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/1, para. 26 (b,c)).*

### **World Summit on Sustainable Development**

The Thirty-seventh Meeting of the Executive Committee decided to request the Secretariat to continue to explore the possibility of further participation at the World Summit on Sustainable Development.

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/1, para. 22(a)).*

### **Relationship between the Montreal Protocol and the World Trade Organization**

The Fourteenth Meeting of the Parties decided:

1. to request the Ozone Secretariat to report to the Parties to the Montreal Protocol on any meetings it attends at the World Trade Organization and any substantive contacts with the World Trade Organization Secretariat and its Committee Secretariats;
2. to request the Secretariat to monitor developments in the negotiations of the World Trade Organization Committee on Trade and Environment in special session and report to the Parties;
3. to further request that the Ozone Secretariat, in coordination with the Multilateral Fund Secretariat, when called

upon to provide general advice to the World Trade Organization on trade provisions of the Montreal Protocol and activities of the Multilateral Fund, consult with the Parties of the Montreal Protocol and the Executive Committee before providing this advice. If the Ozone Secretariat is asked for interpretations of the Protocol's trade provisions, the Secretariat should refer the matter to the Parties before providing that advice.

*(UNEP/OzL.Pro.14/9, Decision XIV/11).*

**RECOMMENDATIONS TO THE PARTIES BY THE EXECUTIVE COMMITTEE**

The Executive Committee recommended that the Seventh Meeting of the Parties, through the Open-ended Working Group of the Parties at its Eleventh Meeting, should give consideration to the following:

- (a) that, as a consequence of active and welcome action within Article 5 countries, there had been a substantial increase in project development and presentation and, therefore, in funding requests;
- (b) in this regard, the level of contributions agreed for the 1994-1996 period, was not expected to enable approval in 1995 of a significant proportion of projects that had already been identified by Implementing Agencies and Article 5 countries; and
- (c) the current difference between available funds and anticipated project requests could mean that the phase-out efforts of Article 5 countries would be slower than otherwise possible and could also be expected to create a number of other difficulties in smooth implementation of Article 5 ODS phase-out programmes.

*(UNEP/OzL.Pro/ExCom/16/20, para. 32h).*

**FUTURE OF THE MONTREAL PROTOCOL**

The Forty-ninth Meeting of the Executive Committee decided to include in the agenda of its 50th Meeting an item dealing with the preparation of a discussion paper on the issues raised at the 26th Meeting of the Open-Ended Working Group with regard to the future of the Montreal Protocol, as they related to the Multilateral Fund, taking into account the comments made on the issue at the Eighteenth Meeting of the Parties.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/38, para. 157).*

The Fifty-ninth Meeting of the Executive Committee took note of the presentations and agreed that no further discussion was necessary at the current Meeting. Members were urged to present their views to the Ozone Secretariat to assist it in preparing for the open-ended dialogue on the matter.

*(UNEP/OzL.Pro/ExCom/50/62, para. 174).*

**IMPLICATIONS FOR MULTILATERAL FUND INSTITUTIONS IN TERMS OF EXPECTED WORKLOAD IN THE COMING YEARS, INCLUDING IN RELATION TO THE KIGALI AMENDMENT FOR THE PHASE-DOWN OF HFCs**

The Eighty-first Meeting of the Executive Committee decided:

- (a) To note the overall analysis of the implications for Multilateral Fund institutions in terms of expected workload in the coming years, including in relation to the Kigali Amendment for the phase-down of HFCs (decision 80/34(f)), contained in document UNEP/OzL.Pro/ExCom/81/55;
- (b) To request the Secretariat to submit to the 84<sup>th</sup> meeting an analysis, conducted in consultation with the bilateral and implementing agencies, of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities, taking into account, inter alia, resource availability and cost-effectiveness and the capacity of Fund institutions and Article 5 countries, especially national ozone units and programme management units; and
- (c) To further request the Secretariat to take into account in the analysis relevant partnerships and the engagement of Fund institutions with other institutions, particularly in HFC phase down activities, supported by the Multilateral Fund, in line with the Kigali Amendment.

*(UNEP/OzL.Pro/ExCom/81/58, Decision 81/69, para 223)*

*(Supporting document: UNEP/OzL.Pro/ExCom/81/55).*

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities contained in document UNEP/OzL.Pro/ExCom/84/65; and
- (b) To request the Secretariat:
  - (i) To prepare an update of the analysis referred to in sub-paragraph (a), above, for the 87<sup>th</sup> meeting; and
  - (ii) In light of document UNEP/OzL.Pro/ExCom/84/65, to take into account the opportunities for integrated implementation of the phase-out of HCFC and phase-down of HFCs in the refrigeration servicing sector



when developing the document on an analysis of the level and modalities of funding for the HFC phase-down in the refrigeration servicing sector requested by decision 83/65.

*(UNEP/OzL.Pro/ExCom/84/75, Decision 84/86)*

*(Supporting document: UNEP/OzL.Pro/ExCom/84/65).*

The Eighty-ninth Meeting of the Executive Committee decided:

- (a) To note the status of the analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities contained in document UNEP/OzL.Pro/ExCom/89/5; and
- (b) To request the Secretariat to prepare an analysis related to the capacity of the Multilateral Fund institutions to address HFC phase-down, for the consideration of the Executive Committee at its 91<sup>st</sup> meeting.

*(UNEP/OzL.Pro/ExCom/89/16, Decision 89/4)*

*(Supporting document: UNEP/OzL.Pro/ExCom/89/5).*

The Ninety-first Meeting of the Executive Committee decided:

(a) To note the overall analysis related to the capacity of the Multilateral Fund institutions to address HFC phase-down (decision 89/4), contained in document UNEP/OzL.Pro/ExCom/91/67, as a framework for the discussions that would take place under other agenda items and further to the documents submitted under those agenda items; and

(b) To request the Secretariat to continue discussions with the implementing agencies on their perspectives regarding the additional resources needed on the basis of the expected increase in workload associated with HFC phase-down and to consider them in its review of the administrative cost regime of the Multilateral Fund, to be submitted at the 93rd meeting.

*(UNEP/OzL.Pro/ExCom/91/72, Decision 91/67).*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/67).*

## **ASSESSMENT OF THE MULTILATERAL FUND BY THE MULTILATERAL ORGANISATION PERFORMANCE ASSESSMENT NETWORK (MOPAN)**

The Eighty-ninth Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/89/2 and the report contained in document UNEP/OzL.Pro/ExCom/89/2/Add.1 which outlined observations and actions proposed by the Secretariat related to the five key areas of improvement identified in the 2019 Assessment of the Multilateral Fund by the Multilateral Organisation Performance Assessment Network (MOPAN);
- (b) To request the Senior Monitoring and Evaluation Officer, taking into account the discussions on the matter at part I of the 89th meeting, to include, in the monitoring and evaluation work programme for the year 2023 for consideration by the Executive Committee at its 91st meeting, the actions to enhance the evaluation function outlined in paragraphs 13 to 18 of document UNEP/OzL.Pro/ExCom/89/2/Add.1;
- (c) To request the Secretariat, taking into account the discussions on the matter at part I of the 89th meeting:
  - (i) To develop a results framework and a scorecard that fit the operations of the Multilateral Fund for consideration by the Executive Committee at its 92nd meeting;
  - (ii) To update the information strategy of the Multilateral Fund, to include a detailed plan for information and knowledge management, the website/information technology requirements, the resources needed and clear timelines for implementation and to submit the strategy for consideration by the Executive Committee at the 91st meeting;
  - (iii) To explore opportunities to further highlight how the sustainability of activities supported by the Multilateral Fund would be ensured, including by further clarifying in the documents submitted by the Secretariat how partner capacity, risks and critical assumptions were considered, and to report to the Executive Committee at its 91st meeting; and
  - (iv) To prepare, for consideration by the Executive Committee at its 91st meeting, a draft management response from the Executive Committee to the Secretariat of MOPAN in relation to its 2019 Assessment of the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/89/15, Decision 89/1).*

*(Supporting document: UNEP/OzL.Pro/ExCom/89/2 & Add.1).*

The Ninety-second Meeting of the Executive Committee decided:

- (a) To note the information provided relative to a results framework that fits the operations of the Multilateral Fund, contained in document UNEP/OzL.Pro/ExCom/92/52;
- (b) To request the Secretariat to develop, for consideration of the Executive Committee at its 93<sup>rd</sup> meeting, taking into account the discussions of the Executive Committee at its 92<sup>nd</sup> meeting:
  - (i) A revised results framework;
  - (ii) A scorecard based on the revised results framework referred to in subparagraph (b)(i) above;
- (c) To note the communication tool for the achievements of the Multilateral Fund referred to in document UNEP/OzL.Pro/ExCom/92/53; and
- (d) To request the Secretariat to disseminate the communication tool referred to in subparagraph (c) above.

*(UNEP/OzL.Pro/ExCom/92/56, Decision 92/41).*

*(Supporting document: UNEP/OzL.Pro/ExCom/92/52).*

### **Sustainability of Multilateral Fund-Supported Activities**

The Ninety-first Meeting of the Executive Committee took note of the report on opportunities to further highlight how the sustainability of activities supported by the Multilateral Fund would be ensured (decision 89/1(c)(iii)) contained in document UNEP/OzL.Pro/ExCom/91/68.

*(UNEP/OzL.Pro/ExCom/91/72 paras.275-277 )*

*(Supporting document: UNEP/OzL.Pro/ExCom/91/68).*

**ANNEX I.1: ACTIONS TO IMPROVE THE FINANCIAL MECHANISM FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**Action 1

- (a) Completion of the development by the Executive Committee of (i) a systematic approach to policy development, (ii) monitoring and evaluation guidelines, bearing in mind that operational responsibility remains with Governments, financial intermediaries or the Implementing Agencies, (iii) project templates for all sectors, with a view to having a project evaluation system in place by the end of 1995.
- (b) The Executive Committee to examine the integration of Agencies' and Secretariat's project review activities no later than six months after it has concluded that the preconditions for increased delegation set out in the recommendations in paragraphs 90 and 91 have been met.
- (c) Further delegation by the Executive Committee in due course, with a view to achieving appropriate delegation on over time.
- (d) Evaluation of the Small Project Approval Process (SPAP) by the Executive Committee on completion of the current project group.

Action 2

- (a) The Executive Committee to develop and take decisions on policy issues already identified, so that a satisfactory number of such issues have been clearly addressed by late 1996. New policy issues are likely to continue to emerge, but would be dealt with more expeditiously with refined administrative processes.
- (b) A list of foreseeable policy issues to be drafted by the Executive Committee with the help of the Implementing Agencies and the Fund Secretariat over the next two meetings.
- (c) The Fund Secretariat and designated consortia of Implementing Agencies to produce consensus options for consideration by the Executive Committee.
- (d) Decisions proposed for the consideration of the Executive Committee should clearly indicate the implications for project proposals if the decisions were to be adopted.

Action 3

The Committee members should normally refrain from speaking on projects in which they have a direct interest. However, this should not apply to projects which present policy issues, on which the Chair may invite all members to speak, in order to expedite consideration of such projects. It should be evident from records of Meetings of the Executive Committee that all projects are given equal treatment by the Committee.

Action 4

The Executive Committee should oversee the completion by the Implementing Agencies and the Secretariat, jointly, by the end of 1995 of a comprehensive, integrated database common to all agencies and the Secretariat, in conjunction with the completion of standard project outlines (templates), with a view to achieving a decrease in the number of projects undergoing substantial revision or reduction in proposed project costs due to the project review process and review the database in mid-1996.

Action 5

- (a) The Executive Committee should examine the effectiveness of its policy dissemination procedures in early 1996. The procedures should include the provision of practical examples of the application of policy decisions, with a view to reducing the extent of project revision during the review process, and also examine the degree to which national ozone protection units and consultants consider they have sufficient information to guide project development.
- (b) The Executive Committee should develop operational guidelines for agencies and their consultants.
- (c) The Executive Committee should consider a report on incremental costs for the production of CFC-substitutes and establish firm compensation policies with a view to completing incremental cost guidelines for the production of CFC-substitutes by mid-1996.

Action 6

The Executive Committee should evaluate the regime adopted for 1995, taking into account the study's recommendations, including the recommendation that: "Cost-effectiveness norms should be prepared based on model projects of different capacities under standard conditions. Thereafter, projects should be assessed on their

own merits." Nonetheless, all eligible projects shall continue to be funded overtime irrespective of their relative cost-effectiveness. In case of delayed funding, however, lump-sum payments could be considered.

#### Action 7

- (a) Relevant Implementing Agencies should review institutional strengthening experiences and present a combined paper to the Executive Committee, which will include guidelines on the possible proportionate commitment of Article 5 countries in such areas as financial, organizational and human resource support, with a view to enhancing the effectiveness of ODS phase-out strategies.
- (b) Institutional strengthening could include, at the request of Article 5 countries, assistance to meet their country programme goals relative to laws and regulations.

#### Action 8

The Executive Committee should select a lead Agency to prepare the framework for a policy dialogue with Article 5 countries by the end of 1996, with a view to enhancing regulatory support to ODS phase-out in Article 5 countries.

#### Action 9

The Executive Committee should request a lead Implementing Agency, with the other Agencies and the Secretariat, to further develop, as appropriate, the guidelines for country programmes, taking into account these recommendations, with a view to the adoption by the Executive Committee of revised guidelines. The Executive Committee will consider these guidelines in the light of its experience to date taking into account, as appropriate, the sectoral approach to technology transfer. However, approval of eligible projects should not be made contingent upon revision of country programmes. Any revision of the country programme would be at the request of the Party concerned.

#### Action 10

The study by the World Bank on the establishment of a concessional loan mechanism, requested by the Executive Committee at its Sixteenth Meeting, should be completed as soon as possible, and analyzed and discussed by the Executive Committee at its Nineteenth Meeting, and a decision on suitable future steps be taken by the Executive Committee by its Twentieth Meeting or by the Meeting of the Parties in 1996, as appropriate, with a view to starting the use of concessional loans by the end of 1996, to the extent that the need and demand exist.

#### Action 11

The Executive Committee should examine the issue of industrial consolidation, taking into account national industrial strategies of Article 5 countries, with a view to achieving more effective approaches to ODS phase-out.

#### Action 12

Noting that the Executive Committee approved funding for Latin American and African Networks, the Executive Committee should review the existing similar networks and establish new networks, as appropriate.

#### Action 13

The Implementing Agencies should report to the Executive Committee on measures to include ODS phase-out issues into their ongoing dialogue on development programming and on measures they could take to mobilize non-Fund resources in support of Montreal Protocol objectives, with a view to achieving an increase in the number of ozone-protection projects.

#### Action 14

The Executive Committee should consider the need for new Implementing Agencies for loan programmes in the light of emerging sectoral strategy policies and for methyl bromide after the Seventh Meeting of the Parties.

#### Action 15

The Executive Committee should urge the Article 5 countries concerned to select Implementing Agencies and mode of implementation keeping in mind the need to implement projects without delay.

#### Action 16

The World Bank should report on the training and incentive structure and, at its Nineteenth Meeting, the Executive Committee should consider this report and the relationship of the costs of training to total overhead costs, in order to ensure that the Executive Committee is fully informed about the role, resourcing and

effectiveness of Financial Intermediaries.

#### Action 17

The Executive Committee should request each Implementing Agency to report, as and when the issue arises, on legal and institutional impediments to project implementation and measures taken to address them as soon as possible.

#### Action 18

- (a) The World Bank and all other institutions associated with the Financial Mechanism should propose measures to assist UNEP in collecting contributions in arrears.
- (b) The World Bank should review with UNEP the processes for acceptance of promissory notes.

#### Action 19

The Executive Committee should monitor the extent to which the available bilateral component is utilized.

#### Action 20

The Executive Committee should pay attention to training directly related to investment projects and consider training of technical experts from Article 5 countries, especially when addressing the needs of small-ODS users. Where the Fund supports eligible projects of research to adapt technology to local circumstances, it should encourage the involvement of Article 5 country technical experts in the discussions of technical options, and the effective involvement of local experts in field missions.

#### Action 21

- (a) The Executive Committee should prepare an itemized progress report on measures taken so far, in the context of Article 10 of the Protocol, to establish a mechanism specifically for the transfer of technology and the technical know-how at fair and most favorable conditions necessary to phase-out ozone-depleting substances; and at the same time.
- (b) The Executive Committee should request UNEP to intensify its efforts to collect information from relevant sources, and to prepare an inventory and assessment of environmentally sound and economically viable technologies and know-how conducive to phase-out of ozone-depleting substances. This inventory should also include an elaboration of terms under which transfers of such technologies and know-how could take place.
- (c) The Executive Committee should consider what steps can practicably be taken to eliminate any impediments in the international flow of technology.
- (d) The Executive Committee should further elaborate the issue of the eligible incremental costs of technology transfer, including costs of patents and designs and the incremental costs of royalties as negotiated by the recipient enterprises.

The actions in subparagraphs (a), (b) and (c) should be completed by its Nineteenth Meeting and updated periodically, and the action in subparagraph (d) should be taken immediately.

*(UNEP/OzL.Pro.7/12, Annex V).*

**ANNEX I.2: TERMS OF REFERENCE FOR THE STUDY ON THE MANAGEMENT OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL****Preamble**

1. The financial mechanism was established by Article 10 of the Montreal Protocol to provide financial and technical cooperation to Parties operating under paragraph 1 of article 5 to enable their compliance with the control measures set out in articles 2A-2E and 2I, as well as any control measures contained in Articles 2F-2H, that are decided pursuant to paragraph 1 bis of Article 5. The mechanism includes a multilateral fund, financed by contributions from Parties not operating under paragraph 1 of Article 5. An executive committee was established by the Parties to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements, including the disbursement of resources for the purpose of achieving the objectives of the Multilateral Fund. A secretariat assists the Executive Committee in the discharge of its functions. The assistance activities requested by parties operating under paragraph 1 of Article 5 approved by the Executive Committee and funded by the Multilateral Fund are implemented by four multilateral Implementing Agencies (the United Nations Development Programme, the United Nations Environment Programme, the United Nations Industrial Development Organization and the World Bank) and also by bilateral agencies as agreed in decision II/8.

2. The Fourth Meeting of the Parties, which established the Multilateral Fund on a permanent basis, recognized the need to review periodically the operation of the financial mechanism in order to ensure maximum effectiveness in addressing the goals of the Montreal Protocol. Accordingly, in decision IV/18, the Parties requested an evaluation study, which was carried out in 1995. Based on the results of that study, the seventh Meeting of the Parties adopted Decision VII/22, in which they decided:

- (a) to request the Executive Committee to consider innovative mobilization of existing and additional resources in support of the objectives of the Protocol and any further action by the end of 1996 and to report thereon to the eighth Meeting of the Parties;
- (b) that the actions set out in annex V to the report of the seventh Meeting of the Parties should be taken to improve the functioning of the financial mechanism.

**Purpose**

3. Recognizing that more than five years after that first study it was appropriate to evaluate and review the financial mechanism, the Thirteenth Meeting of the Parties decided in its decision XIII/3:

- (a) to evaluate and review, by 2004, the financial mechanism established by Article 10 of the Montreal Protocol with a view to ensuring its consistent, effective functioning in meeting the needs of Article 5 Parties and non-Article 5 Parties in accordance with Article 10 of the Protocol and to launch a process for an external, independent study in that regard to be made available to the Sixteenth Meeting of the Parties;
- (b) that the study should focus on the management of the financial mechanism of the Montreal Protocol;
- (c) that the terms of reference and modalities of the study should be submitted to the fifteenth Meeting of the Parties;
- (d) to consider the necessity to launch such an evaluation on a periodic basis;
- (e) to request the existing evaluation mechanism in place within the United Nations system to provide the Meeting of the Parties, for its consideration, with any relevant findings on the management of the financial mechanism of the Montreal Protocol at any time such findings are available.

**Scope**

4. In carrying out the study, the consultant should consider the management of the financial mechanism of the Montreal Protocol as follows:

- (a) Executive Committee decision-making process:
  - (i) review of the adequacy of planning and implementation process of activities to ensure compliance;
  - (ii) the adequacy of information presented to the Executive Committee to enable it to take decisions on projects and policies;
  - (iii) coherence and effectiveness in project review process;
  - (iv) cost-effectiveness of approved ODS phase-out projects and programmes;

- (v) effectiveness and cost of the administrative organization of the Executive Committee, including the structure and functions of the Subcommittee for Project Review and the Subcommittee for Monitoring, Evaluation and Finance and their role in the Executive Committee. This should include analysis of options for management in the future, given implementation of the new country driven and compliance-focused programme;
- (vi) assessment of the necessary level of confidentiality of the Executive Committee meeting documentation, bearing in mind the interest of project proponents;
- (vii) use of performance indicators;
- (b) Multilateral Fund secretariat activities:
  - (i) appraisal of the efficiency and effectiveness of the review process of ODS phase-out projects and programmes with respect to the goals of the Montreal Protocol and decisions of the Meetings of the Parties;
  - (ii) monitoring the efficiency of the implementation of projects and programmes, in particular the monitoring and management of fund transfer and disbursement;
  - (iii) adequacy and comprehensiveness of the information provided to the Executive Committee on the financial reports submitted for the Executive Committee's consideration;
- (c) activities implemented by multilateral and bilateral Implementing Agencies:
  - (i) review of the adequacy in identifying plans and projects to assist national compliance with the Montreal Protocol;
  - (ii) evaluation of the fund management and disbursement policy of each Implementing Agency;
  - (iii) investment strategy of cash advances;
  - (iv) assessment of the use of the administrative costs, with special consideration to smaller versus larger projects;
  - (v) cost-effectiveness of each agency, taking separately into account the investment projects and other activities (institutional support, ODS officer network management, etc.);
  - (vi) assessment of the proportion of approved funds between investment and non investment projects in the different agencies;
  - (vii) adequacy and effectiveness of fund disbursements, and fund disbursement management, including reporting to the Multilateral Fund secretariat;
  - (viii) additional costs for the Multilateral Fund, if any, of overlapping activities between agencies;
- (d) Fund management:
  - (i) assessment of past experience of fund management as performed by the Treasurer;
  - (ii) comparison with management and financial practices of other funds (Global Environment Facility, development banks) as benchmarks;
- (e) additional matters:
  - (i) adequacy of the interaction between the Implementing Agencies, the Multilateral Fund secretariat and relevant subsidiary bodies;
  - (ii) analysis and reconciliation of financial data from different sources (Treasurer, Implementing Agencies, Multilateral Fund secretariat accounts and audited United Nations Environment Programme Fund accounts);
  - (iii) performance of donor countries in fulfilling their obligation vis-à-vis the Multilateral Fund.

### **Conclusions and recommendations**

5. In carrying out the study, the consultant(s) will identify the strengths, weaknesses, opportunities and threats and, where relevant, make recommendations suggesting possible improvements. The study will include a general overall review of the achievements of the Fund in phasing out controlled substances and in enabling the compliance of Article 5 Parties with the Montreal Protocol.

**Source of information for the evaluation**

6. The Ozone Secretariat, the Executive Committee, the Treasurer, the Multilateral Fund Secretariat, the Implementing Agencies (multilateral and bilateral), ozone offices, recipient countries and companies and non-Article 5 Parties are invited to cooperate with the consultant(s) and to provide all necessary information. The report should take into account the relevant decisions of the Meetings of the Parties and the Executive Committee.
7. The consultant(s) should consult widely with relevant persons and institutions and other relevant sources of information deemed useful.
8. The following table presents tentative milestones for the study.

November 2003	Approval of the terms of reference by the Fifteenth Meeting of the Parties
	Selection of a panel
December 2003	Finalization of the procedure for the selection of qualified external and independent consultant(s)
	Analysis of bids by the Ozone Secretariat and recommendation to the steering panel
	Independent consultant(s) selected by the panel
	Contract awarded
January 2004	Independent consultant(s) meet with the steering panel to discuss study modalities and details
May 2004	Mid-term review/preliminary draft report review by the steering panel
Mid-June	First draft report submitted to the Open-ended Working Group at its Twenty-fourth meeting
November 2004	Submission to the Sixteenth Meeting of the Parties

(UNEP/OzL.Pro.15/9, Decision XV/47, and Annex V).



**ANNEX I.3: PRELIMINARY ASSESSMENT OF THE FINANCIAL MECHANISM OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**

General recommendation	Considered Implem.		Ongoing Time to implement			Recommended action
	Yes	No	Short	Medium	Long	
<i>General recommendations</i>						
1. Make further structural changes to the ExCom, if necessary to specifically address compliance.						X
2. Continue to evaluate ExCom structure and consider reduction of annual meeting numbers.						X
<i>Technical Recommendations</i>						
3. Develop a primer to provide background on the Fund for new ExCom members.						X
4. Ensure that results of review of project implementation delay are not only applied to determine project cancellation, monitoring, or removal from the list of delays, but also to inform IAs of how to avoid future delays.						X
5. Request the Secretariat to take action to develop prescriptive approaches to address project implementation delays.		X				
6. Build on Decision 40/19 and the subsequent report submitted by UNEP (UNEP/OzL.pro/ExCom/41/Inf.2) to assist countries that consume very low quantities of methyl bromide, CTC, and methyl chloroform.						X
7. Continue to collaborate with the Secretariat and IAs to maintain effectiveness in dealing with issues of project overlap, ineligible funding, and inflated costs.						X
8. Reclassify ExCom meeting documentation as general distribution.						X
9. Extend performance indicators to bilateral Implementing Agencies.						X
10. Add performance indicators to address project identification.						X
11. Increase the weighting of the performance indicator “ODS phased-out for individual projects vs. those planned per progress reports.”						X
12. Continue process of developing qualitative indicators.						X
13. Share results of performance evaluations with upper management of IA.						X
14. Eliminate selected administrative indicators if relevant administrative problems are resolved.						X
15. Increase efforts to improve country level data reporting.						X
16. Continue efforts to reduce/avoid project implementation delays.						X
<i>Financial recommendations</i>						
17. Increase communication between IAs and the Treasurer when promissory notes are transferred, received and encashed.						X
18. Continue to maximize proportion of budget spent on implementation and minimize proportion of budget spent on core components.						X
19. Request IAs to explain significant increases in their core budget expenses.						X
20. Conduct a study regarding the efficiency of IA administration of smaller projects.						X
21. Monitor the use of funds for non investment versus investment activities within national or sectoral phase out plans.						X
22. Provide in Table 1 of the status report on		X				

General recommendation	Considered Implem.		Ongoing Time to implement			Recommended action
	Yes	No	Short	Medium	Long	
contributions and disbursements the incremental income, allocations and provisions, and balance available for new allocations, in addition to the cumulative totals of these financial components.						
23. Document the internal procedures and practices of the Treasurer.	X					
24. Take action to encourage timely payment by the donor countries.	X					
25. Implement internal quality control measures to improve the accuracy of recordkeeping.	X					
26. Clarify how, when, and what financial data should be accounted and reported by IAs.	X			X		
27. Consider engaging an independent auditor to assist with account reconciliation if financial discrepancies persist.		X				Has not been necessary, un auditing system if necessary
28. Continue to analyse the FERM's effect on Fund value.		X				Cannot be addressed by the excom, should be addressed by the parties

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/60, para. 251).

#### ANNEX I.4: ASSESSMENT REPORT ON THE RECOMMENDATIONS IN THE 2004 EVALUATION AND REVIEW OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL

##### Report of the Executive Committee

1. As requested by decision XVI/36 of the Sixteenth Meeting of the Parties, the Executive Committee has reviewed the general recommendations made by the Consultant and submits the following report for the consideration of the Meeting of the Parties.
2. After the deliberation at its 45th Meeting, the Executive Committee considers that 11 general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer and do not need any new action, but instead require regular follow-up at meetings of the Committee. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report.
3. Ten general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer but may require new actions in the short term. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report.
4. Seven general recommendations were considered not necessary to be implemented. Six because future action would be redundant in the light of recent developments or existing practices. One because of the potential negative incentive. The Executive Committee considers that there is no need for further reporting on these recommendations.
5. The general recommendations that correspond to the previous three paragraphs of this chapeau are:

Category	General Recommendation Numbers
PARAGRAPH 2	2, 6, 7, 15, 16, 18, 21, 22, 24, 25, 28
PARAGRAPH 3	1, 3, 4, 9, 11, 12, 17, 20, 23, 26
PARAGRAPH 4	5, 8, 10, 13, 14, 19, 27

GENERAL RECOMMENDATION 1: Make further structural changes to the Executive Committee, if necessary to specifically address compliance. The Executive Committee felt that there was no need for a structural change to the Executive Committee to address compliance as this was being addressed under the existing structure through planning, monitoring, and funding activities. In addition, the Committee at its 45<sup>th</sup> Meeting decided to consider at its 46<sup>th</sup> Meeting a process for intersessional approval that might expedite project approval for new Parties and Parties in non-compliance or at risk of non-compliance. The Executive Committee will continue to consider further structural changes if necessary for compliance and report to the Parties as appropriate on any new developments.

GENERAL RECOMMENDATION 2: Continue to evaluate Executive Committee structure and consider reduction of annual meeting numbers. The Executive Committee considered structural changes to the Executive Committee including the reduction in the annual number of meetings and an intersessional approval process that were discussed at the 44<sup>th</sup> and 45<sup>th</sup> Meetings. At its 45<sup>th</sup> Meeting, the Committee decided to continue to meet three times each year due to the current workload of the Committee. The Executive Committee will continue to evaluate its structure and report to the Parties as appropriate on any new developments.

GENERAL RECOMMENDATION 3: Develop a primer to provide background on the Fund for new Executive Committee members. After considering this issue, the Executive Committee requested the Secretariat to prepare a draft outline of an Executive Committee primer for consideration at the 46<sup>th</sup> Meeting of the Executive Committee with the aim of a draft primer being presented to the 47<sup>th</sup> Meeting. The primer would be a living document and would therefore be updated. The Executive Committee will report the completion of the first primer to the Meeting of the Parties and provide copies to all Parties.

GENERAL RECOMMENDATION 4: Ensure that results of review of project implementation delay are not only applied to determine project cancellation, monitoring, or removal from the list of delays, but also to inform implementing agencies of how to avoid future delays. After considering this issue, the Executive Committee requested the implementing agencies to provide information on how to avoid future delays as part of a lessons learned document to be considered at the 46<sup>th</sup> Meeting of the Executive Committee. The Executive Committee will update the Parties on its future decision and report subsequently, as appropriate.

GENERAL RECOMMENDATION 5: Request the Secretariat to take action to develop prescriptive approaches to address project implementation delays. Although the recommendation includes a request to the Secretariat, the Executive Committee felt that it was responsible for taking such actions instead of the Secretariat. Moreover, the Executive Committee has prescriptive approaches to avoiding delays currently in place and under enforcement. Prescriptive approaches are enforced to address project implementation delays primarily through the process of monitoring such projects at each meeting and other decisions related to reasons for delays such as delays due to counterpart funding and customs clearance. In view of these facts, the Committee felt that this recommendation should not be implemented as stated but was being implemented by the Committee.

GENERAL RECOMMENDATION 6: Build on decision 40/19 and the subsequent report submitted by UNEP (UNEP/OzL.pro/ExCom/41/Inf.2) to assist countries that consume very low quantities of methyl bromide, CTC, and methyl chloroform. At its 45<sup>th</sup> Meeting, the Executive Committee endorsed business plans and approved work programmes that included projects for countries with very low consumption of methyl bromide, CTC and methyl chloroform. It adopted guidelines for CTC and methyl chloroform projects for countries with baselines of 2 ODP tonnes and lower. Guidelines already exist for addressing low-volume countries consuming very low quantities of methyl bromide. The Executive Committee will continue to report as appropriate on the extent to which it assists countries with very low quantities of these substances.

GENERAL RECOMMENDATION 7: Continue to collaborate with the Secretariat and implementing agencies to maintain effectiveness in dealing with issues of project overlap, ineligible funding, and inflated costs. The Secretariat and bilateral and implementing agencies meet annually to avoid project overlap and any potential overlaps are brought to the attention of the Executive Committee in the context of annual business plans. As well, the Secretariat brings cases of ineligible funding and inflated costs to the attention of the Executive Committee at every meeting. As suggested by the recommendation, the Executive Committee will continue to collaborate to avoid project overlaps, ineligible funding and inflated costs and would report to the Parties on any new developments as appropriate.

GENERAL RECOMMENDATION 8: Reclassify Executive Committee meeting documentation as general distribution. The Executive Committee decided that from the 46<sup>th</sup> Meeting onwards pre-session documents would be classified as General Distribution while restricting access to any project document that a Party had requested to be classified as such until the Committee's consideration of the matter.

The Executive Committee also requested that the Secretariat publish all documents starting from the 46<sup>th</sup> Meeting on the web site in the languages produced for the meetings pursuant to decision II/8. Since the Committee has agreed to reclassify its meeting documentation as general distribution unless restricted at the request of a Party, the Executive Committee felt that the recommendation was implemented.

GENERAL RECOMMENDATION 9: Extend performance indicators to bilateral implementing agencies. After considering this issue, the Executive Committee requested the Secretariat to prepare a paper addressing the feasibility and desirability of extending the current and proposed performance indicators (see general recommendation 12) to bilateral implementing agencies for submission to the 46<sup>th</sup> Meeting of the Executive Committee. Based on the decision at the 45<sup>th</sup> Meeting, the Executive Committee considered this matter ongoing to be completed in the short term with the results to be reported back to the Parties.

GENERAL RECOMMENDATION 10: Add performance indicators to address project identification. Based on its consideration of this issue at the 45<sup>th</sup> Meeting, the Executive Committee considered that this recommendation should not be implemented, as project development or identification are tied to compliance needs and are coordinated effectively by the agencies and the Secretariat.

GENERAL RECOMMENDATION 11: Increase the weighting of the performance indicator "ODS phased-out for individual projects versus those planned per progress reports". Based on the discussion at its 45<sup>th</sup> Meeting, the Executive Committee decided to consider at its 46<sup>th</sup> Meeting whether a further review of the weighting of the quantitative performance indicators is warranted based on their application in the Evaluation of the Implementing Agencies' 2004 Business Plans to be submitted to the 46<sup>th</sup> Meeting. In the light of this decision, the Executive Committee considered this matter to be ongoing for completion in the short term with results to be reported back to the Parties.

GENERAL RECOMMENDATION 12: Continue process of developing qualitative indicators. Pursuant to decision 44/6, National Ozone Units have been given an opportunity to consider proposed qualitative performance indicators that were developed by the Committee at its 44<sup>th</sup> Meeting. The results of their

consideration of the matter will be submitted to the 46<sup>th</sup> Meeting. The Executive Committee considered this matter to be ongoing for completion in the short term with the results to be reported back to the Parties.

**GENERAL RECOMMENDATION 13:** Share results of performance evaluations with upper management of implementing agencies. Based on the discussion at its 45<sup>th</sup> Meeting, the Executive Committee believed that it had the ability to share such evaluations with upper management or others when it felt that such an approach was warranted, as it had done at its 32<sup>nd</sup> Meeting. Therefore, it considered that the recommendation should not be implemented on a regular basis, but implemented as needed.

**GENERAL RECOMMENDATION 14:** Eliminate selected administrative indicators if relevant administrative problems are resolved. Based on the discussion at its 45<sup>th</sup> Meeting, the Executive Committee believed that the elimination of these indicators might encourage poorer performance. Therefore, it considered that the recommendation should not be implemented.

**GENERAL RECOMMENDATION 15:** Increase efforts to improve country-level data reporting. The Executive Committee continues to seek improvements in data reporting by supporting institutional strengthening projects and UNEP's Compliance Assistance Programme. It should be noted that 2003 data reporting was excellent, with only a very few countries not reporting in time. Nevertheless, the Executive Committee would continue to seek improvement in country level data reporting and report back to the Meeting of the Parties as appropriate.

**GENERAL RECOMMENDATION 16:** Continue efforts to reduce/avoid project implementation delays. The Executive Committee considered that the past and ongoing efforts to reduce/avoid implementation delays were being effectively implemented through the effort of the agencies and the Secretariat. The Executive Committee would, however, continue its efforts to reduce delays and report back to the Parties as appropriate.

**GENERAL RECOMMENDATION 17:** Increase communication between implementing agencies and the Treasurer when promissory notes are transferred, received and encashed. After having considered this matter, the Executive Committee decided to request the Treasurer to circulate to the Secretariat and implementing agencies prior to each Executive Committee meeting a ledger indicating when promissory notes are transferred, received and encashed. The Executive Committee will report back to the Meeting of the Parties on the implementation of the reporting mechanism for promissory notes and would continue to report as appropriate on its efforts to increase communication between the agencies and the Treasurer.

**GENERAL RECOMMENDATION 18:** Continue to maximize proportion of budget spent on implementation and minimize proportion of budget spent on core components. The Executive Committee determined that this recommendation was being implemented on an ongoing basis through the annual review of the core unit costs and that it would continue to report to the Parties on this matter as appropriate.

**GENERAL RECOMMENDATION 19:** Request implementing agencies to explain significant increases in their core budget expenses. At its 44<sup>th</sup> Meeting, the Executive Committee requested implementing agencies to provide more in-depth information on their administrative costs in the context of the required annual review of such costs. The Committee requested this information in order to *inter alia* understand all core budget expenses including those cases where there may have been a significant increase. Since the Committee has already requested this information, the Committee considered that this recommendation had been implemented.

**GENERAL RECOMMENDATION 20:** Conduct a study regarding the efficiency of implementing agency administration of smaller projects. The Executive Committee was of the view that this issue was partially addressed in the context of the post-2007 RMP review. An Administrative costs study will be submitted to the 46<sup>th</sup> Meeting. The Executive Committee will report back to the Meeting of the Parties on any new action it might take at its 46<sup>th</sup> Meeting and report subsequently if needed.

**GENERAL RECOMMENDATION 21:** Monitor the use of funds for non-investment versus investment activities within national or sector phase-out plans. The Executive Committee monitors the use of all funds for all activities in national and sector phase-out plans. The Committee will continue to monitor the use of all funds and report back to the Meeting of the Parties as appropriate.

**GENERAL RECOMMENDATION 22:** Provide in Table 1 of the status report on contributions and disbursements the incremental income, allocations and provisions, and balance available for new allocations, in addition to the cumulative totals of these financial components. The Executive Committee agreed that Table 1 of the status report on contributions and disbursements contains the information requested in this recommendation. The Committee would continue to report on this matter as appropriate.

GENERAL RECOMMENDATION 23: Document the internal procedures and practices of the Treasurer. After considering the issue of documenting the internal procedures and practices of the Treasurer, the Executive Committee decided at its 45th Meeting to request the Treasurer to report on final progress in this regard to the 46th Meeting. The Executive Committee will report back to the Parties once the internal procedures and practices of the Treasurer had been documented and would report subsequently as appropriate.

GENERAL RECOMMENDATION 24: Take action to encourage timely payment by the donor countries. The Executive Committee will continue to take action to encourage timely payment by donor countries and will continue to report to the Parties on any actions that it might take as appropriate.

GENERAL RECOMMENDATION 25: Implement internal quality control measures to improve the accuracy of recordkeeping. After considering the issue of internal quality control, the Executive Committee decided at its 45th Meeting to request the Treasurer to provide a detailed report once each year, and interim reports at other times as appropriate, on quality control measures to improve the accuracy of recordkeeping. The Executive Committee considered this recommendation as ongoing and would report to the Parties as appropriate.

GENERAL RECOMMENDATION 26: Clarify how, when, and what financial data should be accounted and reported by implementing agencies. After considering the report of the workshop on common terminology and procedures for the reconciliation of accounts, the Executive Committee found that the roles of the agencies in terms of data reporting had been clarified. Agreements between the Treasurer and each agency were under development, and the Secretariat in cooperation with the Treasurer and the Implementing Agencies intended to produce a primer to clarify how, when and what financial data should be accounted and reported by implementing agencies. The Executive Committee would report back to the Parties when these agreements were in place and when the primer had been developed. The Committee would report to a subsequent Meeting of the Parties as appropriate.

GENERAL RECOMMENDATION 27: Consider engaging an independent auditor to assist with account reconciliation if financial discrepancies persist. Since any audit of United Nations agencies, when necessary, has to be conducted under UN financial rules, the Executive Committee was of the view that this recommendation could not be implemented.

GENERAL RECOMMENDATION 28: Continue to analyze the FERM's effect on Fund value. At its 44th Meeting, the Committee noted that in Annex XIX to the report, the issue of FERM was a matter for decision by the Meeting of the Parties. After its review at the 45th Meeting, the Committee noted that the impact of the FERM on the value of resources available to the Fund was monitored by the Treasurer as part of his report on the Status of Contributions and Disbursements to each meeting of the Executive Committee. The Executive Committee would continue analyzing FERM and report to the Parties as appropriate.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/59, para. 193).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/59 Annex XVII).*

**ANNEX I.5: TERMS OF REFERENCE FOR AN EVALUATION OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL****A. Preamble**

1. The achievements of the financial mechanism of the Montreal Protocol have often been recognized by the international community, and there is no doubt that the mechanism is both a cornerstone of the Protocol and an outstanding example of multilateral cooperation. Indeed, by the end of 2009 the Multilateral Fund had approved projects to phase out the consumption and production of about 458,000 ozone depleting potential (ODP) tonnes of ozone-depleting substances in developing countries, and over 85 per cent of this amount had already been phased out. As a result of those activities, nearly all parties operating under paragraph 1 of Article 5 of the Protocol are in compliance with their obligations under the Protocol, while most of their consumption and production of ozone depleting substances, except for hydrochlorofluorocarbons (HCFCs), has been eliminated.

2. The financial mechanism was established by Article 10 of the Montreal Protocol to provide financial and technical cooperation to parties operating under paragraph 1 of Article 5 to enable their compliance with the Protocol's control measures. The Fourth Meeting of the Parties to the Montreal Protocol recognized the need to review periodically the operation of the financial mechanism to ensure maximum effectiveness in pursuing the goals of the Montreal Protocol. Since its inception in 1991, the mechanism, which includes the Multilateral Fund, an Executive Committee, a Secretariat and implementing and bilateral agencies, has been evaluated twice by the parties, in 1994–1995 and 2003–2004.

3. The year 2010 is a landmark year in the history of both the Montreal Protocol and the financial mechanism, as virtually all remaining production and consumption of chlorofluorocarbons (CFCs), halons and carbon tetrachloride was to be phased out by 1 January 2010. In the light of this major milestone, it is particularly timely for the parties to the Protocol to take a retrospective look at the achievements of the financial mechanism, the challenges that it has faced, the manner in which they have been addressed and the lessons that have been learned, with a view to ensuring that the mechanism is well placed to address the challenges of the future effectively. Those challenges include phasing out HCFCs and the remaining consumption of methyl bromide and implementing ozone depleting substance destruction pilot projects.

**B. Purpose**

4. In the light of the above, and considering that it has been more than five years since the last evaluation was conducted, the Twenty-Second Meeting of the Parties decided that it was appropriate to evaluate and review the financial mechanism with a view to ensuring its effective functioning in meeting the needs of parties operating under paragraph 1 of Article 5 and parties not so operating in accordance with Article 10 of the Protocol. The study should be based on the present terms of reference, defined by the scope described below and carried out by an independent evaluator and completed by May 2012, in time for consideration by the Open ended Working Group of the Parties to the Montreal Protocol at its thirty second meeting.

**C. Scope**

5. In carrying out the study, the evaluator should consider the results, policy framework, organizational structure and lessons learned associated with the financial mechanism as follows:

(a) Results of the financial mechanism:

- (i) Extent to which both investment and non-investment projects approved under the Multilateral Fund have contributed to phasing out ozone-depleting substances in parties operating under paragraph 1 of Article 5 in accordance with Montreal Protocol compliance targets;
- (ii) Total reductions of ozone-depleting substances in ODP-tonnes and metric tonnes resulting from Multilateral Fund activities;
- (iii) Analysis of other environmental and health co-benefits, including climate benefits, as well as adverse effects resulting from activities funded by the Multilateral Fund to phase out ozone-depleting substances;
- (iv) Comparison of ozone-depleting substance phase-out planned in approved projects and ozone depleting substance phase-out achieved;
- (v) Comparison of planned cost-effectiveness of approved projects and actual cost effectiveness;
- (vi) Comparison of planned project implementation time and implementation time achieved;

- (vii) Effectiveness of capacity-building provided, including institutional strengthening and compliance assistance;
- (b) Policies and procedures:
  - (i) Effectiveness of timing between meetings, submission deadlines and reporting deadlines;
  - (ii) Effectiveness, consistency and efficiency of procedures and practices to develop, review and approve project proposals under the Multilateral Fund;
  - (iii) Ability of the project and activity planning and implementation process to ensure compliance;
  - (iv) Effectiveness and efficiency of monitoring, reporting procedures and practices;
  - (v) Ability and efficiency of internal evaluation and verification mechanisms to monitor and confirm results, including an analysis of existing databases;
  - (vi) Extent to which policies and procedures are adapted or improved based on experiences and relevant circumstances;
- (c) Other issues:
  - (i) Review of the distribution of funding among regions where parties operating under paragraph 1 of Article 5 are located, as well as between low volume consuming countries and non-low-volume consuming countries;
  - (ii) Extent to which programmes and projects approved under the financial mechanism have facilitated the implementation of the technology transfer provisions under Articles 10 and 10A of the Montreal Protocol and related decisions of the Parties, taking into account the geographical origin by region of technology provided in a representative sample of projects;
- (d) Lessons learned:
  - (i) Lessons learned in view of the future challenges of the Montreal Protocol and the Multilateral Fund;
  - (ii) Lessons learned from other international environmental institutions and agreements.

**D. Form and presentation of the study**

6. The study shall be presented using a practical, easy-to-use and easy-to-read layout, and should include a comprehensive summary for policymakers of some 30 pages and a detailed index followed by the body of the study and its annexes.

**E. Conclusions and recommendations**

7. In carrying out the study, the evaluator will identify the strengths, weaknesses, opportunities and threats associated with the financial mechanism and, where relevant, make recommendations suggesting possible improvements with regard to: results achieved; organizational effectiveness and decision-making processes; effectiveness of technology transfer; information dissemination and capacity-building activities; cooperation with other organizations; and any other area of particular relevance.

**F. Sources of information**

8. The Multilateral Fund Secretariat, the Ozone Secretariat, the Executive Committee, the implementing and bilateral agencies, the Treasurer, ozone offices, recipient countries and companies are invited to cooperate with the evaluator and to provide all necessary information including information on cost-effectiveness. The Multilateral Fund Secretariat is invited to provide all necessary data related to the items listed above in paragraphs 5 (a) (i), (ii), (iv), (v) and (vi). The evaluation should take into account the relevant decisions of the Meeting of the Parties and the Executive Committee.

9. The evaluator should widely consult relevant persons and institutions and other relevant sources of information deemed useful.

**G. Time frame and milestones**

10. The following table presents a tentative time frame and milestones for the study.



November 2010	Approval of the terms of reference by the Meeting of the Parties
	Selection of a steering panel by the Meeting of the Parties
January 2011	Finalization of the criteria and procedure for the selection of the qualified external and independent evaluator
March 2011	Analysis of bids by the Ozone Secretariat and, on the basis of the criteria, recommendations to steering panel
	Independent evaluator selected by the panel
April 2011	Contract awarded
	Evaluator provides an inception report and meets the steering panel to discuss study modalities and details
December 2011	Mid-term review: preliminary draft report submitted to and reviewed by the steering panel
February 2012	Final draft report submitted to and reviewed by the steering panel
May 2012	Final draft report submitted to the Open-ended Working Group at its thirty-second meeting
September 2012	Final report submitted to the Twenty-Fourth Meeting of the Parties

*(UNEP/OzL.Pro.22/9, Decision XXII/2)*



**ANNEX I.6: AGREEMENT BETWEEN UNEP AS TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND ESTABLISHED BY THE PARTIES TO THE MONTREAL PROTOCOL**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer ("Protocol") to the Vienna Convention for the Protection of the Ozone Layer ("Parties") have established the Multilateral Fund for the Implementation of the Montreal Protocol ("Fund") to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of Article 5 of the Protocol to comply with the control measures of the Protocol,

WHEREAS, at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations and the Executive Committee entrusted the Executive Director of the United Nations Environment Programme ("UNEP") with its administration,

WHEREAS, the Parties have designated the United Nations Development Programme ("UNDP"), the World Bank ("Bank"), the United Nations Environment Programme ("UNEP") and the United Nations Industrial Development Organization (UNIDO) as Implementing Agencies for the work programme of the Fund,

WHEREAS, by decision of the Executive Committee, UNEP in addition to being designated as an Implementing Agency has acted as "Treasurer" of the Fund since 1991 free of charge, with responsibility for disbursing funds for activities to each of the Implementing Agencies, including itself, under the guidance of the Executive Committee,

NOW THEREFORE, the Executive Committee and UNEP hereby agree as follows:

**Article I**

- 1.1 UNEP, in its capacity as Treasurer, will administer the Fund in accordance with the Financial Regulations and Rules of the United Nations.
- 1.2 UNEP, in its capacity as Treasurer will at the beginning of each calendar year inform all Parties not operating under paragraph 1 of Article 5 of the Protocol of their contributions due to the Fund and request remittance of Parties' contributions. In this regard, UNEP will apply the fixed exchange rate mechanism approved by Decision XIV/40 of the Fourteenth Meeting of the Parties to the Montreal Protocol or in future amendments to this Decision to those Parties which qualify to use the mechanism.
- 1.3 UNEP, in its capacity as Treasurer, will acknowledge receipt of contributions from Parties and shall, from time to time, issue reminders to Parties whose contributions are outstanding.
- 1.4 UNEP, in its capacity as Treasurer, will administer any voluntary contributions from other sources.
- 1.5 UNEP, in the capacity as Treasurer, will collect and maintain an accurate accounting of pledges and contributions from donors, including bilateral contributions.
- 1.6 UNEP, in its capacity as Treasurer, will maintain an accurate account of funds approved by the Executive Committee as bilateral cooperation assistance and offset these funds against the concerned Party's contribution to the Fund.
- 1.7 UNEP, in its capacity as Treasurer, will place contributions paid by Parties in a bank account it will establish for the purpose of receiving such contributions.
- 1.8 UNEP, in its capacity as Treasurer, will provide, when requested, information on the rate of return on the investment of the Multilateral Fund trust funds held by UNEP.
- 1.9 UNEP, in its capacity as Treasurer, will design and manage a transparent system for issuance and encashment of promissory notes in accordance with predetermined schedules or as funds are needed by Implementing Agencies.
- 1.10 UNEP, in its capacity as Treasurer, will not be responsible for unpaid contributions by Parties.
- 1.11 The accounts of the Fund will be maintained in United States dollars.

**Article II**

- 2.1 UNEP, in its capacity as Treasurer, will design and maintain a financial reporting system for transfers, disbursements, interest and expenditures (consistent with Executive Committee decisions) that will allow uniformity, transparency and consistency when tracking flow of funds and facilitate comparability and reconciliation.

- 2.2 UNEP, in its capacity as Treasurer, will remit to the Implementing Agencies funds approved for them by the Executive Committee, and maintain a payment system to these agencies.
- 2.3 Funds remitted to the Implementing Agencies will be disbursed by them in accordance with their respective financial regulations and rules.
- 2.4 UNEP, in its capacity as Treasurer, will remit to UNEP the funds approved for the budget of the Fund Secretariat.
- 2.5 UNEP, in its capacity as Treasurer, will not be obligated to remit funds over and above those available in the Fund account.

#### Article III

- 3.1 The Executive Committee agrees to remunerate UNEP in its capacity as Treasurer, US \$500,000 annually for services it will provide pursuant to this Agreement, taking into account the functions described in Appendix I to this Agreement. This sum will remain unchanged for a period of five years as of the date of entry into force of this Agreement.

#### Article IV

- 4.1 UNEP, in its capacity as Treasurer, will submit accounts of the Fund to the Executive Committee for each calendar year based upon the expenditures incurred by the Fund Secretariat, the statements of expenditure submitted by the Implementing Agencies, taking into account interest earned by them on Fund balances they have held, as well as interest earned by UNEP on balances it holds as Treasurer of the Fund. In addition, UNEP will prepare clear reports on the status of the Fund to be submitted through the Fund Secretariat to the meetings of the Executive Committee.
- 4.2 UNEP, in its capacity as Treasurer, will undertake preparation of studies requested by the Executive Committee and / or by Meetings of the Parties to the Montreal Protocol, as relevant. UNEP will draw to the attention of the Executive Committee any circumstances where the costs of such studies would exceed the resources available.
- 4.3 UNEP, in its capacity as Treasurer, will provide direct support to the Executive Committee and its subsidiary bodies as necessary, including participation in Executive Committee meetings.
- 4.4 The accounts of the Fund will be subject solely to the Internal and External Audit of the United Nations. Should there be any comments made by the Auditors relating to the accounts, UNEP, in its capacity as Treasurer, will advise the Chief Officer of the Fund Secretariat and the Chairman of the Executive Committee immediately.

#### Article V

- 5.1 Any dispute, controversy or claims arising out of, or in connection with, this Agreement, will, unless they are settled by direct negotiation, be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as at present in force. The Executive Committee and UNEP agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

#### Article VI

- 6.1 This Agreement shall enter into force upon signature by both parties and shall supersede previous Agreements.
- 6.2 This Agreement shall remain in force until such time as both parties agree to terminate it. Should one party wish to terminate the Agreement, such termination notice shall be given 90 days prior to its intended termination.
- 6.3 Any amendment to this Agreement shall require the concurrence in writing of both parties.
- 6.4 In case of conflict between the terms and conditions of this Agreement and the Financial Regulations of the United Nations, the latter will prevail.

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for UNEP

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for the Executive Committee

\_\_\_\_\_

Date

\_\_\_\_\_

Date

**Appendix I: Functions of Treasurer of the Multilateral Fund**

1. Multilateral Fund trust fund:
  - 1.1. establishment and management of a trust fund for the management of the Multilateral Fund resources and financial reports;
  - 1.2. calculation of the triennial and yearly pledges by each Party (some 42 Parties) in accordance with the terms of reference approved by the Parties to the Montreal Protocol in US dollars and national currencies as applicable;
  - 1.3. keeping updated tools for the calculation of the distribution of pledges to the Parties which do not operate under Article 5 of the Montreal Protocol, in accordance with the United Nations scale of assessment;
  - 1.4. calling for and sending reminders to the Parties for contribution payments, receiving the contributions, acknowledging the receipts and managing the bank account and the appropriate accounting for the transactions; and
  - 1.5. making remittances to the Implementing Agencies in accordance with the approvals of the Executive Committee of the Multilateral Fund.
2. Multilateral Fund bank account(s):
  - 2.1. establishment of a bank account for receiving contributions by Parties and other voluntary contributions and effecting transfers and payments in accordance with the approvals of the Executive Committee;
  - 2.2. management of the resources in the bank account with a view to maximizing the returns on any surplus funds not immediately needed; and
  - 2.3. management of any other subsidiary (bank) accounts that are opened for the smooth operation of the Fund, for example, for the management of promissory notes and their subsequent encashments.
3. Bilateral cooperation assistance
  - 3.1. maintaining an accurate report on the bilateral cooperation assistance (up to 20 per cent of a Party's assessed contribution per annum) approved for Parties by the Executive Committee for its direct implementation;
  - 3.2. adjustment of pledges of Parties to account for bilateral cooperation assistance approved by the Executive Committee; and
  - 3.3. introduction of the bilateral cooperation assistance's adjustments as reported in the annual progress reports on their implementation.
4. Fixed exchange rate mechanism:
  - 4.1. monitoring and recording of the countries' inflationary parameters needed for the application of the fixed exchange rate mechanism in determining the Parties which qualify to using the mechanism and, secondly, fixing the national currency rates;
  - 4.2. monitoring and recording of the various currencies exchange rates needed in the calculation of the fixed exchange rates for use in calculating the national currency pledges by the Parties which qualify to use the mechanism;
  - 4.3. requesting the Parties qualifying to use the fixed exchange rate mechanism for confirmation of their decision to either make their payments to the Fund in national currencies or in United States dollars;
  - 4.4. monitoring and recording of the performance of the fixed exchange rate mechanism by each Party, using the mechanism with a view to updating the shortfall or gain realized by the mechanism in totality;
  - 4.5. monitoring and recording of the value of the promissory notes established within the fixed exchange rate mechanism with a view to having the current value at any time of the reporting on the status of the Fund;
  - 4.6. monitoring and recording of the net gain or loss due to the implementation of the fixed exchange rate mechanism in order to properly factor it into the calculation of the net funds available for programming in the report on the status of the Fund; and
  - 4.7. preparing any reports on the implementation of the fixed exchange rate mechanism as the Executive Committee or the Meeting of the Parties to the Montreal Protocol may require from time to time.
5. Multilateral Fund reports on the status of the Fund:

- 5.1. monitoring and recording of the yearly payments in the various forms (cash, promissory notes, bilateral cooperation assistance, and promissory notes encashments) by Parties to the Fund from inception to date for inclusion in the reports on the status of the Fund;
- 5.2. monitoring and recording of the other income elements such as interest and miscellaneous income (at the levels of the Treasurer and the Implementing Agencies) from inception to date for inclusion in the reports on the status of the Fund;
- 5.3. monitoring and recording of cash transfers and promissory notes transfers to Implementing Agencies or reservation of promissory notes for Implementing Agencies and any subsequent promissory notes encashments following approvals by the Executive Committee from inception to date for inclusion in the reports on the status of the Fund;
- 5.4. monitoring and recording of commitments and expenditures of the Multilateral Fund Secretariat following approvals of the Executive Committee from inception to date for inclusion in the reports on the status of the Fund; and
- 5.5. preparing the aggregate report on the status of the Fund for the Executive Committee's meetings giving the pertinent information on all elements of income and expenditures/disbursements/commitments and the balance available for new approvals.
6. Multilateral Fund financial reports:
  - 6.1. preparation of the cumulative financial reports, including the statement of income and expenditure, and the report on changes in reserve and fund balance and cumulative fund balance;
  - 6.2. preparation of the annual financial reports, including the statements of income and expenditure, and the report on changes in reserve and fund balance and cumulative fund balance;
  - 6.3. preparation of the Implementing Agencies' summarized/aggregated expenditures reports annually and cumulatively; and
  - 6.4. preparation of the Multilateral Fund Secretariat's reports on the annual expenditures vis-à-vis the approvals by the Executive Committee.
7. Reconciliation of the Treasurer's accounts with bilateral and Implementing Agencies and the Multilateral Fund Secretariat:
  - 7.1. reconciliation of approvals by the Executive Committee, taking into account funds returned from completed projects, cancelled projects and adjustments to approvals, including projects transferred from one Implementing Agency to another;
  - 7.2. reconciliation of cash resources transferred by the Treasurer and received by the Implementing Agencies;
  - 7.3. reconciliation of promissory notes transferred to the World Bank considering the actual amounts realized in encashments;
  - 7.4. reconciliation of reported interest income earned by Implementing Agencies and approvals granted by the Executive Committee to the agencies; and
  - 7.5. reconciliation of adjustments to the bilateral cooperation assistance to Parties as per annual implementation progress reports made to the Executive Committee through the Multilateral Fund Secretariat and approvals granted by the Executive Committee.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/42, para. 140(a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/47/Rev.1).*

**ANNEX I.7: AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME AS THE TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (“UNDP”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNDP has agreed to provide for the establishment of accounts to be constituted by the funds provided to UNDP in accordance with the Agreement concluded on 19 June 1991 and 21 August 1991 as amended on 31 July 1998 and 14 August 1998 respectively between the Executive Committee of the Multilateral Fund and UNDP, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNDP have agreed on the administrative arrangements and procedures covering UNDP involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNDP to enable UNDP to administer and manage projects and activities approved by the Executive Committee for implementation by UNDP;

NOW THEREFORE, UNDP and the Treasurer hereby agree as follows:

**Article I**

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNDP, to the UNDP bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNDP, and the income from investments will be added to the resources held.

**Article II**

- 2.1 The accounts of the Fund will be administered by UNDP in accordance with the Financial Regulations and Rules of UNDP.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNDP.

**Article III**

- 3.1 UNDP will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNDP.
- 3.2 In line with the terms of Articles 1 and 2 of the 1998 Amendment to the 1991 Agreement between the Executive Committee and UNDP, UNDP will not make commitments before the receipt of funds or in the case of Promissory Notes before receipt of written confirmation from the Treasurer.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNDP will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNDP may jointly determine.

3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNDP will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

#### Article IV

- 4.1 UNDP will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNDP and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNDP will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNDP.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNDP a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNDP. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

#### Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNDP will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNDP to the Fund or used as the Executive Committee and UNDP may jointly determine.

#### Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

\_\_\_\_\_  
For UNDP

Name:  
Functional Title:  
Place of signature:  
Date:

\_\_\_\_\_  
For UNEP as Treasurer

Name:  
Functional Title:  
Place of signature:  
Date:

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/34, para. 139).  
(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VIII).



**ANNEX I.8: AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME AS THE TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS ENVIRONMENT PROGRAMME (“UNEP”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNEP has decided to provide for the establishment of accounts to be constituted by the funds provided to UNEP as Implementing Agency pursuant to the agreements between UNEP and the Executive Committee, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNEP have agreed on the administrative arrangements and procedures covering UNEP involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNEP to enable UNEP to administer and manage projects and activities approved by the Executive Committee for implementation by UNEP;

NOW THEREFORE, UNEP and the Treasurer hereby agree as follows:

**Article I**

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNEP, to the UNEP bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNEP, and the income from investments will be added to the resources held.

**Article II**

- 2.1 The accounts of the Fund will be administered by UNEP in accordance with the Financial Regulations and Rules of UNEP.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNEP.

**Article III**

- 3.1 UNEP will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNEP.
- 3.2 UNEP will make no commitments for financing before the receipt of funds in the accounts.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNEP will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNEP may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNEP will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

Article IV

- 4.1 UNEP will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNEP and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNEP will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNEP.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNEP a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNEP. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNEP will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNEP to the Fund or used as the Executive Committee and UNEP may jointly determine.

Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

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For UNEP as Implementing Agency

Name:

Functional Title:

Place of signature:

Date:

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/34, para. 139).  
(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex IX).*

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For UNEP as Treasurer

Name:

Functional Title:

Place of signature:

Date:

**ANNEX I.9: AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME AS THE TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (“UNIDO”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNIDO has agreed to provide for the establishment of accounts to be constituted by the funds provided to UNIDO in accordance with the Agreement concluded on 19 June 1991 and 21 August 1991 as amended on 31 July 1998 and 14 August 1998 respectively between the Executive Committee of the Multilateral Fund and UNIDO, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNIDO have agreed on the administrative arrangements and procedures covering UNIDO involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNIDO to enable UNIDO to administer and manage projects and activities approved by the Executive Committee for implementation by UNIDO;

NOW THEREFORE, UNIDO and the Treasurer hereby agree as follows:

**Article I**

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNIDO, to the UNIDO bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNIDO, and the income from investments will be added to the resources held.

**Article II**

- 2.1 The accounts of the Fund will be administered by UNIDO in accordance with the Financial Regulations and Rules of UNIDO.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNIDO.

**Article III**

- 3.1 UNIDO will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNIDO.
- 3.2 UNIDO will make commitments for financing under these arrangements before the receipt of funds in the accounts and in line with the terms of Articles 1 and 2 of the 1998 Amendment to 1992 Agreement between the Executive Committee and UNIDO.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNIDO will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNIDO may jointly determine.

3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNIDO will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

#### Article IV

- 4.1 UNIDO will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNIDO and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNIDO will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNIDO.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNIDO a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNIDO. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

#### Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNIDO will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNIDO to the Fund or used as the Executive Committee and UNIDO may jointly determine.

#### Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

\_\_\_\_\_  
For UNIDO

Name:

Functional Title:

Place of signature:

\_\_\_\_\_  
For UNEP as Treasurer

Name:

Functional Title:

Place of signature:

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/34, para. 139).  
(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex X).*

**ANNEX I.10: AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME AS THE TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AS TRUSTEE OF THE OZONE PROJECTS TRUST FUND**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of administrative arrangements for the purposes of achieving the objectives of the Fund with the co-operation and assistance of the International Bank for Reconstruction and Development (“Bank”) the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS the Bank has decided to provide for the establishment of the Ozone Projects Trust Fund (“OTF”) constituted by the funds provided to the Bank pursuant to the agreements between the Bank and the Executive Committee, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and the Bank have agreed on the administrative arrangements and procedures covering the Bank’s involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to the OTF to enable the Bank to administer and manage the Bank’s projects and activities approved by the Executive Committee for implementation by the Bank;

NOW THEREFORE, the Bank and the Treasurer hereby agree as follows:

**Article I**

1.1 The Treasurer shall transfer the amounts approved by the Executive Committee (the “Contributions”), in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by the Bank into the following account of the Bank, under reference to “Ozone Projects Trust Fund, Project Number TF20075”:

Wachovia Bank, NA, New York  
11 Penn Plaza, Floor 4  
New York, NY 10038  
Account Number: 2000192003489  
Swift Bic Code: PNBUS3NNYC  
Internal Route Code: PNBPNY  
Fed ABA Number: 026005092.

1.2 Funds held in the OTF and not immediately required will be invested in accordance with the regular practice of the Bank, and the income from investments will be added to the resources of the OTF.

**Article II**

2.1 The OTF will be administered by the Bank in accordance with the Operational Policies and Procedures of the Bank.

2.2 Project management and expenditures will be governed by the Operational Policies and Procedures of the Bank.

**Article III**

3.1 The Bank as trustee of the OTF will provide financing from the OTF for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by the Bank.

- 3.2 The Bank as trustee of the OTF will make no commitments for financing under these arrangements before the receipt of funds in the OTF.
- 3.3 Notwithstanding the completion of projects financed from the OTF, the Bank will continue to hold all unutilized resources in the OTF until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and the Bank may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities the Bank will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

#### Article IV

- 4.1 The Bank will maintain separate records and ledger accounts in respect of the Contributions and the disbursements thereof. The Bank will prepare, on a cash basis, an unaudited statement of receipts, disbursements and fund balance with respect to the OTF and forward a copy to the Treasurer by 31 January. The statement will be expressed in United States dollars, the currency in which the Bank will maintain the funds. The Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.2 The Bank will annually provide the Treasurer by 30 September with a management assertion, together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The costs of such attestations will be borne by the Bank. The Treasurer will be provided with the same statement in a format agreed by all implementing agencies.
- 4.3 The Bank will cause a financial statement audit of the OTF to be performed by the Bank's external auditors annually and upon completion, the costs of such an audit, including the internal costs of the Bank with respect to such an audit, will be charged to the OTF. The Bank will provide the Treasurer with a copy of the auditors' report. In the event that there are insufficient funds in the OTF to conduct such audits, the World Bank should notify the Executive Committee of the shortfall. Subject to approval by the Executive Committee, the Treasurer shall pay-in such a shortfall as instructed by the Executive Committee. In addition, if the Treasurer wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the OTF at a more frequent interval, the Treasurer and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Treasurer will agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the Fund after approval by the Executive Committee.
- 4.4 The Treasurer will manage a transparent system for the issuance and encashment of promissory notes, in accordance with predetermined schedules or as funds are needed by the Bank. The Treasurer will circulate annually, the ledger on promissory notes for the purpose of the reconciliation of the accounts.
- 4.5 The Treasurer's accounts of the Fund will be subject solely to the Internal and External Audit of the United Nations.

#### Article V

- 5.1 These arrangements will remain in force until such time as either party decides to terminate them. Should one party wish to terminate these arrangements, such termination notice will be given 30 days prior to its intended termination.
- 5.2 Notwithstanding termination of this Agreement, the Bank will continue to hold unutilized funds and interest earned by the OTF until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by the Bank to the Fund.

#### Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. This Agreement may be modified only by written agreement between the signatories hereto.

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For the Bank  
as trustee of the Ozone Projects Trust Fund

Name:

Functional Title:

Place of signature:

Date:

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/34, para. 139).*

*(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex X).*

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For UNEP as Treasurer

Name:

Functional Title:

Place of signature:

Date:





**ANNEX I.11: AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE 1987 MONTREAL PROTOCOL REGULATING MATTERS RESULTING FROM THE ESTABLISHMENT IN CANADA OF THE MULTILATERAL FUND AND ITS ORGANS****The Government of Canada and the Multilateral Fund for the Implementation of the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer:**

**NOTING** the undertaking of the Government of Canada to ensure the availability of all the necessary facilities to enable the Multilateral Fund to perform its functions, including its scheduled programmes of work and any related activities;

**DESIRING**, therefore, to conclude an Agreement regulating matters resulting from the establishment in Canada of the Multilateral Fund for the Implementation of the *1987 Montreal Protocol* and its organs;

**HAVE AGREED AS FOLLOWS:****ARTICLE 1****Definitions**

For the purposes of the present Agreement:

- (a) “Montreal Protocol” means the *1987 Montreal Protocol on Substances that Deplete the Ozone Layer* and its amendments;
- (b) “Multilateral Fund” means that Multilateral Fund for the Implementation of the *1987 Montreal Protocol on Substances that Deplete the Ozone Layer* and its amendments;
- (c) “Secretariat”, means the Secretariat of the Multilateral Fund;
- (d) “Executive Committee” means Executive Committee of the Multilateral Fund;
- (e) “Office Premises” means the buildings or part of buildings occupied permanently or temporarily by any organ of the Multilateral Fund or by meetings convened in Canada by the Multilateral Fund;
- (f) “Member States” means the States that are parties to the *Montreal Protocol*;
- (g) “Representative of a Member State” means a person charged by a Member State with the duty of acting on its behalf;
- (h) “Officials of the Secretariat” means United Nations officials assigned by the United Nations to service the Secretariat, irrespective of nationality, with the exception of those who are recruited locally and are assigned to hourly rates;
- (i) “Expert” means a person, other than a United Nations official, or any other official of the Secretariat performing missions for the Multilateral Fund;
- (j) “Agreement” means the Agreement between the United Nations and the Government of Canada concerning the Privileges, Immunities and other Facilities of the United Nations Officials Servicing the Secretariat of the Multilateral Fund for the Implementation of the *1987 Montreal Protocol on Substances that Deplete the Ozone Layer*; and
- (k) “Convention” means the *Convention on the Privileges and Immunities of the United Nations* adopted by the General Assembly of the United Nations on 13 February 1946.

**ARTICLE 2****Juridical Personality and Capacity**

The Multilateral Fund shall possess juridical personality. It shall have the capacity:

- (a) to contract;
- (b) to acquire and dispose of immovable and movable property; and
- (c) to institute legal proceedings.

**ARTICLE 3****Inviolability and Protection**

1. The Office Premises shall be inviolable. The competent Canadian authorities shall not enter the Office Premises to perform their official duties except with the consent of and under conditions agreed to by the Chief Officer of the Secretariat. These provisions shall not prevent the reasonable application of fire

regulations.

2. The Government of Canada shall accord to the Office Premises the same protection as is given to diplomatic missions in Canada.
3. The archives and documents of the Multilateral Fund shall be inviolable at any time wherever located.

#### **ARTICLE 4**

##### **Property, Funds and Assets**

1. The Multilateral Fund, its property, funds and assets, including funds administered in furtherance of its constitutional functions, wherever located and by whomsoever held, shall enjoy immunity from every form of legal process except insofar as in any particular case it has expressly waived its immunity, it being understood that the waiver shall not extend to any measure of execution of legal actions.
2. The property, funds and assets of the Multilateral Fund, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation and any other form of interference, whether by executive, administrative, judicial, or legislative action.
3. The Multilateral Fund may hold funds, gold and currencies of any kind and operate accounts in any currency. It shall be free to transfer its funds, gold and currencies within Canada and from Canada to any other country and to convert any currency held by it into any other currency.
4. The Multilateral Fund shall prevent the office Premises from becoming refuge either for persons who are avoiding arrest or for persons who are endeavouring to avoid service of legal process.

#### **ARTICLE 5**

##### **Exemption from Taxes and Duties**

1. The Multilateral Fund, its property, funds and assets shall be:
  - (a) exempt from all direct taxes; it is understood, however, that the Multilateral Fund will not claim exemption from taxes which are no more than charges for public utility services;
  - (b) exempt from customs duties and prohibitions and restrictions on imports and exports in respect of articles imported or exported by the Multilateral Fund for its official use. It is understood, however, that articles imported under such exemption will not be sold in Canada except under conditions agreed with the Government of Canada;
  - (c) exempt from customs duties and prohibitions and restrictions on imports and exports in respect of its publications.
2. While the Multilateral Fund will not, as a general rule, claim exemption from excise duties and from taxes on the sale of movable and immovable property which form part of the price to be paid, nevertheless when the Multilateral Fund is making important purchases for official use of property on which such duties and taxes have been charged or are chargeable, the Government of Canada will make appropriate administrative arrangements for the remission or return of the amount of duty or tax.

#### **ARTICLE 6**

##### **Communications Facilities**

1. The Multilateral Fund shall enjoy in Canada for its official communications, treatment not less favorable than that accorded by the Government of Canada to any other Government including its diplomatic mission in matters of establishment and operation, priorities, tariffs, charges on mail and cablegrams and on teleprinter, facsimile, telephone and other communications, as well as rates for information to the press and radio. No censorship shall be applied to the official correspondence and other official communications of the Multilateral Fund.
2. The Multilateral Fund shall have the right to use codes and to dispatch and receive its correspondence by courier or in bags, which shall have the same immunities and privileges as diplomatic couriers and bags.
3. The facilities provided for in this Article may, to the extent necessary for efficient operation, be established and operated outside the Office Premises with the consent of the Government of Canada.

**ARTICLE 7****Interruption of Public Services**

In case of interruption or threatened interruption of public services, including communications and transportation, the Government of Canada will consider the needs of the Multilateral Fund as being of equal importance with the similar needs of its essential agencies and attempt to ensure that the work of the Multilateral Fund is not prejudiced.

**ARTICLE 8****Access to Office Premises**

1. The competent Canadian authorities shall not impose any impediments to transit to or from the Office Premises of representatives of Member States, officials of the Secretariat, experts or other persons invited thereto on official business.
2. Visas, where required, for persons referred to in paragraph 1, shall be issued by the Government of Canada free of charge and as promptly as possible.
3. The provisions of paragraphs 1 and 2 shall also apply to the spouses and members of the families forming part of the households of the persons referred to in those paragraphs.
4. Except as provided above and in the relevant provisions of the Agreement, the Government of Canada retains full control and authority over the entry of persons or property into the territory of Canada and the conditions under which persons may remain or reside there.

**ARTICLE 9****Privileges and Immunities for the Representatives of Member States and Experts**

1. Representatives of Member States shall, while exercising their functions and during their journeys to and from the place of meetings, enjoy the following privileges and immunities:
  - (a) immunity from personal arrest or detention and from seizure of personal baggage, and immunity from legal process of every kind in respect of words spoken or written and all acts performed in their capacity as representatives of Member States;
  - (b) inviolability of all papers and documents;
  - (c) the right to use codes and to receive and send papers or correspondence by courier or in sealed bags;
  - (d) exemption in respect of themselves and their spouses and members of their family forming part of their households from immigration restrictions, alien registration or national service obligations;
  - (e) the same facilities in respect of currency or exchange restrictions as are accorded to diplomatic agents;
  - (f) the same exemption from examination of personal baggage as accorded to diplomatic agents;
  - (g) such other privileges, immunities and facilities not inconsistent with the foregoing as diplomatic envoys enjoy, except that they shall have no right to claim exemption from customs duties on goods imported, otherwise than as part of their personal baggage, or from excise duties or sales taxes.
2. Experts shall be entitled to the privileges, immunities and facilities set out in Article VI and Section 26 of Article VII of the Convention.

**ARTICLE 10****Privileges and Immunities of the Officials of the Fund**

Officials of the Multilateral Fund other than Officials of the United Nations shall enjoy in Canada the following privileges and immunities:

- (a) immunity from legal process in respect of words spoken or written and any act performed by them in their official capacity;
- (b) the right to deduct from the national income tax otherwise payable by them an amount determined in respect of the amount of the staff assessment levied by the Multilateral Fund in lieu of national income tax on salaries and emoluments paid by the Multilateral Fund to these officials;
- (c) immunity for themselves, their spouses and relatives dependent on them, from immigration restrictions and alien registration procedures;

- (d) immunity from national service obligations;
- (e) the same repatriation facilities in time of international crisis for themselves, their spouses and relatives dependent on them, as are accorded to diplomatic agents;
- (f) the same exchange facilities as accorded to officials of comparable rank forming part of diplomatic missions in Canada; and
- (g) the right to import free of duty their furniture and effects, including motor vehicles, but excluding alcoholic beverages and tobacco products, at the time of first entry into Canada, or in the case of former residents of Canada returning to Canada to resume residence in Canada after having been residents of another country, the right, subject to the applicable legislation, to import free of duty their furniture and effects, including motor vehicles, at the time of their return to Canada.

**ARTICLE 11****Waiver of Immunities**

1. The privileges and immunities of officials of the Multilateral Fund other than officials of the United Nations and of experts are accorded not for the personal benefit of the individuals themselves, but in order to safeguard the independent exercise of their functions in connection with the Multilateral Fund.
2. The Chairman of the Executive Committee not only has the right, but is under the duty to waive the immunity referred to in paragraph 1 in any case where in his or her opinion, the immunity would impede the course of justice and it could be waived without prejudice to the purpose for which the immunity is accorded.

**ARTICLE 12****Respect for the Laws and Regulations of Canada**

1. Without prejudice to their privileges and immunities, it is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of Canada. They also have the duty not to interfere in the internal affairs of Canada.
2. The Multilateral Fund shall co-operate at all times with the appropriate authorities of Canada to facilitate the proper administration of justice, secure the observance of police regulations and avoid the occurrence of any abuse in connection with the privileges, immunities and facilities referred to in this Agreement.

**ARTICLE 13****Notification Procedure**

No persons shall be accepted as a representative of a Member State, an official of the Multilateral Fund or an Expert for purposes of Article 9 and 10 unless and until his or her name and status have been duly notified to the Minister of Foreign Affairs of Canada.

**ARTICLE 14****Settlement of Disputes**

1. Any dispute concerning the interpretation or implementation of this Agreement that is not settled by negotiation or other agreed method of settlement shall, at the request of either Party, be referred to a tribunal of three arbitrators, one to be appointed by the Minister of Foreign Affairs of Canada, one to be appointed by the Chairman of the Executive Committee and the third to be appointed by the two arbitrators. If, within thirty days of the request for arbitration, either Party has not appointed an arbitrator or if, within fifteen days of the appointment of two arbitrators, the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator.
2. The procedure or arbitration shall be determined by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the disputes.
3. The Multilateral Fund shall take the measures necessary for ensuring the proper settlement of:
  - (a) disputes arising out of contracts or other disputes of a private law character to which the Multilateral Fund is a party; and
  - (b) disputes involving any official of the Multilateral Fund other than an official of the United Nations who by reason of his or her official position enjoys immunity, if immunity has not been waived by the Chairman of the Executive Committee.

**ARTICLE 15**

**Final Provisions**

1. This Agreement shall enter into force upon signature.
2. This Agreement may be amended by mutual consent at any time at the request of either Party.
3. This Agreement shall continue in effect indefinitely.
4. This Agreement shall cease to be in force if the Multilateral Fund is relocated from the territory of Canada, except for such provisions as may be applicable in connection with the orderly termination of the operations of the Multilateral Fund in Canada and the disposition of its property therein.

**IN WITNESS WHEREOF**, the undersigned, duly authorized to that affect, have signed this Agreement.

**DONE** at..... on.....1998, in duplicate in the English and the French languages, both texts being equally authentic.

.....  
**FOR THE EXECUTIVE COMMITTEE  
 OF THE MULTILATERAL FUND**

.....  
**FOR THE  
 GOVERNMENT OF CANADA**

*(UNEP/OzL.Pro/ExCom/25/68, Decision 25/75, para. 107).  
 (Supporting document: UNEP/OzL.Pro/ExCom/25/Inf.2).*



## ANNEX I.12: ARREARS TO THE MULTILATERAL FUND FROM COUNTRIES THAT HAD NOT RATIFIED THE LONDON AMENDMENT

Party	Date of ratification of Montreal Protocol	Date of ratification of London Amendment	Date of entry into force of ratification of London Amendment	Outstanding contributions 1991-1996 (US\$)	Arrears prior to entry into force of London Amendment (1/1/1991-10/8/92)
Poland	13/7/90	2/10/96	31/12/96	2,853,711	-
Belarus	31/10/88	10/6/96	8/9/96	3,309,593	376,304
Brunei Darussalam	27/5/93			34,833	-
Bulgaria	20/11/90			68,000	-
Georgia	21/3/96			90,020	-
Latvia	28/4/95			241,846	-
Lithuania	18/1/95			332,988	-
Ukraine	20/9/88			12,056,367	639,796
United Arab Emirates	22/12/89			1,063,543	0
Uzbekistan	18/5/93			1,362,934	-
Total				21,413,835	1,016,100

Party	Arrears after the entry into force of the London Amendment and prior to ratification of the London Amendment by the party concerned					
	1992	1993	1994	1995	1996	TOTAL (1992-1996)
Poland	0	626,210	819,851	819,851	586,193	2,852,105
Belarus	109,739	639,534	837,295	837,295	349,360	2,773,223
Brunei Darussalam	-	-	-	-	34,833	34,833
Bulgaria	0	0	0	0	68,000	68,000
Georgia	-	-	-	-	90,020	90,020
Latvia	-	-	-	98,162	143,684	241,846
Lithuania	-	-	-	184,950	148,038	332,988
Ukraine	415,677	2,491,517	3,261,961	3,261,961	1,985,455	11,416,571
United Arab Emirates	0	0	366,317	366,317	330,909	1,063,543
Uzbekistan	-	216,390	453,535	453,535	239,474	1,362,934
Total	525,416	3,973,651	5,738,959	6,022,071	3,975,966	20,236,063

## Notes:

- (1) A hyphen (-) indicates that the country has not been assessed for that year, either due to classification as operating under paragraph 1 of Article 5 or due to non-ratification of the Protocol, while a zero (0) indicates that the contributions due prior to the ratification of the London Amendment have been paid.
- (2) The London Amendment entered into force on 10 August 1992.  
(UNEP/OzL.Pro.9/12, Decision IX/38 Annex X).





**ANNEX I.13: FRAMEWORK ON THE OBJECTIVE, PRIORITIES, PROBLEMS AND MODALITIES FOR STRATEGIC PLANNING OF THE MULTILATERAL FUND IN THE COMPLIANCE PERIOD****Objective**

The overall objective of the strategic planning is to provide to the Executive Committee, the Implementing Agencies and the Fund Secretariat the basis for the creation of a number of consistent policies and guidelines which would enhance the effectiveness of the ongoing support to Article 5 countries to enable them to achieve compliance with their obligations under the Montreal Protocol until 2010.

**Priorities**

The Multilateral Fund would give funding priority to enable:

- Countries which have existing ODS sectoral phase-out agreements with the Executive Committee (e.g. CFC production, solvent, halons, tobacco, etc.) to implement their annual reduction targets;
- Countries which are experiencing difficulty in implementing their CFC freeze obligation to do so in an expedient manner;
- Countries which may have difficulty in complying with the freeze obligation for halons and methyl bromide in January 2002 to do so;
- Countries to sustain the momentum achieved in their national ODS phase-out programmes so that they will be able to meet the next reduction targets in 2005, including the 85 per cent reduction in CTC, as well as further reduction targets in 2007 and beyond;
- Countries to implement the compliance with the TCA freeze in 2003;
- The maintaining of momentum in countries that are meeting their future obligations;
- Early and accelerated phase-out in countries willing to do so;
- The reduction of the supply of ODS by continuing to address the production sector;
- An appropriate mix of investment and non-investment activities in line with a country's needs to achieve compliance;
- Strengthening of NOUs in national governments under conditions and terms to be negotiated later on.

**Problems**

There is clearly a need to improve on the reliability and accuracy of ODS consumption and production data for business planning and the determination of compliance.

There is an urgent need to reduce the consumption and production of halons and methyl bromide since the freeze obligations for those substances are drawing close.

There is an urgent need for contributing Parties to pay their contributions on time under the newly introduced fixed exchange rate mechanism to enable the funding of programmes and projects to assist with compliance.

There is an urgent need to reduce ODS use by SMEs and to address the ODS use of small and micro ODS users as a subset.

There is a need to examine ways to make use of the Multilateral Fund more effectively to take advantage of the accumulation of funds with the Implementing Agencies and the Treasurer.

There is an urgent need to examine the issues related to fixed shares for Implementing Agencies, taking into consideration that flexible, rather than fixed, shares might better assist the Article 5 countries in achieving compliance under the Montreal Protocol.

**Modalities**

Country-driven and compliance-driven programming should be followed in the compliance period. This should draw fully on the support and expertise of the Implementing Agencies, including the networks, which have been extensively developed over the pre-compliance period. However, during the compliance period, the role of the country must be much more than approving the submission of projects to the Executive Committee. During the compliance period, the country must establish and develop national goals, policies and actions necessary to ensure compliance, and must direct the agencies to work in specific areas to achieve its national compliance

strategic plans.

A national compliance strategic plan may incorporate individual projects, sectoral plans or both. Parties should be fully informed in order for them to make decisions on the appropriate approach.

The additional flexibility in sector plans makes them a choice likely to be preferred, provided that:

- The transition from a project-by-project to a sector approach is given sufficient time and funding in order to allow for careful preparation of sector strategies;
- The Article 5 countries agree to have verification and monitoring activities carried out by independent experts.

In either case, funding must be predicated on a commitment by the country to achieve sustainable, permanent aggregate reductions in consumption and production, as relevant.

There should be a re-examination of the roles and functions of the various stakeholders in the new environment to ensure that, on the one hand, Article 5 countries are being placed in the responsible role of implementing the Montreal Protocol commitments they have assumed and, on the other, the appropriate accountability mechanisms are put in place.

There should be an examination of ways to strengthen the interaction between the Executive Committee and the Implementation Committee, as well as the involvement of the Parties concerned, including the exchange of information in order to address better the situation of possible non-compliance by any Article 5 Party with its obligations under the Montreal Protocol.

In order to assist the developing countries in the planning and implementation of ODS phase-out programmes in an effective manner, the Fund Secretariat and the Implementing Agencies should compile systematically, possibly drawing upon the regional networks, information and knowledge including know-how and expertise which they have accumulated in implementing sector plans and projects, thus providing Article 5 countries with data to enable them to share such information and know-how with each other.

Article 5 government capacities should be strengthened to be able to plan and manage their national ODS phase-out programmes. In so doing, the results of the institutional strengthening evaluation should be taken into consideration.

Countries should enact regulatory measures to reduce dependence on ODS.

Efforts should be made to enhance public awareness on ODS-related issues.

It is acknowledged that many of the details above need further examination and elaboration. This relates in particular to implementation mechanisms that have to be adjusted and modified to suit the new strategies and modalities.

The plan covers 10 years until the year 2010, although the controls of the Montreal Protocol extend beyond that date. The plan is a dynamic document, which needs to be updated periodically, as required.

*(UNEP/OzL.Pro/ExCom/33/32, Decision 33/54, paras. 82-87).*

*(Supporting document: UNEP/OzL.Pro/ExCom/33/30).*

**ANNEX I.14: CHANGES REQUESTED BY THE EXECUTIVE COMMITTEE ON THE REPORT IN RESPECT OF THE REVIEW REFERRED TO IN PARAGRAPH 8 OF ARTICLE 5**

The Executive Committee decided at its Fourteenth Meeting to instruct the Consultant to make the following changes:

- (a) to explain how the model simulates the initiation of projects;
- (b) to prepare an additional table for the 98 model projects showing figures for ODS use, capital costs, operating costs, duration of operating costs and Unit Abatement Costs. Copies of model projects will be provided to Executive Committee members upon request;
- (c) to clarify Exhibit 4-5 showing the amount of consumption projected for countries without country programmes;
- (d) to include an additional column in the tables to reflect actual costs defined in all aspects as identical to the real resource costs with one exception, namely, that rising ODS prices shall be assumed, and to include explanatory text on how prices were forecast;
- (e) to incorporate the key information given by the Consultant to the meeting in the next version of the report;
- (f) to insert an amount of US\$ 700 million corresponding to the mid-point in the range given for production phase-out costs in the column of Fund costs; the sum to be included pro rata over the number of years remaining until the target phase-out date;
- (g) to make the best possible effort to determine the fraction of ODS consumption in developing countries that is used for export to countries not operating under Article 5 and to calculate the reduction in real resource costs and the actual costs as defined by the Sub-Committee as a result of these exports;
- (h) to develop explanatory material on chlorine loading factors in the Consultant's report and the Executive Summary;
- (i) to amplify paragraphs 202, 207 and 236 of the Consultant's report;
- (j) to summarize all major policy assumptions in one section of the Consultant's report and clarify that the assumptions contained therein should not prejudice any future policy decisions of the Executive Committee;
- (k) to provide a table of operating costs and capital costs by sector;
- (l) to provide explanatory text on technology forecasting as presented in Exhibit F.
- (m) to include in the Executive Summary and the body of the report:
  - (i) reference to the difficulty in forecasting rising prices of ODS, and
  - (ii) the substantial sensitivity of projected costs to variations in ODS prices.
- (n) provide details of assumptions used to determine the operating life of each type of refrigeration and air-conditioning equipment used in the Consultant's models.

*(UNEP/OzL.Pro/ExCom/14/15 (Annex II)).*

The Executive Committee, at its Fifteenth Meeting, approved the Sub-Committee's recommendation that the following clarifications should be included in the final report:

- (a) the last sentence of paragraph 150 should be clarified to indicate that phase-out would proceed at the same rate as in non-Article 5 countries;
- (b) at the beginning of the Executive Summary and Chapter 6, it should be emphasized that:
  - (i) unless otherwise noted, a 10 per cent discount rate had been used; and
  - (ii) price forecasts used in the study represented the best available data.
- (c) the Executive Summary and the Report should be expanded to specify that assumptions about the policies of the Executive Committee made for the purposes of the study did not prejudice any future decisions of the Committee.
- (d) a complete list of all policy assumptions used to generate the quantitative results presented in Chapter 6 should be annexed to the Executive Summary. This list should include assumptions about the role of banking and essential use exemptions in the construction of the ODS emissions forecasts for non-Article 5 countries and the discounting of production phase-out costs.
- (e) the basis of the estimate for production phase-out costs presented in paragraph 39 of the report should be

explained.

- (f) the report should emphasize that the quantitative results generated by the study did not reflect the amount of funds committed to the Fund to date nor the amounts approved by the Executive Committee and their resulting ODS reductions.
- (g) the presentation in ES-9 should be clarified to specify the year of the peak concentrations and the year in which the concentration returned to 2 ppb.
- (h) the study should indicate that the feasibility of each phase-out scenario was contingent upon the indicated level of resources from the Multilateral Fund being available and a statement should be included regarding the historic level of contributions received.
- (i) the terms of reference should be annexed to the report and the document numbers of the Sub-Committee reports referred to in the body of the report of the consultant should be included.
- (j) technology transfer resulting from bilateral contributions should be mentioned in the report.
- (k) the language in paragraph 146 should be amended to indicate that "typical" rather than "average" values had been used in the construction of model project cost estimates.
- (l) the report should clarify that ODS-use growth rates used in the model analysis were applicable to target-driven segments and not to accelerated segments.
- (m) section 3.4.3.5 should clarify that technology penetration included the amount of time to needed to implement the project on the shop floor.