



MULTILATERAL FUND

FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Secretariat

Post Meeting Summary of Decisions of the 47th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

Introduction

The 47th Meeting of the Executive Committee, which took place in Montreal from 21 to 25 November 2005, was attended by the representatives of the 14 Executive Committee member Parties and by participants from 20 other co-opted countries (see attached list). Mr. Paul Krajnik of Austria presided over the third and final meeting of his term as Chair of the Executive Committee for 2005. The President of the Bureau, the President and Vice President of the Implementation Committee of the Montreal Protocol, one of the co-chairs of the TEAP/Replenishment Task Force, a representative of the Ozone Secretariat, representatives of the implementing agencies and a representative of the Alliance for Responsible Atmospheric Policy also attended the meeting.

The 47th Meeting was particularly significant since it was the final Executive Committee meeting of the 2003-2005 triennium and examined not only the activities outstanding in the business plan for 2005 but also completion of the business plan for the triennium in order to ensure that the triennial budget would be fully utilized. Discussions on the replenishment of the Multilateral Fund for the 2006-2008 triennium would be taking place two weeks after the Executive Committee meeting at the 17th Meeting of the Parties to the Montreal Protocol.

The Committee followed its established programme of work for the third meeting of the year which included consideration of the model rolling three-year business plan which would guide the preparation of the agencies' business plans for the 48th Meeting in 2006, the monitoring and evaluation programme for 2006, and the review of the consolidated project completion report. Furthermore the Committee considered a number of policy issues including assistance for countries with a baseline of consumption of zero, progress reporting on multi-year agreements, institutional strengthening, and recycling and destruction of ODS.

The Executive Committee took a total of 56 decisions; the most significant decisions and discussions are outlined below.

Resource availability, allocation and business planning

Availability of resources (decision 47/2)

At the outset of the meeting, the Executive Committee examined the availability of financial resources. An estimated US \$116,969,814, consisting of cash, promissory notes, and balances returned, was available. This amount would be sufficient to fund the projects and activities that were under consideration at the 47th meeting.

Status/prospects of Article 5 countries in achieving compliance (decision 47/4)

The Executive Committee considered the latest report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol. The report, based on replies from 96 Article 5 countries, focussed on actual and potential compliance issues for all controlled substances and included a report for all Article 5 countries, not just those supported by the Multilateral Fund.

The report showed few countries were at risk of not achieving compliance with control measures. In order to address the unfunded eligible consumption highlighted in the report, the Executive Committee requested the agencies to include activities for countries in non-compliance or at risk of non-compliance in their 2006-2008 business plans, specifically Somalia (for CFC's and halons), Romania (for halons), Sierra Leone (for halons and CTC) and Zimbabwe (for CTC).

Model rolling three-year phase-out plan: 2006-2008 (decision 47/5)

The model rolling three-year phase-out plan contained an estimate of the maximum amounts of CFCs, methyl bromide, CTC and TCA that needed to be funded during the remainder of 2005 and in the 2006-2008 triennium in order to achieve compliance with the Montreal Protocol phase-out targets. The Executive Committee adopted the updated model phase-out plan as a flexible guide for the preparation of the 2006-2008 business plan of the Multilateral Fund. The Committee urged 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.

Programme Implementation

2005 Project completion report (decisions 47/6)

The 2005 Consolidated Project Completion Report provided an analysis of project completion reports (PCRs) received by the Fund Secretariat over the previous 12 months and considered their quality and timeliness of submission by the implementing agencies. The Executive Committee requested the Senior Monitoring and Evaluation Officer, in cooperation with the implementing agencies, to develop guidelines for PCR reporting of non-investment projects, with particular attention to improving the "lessons learned" section of the report. A short report on how to make best use of those lessons would be reviewed by the Executive

Committee at its 48th Meeting, as well as answers from the agencies regarding the reasons for the late submissions of PCRs.

Project implementation delays (decision 47/7)

No projects were cancelled at the 47th meeting. The Executive Committee, however, decided that letters of possible cancellation be sent to countries concerning delays in three conversion projects. Two policy and technical assistance projects in two countries were also suffering delays, but the Committee decided that in view of the fact that the adoption of licensing legislation in a country could take some time, policy and technical assistance projects should not be subject to the automatic cancellation procedure since they were essential for the implementation of the Montreal Protocol. The Executive Committee decided that in these cases a letter of concern requesting an update on the status of the project, an estimated date of completion, and an action plan for its future completion would be sent to the country or the agency concerned.

Status of implementation of methyl bromide projects (decisions 47/8 and 47/11)

The Executive Committee considered specific reports on three important methyl bromide projects in Guatemala, Honduras and low-volume-consuming countries in Africa and decided on a number of actions to keep these projects on track. The Executive Committee also approved a regional project, “Policy assistance to support the methyl bromide phase-out with special focus in Guatemala and Honduras”, to be implemented by the Government of Spain.

Monitoring and evaluation work programme for the year 2006 (decision 47/9)

The 2006 monitoring and evaluation work programme approved by the Committee included an evaluation of CTC phase-out projects and agreements, the CAP programme, and a continuation of the evaluation of refrigerant management plans (RMPs) in non-low-volume-consuming countries (non-LVCs) and the evaluation of cases of non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform.

Assistance for countries with a baseline consumption of zero (decisions 47/10 and 47/16)

The Executive Committee decided that Article 5 countries with zero halon baselines but a low level of documented installed halon inventories could submit project proposals to manage their halon stocks in accordance with the Executive Committee’s Interim Halon Banking Guidelines. The level of funding for these proposals would normally be between US \$25,000 (as recommended in the Interim Halon Banking Guidelines) and US\$ 50,000 (as per decision 44/8), depending on the level of the inventory.

The Committee also decided that Article 5 countries with zero methyl bromide, CTC and/or TCA baselines that were experiencing potential compliance difficulties with respect to one or more of those substances could be provided through UNEP’s Compliance Assistance Programme (CAP). UNEP was requested to use funds from the 2006 CAP budget to provide such assistance and to submit to the 48th Meeting a strategic plan indicating which countries with zero baselines it proposed to assist.

Project approvals (decisions 47/11 to 47/44)

The Executive Committee approved projects for 54 countries amounting to almost US \$123 million including a number of chiller demonstration projects and institutional strengthening projects in 22 countries. These projects would phase-out 27,790 ODP tonnes consumption and production of ozone depleting substances. These approvals resulted in the total funding for the 2003-2005 triennium of US \$573 million being fully committed.

UNEP Compliance Assistance Programme (decision 47/24)

The Executive Committee decided that all UNEP's work on information and awareness-raising should be covered within the budget for the UNEP Compliance Assistance Programme (CAP).

Chiller demonstration projects (decision 47/26)

The Executive Committee approved seven chiller demonstration project proposals in, respectively, Brazil, Colombia, Cuba and Syria, regional projects in the Caribbean and Eastern Europe and a global chiller replacement project which would involve chiller replacement in a number of additional countries. The funds approved, amounting to nearly US \$12.5 million, together with external resources of US \$16.2 million would cover the replacement of at least 211 chillers and the conversion of a further 9 chillers. The Committee also agreed to assign US \$200,000 to an awareness project to be submitted to the 48th Meeting by UNEP. US \$2,000,000 was also set aside for demonstration projects in the Africa Region.

The chiller demonstration projects were approved with a number of conditions. For example external resources associated with the proposal could be used only for activities considered to be part of the project costs, and disbursement of the funding would be dependent upon confirmation of the availability of external resources. Also it was agreed that no further funding for chiller replacement would be approved by the Executive Committee.

Country Programmes (decisions 47/45 and 47/46)

The Executive Committee approved the country programme of Afghanistan and the country programme update for Tunisia.

Review of institutional strengthening arrangements (decision 47/49)

The Fund Secretariat prepared a review of the institutional strengthening arrangements that had been in place since the 7th meeting in 1992. The review took into account the need for Article 5 countries to meet, eventually, all the Montreal Protocol's control measures for ODS. The Committee noted that there were indications that funding for institutional strengthening might need to continue after 2010, and decided that possible funding arrangements for any such on-going support should be examined at the end of 2007. The

Committee requested the Secretariat, in consultation with the implementing agencies, to prepare a paper for the 49th Meeting examining the relative merits of replacing the current requirements for submission of requests for renewal of an institutional strengthening project with a simplified arrangement that would make use of the report on progress on implementation of country programmes together with an annual cycle of funding renewals with no change to the annual levels of funding provided.

New options for monitoring and assessing the progress of agencies with regard to multi-year agreements (decision 47/50)

Multi-year agreements were increasingly becoming the predominant means for disbursement of Multilateral Fund resources. Under these agreements, implementing agencies were required to submit a verification report on the achievement of the ODS reduction targets specified in the agreements as a prerequisite for the release of the next tranche of funds.

At the 47th Meeting, the Executive Committee adopted a number of measures for improving the accuracy of progress reporting on multi-year agreements. The Committee requested implementing agencies to record phase-out according to the actual and real levels of consumption achieved through annual tranches of multi-year agreements. In some cases, further explanation might be needed on these levels of consumption phased-out and there should be consistency in the use of the definition of planned and actual phase-out. Implementing agencies were also requested to inform countries of the need to exceed the phase-out level indicated in an agreement where necessary to meet the obligations of the Montreal Protocol, as well as those cases where actual consumption or production data had resulted in changes to the phase-out indicated in the agreements.

Collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (decision 47/52)

The Executive Committee at its 46th meeting asked the Secretariat to prepare a paper for the 47th meeting covering terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS, taking into account written proposals made by Austria and Japan at the 46th meeting.

After consideration of the paper at the 47th Meeting, the Executive Committee requested the Secretariat to organize a meeting of experts in Montreal, Canada, from 22 to 24 February 2006 to assess the extent of current and future requirements for the collection and disposition (emissions, export, reclamation and destruction) of non-reusable and unwanted ODS in Article 5 countries. Consultants would be recruited to collect and elaborate as many data as possible on unwanted, recoverable, reclaimable, non-reusable and virgin ODS in Article 5 countries for dissemination to participants in the meeting of experts-and to develop a standard format for reporting data on unwanted, recoverable, reclaimable, non-reusable and virgin stockpiled ODS. The proposed terms of reference considered at the meeting would be considered at the 48th meeting in light of the outcome of the expert meeting.

Production Sector (decision 47/54)

The Executive Committee's Subgroup on Production met in the margins of the Executive Committee with two additional members, Austria and The former Yugoslav Republic of Macedonia. Based on their deliberations the Executive Committee approved funding in principle for three production sector projects. One project would phase-out the ODS production sector in Romania (US \$6.773 million), a second project in China would phase-out methyl bromide production for controlled uses (US\$ 10.524 million) and a third project would phase-out ODS process agent applications and corresponding CTC production in China (US \$50 million). With the approval of these agreements the Executive Committee had provided for the complete phase-out of production of all ODS in Article 5 countries controlled under the Montreal Protocol, except HCFCs which would be addressed at a later stage.

48th and 49th Meetings of the Executive Committee

The 48th Meeting of the Executive Committee would be held from 3 to 7 April 2006 in Montreal. The tentative dates for the 49th Meeting were from 10 to 14 July 2006.

Report of the 47th Meeting

A complete record of all decisions made at the 47th meeting, including those discussed in this document, can be found in the 'Report of the Forty-seventh Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol' (UNEP/OzL.Pro/ExCom/47/61 on the Multilateral Fund's web site (www.multilateralfund.org)). The report is available in Arabic, English, French, and Spanish.

Annex 1 - Attendance at the 47th meeting of the Executive Committee

Executive Committee Members	Co-opted countries
Non Article 5	
Austria (Chair)	Sweden
Belgium	
Canada	Australia
Czech Republic	
Japan	
United Kingdom	France, Germany and Italy
United States of America	
Article 5	
Brazil	Argentina, Bolivia and Colombia
Cuba	Haiti and Mexico
Niger	Gabon and Guinea
Syria (Vice Chair)	Iran Lebanon
Thailand	China, India and the Philippines
The former Yugoslav Republic of Macedonia	Armenia and Romania
Zambia	Namibia and Sudan