



MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

**Post Meeting Summary of Decisions of the 50th Meeting of the Executive Committee of
the Multilateral Fund for the Implementation of the Montreal Protocol**

Introduction

The 50th Meeting of the Executive Committee, which took place in New Delhi from 6 to 10 November 2006, was attended by the representatives of the 14 Executive Committee member Parties and by participants from 17 other co-opted countries (see attached list). Mr. Khaled Klaly of the Syrian Arab Republic chaired the meeting. The President of the Implementation Committee of the Montreal Protocol, two representatives of the Ozone Secretariat, representatives of the implementing agencies, a representative of the Global Environment Facility (GEF) and a representative of the Alliance for Responsible Atmospheric Policy also attended the meeting.

The Committee followed its established programme of work for the third meeting of the year that included consideration of the model rolling three-year business plan which would guide the preparation of the agencies' business plans for the 51st Meeting in 2007, the monitoring and evaluation programme for 2007, and the review of the consolidated project completion report. Furthermore the Committee considered a number of policy issues on priorities for the 2006-2008 triennium beyond the needs identified in the rolling phase-out plan and on the future operation of the Executive Committee. A specific policy issue had also been identified during project review concerning conditions attached to approvals of annual work programmes for multi-year agreements (MYAs).

The Executive Committee also approved investment projects and work programme activities with a value of almost US \$38 million plus US \$8 million in support costs for implementing agencies and took a total of 46 decisions. The most significant decisions and discussions are outlined below.

Status of contributions and disbursements (decision 50/1)

The Treasurer provided an update of the status of contributions and disbursements of the Fund including information on the Fund's balance, income and contributions, and aggregate information on the status for the triennium, including data on gains and losses of the fixed-exchange rate mechanism (FERM). The fund balance stood at US \$57,603,936. The Multilateral Fund had also received funds from the Government of India as an advance on the amount pledged as a contribution to cover the cost of holding the 50th Meeting in New Delhi.

At the time of the 49th Meeting the Executive Committee had been concerned about the rate of encashment of promissory notes however, at the 50th Meeting, the Committee noted that over US \$67 million in promissory notes had been encashed since that time. The Committee urged countries holding US \$28 million in promissory notes that had not been encashed, to encash those issued by 31 December 2005 before the 51st Meeting of the Executive Committee.

Status of resources and planning

2006 business plans (decision 50/3)

Of the projects and activities in the 2006 business plan to be submitted during 2006, implementing agencies had not submitted projects to the value of US \$13.5 million. Of these, ODS phase-out activities required for compliance with Montreal Protocol control measures totalling US \$12.76 million were outstanding at the time of the 50th Meeting. The Executive Committee requested that these activities should be included in the agencies' 2007-2009 business plans and be given highest priority for submission in 2007. Countries and agencies should make every effort to remove obstacles to their submission. Although the implementing agencies provided reasons for delays in the submission of annual tranches of MYAs in the course of the 50th Meeting, the Committee decided that in future agencies should provide reasons for delays, and that this information should be included in the documentation for Executive Committee meetings.

Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol (decision 50/4)

The Executive Committee regularly considers the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol by means of the customary report prepared by the Secretariat. While the majority of developing countries appeared to be well-positioned to comply with the timetable for ODS phase-out set by the Montreal Protocol, the Executive Committee requested bilateral and implementing agencies to include phase-out activities for CTC and TCA in the United Republic of Tanzania in their 2007-2009 business plans.

During the process of preparing the document on status/prospects of compliance, the Secretariat had once again noted that not all Article 5 countries had used the new country programme format. Given the continuing issue of full completion of the new country programme format, the Executive Committee once again requested Article 5 countries to submit complete country programme data using the new format and also urged the Secretariat to provide a means of entering country programme data on its website, and an explanatory manual on how to complete the new country programme data format.

Model rolling three-year phase out plan: 2007-2009 (decision 50/5)

The model rolling three-year phase-out plan contained an estimate of the maximum amounts of CFCs, halon, methyl bromide, CTC and TCA that needed to be funded during the

remainder of 2006 and in the 2007-2009 triennium in order to achieve compliance with the Montreal Protocol phase-out targets. The model showed that some 40,250 ODP tonnes of ODS consumption and 54,500 ODP tonnes of ODS production have yet to be phased out in approved multi-year sectoral and national phase-out plans; and that some 38,000 ODP tonnes of ODS consumption and 40,700 ODP tonnes of ODS production had yet to be phased out in approved individual or umbrella projects. It also indicated that 64 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.

The Executive Committee adopted the updated model phase-out plan as a flexible guide for the preparation of the 2007-2009 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 2007-2009 business plans as appropriate.

Allocation of the remaining US \$40 million in unallocated funds for the triennium (decision 50/6)

At the time of the 49th Meeting US \$40 million out of a budget of US \$470 million for the 2006-2008 triennium had not yet been allocated to phase-out activities in Article 5 countries. After further discussion of the issue at the 50th Meeting, the Executive Committee requested the Secretariat to prepare an interim report addressing the priorities raised at the 50th Meeting (for further information see UNEP/OzL.Pro/ExCom/50/8) as well as projects and activities for CTC phase-out, activities related to ODS legislation development and enforcement, the activities that had been eliminated from business plans and those proposed by delegates at the 50th Meeting. The Secretariat would prepare a final report for the 52nd Meeting taking into account the report on CTC by the Technology and Economic Assessment Panel (TEAP) to be presented to the 27th Meeting of the Open-ended Working Group in June 2007 and information from the HCFC surveys, expected in early 2007. Both the interim and final reports would provide information on the overall cost and cost effectiveness of projects.

Programme Implementation

Final evaluation report on cases of non-compliance (decision 50/7)

The study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform stemmed from discussions of the Executive Committee at its 43rd Meeting on the causes of implementation delays, and the Executive Committee's concern that such delays could contribute to non-compliance in various countries. The full analysis and follow-up study included a summary of eight case studies on countries previously or presently in non-compliance with the freeze or reduction targets set by the Montreal Protocol for various ozone depleting substances (Albania, Bosnia and Herzegovina, Chile, Ecuador, Nigeria, Pakistan, Saint Vincent and the Grenadines, and Sierra Leone).

The Executive Committee asked the Secretariat and implementing agencies to communicate the conclusions of the study to the 38th Meeting of the Implementation Committee in mid-2007 by way of their presentations to the Implementation Committee. These presentations should advise that one of the most important incentives for returning to compliance had been the commitment to meeting the targets set by the respective plans of action submitted to the Implementation Committee and approved by the Meeting of the Parties. They should note that once a country had taken decisive action in approving and enforcing legislation, improving and correcting data reporting where applicable, and accelerating previously delayed project implementation, rapid progress towards compliance was possible in most cases.

The Executive Committee also decided to request the Senior Monitoring and Evaluation Officer to send the final country studies on cases of non-compliance to the countries concerned (decision 50/9).

2005 consolidated project completion report (decision 50/8)

The 2006 Consolidated Project Completion Report provided an analysis of project completion reports received by the Fund Secretariat over the previous 12 months, considered their quality and timeliness of submission by the implementing agencies and a section on lessons learned. Given the wealth of information in the lessons learned section of the project completion report, the Executive Committee asked all those involved in the preparation and implementation of projects to take them into consideration, and to facilitate discussion on lessons learned during regional network meetings.

Draft monitoring and evaluation work programme for the year 2007 (decision 50/9)

The Executive Committee approved the 2007 work programme for monitoring and evaluation which would include the initiation of work on standardization of annual work programmes, progress and verification reports on multi-year agreements in place of further country studies on cases of non-compliance.

Project implementation delays (decision 50/10)

Of the 102 projects listed with implementation delays at the 50th Meeting, the Executive Committee noted that 15 had been completed. Letters of possible cancellation would be sent to five countries concerning project implementation delays. From the 51st Meeting the Executive Committee decided that such letters would also emphasize the importance of the project and make suggestions for more positive ways to achieve compliance. Implementing agencies were also asked to suggest ways of encouraging the timely implementation of these projects.

Annual tranche submission delays (decision 50/11)

The Executive Committee reviewed all annual tranches of MYAs due for submission to the 50th Meeting noting that that 38 of the 49 annual tranches had been submitted on time

but that seven of them could not be considered for approval either because the submission was incomplete, a condition of approval had not been met, and/or the project document had not been signed. Letters regarding tranches not submitted to the 50th Meeting would be sent to six countries encouraging them to submit these to the 51st Meeting. Letters would also be sent to a further seven countries explaining the reason why the submission was not considered for approval at the 50th Meeting and requesting that it be forwarded to the 51st Meeting.

Report on implementation of approved projects with specific reporting requirements (decision 50/12)

At its 50th Meeting the Executive Committee considered reports on the implementation of the national phase-out programme in Colombia, the implementation of the methyl bromide phase-out project in Jordan, and a report on the verification of sustained cessation of CFC production in Mexico. The Executive Committee took note of the reports submitted by the Governments of Colombia and Jordan. In the case of Mexico, the Committee commended the Government and UNIDO for the good effort to comply with the audit requirement to confirm the sustained cessation of CFC production at Quimobásicos, the Mexican CFC production plant which had closed production in August 2005, nearly five years in advance of the phase-out requirements of the Montreal Protocol. It also requested the Government of Mexico and UNIDO to continue monitoring the CFC production closure at Quimobásicos between 2007 and 2009.

Project review

Conditional approval of annual work programmes for MYAs (multi-year agreements) (decision 50/13)

On some occasions the Executive Committee approves funds for tranches of MYAs on condition that the release of funds is made only after fulfilment of a number of conditions. In order to monitor the fulfilment of these conditions, the Executive Committee requested that the implementing agency concerned should coordinate and confirm with the Fund Secretariat that the conditions for release of funds had been met prior to disbursing the funds to the country concerned.

Submissions that do not conform to Executive Committee requirements (decision 50/14)

Some projects and activities submitted by implementing agencies to the Secretariat for presentation to the Executive Committee had not contained the information or components necessary for the submission to be considered as potentially approvable. This had taken up the time available for consideration of complete submissions. In this regard, the Executive Committee decided that in future projects and activities that, by the date of the submission deadline before each meeting, did not contain the information or components necessary for the submission to be considered as potentially approvable, would not be included in meeting documentation for that meeting. The Secretariat would advise the Executive Committee of the proposals received but not included in meeting documentation, together with the reasons for non-inclusion.

Project approvals (decisions 50/15 – 50/38)

A total of US\$ 48 million including agency support costs was provided for 77 Article 5 countries to phase-out 3,371 tonnes of ODS consumption. US \$7 million was agreed in principle for 10 performance based multi-year agreements: seven for terminal phase-out management plans (TPMPs) in Bahrain, Burkina Faso, Cameroon, Georgia, Ghana, Kyrgyzstan and Uruguay and three agreements for the complete phase-out of controlled uses of methyl bromide in Honduras, Viet Nam and Zimbabwe.

The Executive Committee also approved activities associated with the phase-out of CFCs in the metered-dose inhalers (MDIs) subsector. In Bangladesh funding was approved for the formulation of a transitional strategy for MDI and for the preparation of a phase-out project in the MDI sector taking into account the exceptional circumstances of Bangladesh and on the understanding that the Government would sign the project document for the national ODS phase-out plan and commence implementation of activities in other sectors that would result in reductions of CFC consumption. The transitional strategy would be developed taking into account decision XVIII/16 of the 18th Meeting of the Parties. The Executive Committee also approved an investment project for the complete phase-out of CFCs used in the manufacture of MDIs in Egypt.

Report of the operation of the Executive Committee (decision 50/41)

At the 50th Meeting, the Executive Committee decided to continue to meet three times a year. However in anticipation of a future change the Chair of the Executive Committee would write to the Ozone Secretariat to propose that the 19th Meeting of the Parties consider the request of the Executive Committee to change the terms of reference of the Executive Committee to grant it the flexibility to modify the number of times it meets if necessary. The Executive Committee would revisit the issue at the 53rd Executive Committee Meeting in the light of the guidance given by the 19th Meeting of the Parties.

Terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (decision 50/42)

At the 50th Meeting the Executive Committee requested the Secretariat to develop terms of reference, to identify a contractor and to commission the study by the end of March 2007 in order to complete it by February 2008. The study would look at the management of unwanted ODS in developed countries and how this might be applicable in developing countries. The first objective of the study would be to compile information on management approaches in non-Article 5 countries for the collection, transportation and disposal of CFC-containing refrigeration and air-conditioning equipment with the aim of providing guidance and describing the applicability of these management approaches to Article 5 countries. The second objective would be to compile information on management approaches and markets in non-Article 5 countries for the recovery, collection, recycling and reclamation of ODSs that result in those ODS being locally unusable, and the possible options for the disposition of such unusable substances.

The future of the Montreal Protocol and the Multilateral Fund

The Executive Committee agreed that no further discussion on the Multilateral Fund vis-à-vis the future of the Montreal Protocol was necessary. The Executive Committee urged Parties to present their views to the Ozone Secretariat to assist it in preparing for the open-ended dialogue on the matter due to take place in June 2007.

Meetings for 2007 (decision 50/46)

The 51st and 52nd Meetings of the Executive Committee would be held from 19 to 23 March 2007 and 23 to 27 July 2007 respectively in Montreal, Canada. Provisional dates and location for the 53rd meeting were set at 26 to 30 November 2007 in Montreal.

Report of the 50th Meeting

A complete record of all decisions made at the 50th Meeting, including those covered in this document, can be found in the 'Report of the Fiftieth Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol' (UNEP/OzL.Pro/ExCom/50/62) on the Multilateral Fund's web site (www.multilateralfund.org). The report is available in Arabic, English, French, and Spanish.

Annex I - Attendance at the 50th Meeting of the Executive Committee

| Executive Committee Members | Co-opted countries |
|------------------------------------|--------------------------------------|
| | |
| Non Article 5 | |
| Australia (Vice Chair) | Canada |
| Belgium | |
| Czech Republic | |
| Italy | France and Germany |
| Japan | |
| Sweden | Austria |
| United States of America | |
| | |
| Article 5 | |
| Brazil | Argentina and Colombia |
| Burundi | Mauritius |
| Guinea | Gabon and Morocco |
| India | China, the Philippines and Sri Lanka |
| Mexico | Cuba, Dominican Republic |
| Syrian Arab Republic (Chair) | Jordan |
| Zambia | Namibia and Sudan |