



United Nations
Environment
Programme

Distr.
GENERAL

UNEP/OzL.Pro/WG.1/11/6
23 March 1995

Original: ENGLISH



OPEN-ENDED WORKING GROUP OF THE
PARTIES TO THE MONTREAL PROTOCOL

Eleventh meeting
Nairobi, 8-12 May 1995

FINANCIAL POSITION OF THE MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Note by the Secretariat

1. At its sixteenth meeting, held in Montreal from 15 to 17 March 1995, the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol decided to bring the issue of shortage of funds, compared to project requests, to the attention of the Seventh Meeting of the Parties through the Open-ended Working Group at its eleventh meeting.
2. The Executive Committee recommended (UNEP/OzL.Pro/ExCom/16/20, para. 32(i)) 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.
3. The total amount of funds approved for the Implementing Agencies in 1994 to implement investment projects in Article 5 countries was US\$ 161,595,450, in addition to US\$ 3,650,244 approved for bilateral activities in the same year.

/....

4. In its Decision V/9, the Fifth Meeting of the Parties approved US\$ 510,000,000 for the triennium 1994-1996, with a roll-over of US\$ 55,000,000 in unallocated funds from previous years. The Parties thus determined the annual contribution for 1994-1996 at US\$ 151,666,666.

5. The roll-over of US\$ 55,000,000 consists in large part of pledges from countries with economies in transition, which have repeatedly expressed difficulties in making their contribution to the Fund.

6. The Implementing Agencies requested approval of investment projects and other activities in Article 5 countries in excess of the amount of funds that was available in 1994, which led to the shortfall in funds experienced at the fifteenth meeting of the Executive Committee, in December 1994.

7. The Working Group may wish to discuss the financial position of the Multilateral Fund in the light of the foregoing.
