

ELEVENTH MEETING OF THE PARTIES TO
THE MONTREAL PROTOCOL ON
SUBSTANCES THAT DEplete
THE OZONE LAYER
Beijing, 29 November - 3 December 1999

FIXED RATE EXCHANGE MECHANISM

Submitted by Canada

Fixed Rate Exchange Mechanism

Having considered the analysis of the impact on the Multilateral Fund of implementing a fixed exchange rate mechanism,

Having also considered the recommendations of its Technical Segment,

The Meeting of the Parties *decided*:

1. 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, promote the timely payment of contributions, and to ensure no adverse impact on the level of available resources of the Multilateral Fund;

2. 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;
3. That only Parties with inflation rate fluctuations of less than 10%, as per the published figures of the International Monetary Fund, for the preceding triennium will be eligible to utilize the mechanism;
4. That Parties choosing to pay in national currencies will calculate their contributions based on an average UN exchange rate for the 6 months preceding the replenishment period. Parties not choosing to pay in national currencies may continue to pay in US dollars;
5. 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 funding of ODS phase-out in Article 5 countries during this triennium so that the ODS phase-out process is not adversely impacted;
6. 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.