

OPEN-ENDED WORKING GROUP OF THE PARTIES TO
THE MONTREAL PROTOCOL ON SUBSTANCES THAT
DEplete THE OZONE LAYER

Eighteenth meeting
Cairo, 18-20 November 1998

DECISION X/.. PROPOSAL TO STUDY A FIXED CURRENCY EXCHANGE RATE
MECHANISM FOR THE REPLENISHMENT OF THE
MULTILATERAL FUND

Canada: revised draft decision

Noting that some donor countries make payments to the Multilateral Fund in their national currencies, and that minor discrepancies often arise from the different exchange rates used to issue and encash their payments,

Further noting that some financial mechanisms have been utilized by other multilateral funding mechanisms to simplify the administration of these contributions and eliminate these discrepancies,

The Tenth Meeting of the Parties decides:

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.
