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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-sixth Meeting
Montreal, 16-20 April 2012

Addendum

**REPORT ON IMPLEMENTATION OF APPROVED PROJECTS WITH SPECIFIC
REPORTING REQUIREMENTS**

This document is being issued to:

- **Add** sub-paragraph (h) to paragraph 4:
(h) China: HCFC phase-out management plan (stage I) (UNDP)
- **Add** the following paragraphs after paragraph 56:

China: HCFC phase-out management plan (stage I) (UNDP)

Background

56(bis) At the 64th meeting of the Executive Committee, the HPMP for China was approved through decision 64/49. Sub-paragraph (e) of that decision approved the Agreement between the Government of China and the Executive Committee. At that time, the monitoring roles and institutions in Appendix 5-A of the HPMP Agreement were not defined, instead the Agreement contained the following proviso: "The details of the monitoring arrangements will be prepared by the Government of China separately and submitted for agreement by the Executive Committee, for subsequent inclusion in this Appendix 5-A." During the 65th meeting, a solvent sector plan was added to China's HPMP through decision 65/36; however, the issue of monitoring arrangements had not been addressed.

56(ter) UNDP, on behalf of China, submitted the draft contained in Annex II to this document presenting Appendix 5-A on monitoring institutions and roles for the Executive Committee's consideration after the deadline for submissions to the 66th meeting.

Secretariat's comments

56(qua) The Executive Committee did not provide the Secretariat with a clear mandate to review and discuss Appendix 5-A of the Agreement, and consequently this Appendix is being forwarded as received. However, the Secretariat would like to recall that Appendix 5-A, "Monitoring Institutions and Roles" is part of the requirements of implementation and results monitoring and reporting defined in the Agreement; other important parts are paragraphs 4 and 5 of the Agreement regarding verification of HCFC consumption, paragraph 6 of the Agreement regarding monitoring in general, and the "Format of implementation reports and plans" in Appendix 4-A. In this context, Appendix 5-A defines the minimum amount of information that needs to be available to the Government of China to monitor the implementation in their country. This also indicates an understanding that the implementation is carried out as a country-driven approach, with the Government of China having a clear grasp of the sectors, their needs and the actual status of implementation efforts related to them. At the same time, it also defines minimum information available, which might be requested by the Executive Committee for the purpose of programme oversight, in cases where the existing reporting requirements on the agencies or the verification of the HCFC consumption are perceived to be insufficient or not to provide the full picture. In considering this, the Executive Committee might note three defining characteristics of stage I of the HPMP:

- (a) Overall size: The stage I of the HPMP for China is significant in size, being by far the largest commitment the Executive Committee ever undertaken;
- (b) Low specificity in the project approval: Many activities in stage I are defined in a generic way, since concrete data was not available in several sectors when the HPMP was submitted; and
- (c) Variety: Stage I covers several distinctively different sectors, a number of different agencies as well as different implementation mechanisms.

Secretariat's recommendation

56(quin) The Executive Committee may wish to consider the proposed Appendix 5-A of the Agreement between the Government of China and the Executive Committee submitted by UNDP, on behalf of the Government of China, in light of the comments provided above.

- **Add** Annex II as attached.

Annex II

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES FOR THE AGREEMENT BETWEEN THE GOVERNMENT OF CHINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. FECO/MEP is responsible for the overall coordination of activities to be undertaken in the HCFC Phase-Out Management Plan with assistance of the Lead IA and acts as the National Ozone Unit, responsible for carrying out national policies and legislations regarding the control of ozone depleting substances.
2. The national consumption will be monitored and determined based on production data and official import and export data for the Substances recorded by relevant government departments.
3. A quota system covering large enterprises in the different consumption sectors where applicable will be established to control the consumption growth, achieve the consumption reduction in those large enterprises and collect the consumption data.
4. For those sectors with large amounts of SMEs, like PU Foam Sector, Solvent Sector, XPS Foam Sector and ICR Sector, the consumption would be managed by limiting the quantities of the relevant substances to be sold to the domestic market through the implementation of HCFCs Phase-out Management Plan in production sector (to be approved). A comprehensive evaluation method using available data and information of the enterprises in these sectors, consumption of different HCFC substances at national level and relative accurate consumption data of some sectors will be established to determine the consumption of these sectors.
5. FECO/MEP will closely supervise those enterprises carrying out the conversion projects in the first stage to ensure the phase-out target in those enterprises had been achieved.
6. FECO/MEP will facilitate the Lead IA and Cooperating agencies on the verification of the targets set in the agreement.
7. FECO/MEP shall compile and report the following data and information on an annual basis on or before the relevant due dates:
 - (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat; and
 - (b) Annual reports on progress of implementation of HPMP to be submitted to the Executive Committee of the Multilateral Fund.

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