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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-eight Meeting  
Montreal, 3-7 December 2012

**Addendum**

**REPORT ON BALANCES AND AVAILABILITY OF RESOURCES**

This document is issued to:

- **Add** paragraph 26(bis)

1. 26(bis). Subsequent to the issuance of document UNEP/OzL.Pro/ExCom/68/4 the Government of Canada informed the Secretariat that the Government of the Plurinational State of Bolivia has requested to transfer the balance of US \$5,000 approved under Canada's component of the second tranche of the terminal phase-out management plan (TPMP) for the Plurinational State of Bolivia to UNDP, to be used for activities related to the phase-out of HCFCs.

- **Add** paragraph 27(bis)

2. 27(bis). The TPMP for the Plurinational State of Bolivia was approved at the 51<sup>st</sup> meeting, at a total cost of US \$589,685, consisting of US \$167,000, plus agency support costs of US \$21,710 for the Government of Canada (as the lead implementing agency), and US \$373,000, plus agency support costs of US \$27,975 for UNDP (as the cooperating agency). Based on the administrative cost regime that was in place at the time of the approval of the TPMP, the agency support costs associated with the US \$5,000 is US \$650 for Canada, or US \$375 for UNDP. Accordingly, the Government of Canada has agreed to return the difference of US \$275 to the Multilateral Fund. A revised agreement reflecting the request by the Government of the Plurinational State of Bolivia to transfer the balance of US \$5,000 from Canada to UNDP is contained in Annex III to the present document.

- **Add** paragraph 30(d)

3. With regard to the request by the Government of the Plurinational State of Bolivia of the terminal phase-out management plan (TPMP):

- (i) To note the transfer of the balance of US \$5,000 of the second tranche of the TPMP from the Government of Canada to UNDP;
- (ii) To note the transfer of US \$375 for agency support costs for UNDP and the return of US \$275 from the Government of Canada to the Multilateral Fund; and
- (iii) To approve the revised agreement between the Government of the Plurinational State of Bolivia and the Executive Committee contained in Annex III to the present document.

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### Annex III

## **REVISED AGREEMENT BETWEEN THE GOVERNMENT OF BOLIVIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE TERMINAL PHASE-OUT MANAGEMENT PLAN**

1. This Agreement represents the understanding of the Government of Bolivia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol as set out in rows 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances as described in the project document.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 7 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programme”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.
7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and

endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. Canada has agreed to be the lead implementing agency (the "Lead IA") and UNDP has agreed to be cooperating implementing agency (the "Cooperating IA") under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 8 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

14. This updated Agreement supersedes the Agreement reached between the Government of Bolivia and the Executive Committee at the 51<sup>st</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-115
Annex B:	Group II	CTC

### APPENDIX 2-A: THE TARGETS, AND FUNDING

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	37.8	11.4	11.4	11.4	0.00	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	26.7	11.4	11.4	11.4	0.00	
3. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0.0	0.0	0.0	0.0	0.00	
4. Maximum allowable consumption of Annex B, Group II substances (ODP tonnes)	0.2	0.1	0.0	0.0	0.00	
5. Lead IA agreed funding (US \$)		79,000	83,000			162,000
6. Cooperating IA agreed funding (US \$)		151,000	227,000			378,000
7. Total agreed funding (US \$)		230,000	310,000	-	-	540,000
8. Lead IA support costs (US \$)		10,270	10,790	-	-	21,060
9. Cooperating IA support costs (US \$)		11,325	17,025	-	-	28,350
10. Total agreed support costs (US \$)		21,595	27,815	-	-	49,410
11. Grand total agreed funding (US \$)		251,595	337,815			589,410

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

#### 1. Data

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity:  
Objective:  
Target Group:  
Impact:

5. **Government Action**

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

7. **Administrative Fees**

**APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the TPMP. This organization, along with

the Cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Bolivia for related auditing. Based on discussion with the Lead IA, Bolivia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Bolivia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;

- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

**APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist the Country in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

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