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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-nine Meeting
Montreal, 15-19 April 2013

OVERVIEW OF ISSUES IDENTIFIED UNDER PROJECT REVIEW

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Introduction

1. This document consists of the following sections:
 - (a) An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 69th meeting;
 - (b) Issues identified during the project review process;
 - (c) Projects and activities submitted for blanket approval; and
 - (d) Investment projects for individual consideration.

Projects and activities submitted by bilateral and implementing agencies

2. Bilateral and implementing agencies submitted 48 funding requests for new multi-year agreements, tranches of approved multi-year agreements and projects and activities, amounting to US \$321,934,670, including agency support costs where applicable. The funding requests covered:
 - (a) Two HCFC phase-out management plans (HPMPs), one for each low-volume-consuming (LVC) and non-LVC countries;
 - (b) HCFC production phase-out management plan (HPPMP) for one country (to be considered by the Sub-group on the Production Sector);
 - (c) Second/third tranches of approved HPMPs for five countries (including the resubmission of the extruded polystyrene (XPS) foam sector plan for China);
 - (d) One remaining of a tranche of CTC production phase-out; one verification report of production of CFCs for essential use; two tranches of approved methyl bromide (MB) phase-out projects; one regional technical assistance for MB project;
 - (e) Two ODS destruction projects and one project on promoting low-global warming potential (GWP) refrigerants for air-conditioning sectors in high-ambient temperature countries; technical assistance for mapping of ODS alternatives; one HPMP stage II project preparation; and
 - (f) Twelve renewal requests for institutional strengthening projects.
3. Following the project review process, 21 projects and activities totalling US \$3,647,109 including support costs are recommended for blanket approval; 12 projects and activities totalling US \$314,142,120 including support costs (of which US \$88,217,360 is requested at the 69th meeting) are being forwarded for individual consideration by the Executive Committee. Of the total amount of funding submitted for individual consideration, US \$301,000,000 (of which US \$75,250,000 is being requested at the 69th meeting) is related to the HCFC production sector. Together, the projects for blanket approval and those for individual consideration represent a total amount of US 91,864,469 in funding being requested at this meeting.
4. One HPMP (Democratic People's Republic of Korea) at a total cost of US \$998,947 as originally submitted was withdrawn by the relevant agency, after the HPMP had been reviewed and agreed in principle with the Secretariat. UNIDO explained that at the 68th meeting, when the HPMP was considered

by the Executive Committee, it had indicated that before any approval of the HPMP by the Executive Committee, it would consult with the United Nations Security Council (UNSC) Committee to find out whether the equipment, or any other services to be provided under the HPMP, would be cleared by the UNSC Committee¹. Accordingly, on 25 January 2013 UNIDO wrote to the UNSC Committee seeking confirmation that the major pieces of the equipment required for implementation of stage I of the HPMP do not contravene the applicable United Nations sanctions in respect to the Democratic People's Republic of Korea. In a reply dated 13 February 2013, the Chair of the UNSC Committee indicated that "the UNSC Committee understands that nothing in Security Council resolutions 1695, 1718, 1874 and 2087 prohibits the project..." but also noted that some items may, depending on their specifications, fall within the category of prohibited items. UNIDO provided the required technical specifications to the UNSC Committee for clearance. However, a response had not yet been received by UNIDO. In view of this fact and considering that a new resolution by the United Nations Security Council (Resolution 2094 (2013)) had been issued, increasingly the list of forbidden items to be supplied by any Member States of the United Nations, UNIDO requested to defer the HPMP to the 70th meeting.

5. As advised in the "Report on balances and availability of resources" (UNEP/OzL.Pro/ExCom/69/4), the total level of resources available for approval by the Executive Committee at the 69th meeting is US \$50,582,213, as of 8 March 2013. This amount is lower than that being requested for projects and activities at the same meeting.

Issues identified during project review

6. No policy issues were identified during the project review process for the 69th meeting.

Projects and activities submitted for blanket approval

7. Annex I to this document, lists 21 projects and activities totalling US \$3,647,109 including support costs that are recommended for blanket approval. The second tranche of stage I of the HPMPs for three countries (Dominican Republic, Maldives and Timor Leste) have been recommended for blanket approval in line with decision 66/19. The approval of these projects by the Executive Committee would include the relevant conditions or provisions in the corresponding project evaluation sheets as well as the approval of implementation programmes associated with the relevant tranches of multi-year projects.

Investment projects for individual consideration

8. After a review by the Secretariat, a total of 12 projects and activities totalling US \$314,142,120 including support costs (of which US \$88,271,360 is requested at the 69th meeting) are proposed for individual consideration. Of the total amount of funding requested and submitted for individual consideration, US \$301,000,000 (of which US \$75,250,000 is requested at the 69th meeting) is related to the HCFC production sector. The issues associated with non-investment projects are presented in the work programmes for UNEP (UNEP/OzL.Pro/ExCom/69/18) and UNIDO (UNEP/OzL.Pro/ExCom/69/19).

9. To facilitate the Executive Committee's consideration of the projects submitted for individual consideration, the Secretariat has classified the projects by sector, as shown in Table 1 below.

¹ Paragraph 142 of document UNEP/OzL.Pro/ExCom/68/53.

Table 1. List of projects for individual consideration

Country	Project	Agency	ExCom	Issue
ODS destruction				
Georgia	Pilot demonstration project on ODS waste management and disposal	UNDP	69/26	All issues have been satisfactorily addressed
Region: Europe	Demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region	UNEP/UNIDO	69/32	All issues have been satisfactorily addressed
Second tranches of HPMPs				
China	HCFC phase-out management plan (phase I, second tranche) XPS foam sector plan	UNIDO/Germany	69/23	All issues have been satisfactorily addressed (re-submission)
Venezuela (Bolivarian Republic of)	HCFC phase-out management plan (stage I, third tranche)	UNIDO/UNEP	69/31	Status of the licence and quota system; level of disbursement; progress on implementation
HPMPs for LVC countries				
Barbados	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNDP	69/21	All issues have been satisfactorily addressed

List of projects and activities recommended for blanket approval

 UNEP/OzL.Pro/ExCom/69/15
 Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
ANGOLA					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IV: 4/2013-3/2015)	UNEP		\$134,400	\$0	\$134,400
	Total for Angola		\$134,400		\$134,400
CHILE					
FUMIGANT					
Methyl bromide					
National phase-out of methyl bromide, terminal project (second tranche)	UNIDO	164.4	\$557,914	\$41,844	\$599,758
<i>The Government of Chile, UNIDO and UNEP were requested to submit the project completion report to the Executive Committee, soon after completion of the 2013-2014 annual implementation programme.</i>					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase X: 4/2013-3/2015)	UNDP		\$186,550	\$13,058	\$199,608
	Total for Chile	164.4	\$744,464	\$54,902	\$799,366
CHINA					
PRODUCTION					
CFC closure					
Verification of production of CFCs for essential use	IBRD		\$40,000	\$2,800	\$42,800
	Total for China		\$40,000	\$2,800	\$42,800
CROATIA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VIII: 4/2013-3/2015)	UNEP		\$87,707	\$0	\$87,707
	Total for Croatia		\$87,707		\$87,707
DOMINICAN REPUBLIC					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	UNEP	0.6	\$25,000	\$3,250	\$28,250
HCFC phase-out management plan (stage I, second tranche) (sector phase-out for the use of HCFCs in the foam manufacturing sector)	UNDP	7.6	\$319,982	\$23,999	\$343,981

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			Project	Support	
HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector and monitoring)	UNDP	1.5	\$143,468	\$10,760	\$154,228
Total for Dominican Republic		9.7	\$488,450	\$38,009	\$526,459
GEORGIA					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VIII: 7/2013-6/2015)	UNDP		\$60,667	\$4,247	\$64,914
Total for Georgia			\$60,667	\$4,247	\$64,914
INDIA					
PRODUCTION					
CFC closure					
Accelerated CFC production phase-out (remaining of the second tranche)	IBRD		\$317,000	\$24,032	\$341,032
Total for India			\$317,000	\$24,032	\$341,032
IRAQ					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase II: 6/2013-5/2015)	UNEP		\$240,000	\$0	\$240,000
Total for Iraq			\$240,000		\$240,000
KENYA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase IX: 4/2013-3/2015)	UNEP		\$151,667	\$0	\$151,667
Total for Kenya			\$151,667		\$151,667
LIBERIA					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V: 4/2013-3/2015))	UNEP		\$85,213	\$0	\$85,213
Total for Liberia			\$85,213		\$85,213
MALDIVES					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (second tranche)	UNDP	1.4	\$20,000	\$1,500	\$21,500
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance.</i>					

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			Project	Support	
HCFC phase-out management plan (second tranche)	UNEP		\$173,400	\$22,542	\$195,942
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance.</i>					
Total for Maldives		1.4	\$193,400	\$24,042	\$217,442
MEXICO					
FUMIGANT					
Methyl bromide					
National methyl bromide phase-out plan (fourth tranche)	UNIDO	325.0	\$422,379	\$31,678	\$454,057
<i>The Government of Mexico, UNIDO and the Governments of Canada, Italy and Spain were requested to submit the project completion report to the Executive Committee, soon after completion of the 2013 annual implementation programme.</i>					
Total for Mexico		325.0	\$422,379	\$31,678	\$454,057
SIERRA LEONE					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase V: 4/2013-3/2015)	UNEP		\$85,800	\$0	\$85,800
Total for Sierra Leone			\$85,800		\$85,800
SUDAN					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening (phase VII: 4/2013-3/2015)	UNEP		\$145,860	\$0	\$145,860
Total for Sudan			\$145,860		\$145,860
TIMOR LESTE					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche)	UNEP		\$55,000	\$7,150	\$62,150
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance, and that the revised starting point for sustained aggregate reduction in HCFC consumption was 0.5 ODP tonnes, calculated using consumption of 0.5 ODP tonnes and 0.5 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol.</i>					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening (phase III: 4/2013-3/2015)	UNEP		\$60,000	\$0	\$60,000
Total for Timor Leste			\$115,000	\$7,150	\$122,150

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
ZIMBABWE					
SEVERAL					
Ozone unit support					
Renewal of the institutional strengthening project (phase VII: 4/2013-3/2015)	UNEP		\$148,242	\$0	\$148,242
	Total for Zimbabwe		\$148,242		\$148,242
	GRAND TOTAL	500.5	\$3,460,249	\$186,860	\$3,647,109