



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/70/1/Add.1  
12 June 2013

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventieth Meeting  
Bangkok, 1-5 July 2013

**ANNOTATED PROVISIONAL AGENDA**

**1. Opening of the meeting**

Opening remarks by the Chairperson of the Executive Committee.

**2. Organizational matters:**

**(a) Adoption of the agenda**

Document UNEP/OzL.Pro/ExCom/70/1 contains the provisional agenda for the 70<sup>th</sup> Meeting of the Executive Committee.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/70/1 and, if needed, as amended verbally at the plenary.

**(b) Organization of work**

The Chairperson will propose to the plenary the organization of work.

**3. Secretariat activities**

Document UNEP/OzL.Pro/ExCom/70/2 presents a report on the activities of the Secretariat since the 69<sup>th</sup> Meeting of the Executive Committee.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to take note of the Secretariat activities contained in document UNEP/OzL.Pro/ExCom/70/2.

#### **4. Status of contributions and disbursements**

UNEP/OzL.Pro/ExCom/70/3 provides information on the Status of the Fund as recorded at UNEP as at 27 May 2013. At that date, the fund balance stood at US \$69,487,827. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 69<sup>th</sup> Meeting.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in document UNEP/OzL.Pro/ExCom/70/3; and
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

#### **5. Status of resources and planning**

##### **(a) Report on balances and availability of resources**

Document UNEP/OzL.Pro/ExCom/70/4 presents a summary of the financial adjustments indicated by the bilateral and implementing agencies as agreed by the Fund Secretariat. It includes statistical data, as required by decisions 28/7 and 56/2, from projects for bilateral and implementing agencies with balances that have been held for over the allowable 12-month period following completion of the project. Further to decision 41/92(b), this document also indicates the level of resources available to the Executive Committee in cash and promissory notes as recorded in the Status of contributions and disbursements (UNEP/OzL.Pro/ExCom/70/3).

Issues to be addressed:

- Unreturned balance from UNEP on its Compliance Assistance Programme budget for 2012.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To note:
  - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/70/4;
  - (ii) That the net level of funds being returned by the implementing agencies to the 70<sup>th</sup> meeting was US \$612,700 against projects, which included the return of US \$197,122 from UNDP and US \$415,578 from UNIDO;
  - (iii) That the net level of support costs being returned by the implementing agencies to the 70<sup>th</sup> meeting was US \$46,074 against projects, which included the return of US \$14,897 from UNDP and US \$31,177 from UNIDO;
  - (iv) That implementing agencies had balances totalling US \$752,396, excluding support costs, from projects completed over two years previously, which

included US \$112,182 for UNDP, US \$401,094 for UNEP and US \$239,120 for UNIDO;

- (v) That the Government of Japan and the Government of France has balances totalling US \$308,920 and US \$40,150, excluding support costs, for a total of three projects completed over two years previously;
  - (vi) That the Government of Japan's balance for completed projects not returned to the Fund, totaling US \$40,154, excluding support costs, would be offset against future bilateral projects;
  - (vii) That UNEP reported obligated balances under two Compliance Assistance Programme (CAP) budgets completed in 2010 and 2011 and to request UNEP to review these balances with a view to return these funds to the 71<sup>st</sup> meeting;
  - (viii) That the net level of funds and support costs being returned by the bilateral agencies to the 70<sup>th</sup> meeting was US \$5,603 from the Government of Canada;
  - (ix) That SIDA informed the Secretariat that the Government of Sweden would not have a Multilateral Fund bilateral programme any longer;
- (b) To request:
- (i) Implementing agencies with projects completed in 2004 to 2009 to return the balances as soon as possible;
  - (ii) UNEP to explain why the US \$432,419 balance under the CAP budget administrative costs from the 2012 budget is not returned to the 70<sup>th</sup> meeting; and
  - (iii) The Treasurer to deduct the Government of Canada's return in cash to the Fund of the amount of US \$5,650 as a follow-up to decision 68/2(d)(ii) and the return of US \$5,603 against one completed project in Jamaica (JAM/FUM/47/TAS), and the completed project in Saint Lucia (STL/PHA/56/INV/15) from the Government of Canada's regular contribution to the Fund.

**(b) 2013-2015 business plans and tranche submission delays**

Document UNEP/OzL.Pro/ExCom/70/5 considers business planning in light of approvals at the 69<sup>th</sup> meeting, submissions to the 70<sup>th</sup> meeting, and allocations in the 2013-2015 business plans. Firstly, it addresses decisions taken at the 69<sup>th</sup> meeting with respect to the 2013-2015 business plans, and presents the value of activities that were not submitted to either the 69<sup>th</sup> or 70<sup>th</sup> meetings but were included in the 2013 business plans, and identifies projects required for compliance. It also assesses the forward commitments approved to-date as no new forward commitments are requested at this meeting, and concludes with observations and recommendations. This document includes information on submission delays, namely the submission of tranches that were due at the 70<sup>th</sup> meeting and presents observations and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Approvals at the 69<sup>th</sup> meeting exceeded the allocations for them in the business plan by US \$3.6 million in 2013 but were below their 2013-2015 allocation by US \$40.7 million;
- Requests submitted to the 70<sup>th</sup> meeting below their business plan allocation in 2013 by US \$541,616 in 2013 and US \$142,937 for the period 2013-2015;
- Forty-two out of 70 tranches of multi-year agreements (MYAs) were not submitted on time to the 70<sup>th</sup> meeting, mostly due to the inability to meet the 20 per cent threshold of disbursement;
- An additional four tranches were withdrawn after submission; and
- Submission due dates for the HPMPs in Indonesia and Viet Nam.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

(a) Noting:

- (i) The report on the status of the 2013-2015 business plans and tranche submission delays as contained in document UNEP/OzL.Pro/ExCom/70/5;
- (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by Germany, UNDP, UNEP and UNIDO;
- (iii) That 42 out of 70 tranches of multi-year agreements (MYAs) due for submission had been submitted on time to the 70<sup>th</sup> meeting and that four of those tranches were withdrawn after discussion with the Fund Secretariat;

(b) Requesting:

- (i) The World Bank, during the 70<sup>th</sup> meeting, to provide reasons why the tranches for Indonesia and Viet Nam had not been submitted to the 70<sup>th</sup> meeting;
- (ii) The bilateral and implementing agencies to address those activities not submitted in 2013 as planned as contained in Annexes I and II to the current document in their 2013-2015 business plans;
- (iii) The Secretariat:
  - a. To send letters to the governments of the countries indicated below to urge the submission of the next tranche of the MYA to the 71<sup>st</sup> meeting, noting where this is the second meeting to which the tranche could have been submitted but had not been, as applicable: Bolivia (Plurinational State of), Brazil, Central African Republic (the), Chile, China, Congo (the), Croatia, Cuba, Gabon, Guinea-Bissau, India, Indonesia, Mali, Mexico, Montenegro, Namibia, Papua New Guinea, South Africa, Togo, Trinidad and Tobago, Turkmenistan, Viet Nam and Zambia; and
  - b. To send letters to the governments of Iran (Islamic Republic of) and Nigeria to urge the submission of the next tranches of the MYA to the 71<sup>st</sup> meeting, noting that the tranches were withdrawn from consideration at the 70<sup>th</sup> meeting after discussion with the Fund Secretariat due to the countries' inability to meet the 20 per cent disbursement threshold of funding for the previous tranche.

**(c) Status reports and compliance**

Documents UNEP/OzL.Pro/ExCom/70/6 and Add.1 consist of six parts (one of which is provided in Addendum 1 to the document). Part I has been prepared in response to decisions 32/76(b) and 46/4, which requested the Secretariat to prepare an update for each meeting of the Executive Committee on the status of compliance of Article 5 countries. Part I has been modified in line with decision 67/3 to provide data analyses only for those ODS that have not been phased out, i.e., TCA, MB and HCFCs. The Fund Secretariat continues to synthesize all of the data to identify any issues with respect to compliance for CFCs, halons and CTC. Part II contains information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance. Part III presents data on the implementation of country programmes (CP), including an analysis of the ozone-depleting substances (ODS) consumption data, by sector. Part IV addresses those projects with implementation delays and those for which additional status reports are needed. Part V presents reports on methyl bromide phase-out projects. Part VI addresses a report on resource mobilization activities.

Issues to be addressed:

- 2011 or 2012 HCFC consumption for seventy-four countries was below their baseline consumption;
- All eligible countries have had HCFC phase-out management plan (HPMP) preparation funding approved except South Sudan for which an HCFC project preparation request was submitted to the 70<sup>th</sup> meeting;
- Seven countries do not have approved HPMPs (Libya, Mauritania, South Sudan and Tunisia) or resubmit (Botswana, Democratic People's Republic of Korea (the) and Syrian Arab Republic);
- Seven Article 5 countries produced 34,692 ODP tonnes of HCFCs based on latest data, four reported HCFC production below their baselines, and most of the production (32,106 ODP tonnes) was in China, which received funding for Stage I of its production phase-out at the 69<sup>th</sup> meeting;
- Need for status reports on the establishment of licensing systems in Botswana and South Sudan;
- Need for UNEP to clarify the status of 2012 methyl bromide consumption in Barbados;
- Data on the implementation of CPs
  - For the 52 countries reporting 2011 and 2012 data, HCFC consumption increased by 16 per cent;
- Need for additional status reports;
- Reports on deviations from agreements on methyl bromide projects in Argentina, Egypt, Kenya, and Morocco; and
- Need for a final report on resource mobilization from the World Bank.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

**(a) Noting:**

- (i) The documents on Status reports and compliance as contained in UNEP/OzL.Pro/ExCom/70/6 and Add.1;

- (ii) That 40 of the 46 countries that provided 2012 data submitted their country programme (CP) implementation reports through the web-based system, which was initiated on 25 April 2007;
- (b) Requesting:
  - (i) UNEP to report on the establishment of Botswana and South Sudan's licensing systems by the 71<sup>st</sup> meeting of the Executive Committee; and
  - (ii) UNEP to clarify the status of methyl bromide 2012 consumption in Barbados during the 70<sup>th</sup> meeting.
  - (iii) The Government of Israel to provide its implementation delay report to the 71<sup>st</sup> meeting of the Executive Committee;
  - (iv) The submission of additional status reports on the projects listed in Annexes III and IV to the present document;
  - (v) The submission of additional specific status reports to the 71<sup>st</sup> meeting on the seven projects with issues listed in Annex V;
  - (vi) The submission of the verification report on the process agent sector plan (phase II) in China by the World Bank to the 71<sup>st</sup> meeting of the Executive Committee;
  - (vii) The World Bank, on the implementation of the "China halon sector strategy", the "Agreement for the China production sector", and the "Agreement for CFC phase-out in the polyurethane foam sector in China", to report to the 71<sup>st</sup> meeting of the Executive Committee on the outstanding financial audit reports and submit the project completion reports upon the final expenditure of funds as per decision 56/13;
- (c) With respect to the methyl bromide (MB) phase-out project in Argentina, noting that the Government of Argentina has committed to phasing out 100.4 ODP tonnes of controlled uses of MB with its own resources, and that it committed to completely phasing out controlled uses by 1 January 2015:
  - (i) Noting the progress report on the implementation of the MB phase-out project in Argentina submitted by UNIDO on behalf of the Government of Argentina;
  - (ii) Further noting with concern that the levels of MB consumption reported between 2006 and 2012 deviated from those committed to by the Government of Argentina in the agreed conditions for phase-out of MB;
  - (iii) Urging the Government of Argentina to establish appropriate control measures to ensure a prompt return to compliance with the consumption levels committed to in the agreed conditions for phase-out of MB;
  - (iv) Requesting UNIDO and the Government of Argentina to submit annual progress reports until the implementation of the project for the complete phase-out of MB used in strawberries, flowers and protected vegetables is finalized, and submit a project completion report no later than the last meeting of the Executive Committee in 2015;

- (d) With respect to the MB phase-out project in Egypt, given that the particular situation prevailing in Egypt in 2011 delayed the implementation of the project in the country, and noting that the total MB phase-out in Egypt will be achieved by 1 January 2014:
  - (i) Adjusting the schedule for the phase-out of MB in Egypt as shown in Table 7 of document UNEP/OzL.Pro/ExCom/70/6/Add.1, to reflect the revised agreed level of MB consumption in Egypt;
  - (ii) Requesting UNIDO and the Government of Egypt to finalize implementation of the project for the complete phase-out of MB used in horticulture and the commodities sectors and to submit a project completion report no later than the 73<sup>rd</sup> meeting of the Executive Committee;
- (e) With respect to the MB phase-out project in Kenya:
  - (i) Noting the progress report on the implementation of the MB phase-out projects in Kenya submitted by UNIDO on behalf of the Government of Kenya;
  - (ii) Further noting with appreciation that the Government of Kenya has reported zero consumption of MB in 2012 under Article 7 of the Montreal Protocol;
  - (iii) Requesting UNIDO and the Government of Kenya to finalize the implementation of the project for the complete phase-out of MB used in post-harvest applications and to submit a project completion report no later than the 73<sup>rd</sup> meeting of the Executive Committee;
- (f) With respect to the MB phase-out project in Morocco, noting that the Government of Morocco committed to phasing out 58.8 ODP tonnes of controlled uses of MB with its own resources, and that it has also banned imports of MB for controlled uses:
  - (i) Noting the progress report on the implementation of the MB phase-out projects in Morocco submitted by UNIDO on behalf of the Government of Morocco;
  - (ii) Noting with concern that the levels of MB consumption reported for 2011 deviated from those committed to by the Government of Morocco in the agreed conditions for phase-out of MB in Morocco;
  - (iii) Requesting UNIDO and the Government of Morocco to finalize implementation of the project for the complete phase-out of MB used in the green beans and cucurbits (melon) sector and submit a project completion report no later than the 73<sup>rd</sup> meeting of the Executive Committee; and
- (g) With respect to the World Bank's report on Resource Mobilization, urging the World Bank to submit a final report on the study for climate co-benefits by the 8-week deadline or earlier, for consideration at the 71<sup>st</sup> meeting.

## 6. Programme implementation

### (a) Monitoring and evaluation

#### (i) Desk study on the evaluation of the preparatory phase of the phasing out of HCFCs

Document UNEP/OzL.Pro/ExCom/70/7 analyses the use of the guidelines for preparation of HCFC phase-out management plans during the preparation of stage I of HPMPs, and draws conclusions that may inform the Executive Committee in their decision making on the requirements for stage II of HPMPs. The desk study provided a synthesis based on the use of the guidelines in fifteen countries. Five individual cases were analysed separately and provided more detailed information. Conclusions and recommendations address issues related to delays in implementation; technology selection; technical assistance; policies and regulations and funding.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in the desk study on the evaluation of the preparatory phase of the phasing out of HCFCs contained in document UNEP/OzL.Pro/ExCom/70/7 and the recommendations therein.

#### (ii) Consolidated multi-year agreement project completion report (decision 68/6)

Document UNEP/OzL.Pro/ExCom/70/8 provides the Executive Committee with an overview of the advances made in the electronic format of the multi-agreement project completion report (PCR) format which can now be translated into Excel allowing agencies to better share information with various partners. In addition, other small improvements were introduced that make the electronic format more user-friendly. The bilateral and implementing agencies presented the schedule of submission for the MYA PCRs. According to this, about 68 PCRs will be submitted between May 2013 and April 2015.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in document UNEP/OzL.Pro/ExCom/70/8 and request the bilateral and the implementing agencies to submit the multi-year agreement project completion reports according to the schedule of submissions, to the second annual meeting of the Executive Committee.

#### (iii) Multi-year agreement database for HCFC phase-out management plans (decision 68/7)

Document UNEP/OzL.Pro/ExCom/70/9 was prepared pursuant to decision 68/7 and provides information on the progress of development and use of the database for the annual reporting on multi-year agreements (MYAs). Following discussions with various users, further improvements were made to the data base to make it more user-friendly and more improvements are under way. As in previous reports this document reflects the information entered into the database by country and by agency. It is worth noting that for approved HPMPs, there was an increase of data entries into the database.



Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Take note of the report on the multi-year agreement (MYA) database for HCFC phase-out management plans presented in document UNEP/OzL.Pro/ExCom/70/9; and
- (b) Request bilateral and implementing agencies to fill in the missing information in the MYA database and to update it no later than eight weeks prior to the 71<sup>st</sup> meeting of the Executive Committee.

**(b) Progress reports as at 31 December 2012**

**(i) Consolidated progress report**

Document UNEP/OzL.Pro/ExCom/70/10 summarises the progress and financial information on the implementation of projects and activities supported by the Fund up to 31 December 2012. The report consists of three parts, two annexes and one Appendix: Part I is a summary of implementation progress at the country level; Part II is a summary of activities to the end of 2012; and Part III contains comments and recommendations made by the Fund Secretariat. Annex I contains project implementation data by country, Annex II is an analysis of data from the progress reports, and the Appendix contains projects with implementation delays.

Issues to be addressed:

- Streamlining in the annual progress and financial report and information provided in the Remarks column of progress reports;
- Return of balances for on-going projects approved before 2009 for CFC, halon and CTC activities that had a 1 January 2010 phase-out date;
- Return of balances for HPMP project preparation for HPMPs that have been approved; and
- Administrative costs represented 13.1 per cent of project approvals in 2012.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note the Consolidated Progress Report of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/70/10;
- (b) Request implementing agencies to:
  - (i) Confirm whether the activities reported under the review period represent all the activities planned for it, or systematically provide for each project the list of activities planned but not implemented, the reasons for the delay in implementing the activities, the action plan for resolving the issues, and whether or not the delay in implementing specific activities will impact the project completion date in the Remarks column of their annual progress and financial reports;
  - (ii) Not to incur any new commitments and to return, by the end of 2013, the fund balances of the following projects approved before 2009, for substances with the 1 January 2010 phase-out:

- a. For CFC and ODS phase-out, the projects indicated in Table 4 of document UNEP/OzL.Pro/ExCom/70/10, with the exception of the return of balances as per the following dates for UNEP's CFC phase-out plan in the Philippines (March 2014), UNDP's CFC phase-out plan in Saint Kitts and Nevis (January 2014), and UNIDO's ODS phase-out plan in Yemen (June 2014);
  - b. For halon, the halon banking project in the Dominican Republic (DOM/HAL/51/TAS/39) and UNEP's global halon banking project (GLO/HAL/52/TAS/281) with the exception of the return of balances as per the following date for the UNDP's halon banking project in Chile (CHI/HAL/51/TAS/164) (January 2014);
  - c. For CTC, the CTC phase-out plan in India implemented by the World Bank; and
- (iii) Not to incur any new commitments and to return project preparation funds balances for approved HCFC phase-out management plans as indicated in Table 8 of document UNEP/OzL.Pro/ExCom/70/10, by the end of 2013.
- (ii) Bilateral agencies**

Document UNEP/OzL.Pro/ExCom/70/11 contains the progress report on activities up to 31 December 2012 implemented under bilateral cooperation by: Australia, Canada, the Czech Republic, France, Germany, Italy, Japan, Portugal, Spain and Sweden. Progress reports have not been received from the Israel, Portugal and Switzerland.

Issues to be addressed:

- Progress reports not submitted by Israel, Portugal, and Switzerland;
- Assigning project costs to agency fees to address a project cost overrun;
- Cancellation of the African customs enforcement networks project due to lack of disbursement five years after project approval; and
- Additional status reports for HPMPs with low rates of disbursement in Afghanistan, Iran (Islamic Republic of) and Zimbabwe (Germany), the preparation of the HPMP in Botswana due to the need for a licensing system (Germany), the demonstration project to validate the use of super-critical CO<sub>2</sub> (Japan); the African chiller project (Japan), and the preparation of an ODS destruction project in Asian and the Pacific (Japan)

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note with appreciation the progress reports submitted by the Governments of Australia, Canada, the Czech Republic, France, Germany, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/70/11;
- (b) Note that, for the refrigeration servicing sector CFC phase-out plan in China: first tranche (CPR/REF/44/INV/420) and second tranche (CPR/REF/47/INV/438), project costs should be reassigned to support costs that would result in the overall project and support costs to remain within the budget approved for these projects;

- (c) Consider possible cancellation of the project “African customs enforcement networks for preventing illegal trade of ODS in the African sub-regional trade organizations” (AFR/SEV/53/TAS/39), implemented by France;
- (d) Request:
- (i) The Governments of the Israel, Portugal and Switzerland to provide their progress reports to the 71<sup>st</sup> meeting of the Executive Committee;
  - (ii) The Governments of France, Israel and Spain to provide reports to the 71<sup>st</sup> meeting on the projects with implementation delays listed in Table 2 of document UNEP/OzL.Pro/ExCom/70/11;
  - (iii) The submission of additional status reports to the 71<sup>st</sup> meeting to monitor:
    - a. The project implementation progress for the tranches of the HCFC phase-out management plans (HPMPs) with low rates of disbursement in the following countries: Afghanistan, Iran (Islamic Republic of) and Zimbabwe, implemented by Germany;
    - b. Regarding the preparation of an HPMP in Botswana (BOT/PHA/60/PRP/14) implemented by Germany, the actions taken by Botswana towards the establishment of the licensing system for ODS imports and exports to enable its HPMP to be submitted based on the guidelines of decision 60/44;
    - c. The completion of the “demonstration project to validate the use of super-critical CO<sub>2</sub> in the manufacture of sprayed polyurethane rigid foam” in Colombia (COL/FOA/60/DEM/75) implemented by Japan, if it is not completed by the 71<sup>st</sup> meeting;
    - d. The finalization of the financial scheme with beneficiaries in Senegal and Sudan (the) for the “strategic demonstration project for accelerated conversion of CFC chillers in African countries” (AFR/REF/48/DEM/35), implemented by Japan; and
    - e. The preparation of a demonstration project on ODS disposal for the Asia and Pacific region (ASP/DES/54/PRP/53) implemented by Japan, if the request for funding is not submitted to the 71<sup>st</sup> meeting.

**(iii) UNDP**

Document UNEP/OzL.Pro/ExCom/70/12 contains the progress report of UNDP for activities up to 31 December 2012 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Balances for CFC and halon activities;
- Projects classified as projects with implementation delays that are subject to procedures for project cancellation;

- Low rates of disbursements of approved funds and/or slow implementation of activities; and
- Project document signature for HCFC phase-out management plan (HPMP) activities.

Action expected from the Executive Committee: The Executive Committee may wish to:

(a) Note:

- (i) UNDP's progress report contained in document UNEP/OzL.Pro/ExCom/70/12;
- (ii) That there remain significant balances for one project for CFC activities as indicated in bold italics in Table 1 of document UNEP/OzL.Pro/ExCom/70/12;
- (iii) That the cumulative fund balance is estimated at US \$410,062 for the four refrigerant management plan (RMP) activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15) approved up to the end of 2012;
- (iv) That UNDP would report to the 71<sup>st</sup> meeting on up to two projects with implementation delays including two projects that were classified as such in 2011;

(b) Request:

- (i) The submission of additional status reports to the 71<sup>st</sup> meeting to monitor:
  - a. The zero level of disbursement and the equipment procurement process in the HCFC phase-out management plan (HPMP) in Belize, approved over a year ago;
  - b. The zero level of disbursement and the signing of the agreement with the enterprises in the HPMP in India, approved over a year ago;
  - c. The zero level of disbursement and the signing of the project document/letter of agreement for four HPMPs, namely Brunei Darussalam, Cuba, Nepal and Saint Kitts and Nevis approved over a year ago;
  - d. The signing of the project document and the implementation progress for the institutional strengthening project in Brazil (BRA/SEV/66/INS/297);
  - e. The balance of funds for the RMP activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15);
  - f. The project implementation progress and the disbursement rates of approved funds for the halon projects in the Dominican Republic (DOM/HAL/51/TAS/39) and in Chile (CHI/HAL/51/TAS/164);

- g. Progress on the ODS disposal preparation activities in Brazil (BRA/DES/57/PRP/288), and in India (IND/DES/61/PRP/437) if the project is not submitted to the 71st meeting;
  - h. The low rates of disbursement of approved funds and the return of the initial payment of US \$55,000 under the agreement with Zafa under the metered-dose inhaler (MDI) conversion project in Pakistan (PAK/ARS/56/INV/71);
- (ii) The submission of additional status reports to the 71<sup>st</sup> meeting for those HPMPs approved over a year ago and for which no disbursement has been recorded in the following countries: Bhutan, El Salvador, Georgia and Maldives;
  - (iii) The submission of additional status reports to the 71<sup>st</sup> meeting to monitor the following projects due to low rates of disbursements of approved funds:
    - a. The terminal phase-out management plan (TPMP) in Haiti (HAI/PHA/58/INV/14);
    - b. HPMPs in Angola, Brazil, Chile, Egypt, Guyana, Indonesia, Jamaica, Malaysia, Mexico, Panama, and Trinidad and Tobago; and
    - c. The chiller projects in Brazil (BRA/REF/47/DEM/275) and Colombia (COL/REF/47/DEM/65).
  - (iv) **UNEP**

Document UNEP/OzL.Pro/ExCom/70/13 contains the progress report of UNEP for activities up to 31 December 2012 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Balances for CFC and halon activities;
- Projects classified as projects with implementation delays that are subject to procedures for project cancellation;
- Low rates of disbursements of approved funds and/or slow implementation of activities.
- Project document signature for IS and HPMPs;
- Delay in the preparation of HCFC phase-out management plan (HPMP)s; and
- Utilization of CAP staff for non-Multilateral Fund Montreal Protocol activities.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note:
  - (i) UNEP's progress report contained in document UNEP/OzL.Pro/ExCom/70/13;
  - (ii) That there remain significant balances for the CFC activities indicated in bold italics in Table 1 of document UNEP/OzL.Pro/ExCom/70/13;
  - (iii) That UNEP has four projects classified with implementation delays, and that a report on these projects should be submitted to the 71<sup>st</sup> meeting;

- (b) Urge UNEP to publish the “study on challenges associated with halon banking in developing countries” (GLO/HAL/52/TAS/281) by the 71<sup>st</sup> meeting in order to avoid consideration of possible return of project funds;
- (c) Request the submission of additional status reports to the 71<sup>st</sup> meeting to monitor:
  - (i) Multi-year agreements (MYAs), excluding HCFC phase-out management plans (HPMPs), with issues related to:
    - a. Project implementation progress for the methyl bromide (MB) phase-out plan in Guatemala approved over one year ago and for which no disbursement has been recorded;
    - b. Project implementation progress for the three CFC/ODS phase-out plans in Ecuador, Kuwait, and the Philippines approved over one year ago with disbursement reported but lower than 10 per cent;
    - c. Signing of the Agreements for the CFC/ODS phase-out plans for Bahrain, Ecuador and Eritrea;
  - (ii) MYAs for HPMPs with issues related to:
    - a. Project implementation progress for the 15 HPMPs approved over one year ago and for which no disbursement has been recorded namely, Dominica, Gabon, Guyana, Mozambique, Nicaragua, Oman, Saint Kitts and Nevis and Suriname, as well as Bangladesh, Chile, the Dominican Republic, Guatemala, Iraq, Kuwait, and Qatar to also monitor the signing of their Agreements;
    - b. Project implementation progress for the 5 MYAs for HPMPs approved over one year ago with disbursement reported but lower than 10 per cent namely, India, Islamic Republic of Iran, and Panama, as well as El Salvador and Venezuela (Bolivarian Republic of) to also monitor the signing of their Agreements;
    - c. Signing of the Agreements for HPMPs for Antigua and Barbuda, Bahrain, Eritrea, Ethiopia, Peru, the Philippines, Saudi Arabia, and Uganda;
  - (iii) Institutional strengthening (IS) projects with issues related to:
    - a. The signing of the renewal or extension of projects in Algeria (ALG/SEV/57/INS/69), Brunei Darussalam (BRU/SEV/67/INS/14), Cook Islands (the) (CKI/SEV/67/INS/09), Grenada (GRN/SEV/67/INS/19), Mauritania (MAU/SEV/49/INS/17) and (MAU/SEV/57/INS/23), Morocco (MOR/SEV/59/INS/63), and Saudi Arabia (SAU/SEV/67/INS/15);
    - b. Disbursement rates of approved funds for the renewal or extension of projects in Albania (ALB/SEV/66/INS/24), Dominica (DMI/SEV/62/INS/20), Ecuador (ECU/SEV/59/INS/43), Mauritania (MAU/SEV/57/INS/23), Morocco (MOR/SEV/59/INS/63), Myanmar (MYA/SEV/64/INS/13) and Namibia (NAM/SEV/66/INS/18);

- (iv) The closing of the refrigerant management plan (RMP) in Yemen (YEM/REF/37/TAS/19);
  - (v) HPMP project preparation in Mauritania (MAU/PHA/55/PRP/20) if the HPMP is not submitted to the 71<sup>st</sup> meeting;
- (d) Request UNEP to:
- (i) Return the balances for the terminal phase-out management plan (TPMP) verification project in Kuwait (KUW/PHA/57/TAS/15) by 31 December 2013;
  - (ii) Continue to provide reports on the utilization of Compliance Assistance Programme (CAP) staff for Multilateral Fund Montreal Protocol activities according to five categories presented in document UNEP/OzL.Pro/ExCom/70/13 in the context of annual progress and financial reports; and
  - (iii) Provide a status report to the 71<sup>st</sup> meeting on the extent to which UNEP has implemented measures to ensure that all professional staff time from CAP funds is used for Multilateral Fund Montreal Protocol activities in line with decision 50/26(a)(iii), and that there is direct accountability of regional network coordinators to the Network and Policy Manager in OzonAction branch based on the CAP organigram presented in the 2010 CAP budget (UNEP/OzL.Pro/ExCom/59/17) according to the CAP structure as indicated in the original description of the CAP programmed provide in UNEP/OzL.Pro/ExCom/35/4.
- (v) **UNIDO**

Document UNEP/OzL.Pro/ExCom/70/14 contains the progress report of UNIDO for activities up to 31 December 2012 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Balances for CFC and halon activities;
- Projects classified as projects with implementation delays that are subject to procedures for project cancellation;
- Status reports for chiller, halon banking, and methyl bromide projects;
- Project preparation for HPMPs and ODS destruction projects; and
- Low rates of disbursements of approved funds and/or slow implementation of activities.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note:
  - (i) UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/70/14;
  - (ii) That UNIDO will report to the 71<sup>st</sup> meeting on up to nine projects with implementation delays including seven projects that were classified as such in 2011;

- (b) Request the submission of additional status reports to the 71<sup>st</sup> meeting to monitor:
- (i) Projects with issues related to:
    - a. National Ozone Officer's recruitment and new activities implemented for the institutional strengthening project in Qatar (QAT/SEV/59/INS/15);
    - b. Reallocation of the supplied chiller in Serbia to another beneficiary for the chiller project (EUR/REF/47/DEM/06);
    - c. Identification of beneficiaries and the financial scheme agreed for the chiller projects in Senegal and Sudan (the) (AFR/REF/48/DEM/37) by the 71<sup>st</sup> meeting, as a milestone for achievement in order to avoid consideration of possible cancellation for those project components in those countries;
    - d. Delivery of the equipment and the implementation of activities for the halon banking project in the Islamic Republic of Iran (IRA/HAL/63/TAS/198);
    - e. The selection process of the national expert for the methyl bromide preparation project in Ethiopia (ETH/FUM/54/PRP/18);
  - (ii) Project preparation if projects are not submitted to the 71<sup>st</sup> meeting, for:
    - a. The HCFC phase-out management plan (HPMP) preparation activities in Libya (LIB/FOA/63/PRP/33), (LIB/PHA/55/PRP/29) and (LIB/PHA/63/PRP/32); and Tunisia (TUN/FOA/58/PRP/50) and (TUN/PHA/55/PRP/48);
    - b. The ODS disposal project preparation in Algeria (ALG/DES/59/PRP/74) and Lebanon (LEB/DES/61/PRP/72);
  - (iii) The following projects due to zero/low rates of disbursements of approved funds:
    - a. The multi-year agreements (MYAs) for HPMPs approved over one year ago and for which no disbursement has been recorded for: Bahamas (the), Congo (the), Guinea, Guinea-Bissau, Iraq, Mozambique, Saint Vincent and the Grenadines, Sierra Leone, Suriname and Zambia; and
    - b. The MYAs for HPMPs approved over one year ago, with a disbursement reported but lower than 10 per cent for: Albania, Algeria, Argentina, Benin, Bosnia and Herzegovina, Burundi, Chad, Cote D'Ivoire, Ecuador, Egypt, Equatorial Guinea, Gabon, Guatemala, Indonesia, Islamic Republic of Iran, Kuwait, Mexico, Niger (the), Nicaragua, Nigeria, Oman, Qatar, Saint Lucia, Senegal, Sudan (the) and Turkmenistan.
  - (vi) **World Bank**

Document UNEP/OzL.Pro/ExCom/70/15 contains the progress report of the World Bank for activities up to 31 December 2012 and the comments and recommendations of the Fund Secretariat on the report.



Issues to be addressed:

- Projects classified with implementation delays that are subject to procedures for project cancellation;
- Balances for CFC projects;
- Status reports for methyl bromide, HCFC foam demonstration,
- Low rates of disbursements of approved funds and/or slow implementation of activities; and
- Agreements not signed for on-going HPMP activities approved by the Executive Committee.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note:
- (i) The World Bank's progress report contained in document UNEP/OzL.Pro/ExCom/70/15;
  - (ii) That the World Bank would report to the 71<sup>st</sup> meeting on a total of two projects with implementation delays, one of which was classified as such in 2011;
- (b) Request the submission of additional status reports to the 71<sup>st</sup> meeting to monitor:
- (i) The balance of funds for the national CFC phase-out plan (NPP) in the chiller sector in Argentina (ARG/PHA/47/INV/148);
  - (ii) The project closing for the methyl bromide demonstration project in Argentina (ARG/FUM/29/DEM/93);
  - (iii) The completion of the HCFC foam demonstration project in China (CPR/FOA/59/DEM/491);
  - (iv) The balance of funds for the Thailand NPP activities (THA/PHA/60/INV/154);
  - (v) The implementation progress and the disbursement rates of approved funds for the HCFC phase-out management plan (HPMP) in China and Viet Nam;
  - (vi) The signing of the grant Agreement for the approved HPMP in Thailand (THA/PHA/68/INV/161 and THA/PHA/68/INV/162);
  - (vii) The implementation progress, the disbursement rates of approved funds, as well as the signing of the grant Agreement for the HPMPs in Argentina, Indonesia and Jordan;
  - (viii) The project closing for the methyl bromide demonstration project in Argentina (ARG/FUM/29/DEM/93); and
  - (ix) The low rates of disbursement of approved funds for the global chiller demonstration project (GLO/REF/47/DEM/268).

**(c) Evaluation of the implementation of the 2012 business plans**

Document UNEP/OzL.Pro/ExCom/70/16 presents the evaluation of the 2012 business plans of the implementing agencies using the performance indicators adopted in decision 41/93, the revised weightings adopted by decision 47/51 for all agencies, the targets that were adopted for the 2012 business plans by the Executive Committee (decisions 67/7 to 67/10) and the agencies' progress and financial reports submitted to this meeting. This document also presents a trend analysis for each of the nine performance indicators used in previous years' evaluations and the results of the qualitative assessment of the performance of implementing agencies based on input received from national ozone unit (NOU) officers. It concludes with the Secretariat's observations and recommendations.

Issues to be addressed:

- Quantitative assessment was higher than 2011 except for UNDP that was slightly lower;
- UNEP indicated that it would present an assessment of the 2012 CAP performance in the context of the request for the 2014 CAP;
- Three implementing agencies received less than satisfactory qualitative assessments from NOUs for which additional dialogues with the relevant NOUs are recommended; and
- Information was not provided by UNEP in time for the completion of the document for less than satisfactory ratings from two countries.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note:
- (i) The evaluation of the implementing agencies' performance against their 2012 business plans as contained in document UNEP/OzL.Pro/ExCom/70/16;
  - (ii) The quantitative assessment of the performance of the implementing agencies for 2012 on a scale of 100 as follows: UNDP (87), UNEP (89), UNIDO (100), and the World Bank (71); and
- (b) Request UNDP to have an open and constructive discussion with the National Ozone Unit (NOU) in Belize; UNEP with the NOUs in Belize, Colombia, and Senegal; and UNIDO with the NOU in Mexico, about the areas where their services were perceived to be "less than satisfactory" and/or "unsatisfactory", and to report to the 71<sup>st</sup> meeting on the results of their consultations with the countries on the implementation matters raised in the qualitative performance assessments.

**(d) Performance indicators (decision 69/5(k))**

Document UNEP/OzL.Pro/ExCom/70/17 has been prepared by the Secretariat pursuant to decision 69/5(k) whereby, *inter alia*, the Committee decided that as part of the planning process for stage II of HPMPs, consideration should be given to the relevance of some performance indicators and the redefinition of others in light of the fact that the main project modality was multi-year projects with fewer individual ones. UNDP and UNIDO provided input. The document provides a background on performance indicators, a review of the current indicators and proposes maintaining, modifying, and establishing new performance indicators. It also suggests removing assessment based on fully achieving targets in future evaluations.

Issues to be addressed:

- Whether to modify the planning/approval indicator “number of projects/activities approved” to include project preparation;
- Whether to modify the implementation indicator “ODS phase out” to include a pro-rata share of ODS from completed tranches;
- Whether to modify the implementation indicator “Project completion for activities with indirect phase-out” to include project preparation;
- Whether to add new indicators for “Compliance” and “Timely submission of activities and requested information”; and
- The weightings of performance indicators based on the above.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note:
- (i) The report on performance indicators as contained in UNEP/OzL.Pro/ExCom/70/17;
  - (ii) That the Secretariat agrees not to evaluate full achievement in the assessment of implementing agency’s performance; and
- (b) Modify the performance indicators established in decisions 41/93, as modified by decision 47/51, as follows:

<b>Type of Indicator</b>	<b>Short Title</b>	<b>Calculation</b>	<b>Weighting</b>
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned	15
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned	10
	<b>Sub-total</b>		<b>25</b>
Implementation	Submission Delays	Submission on time	5
Implementation	Funds disbursed (Replaces milestones/activities completed)	Based on estimated disbursement in progress report	5
Implementation	ODS phase out	Pro-rata share of ODS phase out for completed tranches or projects vs. those planned per progress reports	15
Implementation	Project completion for activities with indirect phase-out	Project completion vs. planned in progress reports for all activities without phase-out	15
Implementation	Compliance (Replaces policy/regulatory assistance completed)	Percentage of countries in which activities have been funded that are in compliance	15
	<b>Sub-total</b>		<b>55</b>
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	5
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	5
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plan and responses unless otherwise agreed	5
Administrative	Timely submission of activities and requested information	Timely submission of activities and requested information for a meeting unless otherwise agreed	5
	<b>Sub-total</b>		<b>20</b>
	<b>Total</b>		<b>100</b>

## 7. Project proposals

### (a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/70/18 contains four sections: An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 70<sup>th</sup> meeting; issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex [ ] to the final report, together with the conditions or provisions included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee;
- (b) To decide that, for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex [ ] to the final report; and
- (c) To request relevant bilateral and implementing agencies to include in their respective amendments to the work programmes for submission to the 71<sup>st</sup> meeting, funding for verification reports for stage I HPMPs for the Article 5 countries listed in Table 1 of document UNEP/OzL.Pro/ExCom/70/18.

### (b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/70/19 provides an overview of requests from bilateral agencies, and whether these are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2013. It cross-references relevant meeting documents that include a discussion on the bilateral requests, and contains the standard recommendation on the year of assignment for bilateral cooperation.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral project approved at the 70<sup>th</sup> meeting as follows:

- US \$XX (including agency fees) against the balance of Germany's bilateral contribution for 2012-2014.

### (c) Amendments to work programmes for 2013

#### (i) UNDP

Document UNEP/OzL.Pro/ExCom/70/20 contains two institutional strengthening renewal requests submitted by UNDP. These IS requests were recommended for blanket approval and were considered under agenda item 7(a)

Issues to be addressed: None

Action expected from the Executive Committee: None

**(ii) UNEP**

Document UNEP/OzL.Pro/ExCom/70/21 contains 19 activities submitted by UNEP, including requests for 18 institutional strengthening renewal projects, and one request for the development of an HCFC phase-out management plan. All the requests were recommended for blanket approval and were considered under agenda item 7(a)

Issues to be addressed: None

Action expected from the Executive Committee: None

**(iii) UNIDO**

Document UNEP/OzL.Pro/ExCom/70/22 contains one institutional strengthening renewal requests submitted by UNIDO which was recommended for blanket approval and considered under agenda item 7(a)

Issues to be addressed: None

Action expected from the Executive Committee: None

**(d) Investment projects**

Document UNEP/OzL.Pro/ExCom/70/18 indicates that the third tranche for stage I of the HPMP for the Bolivarian Republic of Venezuela is submitted for individual consideration (Project description and the comments of the Secretariat can be found in document UNEP/OzL.Pro/ExCom/70/48).

Issues to be addressed:

- Status of license and quota systems;
- Level of disbursement; and
- Progress on implementation.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting the progress report on the implementation of the second tranche of stage I of the HCFC phase out management plan of (HPMP) in the Bolivarian Republic of Venezuela; and
- (b) Approving the third tranche of stage I of the HPMP for the Bolivarian Republic of Venezuela, and the corresponding 2014 and 2015 tranche implementation plans, at the amount of US \$377,632, consisting of US \$324,875, plus agency support costs of US \$24,366 for UNIDO, and US \$25,125, plus agency support costs of US \$3,266 for UNEP.

**8. Report on how to record disbursement for stage I of HCFC phase-out management plans as per decision 69/24(c)**

Document UNEP/OzL.Pro/ExCom/70/50 was prepared by the Secretariat in response to decision 69/24(c) that urged the implementing agencies and the Treasurer to reach an agreement with the Fund Secretariat on how to record disbursement for the implementation modality, including means of returning fund balances for stage I of the HPMP for China and similar projects in the Fund's annual progress and financial reports and the accounts of the Fund and to report back to the 70<sup>th</sup> meeting. It addresses each of these issues. UNDP and UNIDO provided input on these issues. It concludes with recommendations.

Issues to be addressed:

- Designating a implementation modality (N) for national disbursement of funding for HPMPs where the Country itself disburses to financial beneficiary enterprises for investment projects;
- Adding an additional column to progress and financial reports for disbursement to a final beneficiary;
- Requiring the submission of an annual audited financial statement of the country concerned to the Treasurer through the implementing agencies; and
- Requiring the Treasurer to record all interest obtained from funds held by the country in the Accounts of the Fund.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note the Report on how to record disbursement for stage I of HCFC phase-out management plans (HPMPs) as per decision 69/24(c) contained in UNEP/OzL.Pro/ExCom/70/50;
- (b) Request the implementing agencies to:
  - (i) Designate the implementation modality (N) for national disbursement of funding for HPMPs where the Country itself disburses to final beneficiary enterprises for investment projects;
  - (ii) Provide an extra column in their annual progress and financial reports for national disbursement to a final beneficiary;
  - (iii) Submit an annual audited financial statement of the Country concerned to the Treasurer for all projects where there is a national disbursement implementation modality; and
- (c) Request the Treasurer to record interest received from a national disbursement modality in the Accounts of the Fund.

**9. Draft guidelines for funding the preparation of stage II of HCFC phase-out management plans (decisions 66/5 and 69/22)**

Document UNEP/OzL.Pro/ExCom/70/51 contains the working text contained in a non-paper distributed at the 69<sup>th</sup> meeting for the determination of draft guidelines to assess funding levels for the preparation of stage II of HCFC phase-out management plans (HPMPs) for Article 5 countries.

Issues to be addressed:

- Consideration of the draft guidelines as contained in the working text for discussion; and
- In the event that the Executive Committee adopts stage II of the HPMP project preparation guidelines at the present meeting, consideration of these guidelines in the terms of reference for the study related to administrative costs in line with decision 68/10.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting document UNEP/OzL.Pro/ExCom/69/33 on the draft guidelines for funding the preparation of stage II of HCFC phase-out management plans (HPMP);
- (b) Requesting Article 5 countries, [to take account of decision XIX/6 and] include in the development and finalization of the strategic plan for stage II of the HPMPs:
  - (i) As a minimum, the control target of the Montreal Protocol subsequent to that committed in stage I of their HPMPs;
  - (ii) Should countries decide [to include subsequent Montreal Protocol control measures] [phase-out commitments] including the complete phase-out (i.e. 100 per cent in stage II), they should demonstrate a strong national level of commitment in place;
- (c) Guided by the need to ensure compliance with the control measures of the Montreal Protocol for HCFC phase-out and to ensure continuity of implementation of HPMP activities between stages, requests for stage II HPMP project preparation funding could be submitted no earlier than two years before the end date of their approved stage I HPMP as contained in paragraph 1 of their agreement with the Executive Committee, unless otherwise indicated in the decision of the Executive Committee approving their respective stage I HPMPs;
- (d) Requesting bilateral and implementing agencies when submitting requests for project preparation for stage II of the HPMPs [to demonstrate that substantial progress in the implementation of stage I of their HPMP had been achieved], [consistent with decision 54/39, guidelines for the preparation of HPMP taking into account specific sections that apply to subsequent stages of the HPMP], and to provide:
  - (i) For the overall stage II strategy:
    - a. An indication of the activities that will need to be undertaken for project preparation, with specific costs clearly identified (i.e. surveys, consultation meetings, etc);
    - b. Option 1. [A methodology to gather information to assess availability, [cost, efficiency, environmental and climate impact of] ODS alternatives and include the analysis of such assessment in the overarching strategy for stage II HPMP];

OR:

Option 2. [A description of how the stage II strategy [and criteria] will consider the full range of climate friendly ODS alternatives for transition];

- c. A description of the information that needs to be gathered and updated and why it was not included in stage I;
  - (ii) For investment projects in line with decision 56/16:
    - a. Information on the [alternative technologies], number of enterprises where the request for funding is being sought;
    - b. Date of establishment of such enterprises, taking into account decision 60/44(a) on the cut-off date, [including enterprise names and consumption data, where available];
    - c. If the request is for a sector where project preparation was approved in stage I but had not been included in the HPMP submitted an explanation why additional funding is required and a list of activities with corresponding costs to support this request;
- (e) Providing funding for stage II HPMP project preparation [for individual countries] up to the following levels, [upon justification of the amount requested that is in fulfilment of sub-paragraph d(i)]:
  - (i) US \$20,000 [30,000] [if addresses the phase-out of all remaining consumption by 2030 or earlier] for Article 5 countries with a remaining HCFC consumption eligible for funding of 0 to 5 ODP tonnes used only in the refrigeration servicing sector;
  - (ii) US \$30,000 [40,000] [if stage II addresses the phase-out of all remaining consumption by 2030] [2040] for Article 5 countries with a remaining HCFC consumption eligible for funding of 5.1 to 10 ODP tonnes;
  - (iii) US \$50,000 [60,000] [if stage II addresses the phase-out of all remaining consumption by 2030] [2040] for Article 5 countries with a remaining HCFC consumption eligible for funding of 10.1 to 50 ODP tonnes;
  - (iv) US \$70,000 for Article 5 countries with a remaining HCFC consumption eligible for funding of 50.1 to 100 ODP tonnes;
  - (v) US \$90,000 for Article 5 countries with a remaining HCFC consumption eligible for funding of 100.1 to 1,500 ODP tonnes;
  - (vi) US \$ [to be determined] for countries with remaining eligible consumption above 1,500 ODP tonnes;
- (e)bis: Funding for the preparation of any regional [multi-country] [LVC] stage II HPMPs would be determined on a case by case basis;
- (f) Providing funding for any Article 5 country with a manufacturing sector using HCFCs that has not been addressed in stage I of their HPMPs, according to the number of manufacturing enterprises to be converted as per decision 56/16(d) and (f), [based on their remaining eligible consumption] as follows:



- (i) One enterprise to be converted in a manufacturing sector: US \$30,000;
- (ii) Two enterprises to be converted in a manufacturing sector: US \$60,000;
- (iii) Three to 14 enterprises to be converted in a manufacturing sector: US \$80,000;
- (iv) Fifteen or more enterprises to be converted in a manufacturing sector: US \$150,000; and
- (v) To limit the maximum funding provided for the preparation of the investment component for any country according to the table below:

Remaining eligible consumption (ODP tonnes)	Investment preparation limit (US \$)
Up to 100	100,000
101–300	200,000
301-500	250,000
501–1,000	300,000
1,001 and above	400,000

- (g) Requesting bilateral and implementing agencies to return any balances from project preparation funding provided for stage I HPMP to the Multilateral Fund before a request for stage II project preparation funding may be considered.

**10. Criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44 (decisions 69/22(b) and 69/24(d))**

Document UNEP/OzL.Pro/ExCom/70/52 was prepared by the Secretariat pursuant to decisions 69/22(b) and 69/24(d) whereby the Committee requested an information document to assist it in reviewing the criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44. The document consists of four parts: Part I contains an introduction; Part II an analysis of decision 60/44; Part III a brief analysis of the implementation of HPMPs; and Part IV an overview of HCFC consumption eligible for phase-out in subsequent stages of HPMPs including Observations and Recommendation.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish take note of the document on the criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44 (decisions 69/22(b) and 69/24(d)) contained in document UNEP/OzL.Pro/ExCom/70/52.

**11. Discussion paper on minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector (decision 68/11)**

Document UNEP/OzL.Pro/ExCom/70/53 describes key considerations to minimize adverse climate impact in the servicing sector, provides an overview of the current refrigeration servicing sector, and outlines the experiences gained from the phase-out of CFCs in this sector where applicable to HCFC phase-out. It also provides approaches to minimize adverse climate impact during the implementation of the activities for the refrigeration servicing sector already approved under stage I, and yet to be approved under stage II of HPMPs. The document has taken into

consideration substantial discussions and consultations with the relevant agencies as well as experiences in the implementation of projects in the refrigeration servicing sector.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Take note of document UNEP/OzL.Pro/ExCom/70/53 on minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector (decision 68/11);
- (b) Invite relevant bilateral and implementing agencies to consider the information contained in document UNEP/OzL.Pro/ExCom/70/53 when assisting Article 5 countries in the preparation and implementation of activities in the refrigeration servicing sector contained in their HCFC phase-out management plans (HPMPs);
- (c) Encourage Article 5 countries to consider during the implementation of their HPMPs:
  - (i) The development of regulations and codes of practice, and the adoption of standards for the safe introduction of flammable refrigerants given the potential risk of accidents associated with their use; and
  - (ii) Measures to limit the import of HCFC-based equipment and to facilitate the introduction of energy efficient and climate friendly alternatives.

**12. Report on progress and experiences gained in demonstration projects for the disposal of unwanted ODS (decision 64/50)**

Document UNEP/OzL.Pro/ExCom/70/54 contains a report on how the guidelines for the funding of demonstration projects for the disposal of ODS agreed in decision 58/19 were used in carrying out the approved ODS disposal pilot projects, as their implementation progresses, based on reports submitted by bilateral and implementing agencies in line with decision 64/50 (b) and (d).

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note the report contained in document UNEP/OzL.Pro/ExCom/70/54 on the use of the interim guidelines for the funding of demonstration projects for the disposal of unwanted ODS as approved by decision 58/19; and
- (b) Request the Secretariat to continue using the interim guidelines and applying them to the remaining demonstration projects for the disposal of unwanted ODS due for submission no later than the 72<sup>nd</sup> meeting.

**13. Operation of the Executive Committee (decision 69/25)**

Document UNEP/OzL.Pro/ExCom/70/55 presents an analysis of the implications of holding only two Executive Committee meetings a year without any intersessional approval procedure as requested by decision 69/25. The document also presents potential dates of the meetings and a recommendation to convene two meetings of the Executive Committee in 2014 on a trial basis and under certain conditions.

Issues to be addressed:

- Whether to hold two Executive Committee meetings in 2014 on a trial basis with the conditions set out in the recommendation.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Taking note of the document on the operation of the Executive Committee (UNEP/OzL.Pro/ExCom/70/55) prepared pursuant to decision 69/24;
- (b) Agreeing to convene two meetings of the Executive Committee in 2014 on a trial basis, on the following conditions:
  - (i) Agreement reached on the revised submission schedule of tranche requests for stage I of HPMPs of Article 5 countries between the First and the Last meetings as contained in Table 2 of Annex I of the present document;
  - (ii) Allowing:
    - a. The submission of the terminal report and the plan of future action associated with the renewals of institutional strengthening projects to the meeting immediately preceding the set date six months before the end of the previously approved period, to avoid any delay in the approval of such projects and on the understanding that they are in compliance with all relevant decisions;
    - b. The Secretariat to include tranche requests of HPMPs with a funding level of up to US \$5 million (including agency support costs) in the list of projects and activities recommended for blanket approval, provided that they contain no policy issues and all technical and cost issues have been agreed between the Secretariat and relevant bilateral and/or implementing agencies;
  - (iii) Requesting:
    - a. The submission of the business plans and tranche submission delay documents to both the First and Last meetings of the year, thus amending decision 53/3(c);
    - b. The potential submission of a revised business plan to the First meeting of the year following the year of the adoption of the replenishment of the Multilateral Fund by the Parties;
    - c. Bilateral and implementing agencies to submit annual progress and financial reports ten weeks in advance to the First and Last meetings, with estimated financial data submitted to the First meeting and final financial data submitted to the Last meeting; and
- (c) Reviewing the two-meeting per year scenario at the last meeting of 2014.

#### **14. Provisional accounts**

Document UNEP/OzL.Pro/ExCom/70/56 presents the provisional 2012 accounts of the Multilateral Fund, the four implementing agencies and the Secretariat as contained in Schedules 1.1 through to 1.7 of the document and is submitted for information only at this time.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Take note of the Fund's 2012 provisional accounts contained in document UNEP/OzL.Pro/ExCom/70/56;
- (b) Note that the 2012 final accounts of the Fund will be submitted to the Committee at the 71<sup>st</sup> meeting and that further adjustments will be introduced as required;
- (c) Note the actions taken by the Treasurer in 2012 to reflect the adjustments resulting from the reconciliation of the 2011 accounts exercise;
- (d) Note the following responses provided by the Treasurer as a follow-up to decision 68/43(c)(i) that:
  - (i) A decision on the methodology to be adopted to integrate the accounts of the Fund with those of UNEP is still pending the International Public Sector Accounting Standard's decision;
  - (ii) A footnote reflecting the outstanding contribution of the Russian Federation is not necessary in the light of the accounting standard rules and practices, whereby any outstanding contributions not written off are maintained in the outstanding contributions category of the accounts;
  - (iii) The issue of recording only the audited financial statements of UNIDO and the World Bank instead of their provisional accounts, as is currently the practice, is pending further discussions on the subject with the new external audit team from the National Audit office of Tanzania;
  - (iv) UNEP has not yet addressed the issue to mitigate exchange rate risks prior to their implementation and to request the Treasurer to follow-up with UNEP as requested by decision 68/43(c)(i)e. and report back at the 71<sup>st</sup> meeting.
- (e) Note the response provided by UNEP, as implementing agency, as a follow-up to decision 68/43(c)(ii) on its current practices and procedures related to cash advances; and
- (f) Request UNEP to update the Committee at its 71<sup>th</sup> meeting on the adopted procedures set by the UNEP wide standard on cash advance and its potential impact on Multilateral Fund funded project implementation.

#### **15. Report of the Executive Committee to the Twenty-fifth Meeting of the Parties to the Montreal Protocol**

Document UNEP/OzL.Pro/ExCom/70/57 contains the draft report of the Executive Committee to the Twenty-fifth Meeting of the Parties, summarizing the most important decisions taken by the Committee at its 68<sup>th</sup> and 69<sup>th</sup> meetings.

Issues to be addressed: Since the reporting period also includes the 70<sup>th</sup> meeting, the report will need to be updated immediately after the Report of the 70<sup>th</sup> meeting of the Executive Committee is finalized.

Action expected from the Executive Committee: After considering the draft report, the Executive Committee may wish to authorize the Secretariat to finalize the report in the light of the discussions held and decisions taken at the 70<sup>th</sup> meeting of the Executive Committee, as well as any comments made on this item by Executive Committee members.

**16. Report of the Sub-group on the Production Sector**

Document UNEP/OzL.Pro/ExCom/70/38 will be issued during the 70<sup>th</sup> meeting and it will provide a report of the meeting of the Production Sector Sub-group to take place in the margins of the Meeting. The document will contain an account of the Sub-group's consideration of a provisional agenda, a draft decision for the HCFC Production Sector guidelines; information on administrative costs for the HPPMP in China; the Draft Agreement for the HPPMP in China; a report on the allocation from the polyurethane foam sector to the production sector in the agreement between the World Bank and China for stage I of HCFC phase-out in the polyurethane foam and production sectors pursuant to decision 69/28(c); the status of the sub-account for the technical audits of the ODS Production Sector; and a request for authorization to carry out the technical audit of the HCFC Production Sector in India (documents UNEP/OzL.Pro/ExCom/70/SGP/1-7).

**17. Report by the Selection Panel on the recruitment process for the position of Chief Officer of the Multilateral Fund Secretariat (decision 69/26(g))**

Pursuant to decision 69/26(g), the selection panel, through its Chair, would report to the Committee on progress made in the process of selecting the Chief Officer.

**18. Other matters**

If substantive issues are agreed for inclusion on agenda item 2(a), these will be taken up under this agenda item.

**19. Adoption of the report**

The Committee will have in front of it the draft report of the 70<sup>th</sup> meeting for its consideration and adoption.

**20. Closure of the meeting**

The meeting is expected to be closed on Friday, 05 July 2013.

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