



Multilateral Fund for the Implementation of
the Montreal Protocol

***POLICIES, PROCEDURES, GUIDELINES AND
CRITERIA***

(As at December 2023)

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IX. PROJECT PROPOSALS**PROJECT ELIGIBILITY CRITERIA**

The Third Meeting of the Executive Committee adopted the following project eligibility criteria on the basis of Decision II/8 and Annex I of the Second Meeting of the Parties:

- (a) all projects must receive approval of the requesting Party's government;
- (b) financial assistance for capital investment projects shall be available for categories of agreed incremental costs; assistance for other categories of agreed incremental costs associated with capital investment projects requires approval of the Executive Committee;
- (c) projects other than capital investment projects shall also qualify for assistance under the Fund (e.g. technical assistance and clearing house functions); and
- (d) financial and technical assistance shall be available for projects that are cost-effective and based on environmentally sound alternative technologies or substitutes to the substances restricted by the Protocol, taking into account the industrial strategy of the recipient Party.

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (section III))

Project proposals where the agreed incremental costs exceed US \$500,000 shall be considered and approved by the Executive Committee. Project proposals where the agreed incremental costs are less than US \$500,000 shall be approved by the Implementing Agencies within the context of an approved work programme and after confirmation by the Fund Secretariat on the availability of funds and contributions in-kind.

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (sections II.3.1, II.3.2).)

(UNEP/OzL.Pro/ExCom/4/3/Rev.2, para. 59).

Guidelines for setting priorities

The Executive Committee, at its Third Meeting, adopted the following guidelines for setting priorities:

- (a) projects with potential for the most cost-effective and efficient reduction in the emission of controlled substances;
- (b) projects involving broad geographic balance;
- (c) projects with ease of replication and technology transfer to other Article 5 Parties; and
- (d) projects with the highest potential reduction of controlled substances in the shortest period of time in terms of global impact.

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (section IV).)

The Thirteenth Meeting of the Executive Committee agreed that projects which will result in the elimination of the maximum amount of ODS should be given priority. It also recognized the significant problems facing the small and medium-scale sector in several countries, and recommended that the Implementing Agencies give special attention to the development of efficient and feasible strategies to address their specific situation.

(UNEP/OzL.Pro/ExCom/13/47, para. 167).

The Executive Committee requested Article 5 Parties when submitting project proposals prior to approval of their country programmes, to submit proposals for priority projects consistent with the country's emerging strategy for phasing out ozone depleting substances.

(UNEP/OzL.Pro/ExCom/10/40, para. 135).

Projects with implementation times resulting in non-compliance

The Thirty-seventh Meeting of the Executive Committee decided that project proposals in which a country would be in non-compliance with the control measures of the Montreal Protocol should not be approved by the Executive Committee until the underlying issue of non-compliance had been dealt with by the Parties, through the Implementation Committee.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/20, para. 48 (a)).

The Thirty-eighth Meeting of the Executive Committee decided to continue to consider, on a case-by-case basis, projects in which decision 37/20 (a) was involved.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/14, para. 46).

GUIDELINES FOR PROJECT PRESENTATION

The Seventh Meeting of the Executive Committee approved the document on guidelines for presentation of projects

and criteria for project approval (Annex IX.1). The aim of these guidelines is to provide information on the appropriate content and level of detail required for the submission of projects to the Executive Committee.

The project document should contain the following information (preferably in this sequence):

- Cover sheet;
- Project title;
- Sector data;
- Project description;
- Project time frame;
- Outputs;
- Budget;
- Implementation arrangements;
- Institutional framework; and
- Technical appraisal.

Implementing agencies submitting project proposals can utilize formats that are consistent with their own internal procedures and operations provided they include the information requested. It is anticipated that the complete project document would not exceed ten typed single-spaced pages in length.

(UNEP/OzL.Pro/ExCom/7/30, para. 51).

(Supporting document: UNEP/OzL.Pro/ExCom/7/30 Annex III).

Guidelines approved by the Executive Committee for projects, work programmes and country programmes should be followed. Project proposals should clearly state, *inter alia*, approval category, Implementing Agency, and eligible incremental costs.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.7, 3.8).

Criteria for the submission of project preparation proposals

The Twenty-first Meeting of the Executive Committee decided to request the Secretariat to draw up criteria to be used as a basis for submitting future project preparation proposals. These criteria might relate to, *inter alia*, the rate of disbursement of funding in the country concerned, the amount of ODS reduction as a percentage of country consumption, the existence of a country programme, and other elements suggested in the Sub-Committee's discussion.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/15, para. 28).

The Twenty-third Meeting of the Executive Committee decided:

- (a) all project preparation requests should:
 - (i) assist countries in meeting their obligations under the Montreal Protocol, beginning with their 1999 CFC consumption freeze obligations;
 - (ii) be based on previous consultations and close coordination with the responsible ozone unit. Ozone units should take into consideration their national strategies in recommending project preparation;
 - (iii) be consistent with business planning priorities (e.g., decision 22/11).
- (b) low-volume ODS-consuming countries which have not previously received funding from the Multilateral Fund should receive funding;
- (c) requests for project preparation should indicate the sector(s) concerned (e.g., aerosol, foam, fumigants (methyl bromide), halon, production, multiple, refrigeration, several, or solvent);
- (d) requests for project preparation should be considered on a case-by-case basis if:
 - (i) that requests for project preparation should be considered on a case-by-case basis if the request was for project preparation in a country for which projects approved, but not yet implemented, would phase-out over 80 per cent of their consumption of ozone-depleting substances, as contained in the latest available data reported to the Ozone Secretariat (superseded as per decision 30/23);
 - (ii) the request is from agencies whose rate of disbursement is low (for projects approved a year and a half prior to the request) in the country for which the request is made;
- (e) in approving project preparation, the Executive Committee should take into account if regulatory impediments exist that might impede project implementation.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/51, para. 91).

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/23, para. 43(a)).
(Supporting document: UNEP/OzL.Pro/ExCom/23/63).*

The Thirtieth Meeting of the Executive Committee decided to request Implementing Agencies to inform the National Ozone Units (NOUs) of the purpose and outcome of all missions by their staff and consultants to the countries concerned, and always to involve NOUs in project identification and preparation.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/6, para. 22(e)).

The Twenty-seventh Meeting of the Executive Committee decided that, following the intent of decision 23/51, when a project preparation request was submitted for a country, and the Executive Committee had already approved projects to phase-out more than 80 per cent of the country's baseline, the Implementing Agency should provide a clear delineation of remaining consumption in all sectors.

(UNEP/OzL.Pro/ExCom/27/48, Decisions 27/28(b), 27/47(b) and 27/59(b) (paras. 54, 75 and 87).

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/23, para. 43(b)).

Submission of project proposals

Upon receipt of a project proposal submitted by an Article 5 country, the Secretariat will send it to the Implementing Agency if so designated by the country. For those projects submitted with no Implementing Agency identified, the Secretariat would identify and negotiate for the participation of the appropriate Implementing Agency (and for its inclusion in their next work programme).

The Implementing Agency will establish the necessary contacts with the Article 5 country concerned and elaborate the project documentation to meet all the necessary requirements. The Secretariat will evaluate the project documentation for submission to the Executive Committee. Countries are encouraged to consult with the Secretariat during the course of any project preparation in order to produce comprehensive and consistent documentation.

(UNEP/OzL.Pro/ExCom/3/18/Rev.1 Annex III (section II.3.3).

(UNEP/OzL.Pro/ExCom/5/16, para. 28b).

(UNEP/OzL.Pro/ExCom/7/30 Annex III, para. 8-10).

The Twentieth Meeting of the Executive Committee decided:

- (a) that no project proposals should be submitted to the Executive Committee until agreement had been reached between the Implementing Agency and the Secretariat on the cost of items of capital equipment and the operating costs required to implement the project;
- (b) where no agreement had been achieved, the underlying basis of the disagreement should be presented to the Executive Committee for consideration prior to consideration of the project.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/15, para. 15).

Resubmission of project proposals

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) that project proposals that had previously not been approved by the Executive Committee could not be resubmitted for reconsideration unless new and relevant substantive information was provided; and
- (b) in the event that such new information was provided that the Secretariat could submit that proposal for consideration by the Committee.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/12 para 73)

(Supporting document: UNEP/OzL.Pro/ExCom/56/12).

Submission of project proposals on behalf of governments

The Sixty-seventh Meeting of the Executive Committee decided to request the Secretariat to prepare a document for consideration by the Executive Committee at its 68th meeting outlining the procedures currently in force for the submission of project proposals from bilateral and implementing agencies on behalf of governments.

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/17 para 67)

The Sixty-eighth Meeting of the Executive Committee took note of document UNEP/OzL.Pro/ExCom/68/47 outlining the procedures currently in force for the submission of project proposals from bilateral and implementing agencies on behalf of governments of Article 5 countries.

(UNEP/OzL.Pro/ExCom/68/53, para 176)

(Supporting document: UNEP/OzL.Pro/ExCom/68/47).

Submissions that do not conform the requirements

The Fiftieth Meeting of the Executive Committee decided:

- (a) not to include in meeting documentation proposals for projects and activities that, by the submission deadline for each meeting, did not contain the information or components necessary for the submission to be considered as potentially approvable;
- (b) to provide the Executive Committee with a list of all proposals received but not included in meeting documentation, together with the reasons for non-inclusion; and
- (c) to provide a brief report, prepared in consultation with the Implementing Agencies, on the efficacy of such an arrangement at the 55th Meeting after a trial period of 18 months.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/14 para. 83).

Quality of project proposals

The Twenty-fifth Meeting of the Executive Committee decided that:

- (a) projects submitted for the consideration of the Executive Committee should follow the project format agreed between the Secretariat and the Implementing Agencies (incorporating the requirements of the Executive Committee);
- (b) projects which need major revision, after submission, to comply with the agreed project format will be deferred;
- (c) there will be a cut-off date of 10-working days (two calendar weeks) prior to the commencement of a meeting of the Sub-Committee on Project Review, when discussions between the Secretariat and the Implementing Agencies to resolve projects will conclude. After this date no new information is to be presented by the Secretariat to the Executive Committee in writing or otherwise;
- (d) projects with policy issues will continue to be brought forward to the Executive Committee before the 10-day deadline;
- (e) projects for which agreement cannot be reached on major technical eligibility issues before the 10-day period will be deferred. The Executive Committee will be informed of the issues arising from those projects. The issues will be taken up in a technical discussion immediately after the meeting of the Executive Committee with a view to reaching a technical agreement which will be applied to this and similar projects at the next meeting;
- (f) technical agreements once reached should remain extant as a minimum for the remainder of the annual business planning cycle, as appropriate;
- (g) emphasis should continue to be placed on the use of technical conferences involving the Secretariat and the Implementing Agencies and technical experts to reach agreement on technical issues related to project design and the determination of incremental costs.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/15, para. 40).

Project-by-project, sectoral and national phase-out approaches

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to request governments, bilateral and Implementing Agencies:
 - (i) to take into account its expectation that, where sectoral plans were to be prepared, they would in time replace the preparation of individual projects, and where a national phase-out plan was to be prepared, it would in time replace preparation of both individual projects and terminal sector programmes;
 - (ii) to note that, where requests to prepare multiple sectoral phase-out projects were submitted, the submission of the first sector phase-out project had to be accompanied by a clear implementation plan, covering the coordination among the various Implementing Agencies involved and detailing how the ODS tonnes remaining to be phased out were distributed over the various sectors and how reduction in national aggregate consumption would be verified;
 - (iii) also to note that regional network meetings provided an ideal opportunity for the necessary coordination among governments and Implementing Agencies;
- (b) to urge countries to continue the move away from a project-by-project approach to a sectoral and/or national phase-out approach, while at the same time confirming countries' rights to submit individual projects if that approach was appropriate to their circumstances;
- (c) to reaffirm the freedom of countries to choose between the options laid down in Decision 35/57 with regard

to the starting point for the CFC consumption data.
(*UNEP/OzL.Pro/ExCom/36/36, Decision 36/17, para. 52*).

Date of submission

All projects must be submitted to the Secretariat at least six weeks prior to the date of the Executive Committee meeting at which they are to be considered. This is to enable the Secretariat to comply with the requirement that documentation should be sent to members of the Committee one month in advance of the meeting.

(*UNEP/OzL.Pro/ExCom/7/30 Annex III, para. 3*).

(*UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.6*).

The Sixteenth Meeting of the Executive Committee noted that projects could be sent to the Secretariat as soon as they were ready, enabling the process to start earlier. Lengthening the six-week deadline, perhaps to eight or nine weeks, was not considered feasible given the present average frequency of one Executive Committee meeting every sixteen weeks.

(*UNEP/OzL.Pro/ExCom/16/20, para. 71b, and Annex II*).

(*Supporting document: UNEP/OzL.Pro/ExCom/16/13*).

However, the Seventeenth Meeting of the Executive Committee decided that, in order to facilitate early distribution of materials and reasoned consideration of related issues and projects, documentation would have to be submitted to the Secretariat eight weeks prior to each Executive Committee meeting, rather than six weeks before as is the current requirement.

(*UNEP/OzL.Pro/ExCom/17/60, Decision 17/18 para. 27c*).

At the Fifty-ninth Meeting, the Executive Committee decided to request the Secretariat, in the event that an Executive Committee Meeting was scheduled immediately following a session of the Open-ended Working Group of Parties to the Montreal Protocol or the Meeting of the Parties, to make all new documents available to Committee Members 15 days before the start of that Executive Committee Meeting.

(*UNEP/OzL.Pro/ExCom/59/59, Decision 59/35 para. 174*).

The Eighty-first Meeting of the Executive Committee decided:

(a) To extend the relevant submissions deadlines for project proposals and projects with specific reporting requirements, as follows:

- (i) New stages of multi-year agreements were to be submitted to the Secretariat, in full, at least 16 weeks in advance of the Executive Committee meeting at which they were to be considered;
- (ii) Stand-alone HFC investment projects were to be submitted, in full, at least 14 weeks in advance of the Executive Committee meeting at which they were to be considered, irrespective of the level of funding requested from the Multilateral Fund;
- (iii) Project proposals in which the total cost of the project was more than US \$5 million, including agency support costs, irrespective of the level of funding requested from the Multilateral Fund, were to be submitted, in full, at least 12 weeks in advance of the Executive Committee meeting at which they were to be considered;
- (iv) Project proposals in which the total cost of the project was less than US \$5 million, including agency support costs, were to be submitted, in full, at least 10 weeks in advance of the Executive Committee meeting at which they were to be considered;
- (v) Work programmes and amendments, including institutional strengthening renewal requests, were to be submitted, in full, at least eight weeks in advance of the Executive Committee meeting at which they were to be considered;
- (vi) Reports on projects with implementation delays, projects for which an additional status report was required and projects with outstanding issues were to be submitted, in full, at least eight weeks in advance of the Executive Committee meeting at which they were to be considered;
- (vii) All other projects with specific reporting requirements were to be submitted, in full, at least 10 weeks in advance of the Executive Committee meeting at which they were to be considered;

(b) To encourage bilateral and implementing agencies to submit projects in advance of the applicable deadlines indicated in sub-paragraphs (a)(i) to (a)(vii) above;

(c) To note:

- (i) That the submission deadlines indicated in sub-paragraphs (a)(i) to (a)(vii) above would be applicable as of the 82nd meeting, on the understanding that, at that meeting only, flexibility would be shown to bilateral

and implementing agencies that were unable to submit specific project proposals or projects with specific reporting requirements in accordance with the stipulated deadlines; and

- (ii) That the submission deadlines indicated in sub-paragraphs(a)(i) to (a)(vii) above would be reviewed in the last meeting of the Executive Committee in 2019.

(UNEP/OzL.Pro/ExCom/81/58, Decision 81/30, para 110)

(Supporting document: UNEP/OzL.Pro/ExCom/81/14).

The Eighty-fourth Meeting of the Executive Committee decided to review the submission deadlines agreed in decision 81/30 at its 86th meeting instead of its 84th meeting, on the basis of analysis, to be prepared by the Secretariat in consultation with the bilateral and implementing agencies, of how the revised submission deadlines had been applied and whether they had affected project submissions.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/52)

Project duration and completion date

The Thirty-first Meeting of the Executive Committee decided to request the Secretariat and the Implementing Agencies to work together in defining more precisely the estimated duration of projects and, in particular, distinguishing between the physical completion of the project and other outstanding activities, such as equipment destruction and project completion reports.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/18, para. 38).

The Thirty-third Meeting of the Executive Committee decided to request the Implementing Agencies, in cooperation with the Secretariat, to determine proposed project duration on a case-by-case basis, taking into account the particular circumstances, instead of presenting all projects with the same standard duration. Instances where the Implementing Agencies and the Secretariat could not reach agreement on proposed project duration should be brought to the attention of the Sub-Committee on Project Review when the project was submitted for approval.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(b)).

The Thirty-fourth Meeting of the Executive Committee decided:

- (a) to request the Secretariat and the Implementing Agencies to review the duration of individual foam projects with a view to shortening the time for the completion of HCFC-141b conversions, and to report their findings to the Sub-Committee on Monitoring, Evaluation and Finance at its 15th Meeting; and
- (b) also to request the Sub-Committee on Monitoring, Evaluation and Finance to consider the issue at its 15th Meeting, in the context of business plans.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/15, para. 34).

The Forty-ninth Meeting of the Executive Committee decided:

(b) to request that the World Bank define completion dates according to the completion of activities associated with annual tranches and submit them to the Executive Committee for approval at its 50th Meeting for those annual tranches for which funds still had to be disbursed;

(g) to request that in future progress reports the World Bank report on disbursement of funds for multi-year phase-out agreements, in particular in China, according to the definition of “funds disbursed” established in the progress report guidelines, which should also form the basis for reporting on all projects; and

(h) to request the Secretariat, in cooperation with the implementing agencies, to prepare a paper for submission to the 50th Meeting of the Executive Committee on the issues raised in subparagraphs (b) and (g) above.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/12 para. 85 (b, g, h)).

The Fiftieth Meeting of the Executive Committee decided:

(a) to note the paper on issues related to project completion dates and fund disbursement raised in paragraphs (b) and (g) of decision 49/12 as contained in document UNEP/OzL.Pro/ExCom/50/55;

(b) to request the Fund Secretariat and the implementing agencies to address at the 51st Meeting, in the context of the document to be prepared in response to decision 49/6(e), innovative approaches for monitoring and reporting delays in multi-year agreements including any implementation difficulties; and

(c) to request the World Bank to provide the information requested for applicable multi-year agreements on the level of funds transferred to a country in the context of its remarks on each annual tranche, while reasserting the need for the consistent application of “funds disbursed” as defined at the 20th Meeting in decision

20/13(a).

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/40 para. 164).

(Supporting document: UNEP/OzL.Pro/ExCom/50/55).

The Eighty-second Meeting of the Executive Committee decided to request bilateral and implementing agencies, when requiring the extension of a project for which the Executive Committee had established a completion date, to submit, at least six months before the completion date, a request for such an extension that included justification of the need therefor, in line with decision 77/8(I).

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/50).

Monitoring and reporting on multi-year agreements

The Fifty-first Meeting of the Executive Committee decided:

- (a) to note the report on issues related to monitoring and reporting on multi-year agreements (MYAs) contained in document UNEP/OzL.Pro/ExCom/51/14; and
- (b) that:
 - (i) implementation difficulties were to be defined as activities for which no progress was detected in the context of the review of annual implementation plans;
 - (ii) status reports on implementation difficulties in MYAs should be based on recommendations made during the review of annual implementation plans;
 - (iii) in cases where additional status reports were not agreed by the agency concerned, the Executive Committee would determine if a report was required;
 - (iv) status reports should be presented in the format of projects with implementation delays and should be considered in the context of that agenda item; and
 - (v) status reports should continue to be submitted until progress on the specific issue had been assessed by the Committee or until the next annual implementation plan was submitted;
- (c) to adopt the new format for MYAs, including terminal phase-out projects, on an interim basis, as contained in Annex VI to the present report, for review at the 53rd Meeting; and
- (d) to request the Secretariat to organize a workshop for implementing agencies and other interested Executive Committee Members in the margins of the 53rd Meeting to discuss reporting on MYAs in light of the experience gained in using the new standardized format.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/13 para. 91).

(Supporting document: UNEP/OzL.Pro/ExCom/51/13).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note the review of the new format for reporting on multi-year agreements, including terminal phase-out management plans (follow-up to decision 51/13) as contained in document UNEP/OzL.Pro/ExCom/53/11;
- (b) to request the Senior Monitoring and Evaluation Officer to initiate the development of web-based country profiles including information compiled for the compliance-risk assessments requested under decision 53/4; and
- (c) to request the Secretariat to ensure, prior to the initial posting of country profiles on its website, that the countries concerned and UNEP's Compliance Assistance Programme were notified for comment.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/8 para.64).

(Supporting document: UNEP/OzL.Pro/ExCom/53/11).

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To take note of the report on progress on the development of multi-year agreement (MYA) tables contained in document UNEP/OzL.Pro/ExCom/59/9;
- (b) To request the Secretariat:
 - (i) To carry out the work necessary to enable use of the MYA tables through an online database for HCFC phase-out management plans (HPMPs), with the aim of receiving online submissions of MYA tables for new HPMPs with effect from April 2010 and subsequent tranche submissions for HPMPs from September 2010;

- (ii) To improve further the usability of the software for the bilateral and implementing agencies, as well as the Secretariat, through improvements in data entry, compatibility, assessment and output formats;
- (iii) To report to the Executive Committee at its 63rd Meeting on the progress made; and
- (c) To provide a budget of US \$60,000 for the purchase of hardware and software needed, the programming of the database and related work to accomplish the tasks indicated in subparagraph (b) above.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/7 para.47).

(Supporting document: UNEP/OzL.Pro/ExCom/59/9).

The Sixty-third Meeting of the Executive Committee decided:

- (a) To note the report on the multi-year agreement (MYA) tables database for HCFC phase out management plans (HPMPs) contained in document UNEP/OzL.Pro/ExCom/63/57;
- (b) To request that further work be undertaken as outlined in the above-mentioned report;
- (c) To note that the Senior Monitoring and Evaluation Officer would again be responsible for the MYA database;
- (d) To request agencies to update the entries in the MYA database shortly after the approval of an HPMP to reflect the approved and planned activities for the whole HPMP and the relevant annual implementation plans up to and including the year of the next tranche submission; and
- (e) To request the Senior Monitoring and Evaluation Officer to inform the Executive Committee at the last meeting of each year whether the respective agencies had complied with the request from the Executive Committee under subparagraph (d) above.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/61 para.180).

(Supporting document: UNEP/OzL.Pro/ExCom/63/57).

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To take note of the report on the multi-year agreement (MYA) database for HCFC phase out management plans (HPMPs) presented in document UNEP/OzL.Pro/ExCom/68/9;
- (b) To encourage the Senior Monitoring and Evaluation Officer, the Secretariat and the implementing agencies to continue to cooperate to further enhance the user-friendliness of the electronic online reporting systems (MYA database for HPMPs and MYA project completion reports) with a view to facilitating the process of submitting actual and complete information to the Senior Monitoring and Evaluation Officer and the Executive Committee in a timely and efficient manner; and
- (c) To request the Senior Monitoring and Evaluation Officer to report to the Executive Committee at the 70th meeting on the progress made.

(UNEP/OzL.Pro/ExCom/68/53, Decision 68/7 para.47).

(Supporting document: UNEP/OzL.Pro/ExCom/68/9).

The Seventieth Meeting of the Executive Committee decided:

- (a) To 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;
- (b) To 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 71st meeting of the Executive Committee; and
- (c) That bilateral agencies not directly involved in project implementation might request the implementing agencies to report the information required in paragraph (b) on their behalf.

(UNEP/OzL.Pro/ExCom/70/59, Decision 70/6 para.48).

(Supporting document: UNEP/OzL.Pro/ExCom/70/9).

The Seventy-second Meeting of the Executive Committee decided:

- (a) To take note of the report on the multi-year agreement (MYA) database contained in document UNEP/OzL.Pro/ExCom/72/8;
- (b) To 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 73rd meeting of the Executive Committee; and
- (c) To note that bilateral agencies not directly involved in project implementation might request the

implementing agencies to report the information required in sub paragraph (b) on their behalf.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/6 para.41).

(Supporting document: UNEP/OzL.Pro/ExCom/72/8).

The Seventy-fourth Meeting of the Executive Committee decided:

(a) To take note of the report on the multi-year agreement (MYA) database contained in document UNEP/OzL.Pro/ExCom/74/8;

(b) To request the Senior Monitoring and Evaluation Officer, in consultation with the bilateral and implementing agencies, to make a recommendation to the Executive Committee, for consideration at its 75th meeting on:

(i) Options to reduce the burden on bilateral and implementing agencies when submitting information for the MYA database;

(ii) Options to enable the countries concerned to confirm the data being entered in the MYA database by the bilateral and implementing agencies;

(c) To further 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 75th meeting; and

(d) To note that bilateral agencies not directly involved in project implementation might request the implementing agencies to report the information required in sub-paragraph (c) above on their behalf.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/6 para.49).

(Supporting document: UNEP/OzL.Pro/ExCom/74/8).

The Seventy-fifth Meeting of the Executive Committee decided:

(a) To note the multi-year agreement (MYA) database report (decision 74/6) contained in document UNEP/OzL.Pro/ExCom/75/8; and

(b) To request the Senior Monitoring and Evaluation Officer and the Secretariat to work closely with bilateral and implementing agencies on the implementation of decision 74/6, and to report back to the Executive Committee for further consideration of the issue at the 76th meeting.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/6 para. 54).

(Supporting document: UNEP/OzL.Pro/ExCom/75/8).

The Seventy-sixth meeting of the Executive Committee decided:

(a) To take note of the multi-year agreement database report contained in document UNEP/OzL.Pro/ExCom/76/8; and

(b) To request the Senior Monitoring and Evaluation Officer to report back to the 77th meeting on the status of implementation of decision 75/6(b).

(UNEP/OzL.Pro/ExCom/76/66, Decision 76/6, para 45)

(Supporting document: UNEP/OzL.Pro/ExCom/76/8).

The Seventy-seventh meeting of the Executive Committee decided:

(a) To note the multi-year-agreement database report (decision 76/6(b)) contained in document UNEP/OzL.Pro/ExCom/77/8;

(b) To further note that the Secretariat would pursue discussions with the bilateral and implementing agencies on the inclusion, in the inventory of enterprises database, of relevant information relating to all the HCFC-based enterprises that had received funding from the Multilateral Fund; and

(c) To request the Senior Monitoring and Evaluation Officer to report back to the Executive Committee at the 79th meeting.

(UNEP/OzL.Pro/ExCom/77/76, Decision 77/5, para 36(a)-(c))

(Supporting document: UNEP/OzL.Pro/ExCom/77/8).

The Seventy-ninth Meeting of the Executive Committee decided:

(a) To note the Inventory of enterprises database report (decision 77/5) contained in document UNEP/OzL.Pro/ExCom/79/16; and

(b) Further to note that the bilateral and implementing agencies would incorporate into the Inventory of enterprises database relevant information on the HCFC-based enterprises converted with the Multilateral Fund assistance.

(UNEP/OzL.Pro/ExCom/79/51, Decision 79/22, para 80)

(Supporting document: UNEP/OzL.Pro/ExCom/79/16).

Confidentiality of project data

The Thirty-third Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies to provide the Secretariat with all the information it required to complete its review of projects proposed for submission to the Executive Committee while safeguarding, as appropriate, information considered by governments or enterprises to be commercially sensitive;
- (b) noting that the Secretariat is utilizing standard United Nations contracts which contain clauses requiring ongoing confidentiality, to request the Secretariat to resume its review of the Rishiroop project on the basis of the guidance provided in paragraph (a) above, for submission to, and consideration by, the Executive Committee at its Thirty-fourth Meeting;
- (c) noting that the funding of technology which was not in the public domain raises issues never dealt with by the Executive Committee in the past, to request the Secretariat to consult relevant international agencies and prepare a paper on this issue to be submitted to the Thirty-fifth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/14, para. 32).

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) To defer consideration of the distribution of confidential documents to the 67th meeting of the Executive Committee; and
- (b) To request the Secretariat to review current practice and decisions and to propose for consideration at the 67th meeting measures to ensure secure and timely distribution of confidential material to designated members of the Executive Committee.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/55 para.180).

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/67/36;
- (b) To apply, with regard to the review of confidential documents by the Executive Committee, the procedure set out in Part III of the “Guidelines for the financing of projects using technology that is not in the public domain” (Annex XIV to document UNEP/OzL.Pro/ExCom/38/70/Rev.1), as approved by the Executive Committee in decision 38/63, and other decisions taken by the Executive Committee related to the handling of confidential documents and information;
- (c) To request the Secretariat to maintain a list of confidential documents issued from the 53rd meeting onwards and to post the list on the Multilateral Fund intranet, updating it as necessary at each meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/34 para.117).

(Supporting document: UNEP/OzL.Pro/ExCom/67/36).

Guidelines for technical review

The Twelfth Meeting of the Executive Committee adopted guidelines for project reviews including the format for technical review (as presented in Annex IX.2).

The Executive Committee decided that consultants used in the preparation of proposals should not be allowed to review them.

(UNEP/OzL.Pro/ExCom/11/36, para. 156.6).

(Supporting document: UNEP/OzL.Pro/ExCom/11/34).

The Fifteenth Meeting of the Executive Committee stressed the importance of good technical reviews, and requested Implementing Agencies to follow Executive Committee guidance and use the format for reviews adopted by the Executive Committee and ensure that these proposals included responses to the comments of project reviewers.

(UNEP/OzL.Pro/ExCom/15/45, para. 123).

Legal and disbursement arrangements

Proposed legal and disbursement arrangements should be developed in parallel with investment project proposals.
(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.4).

To expedite ODS elimination, Implementing Agencies are encouraged to implement sub-projects under one unique legal framework agreement (umbrella agreement) with the relevant intermediary in the recipient country. If any of

these sub-projects exceeds US \$500,000, Executive Committee approval is necessary for each such sub-project prior to the disbursement of funds by the Treasurer.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.12).

If grant agreements, or project documents, are not signed within an appropriate time frame, Implementing Agencies should provide an explanation of the delay and the Executive Committee should consider further action.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.16).

To facilitate expeditious implementation of projects, Implementing Agencies should initiate negotiations with Article 5 Parties as soon as possible to develop legal agreements, which establish funding disbursement, procurement and implementation requirements necessary to implement projects subsequently approved by the Executive Committee. If granted, Executive Committee permission to proceed will not require the Treasurer to transfer any funds, or constitute approval of any sub-project for which adequate documentation is not available.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.12).

Article 5 Parties should consider the selection of a focal point and use interministerial committees, as appropriate.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.13).

Criteria for project funding to accelerate phase-out and/or to maintain momentum

The Fortieth Meeting of the Executive Committee decided:

- (a) that the funds listed in subparagraphs (i), (ii) and (iii) below could be allocated to a funding window to accelerate phase-out, maintain momentum and meet the as yet unidentified compliance needs of Article 5 countries:
 - (i) funds not required in the current year's business plan defined as the difference between the value for each activity in the business plan and the amount approved for it by the Executive Committee;
 - (ii) funds returned from balances, cancellations, and changes in ownership from projects approved during the triennium; and
 - (iii) funds from annual tranches not approved during the business plan year due to a delay in submission and approval, taking into account the funds required for the entire triennium;
- (b) that the funds identified in accordance with subparagraphs (a) (i), (ii) and (iii) above could be redeployed to projects/agreements for the following in descending order and on the basis of cost-effectiveness within each category so as to accelerate phase-out, maintain momentum and meet the as yet unidentified compliance needs of Article 5 countries:
 - (i) new Parties to the Montreal Protocol and its amendments;
 - (ii) countries with low levels of consumption of methyl bromide, halon, CTC and TCA;
 - (iii) LVC countries that have received funding for an RMP pursuant to Decision 31/48;
 - (iv) countries for which project preparation has been approved and utilized;
 - (v) countries with a low level of residual consumption on a case by case basis; and
 - (vi) countries for the purpose of phasing out ODS production;
- (c) that the above criteria would expire after the 42nd Meeting of the Executive Committee unless previously re-approved or modified by the Executive Committee.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/7, para.45).

The Forty-first Meeting of the Executive Committee decided to take up the issue of a window for projects that involved accelerated phase-out or maintaining momentum, including their prioritization (Decision 41/81).

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/12, para. 45).

Verification procedures required under agreements

The Forty-fourth Meeting of the Executive Committee decided to request the Implementing Agencies to ensure that all verification procedures required under the relevant agreement had been completed and were included in the project document prior to its submission. In the event that all verification procedures had not been completed, agencies should notify the Secretariat in advance and discuss outstanding issues.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/12, para.89).

EXECUTIVE COMMITTEE PROJECT REVIEW PROCESS**Documentation for project proposals**

The Fund Secretariat is responsible for ensuring that complete documentation pertaining to projects submitted for approval is provided to the Executive Committee. The Secretariat would engage itself in close consultations with the Implementing Agency, donor country, or Article 5 country submitting the project so as to ensure, to the extent possible, that the appropriate documentation and level of detail are provided, that technical reviews have been completed, where required, that incremental costs have been calculated and explained, and that cost-effectiveness has been determined.

(UNEP/OzL.Pro/ExCom/7/30 Annex III, para. 4).

Documentation for project proposals distributed to all Committee members should be limited to the executive project summary, the technical review and Implementing Agency's response, and the Fund Secretariat's comments although project proposal background material will be made available upon request.

(UNEP/OzL.Pro/ExCom/11/36, para. 156.3).

(Supporting document: UNEP/OzL.Pro/ExCom/11/34).

The Seventeenth Meeting of the Executive Committee decided:

- (a) that, on a trial basis for the Eighteenth Meeting of the Executive Committee, the Secretariat should not circulate the full project documentation for projects and work programme amendments on which the Secretariat and the Implementing Agencies agree. Instead, members of the Executive Committee and observers should be sent, for each clearly approvable project, the Secretariat's recommended approval and information adequate for a full understanding of the implications of the project, including, where relevant, justification for the use of HCFCs. Full project documentation could still be requested by Executive Committee members and observers for individual projects and full documentation should always be available for review at each Meeting of the Executive Committee;

- (d) that the above system shall be evaluated after the trial period.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/18 para. 27a and d).

Deadline for written information to be submitted to the Committee

The Eighteenth Meeting of the Executive Committee decided:

- (a) that the deadline for any new written information to be submitted to the Executive Committee should be two weeks before the date of the meeting;
- (b) that the summary of projects should contain:
 - (i) a synopsis of agreed projects which should come before the two weeks deadline if possible;
 - (ii) for projects to be considered individually, a description of the outstanding issues related to implementation of existing policies and guidelines; and
 - (iii) for projects that raised policy issues, where there were no guidelines or inadequate guidelines, a summary presenting joint solutions whenever possible or adequate representation of the issues for consideration by the Sub-Committee on Project Review;
- (c) that discussions to resolve any outstanding issues already identified could continue until the meeting of the Sub-Committee on Project Review and their outcome would be presented orally to the meeting. The number of projects to be resolved at this late stage would be kept to the minimum for reasons of financial planning;
- (d) that only under exceptional circumstances could significant new issues be raised less than one week before the two-week deadline;
- (e) that the justification for proposed amendments to projects should be explained and disseminated so that all Implementing Agencies could be made aware of the criteria being applied to evaluate projects;
- (f) that, to the extent possible, documentation should be disseminated in the form of diskettes; and
- (g) that policy papers prepared by the Secretariat needed to be treated with the same urgency as project documents and their early transmission to the members of the Executive Committee is encouraged.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/3 para. 15).

Proposed changes on project review

The Forty-first Meeting of the Executive Committee decided:

- (a) if cost-related issues associated with projects were not resolved one week before a meeting of the Executive Committee, related projects should not be considered by the Sub-Committee on Project Review at that meeting;
- (b) the Secretariat should provide to each delegation member of the Sub-Committee on Project Review a copy of any new or revised document that was completed subsequent to the last hard-copy dispatch of material;
- (c) the Sub-Committee should strive to avoid discussion of projects until complete up-to-date documentation was available;
- (d) if the Secretariat was recommending approval of subsequent tranches of multi year agreements without comment, related approvals should initially be put in the list of projects for blanket approval;
- (e) at the first session of each meeting of the Sub-Committee on Project Review, the Secretariat should submit a document indicating the historical level of forward funding approved on an annual basis, and the implications for additional forward funding that would occur if all of the projects recommended for forward funding at the meeting were approved at that meeting; and
- (f) the Secretariat should make every effort to economize on use of paper in preparing documentation for the meetings.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/80, para. 118).

Methodology for consideration of project proposals

The Seventh Meeting of the Executive Committee adopted a methodology for consideration of project proposals, which involved placing projects in one of the following five specific categories:

1. work programme amendments: projects involving costs below US \$500,000 which would be approved and funded as amendments to Implementing Agency work programmes;
2. non-approval of work programmes: projects involving costs below US \$500,000 which would not be approved on policy grounds;
3. final approval: projects over US \$500,000 which would be fully and finally approved and funded without the need for further documentation;
4. non-approval of projects: projects over US \$500,000 which would not be approved on policy grounds; and
5. approval in principle: projects over US \$500,000 which would be approved in principle and might be given some level of funding with the understanding that final approval and funding would be provided following submission of further information. The levels of funding for these projects might need to be adjusted when more adequate information was provided.

NOTE: The last category was amended to "permission to proceed".

(UNEP/OzL.Pro/ExCom/7/30, para. 53).

Implementing agencies may propose within the context of their work programmes, or amendments to work programmes, requests for 'permission to proceed' with the development of a group of projects.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.12).

Comments on project evaluation case studies

The Thirty-third Meeting of the Executive Committee decided to request Implementing Agencies and National Ozone Units concerned to provide comments on country reports and project evaluation case studies, and particularly explanations on the projects where the evaluation had left questions open, and also to request the Senior Monitoring and Evaluation Officer to present a synthesis of such comments and explanations in the consolidated project completion report to the Thirty-fifth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(n)).

Between meetings approval

The Eighth Meeting of the Executive Committee decided to establish procedures to facilitate consideration of projects between meetings. At its Eleventh Meeting, the Committee took the following decisions:

- (a) projects for which all issues had been resolved in advance of Committee meetings might be submitted for blanket approval; and
- (b) approval on a non-objectional basis should be adopted by the Committee and Implementing Agencies should be encouraged to submit proposals for non-objectional approval.

*(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.9).
(UNEP/OzL.Pro/ExCom/11/36, paras. 156.4, 156.5).
(Supporting document: UNEP/OzL.Pro/ExCom/11/34).*

However, the Sixteenth Meeting of the Executive Committee decided to put in abeyance the procedure for intersessional approval of projects.

(UNEP/OzL.Pro/ExCom/16/20, para. 71b).

In light of the outbreak of the coronavirus disease (COVID-19), which was characterized as a pandemic as assessed by the World Health Organization on 11 March 2020, it was not possible to convene the 85th meeting of the Executive Committee of the Multilateral Fund in Montreal, Canada, from 25 to 29 May 2020, as had been planned. Instead, Executive Committee members agreed inter alia

- (a) To postpone the 85th meeting to 19 to 22 July 2020, on the understanding that it might be further postponed or cancelled in light of the evolution of COVID-19; and
- (b) To implement, on an exceptional basis and without setting a precedent, the intersessional approval process and to extend it to the reports on projects with specific reporting requirements recommended for blanket approval, to project proposals recommended for blanket approval, and to project proposals where all outstanding issues had been addressed and submitted for individual consideration.

(UNEP/OzL.Pro/ExCom/85/67, para. 2).

Expedited process (SPAP).

The Thirteenth Meeting of the Executive Committee approved the expedited process for approval of projects under US \$500,000, as proposed by the United States, the major steps for implementation of the streamlined mechanism being as follows:

- (a) the testing Implementing Agency would negotiate with an Article 5 country an agreement which would include sector specific cost-effectiveness boundaries which would serve as an incentive for the development of highly cost-effective projects which are eligible for expedited Fund approval of projects under US \$500,000;
- (b) the agreement would then be presented to the Executive Committee so that it may assure itself that the cost-effectiveness boundaries would ensure that the agreement would serve as an incentive for the submission and approval of highly cost-effective projects;
- (c) projects submitted under this process would have to meet normal, under US \$500,000 information requirements, but would be reviewed by the Secretariat only for the following matters: presentation of new policy issues and consistency with Executive Committee guidelines and precedents. All projects found to be inconsistent with this criteria would be held over until the next Executive Committee meeting. All projects found to be consistent with these matters would, within 10 days of submission to the Secretariat, be sent to the members of the Executive Committee for their review and approval on a no-objection basis;
- (d) the members of the Executive Committee would be given five business days from the time of receipt of the documents to request that a particular project be held over for consideration by the Executive Committee. No response in that time would be taken as approval of the project;
- (e) upon the expiration of the review period, the Secretariat would inform the Agency of the results of the review by the Executive Committee. The Secretariat would also request the Treasurer to advance funds to the Implementing Agency to facilitate the expeditious implementation of approved projects.

The Executive Committee also agreed upon a testing period of six months for the new mechanism.

(UNEP/OzL.Pro/ExCom/13/47 (paras. 68-69).

Subsequently, the Seventeenth Meeting of the Executive Committee decided that a detailed evaluation of the Small Project Approval Programme (SPAP) pilot phase should be made prior to any decision to extend the Programme. The terms of reference for such an evaluation should be agreed among the World Bank, the Secretariat and the country concerned.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/9 para. 17).

Approval of tranches of multi-year agreements

The Forty-fourth Meeting of the Executive Committee decided to request the Secretariat no longer to refer

tranches of multi-year agreements for individual consideration, including those for methyl bromide, unless there were specific issues related to a particular agreement.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/13, para. 92).

The Fiftieth Meeting of the Executive Committee decided to request that, in cases where conditions had been placed on the release of approved funds, the implementing agency concerned should coordinate and confirm with the Secretariat that the conditions for release of funds had been met prior to disbursement.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/13 para. 78).

Changes or addition of implementing agencies in the implementation of approved HPMPs

The Seventy-seventh Meeting of the Executive Committee decided to request the Secretariat to include requests to change, add or remove a bilateral or implementing agency contained in HCFC phase-out management plan tranche requests in the list of projects submitted for blanket approval, as long as there were no other outstanding issues that required the Executive Committee's consideration.

(UNEP/OzL.Pro/ExCom/77/76, Decision 77/33, para. 114).

POLICY ISSUES IN PROJECT PROPOSALS

All policy issues should be resolved prior to submission of a project to the Executive Committee to the extent possible.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.10).

Conclusions of the Executive Committee on policy issues arising out of projects were to be considered as guidance in the development of future project proposals.

(UNEP/OzL.Pro/ExCom/11/36, para. 156.10).

(Supporting document: UNEP/OzL.Pro/ExCom/11/34).

New policy issues

The Seventeenth Meeting of the Executive Committee decided that, in addition to not reviewing the full project documents for clearly approvable projects in advance of its meetings, the Executive Committee would not see country-specific project documentation for projects that raise new policy issues, unless the Secretariat and all the Implementing Agencies can work out a consensus agreement on how to deal with the policy issue for the proposed project and all future projects that are similarly situated. In the event that such consensus is reached, the Secretariat should send out any related project documents, the project recommendation, and a short policy paper that identifies the issues and includes a recommended course of action. If, on the other hand, the Secretariat and the Implementing Agencies are unable to reach consensus, only a policy paper and, if it exists, a project cover sheet for the project in which the issue arises should be sent to Executive Committee members and observers to allow for consideration of the issue.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/18 para. 27(b)).

Delivery of targets requiring approval of policy guidelines

The Twenty-second Meeting of the Executive Committee decided:

- (a) to encourage Implementing Agencies to develop contingency portfolios of projects that could replace projects awaiting the adoption of policy guidelines if the necessary guidelines had not been adopted by the end of 1997;
- (b) to address the issue of policy guidelines as expeditiously as possible.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/3, para. 18).

Assist policy communications

The Sixteenth Meeting of the Executive Committee decided to implement the following procedural modifications to assist policy communications:

- at the end of a sub-committee summary, include a short section aimed at identifying policy issues which surfaced, and the operational implications if there is a need for elaboration. It is felt that generally, the identified policy issue and decision will normally be clear. In most cases, however, the communications process could still be facilitated by an explanation or a statement describing the operational implications.
- once a policy issue from the Sub-Committee has been addressed and approved by the Executive Committee, then the operational implications (if any) identified in the sub-committee report should also be reflected in the final report. After the meeting, as an ongoing activity, when a need or an issue arises relating to the new policy, and an agency needs clarification, then the agency should work with the Secretariat to clarify.

- after each meeting, the Policies, Procedures, Guidelines and Criteria of the Multilateral Fund would be updated and provided to the agencies, which would then transmit this to the field offices and project managers in the field. When the Guidelines are updated, an addendum should be placed at the front of the Guidelines document which simply highlights the recently adopted changes. If the existing "paper deployment system" were to be retained, then an issuance of a complete document should be considered after each meeting of the Parties, with only updates issued after each Executive Committee meeting. This would save paper and mailing expense. A less costly and more rapid deployment could be accomplished, however, by providing the complete guidelines to the Agencies on computer disk. The Agencies can deploy in correct format through their E-mail systems to the field offices. UNDP has volunteered the use of their field offices, who could print and then copy the guideline book for the respective local Government Agency. Inclusion in OzonAction Information Clearinghouse would also assure improved coverage of the communications. UNEP's Regional Networks may be another forum for discussion and clarification.
- the agencies and Secretariat should work together to develop a process that allows the key agreements reached verbally to be documented and shared more widely.

(UNEP/OzL.Pro/ExCom/16/20, para. 71c and Annex III).

(Supporting document: UNEP/OzL.Pro/ExCom/16/19).

The Implementing Agencies will develop for the Executive Committee's consideration a paper giving examples of where clarification of decisions and their implications would have been useful, and the format that could have been used in that case. The paper would take into account that the intent would be to inform better those affected by such decisions, namely the Executive Committee members, the Implementing Agencies, Parties to the Montreal Protocol and enterprises in Parties operating under Article 5.

(UNEP/OzL.Pro/ExCom/16/20, para. 71b, and Annex II).

(Supporting document: UNEP/OzL.Pro/ExCom/16/13).

The Sixteenth Meeting of the Executive Committee considered that it could be useful to have consultations between the Secretariat and Implementing Agencies in the calmer weeks immediately following a meeting. In particular, the results of the project approval process should be examined and noted for relevance to future projects.

(UNEP/OzL.Pro/ExCom/16/20, para. 71b, and Annex II).

(Supporting document: UNEP/OzL.Pro/ExCom/16/13).

Funding of tranches of MYAs with low rates of implementation

The Fifty-seventh Meeting of the Executive Committee decided that bilateral and implementing agencies should not submit for the Committee's consideration requests for funding of tranches of multi-year agreements with low rates of implementation of activities initiated with previously approved tranches and where the rate of disbursement of funding available from the previously approved tranche was less than 20 per cent, even when the levels of consumption of the ODS under consideration were below the maximum allowable levels under the Montreal Protocol and in the Agreement between the Government concerned and the Executive Committee.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/15, para.108).

(Supporting document: UNEP/OzL.Pro/ExCom/57/16)

Final tranches of ODS phase-out plans not submitted to the 60th Meeting

The Sixtieth Meeting of the Executive Committee decided:

- (a) To allow the submission of outstanding funding tranches of national phase-out plans (NPPs) or terminal phase-out management plans (TPMPs) in Article 5 countries to the 61st Meeting of the Executive Committee on the understanding that the governments concerned, with assistance from relevant bilateral and implementing agencies, would consider implementing activities to sustain zero consumption of CFCs and other activities to facilitate the phase-out of HCFCs; and
- (b) That funding tranches of NPPs or TPMPs not submitted to the 61st Meeting should be integrated into the relevant HCFC phase-out management plans of the countries concerned.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/11, para.82).

ODS disposal demonstration projects in LVC countries

The Sixty-fourth Meeting of the Executive Committee decided to request the implementing agencies to submit all future proposals for ODS disposal demonstration projects for low-volume-consuming countries for consideration by the Committee no later than its 66th meeting.

(UNEP/OzL.Pro/ExCom/64/53, Decision 64/17, para.79).

Requests for multiple delayed or future tranches of stage I of the HPMP

The Seventy-sixth meeting of the Executive Committee decided:

- (a) To urge bilateral and implementing agencies and Article 5 countries to implement approved tranches of HCFC phase-out management plans (HPMPs) on time to avoid delays in the submission of future funding tranches;
- (b) To request bilateral and implementing agencies and Article 5 countries to ensure proper planning and distribution of the tranches for stage II of HPMPs to ensure efficient equipment procurement, taking into account relevant decisions of the Executive Committee, in particular the requirement to achieve disbursement of 20 per cent of the previous tranche and to allocation to the last tranche of the stage of the HPMP in question at least 10 per cent of the total funding approved in principle for the refrigeration servicing sector; and
- (c) To consider, on a case-by-case basis, any request for approval, at the same Executive Committee meeting, of two or more tranches of a stage of an HPMP, noting the requirement for revised work and disbursement plans and agreements, and taking into account the availability of resources within the approved resource allocations for the years concerned.

UNEP/OzL.Pro/ExCom/76/66, Decision 76/16, para 75)

(Supporting document: UNEP/OzL.Pro/ExCom/76/12).

ODS CONSUMPTION DATA IN PROJECTS

Calculation of ODS consumption

The Sixteenth Meeting of the Executive Committee decided that ODS consumption should be calculated on the basis of either the year, or an average of the three years, immediately preceding project preparation.

(UNEP/OzL.Pro/ExCom/16/20, para. 32b).

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies, in the preparation of projects, to take extreme care to ensure the reliability and accuracy of data on ODS consumption and make available to the Secretariat figures normally provided by enterprises on ODS purchased by the enterprises and ODS used in the products being produced;
- (b) to request that the enterprises for which projects were being prepared made available their relevant records to provide the best available information to the Implementing Agencies concerning ODS purchased and used.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/13, para. 36(a, b)).

The Thirtieth Meeting of the Executive Committee decided as a follow-up to the decision in paragraph 32(b) in the report of the Sixteenth Meeting of the Executive Committee and decision 26/13, paragraphs (a) and (b), to request the Secretariat, in co-operation with the Implementing Agencies, to develop definitions and procedures leading to more transparency and consistency in calculating ODS phase-out in project documents and project completion reports (PCRs), and to report on the results to the Thirty-second Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/6, para. 22(b)).

Obligation to cease using CFCs upon conversion

The Thirty-third Meeting of the Executive Committee decided to request the Implementing Agencies to ensure that recipient enterprises were fully aware of their obligation to cease using CFCs upon conversion and to make a commitment to that effect in the project documentation.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(f)).

Sustained reductions in sectoral consumption

The Thirty-fourth Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies to comply fully with Decision 33/2 (c), (e), and (f) and include the undertakings from governments in relation to sustained reductions in sectoral consumption and obligations to cease using CFCs in their projects submitted to the 35th and later meetings;
- (b) to approve project proposals submitted to the current meeting for which governments had met the conditions set out in Decision 33/2;
- (c) also to approve projects submitted to the current meeting for which governments had not met their obligations to provide complete information, on the understanding that disbursement of funding for those projects would be contingent on receipt of information as required under Decision 33/2;

(d) to defer final consideration of the format for reporting the undertakings until the 35th Meeting, while allowing countries with outstanding commitments pursuant to paragraph (c) above to use the existing or mutually accepted format and to submit outstanding projects to the Executive Committee at its 35th Meeting. (UNEP/OzL.Pro/ExCom/34/58, Decision 34/14, para. 33).

Monitoring/sustainability of implementation

The Fortieth Meeting of the Executive Committee decided to request implementing and bilateral agencies to indicate qualitatively in all relevant reports, especially those related to tranches of funding, the extent to which reductions in phase-out had been influenced by factors external to the project in the country concerned. (UNEP/OzL.Pro/ExCom/40/50, Decision 40/22, para. 62).

Country's baseline data

The Twenty-eighth Meeting of the Executive Committee decided:

- A. For the purpose of facilitating planning for the next triennium: to request the Implementing Agencies to work with national Ozone Units in those countries in which they were responsible for institutional strengthening projects, in collaboration with other agencies, in order to analyze the country's baseline data with respect to:
- (i) the distribution of the baseline consumption by sector;
 - (ii) the reductions envisaged in the baseline as a result of investment projects already approved within each sector;
 - (iii) the estimated distribution between consumption for manufacturing industries and servicing/installations on site in the refrigeration sector.

The Implementing Agencies should submit a preliminary report to the Twenty-ninth Meeting of the Executive Committee and a final report to the Thirty-first Meeting.

- B. For the purpose of clarifying data related to perceived anomalies concerning (i) phase-out in approved projects higher than the baseline consumption and (ii) cases where only a small proportion (30 per cent or less) of the funds approved at least 12 months previously for that particular country had been disbursed:

To request the Secretariat to identify the countries where such perceived anomalies occurred (on the basis of the status report);

Also to request the Secretariat to ask those countries:

- regarding B (i) above, to explain the reasons for the anomaly;
- regarding B (ii) above, to clarify the reasons for the low rate of disbursement, what assistance might be needed to overcome the problem where relevant, when the problem might be remedied, and whether they had the capacity to absorb further projects.

With reference to section B above, the Secretariat should submit a report on its findings to the Twenty-ninth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/25, para. 50).

The Twenty-eighth Meeting of the Executive Committee also decided that, where there was an apparent discrepancy between a country's baseline data on consumption of ozone-depleting substances, data on amounts already phased out or planned for phase-out under projects already funded with the resources of the Multilateral Fund and amounts to be phased out under projects proposed for approval, the countries and the relevant Implementing Agencies should be requested to provide an explanation of the discrepancy to the Sub-Committee on Project Review.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/36, para. 68(a)).

The Twenty-ninth Meeting of the Executive Committee, taking into account section A of decision 28/25, decided:

- (a) to express appreciation for the efforts of UNEP and UNIDO in submitting the preliminary data on countries for which they were managing the institutional strengthening projects;
- (b) to stress the importance of the Implementing Agencies' full and diligent compliance with that decision in order to facilitate planning by the Executive Committee for the next triennium;
- (c) to request all the Implementing Agencies to submit a preliminary report – as requested in decision 28/25, second paragraph of section A – to the Executive Committee at its Thirtieth Meeting, with data on each category of ozone-depleting substances reported separately;

- (d) to request the Secretariat to prepare a consolidated report, based on those preliminary data, for the Executive Committee at its Thirtieth Meeting, showing the estimated total quantities and percentage distribution by sector of the consumption of ozone-depleting substances (CFCs, halons, methyl bromide, CTC and 111-trichloroethane), which had not already been covered by approved investment projects, as well as – with regard to the refrigeration sector – the estimated distribution of that consumption by manufacturing on the one hand, and servicing and installations on site on the other hand. Data on each category of ozone-depleting substance should be reported separately; and
- (e) to reconfirm the request in decision 28/25, second paragraph of section A, that a final report be submitted by the Implementing Agencies and the Secretariat for discussion by the Executive Committee at its Thirty-first Meeting.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/10, para. 29).

The Twenty-ninth Meeting of the Executive Committee, taking into account section B of decision 28/25, decided to take note of the responses received from countries where data anomalies existed.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/11, para. 30).

The Thirtieth Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies to submit their final reports to the Thirty-first Meeting, using the format of the consolidated report contained in Annex II to UNEP/OzL.Pro/ExCom/30/19, including baseline data as well as the latest total consumption data, in time for the Secretariat to prepare and submit a consolidated report to the Thirty-first Meeting of the Executive Committee;
- (b) to request the Secretariat to include baseline data as well as the latest total consumption data in the summary in its consolidated report.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/20, para. 42).

Countries without a compliance baseline

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to urge all Implementing Agencies responsible for an institutional strengthening project in a country without a compliance baseline to ensure that, before projects and activities other than institutional strengthening were prepared and submitted to the Executive Committee, the country had been provided with every assistance, as a matter of urgency, to report its compliance baseline data and describe its situation to the Ozone Secretariat;
- (b) that projects for countries that did not have a compliance baseline should be considered in the light of the advice provided by the Implementation Committee.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/12, para. 44).

Data and information provided by the Parties to the 13th Meeting of the Parties

The Thirteenth Meeting of the Parties decided:

1. to note that the implementation of the Protocol by those Parties that have reported data is satisfactory;
2. to note with regret that 16 Parties out of the 170 that should have reported data for 1999 have not reported to date;
3. to strongly urge Parties to report consumption and production data as soon as the figures are available, rather than waiting until the final deadline of 30 September;
4. to urge Parties that have not already done so to report baseline data for 1986, 1989 and 1991 or the best possible estimates of such data where actual data are not available;
5. to advise Parties that request changes in reported baseline data for the base years to present their requests before the Implementation Committee which will in turn work with the Ozone Secretariat and the Executive Committee to confirm the justification for the changes and present them to the Meeting of the Parties for approval.

(UNEP/OzL.Pro/13/10, Decision XIII/15).

The Thirty-fifth Meeting of the Executive Committee decided to request the Secretariat to bring to the attention of countries proposing changes to their baseline data, Decision XIII/15 paragraph 5 of the 13th Meeting of the Parties, which provided that changes in reported baseline data for the base years should be presented to the Implementation Committee, which would work with the Ozone Secretariat and the Executive Committee to

confirm the justification for those changes and would submit them to the Meeting of the Parties for approval. (UNEP/OzL.Pro/ExCom/35/67, Decision 35/2, para. 26(f)).

1999 ODS consumption freeze goal

The Nineteenth Meeting of the Executive Committee decided to request the Implementing Agencies and countries to include with each project proposal submitted for approval by the Executive Committee a brief description of how the project would contribute to helping the country to achieve the 1999 freeze.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/4, para. 19).

The Twentieth Meeting of the Executive Committee, decided:

- (a) to request Implementing Agencies to bear in mind, when preparing their business plans and deciding how to allocate projects among sectors, the commitments and control measures already in the Protocol, with which all countries were expected to comply;
- (b) to call on the agencies to fully implement decision 19/4 when submitting projects to forthcoming meetings of the Executive Committee;
- (c) to examine the status of implementation of decision 19/4 at its Twenty-first Meeting.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/3, para. 13).

The Twenty-second Meeting of the Executive Committee decided:

- (a) to reaffirm the importance of Decisions 19/4 and 20/3, in including in the project documents a brief description of how the project would contribute to helping the country concerned achieve the 1999 freeze;
- (b) to recommend that the requirement of those Decisions could be effected by including the sector background in the project description being circulated to members of the Executive Committee.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/20, para. 38).

The Executive Committee at its Twenty-third Meeting, having noted the Sub-Committee on Project Review comments on the need for a project proposal to provide the best possible information on how the project would contribute to attaining the 1999 freeze, decided:

- (a) to stress the critical need for the Implementing Agencies to assume responsibility for the accuracy of the data they provided in project proposals they put forward for funding;
- (b) to reiterate that proposals for renewal of institutional strengthening projects should contain a history of what the ozone unit had done since its inception, together with a plan for its future activities, and that the renewal requests should be forwarded to the Executive Committee for its consideration;
- (c) to reinforce the need for compliance with Decision 22/63 regarding the conditions for project approval when counterpart funding was involved.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/21, para. 45).

The Executive Committee also decided:

- (a) to request the Implementing Agencies to be more specific on how projects would assist countries to meet the freeze.
- (b) to request the Implementing Agencies to reconsider the allocation of resources in their revised business plans to be submitted to the first meeting of the Sub-Committee in 1998.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/39, para. 67).

The Thirty-first Meeting of the Executive Committee decided:

- (a) to take note of the summary status report of the survey conducted by the Secretariat on ODS phase-out in Article 5 countries (UNEP/OzL.Pro/ExCom/31/15);
- (b) to request the Implementing Agencies to attempt to reconcile the sector consumption data against the data from the Ozone Secretariat, taking into account the fact that the sectoral data should be seen as estimated breakdowns of the data officially reported to the Ozone Secretariat, and to report this information to the Committee at its Thirty-fourth meeting;
- (c) to urge the national ozone units to provide the Implementing Agencies with the breakdown of refrigeration sector data into servicing and manufacturing, for their own planning purposes as well as for planning by the Executive Committee;
- (d) to request the Secretariat, in its future annual reports on the status of ODS sector consumption in Article 5

countries, to further adjust the tables contained in the annexes to document UNEP/OzL.Pro/ExCom/31/15 to include sector totals and the related percentages, and to introduce totals of the data while indicating all caveats concerning the reliability of the data which the Secretariat may consider necessary;

- (e) to request the Secretariat to update the tables with the most recent data available;
- (f) that the Secretariat should explore the implications of and modalities for strengthening the data management function within the Secretariat to ensure accuracy, comparability and efficiency in data collection, and in so doing liaise with relevant Article 5 countries and those providing and receiving data.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/12, para. 31).

(Supporting document: UNEP/OzL.Pro/ExCom/31/15).

Data on imports of ODS

The Twenty-sixth Meeting of the Executive Committee also decided:

- (b) to stress the need for each country to obtain and ensure reliable data on imports of ODS, particularly through a system of import licensing and control, and in that context customs training was of special importance;
- (c) to request the Fund Secretariat to notify the Implementation Committee of the Montreal Protocol of this problem at its next meeting in Cairo and suggest that the Implementation Committee might send letters to the Governments of Malawi and of the United Republic of Tanzania requesting them to provide updated data on ODS consumption.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/33, para. 59 (b, c)).

Enterprise consumption and country data

The Thirty-fourth Meeting of the Executive Committee decided:

- (a) to request the Secretariat and the Implementing Agencies not to submit project proposals which showed inconsistencies between project data and the latest reported sectoral consumption data;
- (b) also to request the Secretariat to prepare, for submission to the Sub-Committee on Project Review at each meeting, a list of project proposals received by the Secretariat for which inconsistencies in reported data existed, listing inter alia latest sectoral consumption data, project ODS consumption data, date of establishment of production capacity, remaining consumption in the sector concerned and project costs;
- (c) to approve the project proposals submitted to the current Meeting, on the understanding that projects submitted to future Meetings would be in compliance with the request in (a) above and that, at its first Meeting in 2002, the Executive Committee could consider those projects that had been dropped from the 2001 business plans;
- (d) that for those countries with data discrepancies, projects remaining in the 2001 allocation could be presented, once issues were clarified, to the December 2002 Meeting, and would be counted against the 2001 business plans.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/18, para. 37).

The Forty-first Meeting of the Executive Committee decided to request Implementing Agencies to ensure that they had verified with the National Ozone Unit the consistency of Article 7 data, the country programme implementation data and the project phase-out data, prior to transmitting projects to the Secretariat for review.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/16, para. 49).

Projects in a country at risk of non-compliance

The Thirty-fifth Meeting of the Executive Committee decided to request Implementing Agencies, where a project designed to assist a country at risk of non-compliance with an initial control measure was withdrawn owing to sectoral data discrepancies, to liaise with that country when finalizing its business plan in order to identify an alternative project that would help the country comply with the control measure concerned.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/2, para. 26(h)).

Project proposals with minimal impact on phase-out obligations

The Thirty-eighth Meeting of the Executive Committee decided to urge Implementing Agencies to take all necessary measures to provide assistance to countries that were at risk in regard to their impending Montreal Protocol control obligations.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/13, para. 45).

The impact of projects on the remaining consumption in a sector

The Twenty-seventh Meeting of the Executive Committee decided to request Implementing Agencies and countries submitting projects, with the assistance of the Secretariat, to provide the most up-to-date sectoral ODS consumption data and data for the country as a whole when submitting proposals, to enable countries to better assess the impact of the project proposals on their ability to meet both their own phase-out programmes and their Montreal Protocol obligations.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/14, para. 39).

Funding for equipment in enterprises that are no longer using CFCs

The Nineteenth Meeting of the Executive Committee, after considering two proposed projects in enterprises that had already completed the phase-out of ODS, decided to approve a payment of 50 per cent of the cost of the projects, on the strict understanding such approval did not set a precedent and that similar projects would not be considered as eligible for funding in the future.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/8, para. 25).

The Twentieth Meeting of the Executive Committee decided to clarify that decision 19/8 applied to any project, regardless of sector, for installing safety equipment in enterprises that were no longer using controlled substances.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/25, para. 36(b)).

Projects involving ODSs of differing levels of ODP

The Thirty-eighth Meeting of the Executive Committee decided that projects involving ozone-depleting substances of differing levels of ODP, would in future be costed on the basis of the lower cost to the Multilateral Fund.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/57, para. 93 (b)).

Indirect phase-out

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) that, indirect phase-out should not be part of phase-out reporting nor included in the Inventory of Approved Projects, but that information on such phase-out was nevertheless valuable and should be listed in an annex to the agencies' progress reports;
- (b) as this related to future scenarios and considering that UNIDO had indicated that indirect phase-out was in their existing business plan, Implementing Agencies should not include indirect phase-out in their business plans.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/4, para. 18).

Enterprises involved in the provision of services

The Twenty-eighth Meeting of the Executive Committee decided to request Implementing Agencies, when submitting project proposals for enterprises involved in the provision of services, in particular cold rooms, transport refrigeration, sterilants, etc., to provide, wherever possible, data on procurement and consumption of ozone-depleting substances for a three-year period prior to project preparation and, where such was not possible, to provide an explanation of why data for a three-year period could not be made available.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/29, para. 60).

INCREMENTAL COSTS

Requests for financing incremental costs of a project shall take into account the following general principles:

- (a) the most cost-effective and efficient option should be chosen, taking into account the national industrial strategy of the recipient Party. It should be considered carefully to what extent the infrastructure at present used for production of the controlled substances could be put to alternative uses, thus resulting in decreased capital abandonment, and how to avoid deindustrialization and loss of export revenues;
- (b) consideration of project proposals for funding should involve the careful scrutiny of cost items listed in an effort to ensure that there is no double-counting;
- (c) savings or benefits that will be gained at both the strategic and project levels during the transition process should be taken into account on a case-by-case basis, according to criteria decided by the Parties and as elaborated in the guidelines of the Executive Committee;
- (d) the funding of incremental costs is intended as an incentive for early adoption of ozone protecting technologies.

In this respect the Executive Committee shall agree which time scales for payment of incremental costs are appropriate in each sector.

(UNEP/OzL.Pro/2/3 Appendix I of Decision II/8, para. 1).

(UNEP/OzL.Pro/4/15 Decision IV/18 (section I.6).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix I).

(UNEP/OzL.Pro/4/15 Annex VIII).

Indicative List of Categories of Incremental Costs

Incremental costs that once agreed are to be met by the Financial Mechanism include those in the Indicative List of Categories of Incremental Costs presented in Annex IX.3. If incremental costs other than those mentioned in the Indicative List are identified and quantified, a decision as to whether they are to be met by the Financial Mechanism shall be taken by the Executive Committee consistent with any criteria decided by the Parties and elaborated in the guidelines of the Executive Committee. The incremental recurring costs apply only for a transition period to be defined.

(UNEP/OzL.Pro/2/3 Appendix I of Decision II/8, para. 2).

(UNEP/OzL.Pro/4/15 Decision IV/18 Annex VIII).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix I).

(UNEP/OzL.Pro/4/15 Annex VIII).

Operational definitions

The Seventh Meeting of the Executive Committee took note of the following two documents on incremental costs:

- (a) Further Definition of Incremental Costs, prepared by the Fund Secretariat; and
- (b) Operational Interpretations of Incremental Costs and Eligible Expenditures for the Interim Multilateral Fund of the Montreal Protocol, prepared by the World Bank.

For the time being, the Committee decided that it would follow the Indicative List in the London agreements, but it could consult the above two documents in cases where the London agreements proved not to provide sufficient guidance.

(UNEP/OzL.Pro/ExCom/7/30, para. 79).

(Supporting document: UNEP/OzL.Pro/ExCom/7/21 and Cor.1).

(UNEP/OzL.Pro/ExCom/7/Inf.4).

Recently erected plants

The Executive Committee decided, in the light of technological advances, not to consider any projects to convert any ODS-based capacity installed after 25 July 1995.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/7 para. 15).

The Twentieth Meeting of the Executive Committee, confirmed that in future “installation date” should be interpreted strictly as the date on which equipment was on site and ready for utilization.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/20, para. 31(b)).

The Thirty-fourth Meeting of the Executive Committee decided to request all Implementing Agencies to ensure that future investment projects were not submitted until the Article 5 country’s government had verified that the ODS capacity of all recipient enterprises had been established before July 1995, consistent with the project eligibility criteria set out in Decision 17/7.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/3, para. 21(j)).

Projects to phase-out CFC-based capacity installed after preparation and/or approval of projects to phase-out CFC-based production in the same enterprise

The Thirty-second Meeting of the Executive Committee decided that, on the basis of the rule that production capacity installed prior to 25 July 1995 was eligible for funding by the Multilateral Fund, projects to phase-out CFC-based capacity installed after preparation and/or approval of projects to phase-out CFC-based production in the same enterprise would be eligible for funding.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/24, para. 36).

Baseline equipment

The Twenty-second Meeting of the Executive Committee decided to request that representatives of the Secretariat and the Implementing Agencies form a group to examine and discuss the issue and come up with concrete proposals for the consideration of the Sub-Committee on Project Review at its next meeting.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/2, para. 39).

The Twenty-fifth Meeting of the Executive Committee noted that the Sub-Committee on Project Review proposed to take up, at its next meeting, the following issues:

“the provision of replacement equipment constituted a technological upgrade in relation to the baseline conditions of enterprises for which retrofit of existing equipment was not feasible;

“that unavoidable technological upgrade was to be taken into account in determining eligible incremental costs”.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/48, para. 85 (a)).

The Twenty-fifth Meeting of the Executive Committee decided that the baseline concept be adopted and implemented selectively, through application of Decision 18/25 on technological upgrade utilizing pro-rating of equipment costs, to the specific circumstances indicated below, and with the methodologies as also indicated:

For the domestic and commercial refrigeration and rigid polyurethane foam sub-sectors:

- (i) the incremental cost of providing new foam machines where these are essential for conversion and none exist in the baseline should be based on either the difference between the cost of a low-pressure and a high-pressure foam machine, where a high-pressure machine is essential, or, alternatively, an agreed percentage of the cost of a low-pressure machine;
- (ii) for foam machines nearing the end of their useful life, the incremental cost of conversion should be based on the cost, from the same supplier, of a new machine, from which has been deducted the cost of a replacement ODS-technology machine, or a proportion thereof calculated according to Decision 18/25;
- (iii) for foam machines in all other circumstances, the incremental cost of conversion should be based on the cost of retrofitting similar machines available through international bidding.

For the solvents sector:

the incremental cost of conversion of existing solvent cleaning machines to use non-CFC or non-TCA solvents should be based on the cost of retrofitting similar machines available through international bidding (excluding conversion to aqueous/semi-aqueous technology which requires different equipment).

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/48, para. 85(b)).

(Supporting document: UNEP/OzL.Pro/ExCom/25/55).

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) unavoidable technological upgrade was to be taken into account in determining eligible incremental costs;
- (b) as an example of the procedure to be followed, in the domestic and commercial refrigeration and rigid polyurethane foam subsectors, the incremental cost of providing new foam machines where they were essential for conversion and none existed in the baseline, should be based on either the difference between the cost of a low-pressure and a high-pressure foam machine, where a high-pressure machine was essential, or, alternatively, an agreed percentage of the cost of a low-pressure machine;
- (c) the guidelines in subparagraphs (a) and (b) above should be applied for a period of one year, after which the issue could be brought forward again to the Executive Committee for further guidance, as pertinent.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/37, para. 64).

Technology transfer

The Executive Committee requested Implementing Agencies to ensure that adequate guarantees were obtained from technology vendors when technology transfer was to be replicated within the country.

(UNEP/OzL.Pro/ExCom/15/45, para. 97).

The Executive Committee, noting that several of the project proposals submitted included requests for the cost of the same technology transfer fees, from the same supplier, for projects in the same country, decided to request Implementing Agencies and countries:

- (a) to ensure that technology transfer fees wherever possible were negotiated to cover groups of projects in which conversion was to take place;
- (b) to negotiate the best possible terms when the technology in question was to be used at multiple locations;
- (c) to append evidence of such negotiations to the project submissions.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/4 para. 12).

The Eighth Meeting of the Parties decided:

1. to note the status of preparation of the report on transfer of technology required by Action 21 of decision VII/22;
2. to set up an Informal Group consisting of four representatives of Parties not operating under Article 5 (1) (Australia, Italy, Netherlands, United States of America) and four representatives of Parties operating under Article 5 (1) (China, Colombia, Ghana, India) to assist the Executive Committee in identifying what steps can practically be taken to eliminate potential impediments to the transfer of ozone-friendly technologies to Parties operating under Article 5 under fair and most favorable conditions;
3. the Group may meet as necessary and shall submit its reports, if any, to the Executive Committee;
4. to review this matter at its Ninth Meeting.

(UNEP/OzL.Pro.8/12, Decision VIII/7, paras. 3-6).

The Ninth Meeting of the Parties decided to request the Executive Committee, with the assistance of the Informal Group, to expeditiously identify steps that can practically be taken to eliminate potential impediments to the transfer of ozone-friendly technologies to Parties operating under Article 5 under fair and most favorable conditions.

(UNEP/OzL.Pro.9/12, Decision IX/14, para. 4).

The Executive Committee at its Twenty-third Meeting noted the report of the Facilitator of the informal group established by the Meeting of the Parties to deal with the question of technology transfer that the group had met and discussed several issues and had examined information received from the Parties. It had agreed that the discussions should continue and that a further meeting of the group should be held on 22 March 1998, immediately preceding the Twenty-fourth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/23/68, para. 97).

Funding for technology transfer and trials

The Thirty-fourth Meeting of the Executive Committee decided to request the Secretariat and the Implementing Agencies to continue to review the funding level and/or implementation modality for technical assistance and trials in project proposals, in order to ensure full compliance with Decision 33/2 (j) and (k) and to report to the Executive Committee at its 35th Meeting.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/16, para. 35).

Funding of technology that is not in the public domain

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to take note of the study;
- (b) to request the Secretariat to invite members of the Executive Committee and relevant Implementing Agencies to provide additional comments on the study, and to incorporate those in a working paper for consideration by the Executive Committee at a future meeting;
- (c) also to request the Secretariat to pursue consultations with relevant international organizations dealing with intellectual property issues and to report thereon at a future meeting.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/52, para. 94).

(Supporting document: UNEP/OzL.Pro/ExCom/36/31).

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to take note with appreciation of the report of the consultants prepared for the Secretariat (UNEP/OzL.Pro/ExCom/37/59);
- (b) to request members of the Executive Committee to provide the Secretariat with their comments on the views expressed in the report and the comments received from the World Intellectual Property Organization (WIPO);
- (c) to request the Secretariat, in consultation with the Implementing Agencies, to draft guidelines for the financing of projects using such technology, including the protection as well as the use of the related confidential information for project review on a need-to-know basis, and submit them to the Committee for its approval;
- (d) in doing so, to seek the advice of the Technology and Economic Assessment Panel on their experience in dealing with commercially sensitive or confidential information, and other aspects of TRIPS;
- (e) to request the Secretariat to report on the matter at its 40th Meeting.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/62, para. 95).

(Supporting document: UNEP/OzL.Pro/ExCom/37/59).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the communication received from the World Intellectual Property Organization, pursuant to decision 37/62;
- (b) to approve the guidelines for the financing of projects using technology that is not in the public domain (Annex IX.4).

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/63, para. 100).

(Supporting document: UNEP/OzL.Pro/ExCom/38/54 and Add.1).

Technology upgrade

The Eighteenth Meeting of the Executive Committee decided:

- (a) that costs associated with avoidable technological upgrades should not be considered as eligible incremental costs and therefore should not be funded by the Multilateral Fund; and
- (b) that the following methodology for the quantification of technological upgrades will be used as guidance in the calculation of incremental costs:

In projects where add-on technological upgrading is established, but standard projects and production capacity/market expansion are not determined, the baseline scenarios should be constructed with respect to future investment and benefits streams. The projected investment and benefits profiles of the enterprise (with and without the conversion project) should be reviewed by the technical reviewer and the Implementing Agency to ensure broad consistency with the technological and commercial practices of the enterprise. The incremental costs would be calculated as:

$$IC = [CC - NPV(FI)] + NPV[FB_b - Fb_p], \text{ where,}$$

IC is the incremental cost,

CC is the capital cost of the conversion project,

FI is future baseline investments (that would have occurred absent the conversion),

FB_b is the future baseline benefits (that would have occurred absent the conversion),

Fb_p is the future benefits with the conversion project.

NPV refers the net present value of a stream of costs/benefits.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/25 para. 57).

(Supporting document: UNEP/OzL.Pro/ExCom/18/74).

The Seventh Meeting of the Parties requested the Executive Committee to re-examine its interim conclusions contained in paragraphs 11 and 13 of that report in the light of issues raised in paragraph 45 of the report of the Eighteenth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/18/75), the Report on the Review under Paragraph 8 of Article 5, and the Study on the Financial Mechanism of the Montreal Protocol, and other issues including equity, limited resources, conditions attached to project approvals and payment of technology transfer fees as negotiated by enterprises in Parties operating under Article 5.

The Parties also requested the Executive Committee to provide a final report on this issue to the Eighth Meeting of the Parties. In particular, in preparing this report, the Committee is requested to seek input from Article 5 Parties on their experience with impediments to technology transfer and to identify solutions to overcome such impediments. The Executive Committee is authorized to provide appropriate funding, if necessary, for this purpose.

(UNEP/OzL.Pro.7/12 Decision VII/26 (paras. 3, 4).

Change of technology after approval

The Thirteenth Meeting of the Executive Committee requested the Implementing Agencies to review the technology suggested for dormant projects to see if it was still the best available and to advise the countries accordingly, on the understanding that the final decision as to whether to proceed with the project with the original technology would be the prerogative of the country concerned.

(UNEP/OzL.Pro/ExCom/13/47, para. 33).

The Twentieth Meeting of the Executive Committee, having noted the statement that there was a presumption that projects would be implemented as approved, but that technology was evolving rapidly and some degree of flexibility might be required in exceptional cases, decided:

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

- (a) that the Implementing Agencies should exceptionally be allowed to propose changes in the technology approved by the Executive Committee for particular projects;
- (b) that adequate and detailed justification should be provided for any changes proposed.
(UNEP/OzL.Pro/ExCom/20/72, Decision 20/8, para. 19 (a, b)).

The Twenty-first Meeting of the Executive Committee decided:

- (b) to request the Fund Secretariat to prepare draft guidelines for proposals to change technology in approved projects, in collaboration with UNDP, UNIDO and the World Bank, for submission to the Twenty-second Meeting of the Executive Committee.
- (c) that no additional proposals regarding technology changes should be considered until the proposed guidelines had been developed and submitted to the Executive Committee.
(UNEP/OzL.Pro/ExCom/21/36, Decision 21/7, para. 15 (b, c)).

Guidelines for proposals to change technology in approved projects

The Twenty-second Meeting of the Executive Committee decided to adopt the following guidelines:

- (a) there is a presumption that the technology selected in all projects will be mature and that the projects will be implemented as approved;
- (b) for projects approved after the adoption of these guidelines:
 - (i) projects are to be implemented as approved;
 - (ii) exemptions will be considered in the following circumstances:
 - a. the only other option would be cancellation of the project; or
 - b. the project approved is for conversion to a transitional technology, and the revised proposal is for conversion in a single step to non-transitional technology;
 - (iii) such proposals will be submitted to the Executive Committee for individual consideration, together with the Secretariat's review and recommendations;
 - (iv) the revised proposals will be implemented within the level of funding already approved;
- (c) for projects first approved before the adoption of these guidelines:
 - (i) recognizing that there have been delays in project implementation, with possible implications for technology choice, proposals for change in technology of projects approved before adoption of these guidelines may be submitted; the revised project must be implemented within the level of funding already approved. The new proposal must demonstrate that the impediments to implementation of the project have been overcome and that implementation will commence immediately upon clearance of the proposal;
 - (ii) where the change in technology has no other significant policy implications, the proposal may proceed on the basis of agreement between the Secretariat and the Implementing Agency, including agreement on the extent of savings to be realized, if any. The Executive Committee is to be informed at its next meeting;
 - (iii) where the condition in guideline (c)(ii) above is not met, the project will be submitted to the Executive Committee for consideration of the relevant issues.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/69, para. 95).

The Twenty-second Meeting of the Executive Committee decided to consider at its Twenty-third Meeting the issue of additional funding for project preparation for change of technology in approved projects.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/70, para. 96).

The Thirty-second Meeting of the Executive Committee decided:

- (a) that, in future cases where the Secretariat and the Implementing Agencies were in agreement concerning project proposals for a change in technology after project approval, the proposal could proceed on the basis of such an agreement;
- (b) that the Executive Committee was to be informed of such an agreement, including any financial implications involved, at its next meeting.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/25, para. 37).

The Thirty-third Meeting of the Executive Committee decided to request that, in accordance with the relevant guidelines, the funding received be partly or fully returned to the Multilateral Fund in cases where technology was changed without informing the Secretariat and without approval by the Executive Committee.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(f)).

Research and development

The Eighth Meeting of the Executive Committee decided that proposals regarding research and development on substitutes, and equipment production facilities for recycling and destruction can be considered on a case-by-case basis provided that the costs incurred are of an incremental nature.

(UNEP/OzL.Pro/ExCom/8/29, para. 108).

(UNEP/OzL.Pro/4/15 Decision IV/18, Section I.6).

Training strategy and guidelines

The Nineteenth Meeting of the Executive Committee decided:

- (a) to take note of the report on training options contained in document UNEP/OzL.Pro/ExCom/19/62; and
- (b) that Option 3 was the preferred framework for considering training strategies; and
- (c) that it was not necessary to establish a training advisory committee.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/39, para. 71).

The Twenty-first Meeting of the Executive Committee decided:

- (a) to take note of the discussion paper for the establishment of training guidelines for identification of needs and coordination of activities (UNEP/OzL.Pro/ExCom/21/35), as introduced by the representative of UNEP;
- (b) to note that, at the Twenty-first Meeting of the Executive Committee, there was insufficient time to have a full discussion of the paper;
- (c) to invite members of the Committee who wished to do so to submit written comments on the paper to the Secretariat and UNEP;
- (d) to request UNEP, in consultation with the Secretariat and the other Implementing Agencies, to proceed with the development of the training guidelines in line with the framework proposed in the discussion paper, taking into account the comments received in writing from members of the Committee.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/40, para. 56).

Supporting document: UNEP/OzL.Pro/ExCom/21/36, Decision 21/35).

The Twenty-second Meeting of the Executive Committee decided:

- (a) to note with appreciation the work carried out by UNEP IE to prepare the proposed training guidelines for identification of needs and coordination of activities;
- (b) to defer consideration of, and decision on, the proposed guidelines until the Twenty-third Meeting of the Executive Committee, stressing that the issue would be given priority on the agenda of that meeting.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/71, para. 100).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to note the Training Guidelines for Identification of Needs and Coordination of Activities contained in UNEP/OzL.Pro/ExCom/23/Inf.4;
- (b) to authorize UNEP/IE to proceed with their implementation.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/48, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/23/Inf.4).

Report on the evaluation of training projects

The Thirty-first Meeting of the Executive Committee decided:

- (a) to take note of the findings and recommendations in the report on the evaluation of training projects prepared by the Senior Monitoring and Evaluation Officer (UNEP/OzL.Pro/ExCom/31/20);
- (b) to request the members of the Executive Committee to submit their comments on the report within 60 days of the adoption of its decision;
- (c) to request the Senior Monitoring and Evaluation Officer to circulate the reports on the countries evaluated for their comments;

- (d) to further request the Senior Monitoring and Evaluation Officer to prepare a recommendation on the matter for the 32nd meeting of the Executive Committee, taking into account the comments made by the members of the Executive Committee, the observations made during the 11th meeting of the Sub-Committee, and the views of the countries covered by the evaluations, as well as any further observations submitted by the Implementing Agencies.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/17, para. 36).

(Supporting document: UNEP/OzL.Pro/ExCom/31/20).

The Thirty-second Meeting of the Executive Committee, having considered the report on evaluation of training projects decided to adopt the recommendations contained in Annex IX.5.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/19, para. 30).

Small and medium-sized enterprises

The Nineteenth Meeting of the Executive Committee considered the joint report of UNDP and UNEP on approaches to ODS phase-out in small and medium-sized enterprises and decided:

- (a) to take note with appreciation of the joint report of UNDP and UNEP;
- (b) to pursue consideration of approaches to phase-out of ODS in small and medium-sized enterprises;
- (c) to request comments in writing from members of the Executive Committee on the approaches outlined in the document with a view to the Secretariat preparing a new document in consultation with the Implementing Agencies for consideration by the Twentieth Meeting; and
- (d) to consider requests in projects related to small and medium-sized enterprises for unavoidable and unintentional technology upgrades on a case-by-case basis.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/31, para. 56).

The Twentieth Meeting of the Executive Committee decided:

- (a) to note the decisions already taken by the Executive Committee, which could assist small and medium-sized enterprises (SMEs) in low-volume ODS-consuming countries and as part of terminal umbrella projects;
- (b) to request the Secretariat, in co-operation with the Implementing Agencies and the countries concerned, to provide the Executive Committee with relevant information about SMEs, including the best available information on the SME sector and any available information that could be helpful in assessing the impact on the overall phase-out schedule;
- (c) to request the Secretariat, on the basis of this information, and *inter alia* taking into account the UNDP/UNEP paper (UNEP/OzL.Pro/ExCom/19/54) and comments thereon:
 - (i) to refine the definition of small and medium-sized enterprises;
 - (ii) to make recommendations to the Twenty-second meeting of the Executive Committee for options to advance phase-out in the SME sector, including the possibility of a funding window with appropriate cost-effectiveness thresholds;
- (d) to invite Executive Committee members to provide additional comments in writing to the Secretariat;
- (f) to reaffirm existing Executive Committee guidance on the choice of HCFCs as a substitute technology and that this applied to all Multilateral Fund projects.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/41, para. 62).

(Supporting document: UNEP/OzL.Pro/ExCom/20/61).

The Twenty-second Meeting of the Executive Committee decided:

- (a) to note the report on options to advance phase-out in the SME sector;
- (b) to note that several representatives expressed concern about problems associated with accessing the relevant data and with its reliability;
- (c) to invite countries to provide the Secretariat and the Executive Committee with explanations of the factors responsible for these problems;
- (d) to note also that several representatives expressed concerns that advancing phase-out in the SME sector required moving beyond relying on "a project approach" and focusing, instead, on other types of support measures to assist individual Article 5 Parties to meet the ODS control schedules in the Montreal Protocol.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/66, para. 88).

The Twenty-fifth Meeting of the Executive Committee decided to include an allocation of US \$10 million from the resource allocation for 1999 for a funding window designed to facilitate pilot conversions of significant groups of small firms that met the following criteria:

- (a) given the fact that SME projects for low-volume consuming countries are currently fully eligible, this window should apply only to group projects from countries with annual ODS consumption of 360 ODP tonnes or more;
- (b) eligible group projects for this initial pilot programme should be in the aerosol or foam sectors only, and should include firms with annual ODS consumption not exceeding the following:

Aerosols:	20 ODP tonnes/year
Foams: Flexible	25 ODP tonnes/year
Extruded polyethylene/polystyrene	25 ODP tonnes/year
Flexible integral skin	10 ODP tonnes/year
Rigid polyurethane foams	10 ODP tonnes/year
- (c) group projects should be at a level of US \$1 million or less, and should have an overall cost-effectiveness of no more than 150 per cent of the level of the current cost-effectiveness thresholds for the relevant eligible subsectors in (b) above. Such group projects should use the most cost-effective technologies reasonably available, and should consider the possible use of centralized/group use of equipment and industrial rationalization;
- (d) the group project should be put forward with a government plan, including policies and regulations designed to ensure that the specific level of agreed reduction to be achieved was sustained;
- (e) no single country may apply for more than US \$1 million from this pilot funding window although projects from one country may cover more than one sector.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/56, para. 105).

The Twenty-fifth Meeting of the Executive Committee also noted that the question of SMEs would, for the time being, be transferred to the Sub-Committee on Project Review for consideration from a wider perspective.

Transnational corporations

The Fund should not finance phase-out activities relating to enterprises that were wholly owned subsidiaries of transnational corporations or enterprises permitted to operate in "free zones" and whose output was for export only. Partial funding should be considered on a case-by-case basis to finance the local share ownership of any given enterprise partly owned by a transnational corporation. In such a case, funding could be provided as a percentage of project incremental costs proportionate to the local share ownership of the enterprise with the transnational corporation responsible for the rest. Subject to the approval of the Executive Committee, the same criteria should apply to bilateral assistance for activities involving subsidiaries of transnational corporations.

(UNEP/OzL.Pro/ExCom/7/30, para. 88).

(Supporting document: UNEP/OzL.Pro/ExCom/7/30 Annex VI).

The Twentieth Meeting of the Executive Committee decided that:

- (a) the decision taken by the Executive Committee at its Seventh Meeting (UNEP/OzL.Pro/ExCom/7/30, paragraph 88) should not apply to corporations owned by enterprises in countries that had always operated under Article 5;
- (b) projects involving transnationals owned by enterprises in countries that had been reclassified as Article 5 countries should be considered on a case-by-case basis, taking into account paragraph (e) of decision VI/5 adopted by the Sixth Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/5, para. 16).

Enterprises owned by a non-Article 5 Party

Funding should not be made available to finance activities related to enterprises that were wholly owned by countries that were not Parties to the Montreal Protocol. With regard to enterprises that were partly owned by non-Parties, partial funding could be considered on a case-by-case basis to finance the local share ownership of any given enterprise owned by a non-Party. In such a case, funding could be provided as a percentage of project incremental costs proportionate to the local share ownership of the enterprise with the non-Party responsible for the rest. Subject to the approval of the Executive Committee, the same criteria should apply to bilateral assistance for activities involving non-Parties.

(UNEP/OzL.Pro/ExCom/7/30, para. 91).

(Supporting document: UNEP/OzL.Pro/ExCom/7/30 Annex VII).

Ownership by enterprises in countries reclassified as Article 5

The Twenty-third Meeting of the Executive Committee decided that two projects submitted for funding which involved companies in an Article 5 country partially owned by enterprises in Singapore should be approved for funding on the basis of the proportion of local ownership.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/14, para. 32).

Change of ownership

The Nineteenth Meeting of the Executive Committee decided:

- (a) where, following project approval by the Executive Committee, an Implementing Agency is notified ex post facto that an ownership shift occurred in the period after project submission to the Fund Secretariat but before formal approval by the Executive Committee, the Implementing Agency shall, where such company is fully sold to a non-eligible entity, cancel the project and return the grant funds to the Multilateral Fund, or, shall reduce the grant component to correspond to the share of national ownership, in which case the Implementing Agency will need to obtain from the enterprise concerned an official commitment/guarantee to full project implementation and provision of counterpart funds, since only partial funding will be provided through the Multilateral Fund;
- (b) where an ownership shift occurs after Executive Committee approval but before signature of the project document or grant/sub-grant agreement, the Implementing Agency shall, where such company is fully sold to a non-eligible entity, cancel the project and return the grant funds to the Multilateral Fund, or, shall reduce the grant component to correspond to the share of national ownership, in which case the Implementing Agency will need to obtain from the enterprise concerned an official commitment/guarantee to full project implementation and provision of counterpart funds, since only partial funding will be provided through the Multilateral Fund;
- (c) where an ownership shift occurs after the Implementing Agency and the government/company have already signed the project document or grant/sub-grant agreement but before the equipment procurement process has started, Implementing Agencies shall, where such company is fully sold to a non-eligible entity, cancel the project and return the grant funds to the Multilateral Fund, or, shall reduce the grant component to correspond to the share of national ownership, in which case the Implementing Agency will need to obtain from the enterprise concerned an official commitment/guarantee to full project implementation and provision of counterpart funds, since only partial funding will be provided through the Multilateral Fund;
- (d) where an ownership shift occurs after the Implementing Agency and the government/company have signed the project document or grant/sub-grant agreement and the equipment procurement process is under way and financial obligations raised and/or servicing contracts have been entered into, Implementing Agencies shall continue project implementation as usual, consistent with their legal obligations;
- (e) Implementing Agencies should ensure that all project documents and grant/sub-grant agreements include a condition that, should a partial or complete shift in ownership of an Article 5 enterprise to a non-Article 5 entity occur following project approval by the Executive Committee, the grant component shall be reduced or cancelled in accordance with the above-specified circumstances, and unutilized funds returned by the Implementing Agency to the Multilateral Fund.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/38, para. 69).

Taxes, duties or transfer of payments

The Multilateral Fund would not finance such costs as taxes, duties or other such transfer payments, nor the loss of economic subsidies or rates of return in excess of cost of capital which might incorporate non-economic financial effects such as administered prices or interest rates. Funding of the enterprises' financial costs by the Multilateral Fund would effectively be making the country a grant that exceeded the country's actual additional costs, which was not the intention of the Parties.

(UNEP/OzL.Pro/ExCom/10/40, para. 171A).

(Supporting document: UNEP/OzL.Pro/ExCom/10/39).

As there had been instances where Article 5 Governments had levied taxes or duties on equipment funded by the Multilateral Fund, the Twenty-second Meeting of the Executive Committee, reiterating the decision of its Tenth Meeting that no such taxes or duties would be financed by the Multilateral Fund, decided:

- (a) to urge Article 5 Parties to exempt from taxes or duties any equipment bought under the Multilateral Fund;
- (b) to urge the Implementing Agencies and the Secretariat to pursue their efforts to resolve the problem of levies, taxes and duties on equipment funded by the Multilateral Fund and to work with relevant countries to resolve any outstanding problems, including, if appropriate, an exchange of letters.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/5, para. 20).

Contingency costs

The Executive Committee decided to adopt the following recommendations related to the use of contingency costs in project proposals:

- (a) Implementing Agencies should not apply physical contingency charges against known costs for project components (e.g., licenses, certain pieces of equipment, training costs, equipment and services already purchased, etc.); and,
- (b) Implementing Agencies should minimize contingency costs as experience was gained with standard equipment, technology and other project costs and in-field implementation and procurement.

(UNEP/OzL.Pro/ExCom/12/37, para. 156).

(Supporting document: UNEP/OzL.Pro/ExCom/12/32).

The Twenty-third Meeting of the Executive Committee decided to request the Implementing Agencies to provide more detail on contingency proposals.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/40, para. 68).

The Thirty-third Meeting of the Executive Committee decided to urge all Implementing Agencies to ensure the appropriate use, or refund, of unused contingency funds, and to keep funding requests for equipment and trials to levels essential to ensuring the conversion. In cases of serious funding irregularities, such as when project funds were used to purchase non-eligible items, the Implementing Agency concerned might be requested by the Executive Committee to return funding to the Multilateral Fund.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(f)).

Export to non-Article 5 countries

The Executive Committee endorsed the following guidelines to apply them in projects which benefit enterprises that export part of their production to non-Article 5 countries:

1. where exports to non-Article 5 countries correspond to or are less than 10 per cent of total production, the total incremental costs shall be covered;
2. where exports to non-Article 5 countries exceed 10 per cent of production but do not exceed 70 per cent, there shall be a reduction equivalent to the percentage of total production represented by such exports less 10 per cent;
3. where exports to non-Article 5 countries exceed 70 per cent of production, the project shall not be eligible;
4. the average over the three years prior to submission of the project shall be used to determine production and exports to non-Article 5 countries; and
5. projects where the exports to non-Article 5 countries are in the form of agricultural or fisheries products shall be eligible for total incremental costs.

(UNEP/OzL.Pro/ExCom/15/45 (paras. 146, 147)).

The Twenty-seventh Meeting of the Executive Committee decided to request the Secretariat to study this question further, consulting countries as appropriate, and distribute a paper on the subject to members before the Twenty-eighth Meeting, at which it would be considered.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/83, para. 122).

The Twenty-eighth Meeting of the Executive Committee decided to request the Secretariat to invite the members of the Executive Committee and the Implementing Agencies to submit comments on document UNEP/OzL.Pro/ExCom/28/55 to the Secretariat, to collate and analyze them and to present them to the Twenty-ninth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/50, para. 94).

Savings and benefits

Savings and benefits of a project would be taken into account as outlined in document on Incremental Cost Policies and Operational Interpretation (UNEP/OzL.Pro/ExCom/10/39 and its Annexes). Where the savings and benefits of

the project were uncertain, the estimate of the present value should, while remaining realistic, be made conservatively. The savings and benefits must be discounted to the net present value. In cases where savings and benefits were not considered as defined in the document and its Annexes, a justification for that approach must be given to the Executive Committee by the Implementing Agency. Incremental costs would not be financed by the Fund where there was evidence of double-counting.

(UNEP/OzL.Pro/ExCom/10/40, para. 171C, 171D).

(UNEP/OzL.Pro/4/15 Decision IV/18 (section I.6).

(Supporting document: UNEP/OzL.Pro/ExCom/10/39).

The Thirteenth Meeting of the Executive Committee approved the following recommendations with regard to the issue of projects that might realize net incremental savings:

- (a) the Parties and the Executive Committee have addressed the issue of savings and determined that only incremental costs should be financed with grants and projects with net savings may be funded through concessional loans. Although Fund activities currently demonstrate that projects with incremental savings are feasible (through the financing of project preparation), such projects may be good candidates for concessional loans from resources provided by the Fund or from other funding sources;
- (b) it is, therefore, recommended that consideration of projects with net incremental savings might be provided through the consideration of sector strategies for each country. In such strategies, the impact of funding one company's project over another could be assessed and remedial action recommended as part of an overall sector plan that might include both grant and loan components;
- (c) Implementing Agencies, regional development banks and other lending institutions should be encouraged to provide loans for those projects in Article 5 countries that lead to the phase-out of ozone-depleting substances but may not be eligible for grants from the Multilateral Fund. In this regard, feasibility studies and project proposals prepared by Implementing Agencies or bilateral donors should be made available to regional development banks and other lending institutions.

(UNEP/OzL.Pro/ExCom/13/47, para. 176).

(Supporting document: UNEP/OzL.Pro/ExCom/13/42).

Transition period for calculating incremental operating costs

The Eighteenth Meeting of the Executive Committee requested the Secretariat and the Implementing Agencies, to prepare a guidance paper for consideration by the Committee at its Nineteenth Meeting on the transition periods for calculating incremental operating costs for all sectors and sub-sectors.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/8, para. 20(b)).

The Nineteenth Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies to provide information relating to incremental operating costs and their duration in project completion reports; and
- (b) to further request the Implementing Agencies to consult with the Secretariat on a consistent format for project completion reports.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/34, para. 59).

Growth projections in determining operational costs and benefits

The Twelfth Meeting of the Executive Committee decided for future projects for all recipient countries to disallow the use of growth projections in determining operational costs and benefits either positive or negative. It further recommended that national pricing be used, except where it was higher than 20 per cent from the regional border price.

(UNEP/OzL.Pro/ExCom/12/37, para. 62)).

Prices of chemicals

The Twenty-second Meeting of the Executive Committee decided to request the Secretariat and the Implementing Agencies to hold discussions on and review the process of setting the prices of ODS and other chemicals for the purpose of calculating incremental operating costs, taking fully into account the earlier decision of the Executive Committee on limiting the variation in prices to 20 per cent of the regional border price, and to prepare, by the Twenty-third Meeting of the Executive Committee, a paper outlining the process proposed to be followed.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/25, para. 43).

The Twenty-third Meeting of the Executive Committee decided to approve the methodology shown in Annex

IX.6, and to consider at a subsequent meeting a simplified methodology to be prepared by the representative of India. Article 2 and Article 5 country members of the Executive Committee where ODSs and their substitutes are produced in their countries are kindly requested to assist the Secretariat and the Implementing Agencies in collecting the price data for the future annual exercise of determining and adjusting the prices of chemicals.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/52, para. 92).

(Supporting document: UNEP/OzL.Pro/ExCom/23/64).

Multi-phase projects

The Twenty-first Meeting of the Executive Committee, having considered the recommendations of the Sub-Committee on Project Review on the basis to be used to calculate production and consumption of an enterprise when conversion was presented and funded in two phases, and for the determination of the level of grant when an enterprise opted to collect incremental operating costs after the project had been implemented, decided:

- (a) for projects in the domestic refrigeration sector for which incremental operating costs were to be sought after the project had been implemented, the production level to be used for the calculation of incremental operating costs is the level prior to preparation of the project as specified in the approved project proposal;
- (b) for multi-phase projects that involve a development phase and a separate phase to convert production facilities, the production level to be used for the calculation of incremental operating costs is that of the second phase, in which the production facilities are converted. ODS consumption should be calculated in accordance with the decision taken by the Executive Committee at its Sixteenth Meeting (UNEP/OzL.Pro/ExCom/16/20, para. 32 (b)) to use consumption in the year, or the average of the three years, immediately preceding preparation of the second-phase conversion project;
- (c) for any other multi-phase project, the production levels, ODS consumption and operating costs should be calculated separately for each phase, in accordance with the requirements of the decision of the Sixteenth Meeting referred to in subparagraph (b) above, provided that the overall level of funding for the enterprise does not exceed the maximum level available under the threshold funding cap calculated using the ODS consumption presented in the first phase of the project;
- (d) noting the presumption in decision 19/9 adopted by the Executive Committee at its Nineteenth Meeting against the submission of multi-phase projects, proposals for any future multi-phase projects should include full justification for use of this modality;
- (e) production capacity should be considered in a manner consistent with decision 17/7 adopted by the Executive Committee at its Seventeenth Meeting. Thus, production capacity installed after 25 July 1995 should not be taken into consideration when determining the production level, the ODS phase-out, or the operating cost in any multi-phase project.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/6, para. 14).

Umbrella projects

The Nineteenth Meeting of the Executive Committee decided:

- (a) for a trial period of 18 months, to consider an umbrella project as eligible for funding if it met all the following conditions:
 - (i) the umbrella project included all the remaining enterprises in a sector or subsector for which cost-effectiveness thresholds had been established by the Executive Committee;
 - (ii) the country concerned would submit no further requests for funding from the Multilateral Fund for any enterprise in that sector or subsector;
 - (iii) the overall cost-effectiveness of the umbrella project fell within the sectoral threshold established by the Executive Committee;
 - (iv) no individual enterprise proposal had a cost-effectiveness threshold more than 100 per cent above the established threshold;
- (b) to request the Secretariat and the Implementing Agencies to discuss further the question of the percentage of a country's original level of consumption for the sector or subsector accounted for by the enterprises included in the umbrella project and, in the light of the comments made and the experience gained, to report to the Executive Committee at its Twentieth Meeting.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/32, para. 57).

The Twentieth Meeting of the Executive Committee decided that:

- (a) for the purposes of decision 19/32, a maximum limit of US \$4 million would apply to terminal umbrella projects;
- (b) the issue should remain open for further discussion and should be reconsidered prior to the end of the 18-month period;
- (c) Decision 19/32 would not prejudice such reconsideration.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/42, para. 63).

The Twenty-third Meeting of the Executive Committee decided to review, at a later meeting, action to be taken with respect to Decision 19/32, which had been adopted for a trial period of 18 months, that period having now expired.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/22, para. 46(b)).

The Twenty-fourth Meeting of the Executive Committee decided to request the Secretariat and the Implementing Agencies to meet, as a matter of priority, in the period prior to the next meeting of the Committee in order to examine the issues raised by terminal umbrella projects in light of the deliberations at the current Meeting. In particular, that meeting would need to examine a possible new methodology to be applied to such projects in order to obtain a satisfactory level of information about enterprises on which to base funding decisions and the necessary safeguards that should be put in place to ensure phase-out. It should submit, to the next meeting of the Committee, a paper on the problems faced and possible solutions to expedite the approval of such projects.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/22, para. 45).

Terminal umbrella projects

The Twenty-fifth Meeting of the Executive Committee decided that the following modalities should be adopted on a trial basis:

- (a) where the number of enterprises is large (over 50) and the quality of information is not high, umbrella projects are not an appropriate methodology.
- (b) if a country wishes to approach the sectoral phase-out in a single step, a sectoral strategy could be implemented based on a performance agreement with the government concerned.
- (c) where a country does not wish to implement a sectoral strategy, enterprises could be grouped in a series of separate umbrella projects. The final project could then be submitted as a terminal umbrella project.
- (d) where there are significant numbers of small or informal enterprises remaining, the final project should be developed using the following new approach designed to address the remaining small enterprises:
 - (i) proposals should include: (a) institutional support through government policy directives or legislation; a timed action plan and expected results in terms of ODS phase-out; coordination and management by ozone offices and/or financial intermediaries; technology transfer, monitoring and supervision from industry associations and/or component suppliers and systems houses; and (b) the appropriate choice of technology, innovative methodologies for achieving technology transfer; achievement of economies of scale through geographical groupings or industrial rationalization; financial arrangements which could provide flexibility in the allocation of approved resources.
 - (ii) the requirements for capital equipment should be determined by establishing the typical equipment needed for an enterprise representative of those remaining in the sector (equipment requirements will be modest and will generally be similar), and the estimated number of enterprises involved, taking into account the possibility of industrial rationalization.
 - (iii) the technology transfer, trials and support activities will be costed on the basis of the activities being provided by local technical resources at local rates (where established as essential, with provision of international support on start-up to train the trainers, and on completion to verify phase-out).
 - (iv) incremental operating costs or savings will not be included in project costs.
 - (v) funding could include agreed support for some of the government activities outlined in (i) above.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/50, para. 87).

(Supporting document: UNEP/OzL.Pro/ExCom/25/57).

Customs clearance and storage costs

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) to urge all recipient Governments operating under Article 5 to expedite customs clearance and to refrain from levying any taxes or duties, in accordance with the terms of their agreement with the Implementing Agencies relating to the levying of taxes and duties on equipment and incremental costs during project implementation;
- (b) to require the Implementing Agencies to explain what steps had been taken to prevent the occurrence of any customs clearance-problems in future project proposals;
- (c) to consider payment of storage costs in excess of the project budget for the projects in Brazil, Kenya and Nigeria to be implemented by UNIDO, but not to approve any further project funding for those countries if any other customs-clearance issues were raised until assurances had been provided by the Government that the problems had been resolved and that any associated cost had been covered by the beneficiary or the Government;
- (d) to urge Implementing Agencies to take appropriate measures to avoid other cases of excessive storage charges that caused implementation delays and to report back on any such cases to the Sub-Committee at its first meeting in 1999;
- (e) also to urge UNDP to work with the Government of Egypt to resolve the taxation and customs clearance issue and not to approve any further funding for Egypt until the problem was resolved;
- (f) to highlight the issue of taxation and customs clearance in its report with a view to drawing the attention of the Meeting of the Parties to the problem.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/3, para. 17).

Partial funding

The Seventeenth Meeting of the Executive Committee noted that a number of projects with cost-effectiveness values above the cost-effectiveness threshold had been submitted for partial funding of total project costs (e.g. the enterprise only sought funding for that proportion of the incremental costs that met or approached the cost-effectiveness threshold) and decided that partial funding should be allowed and encouraged since it was fully consistent with previous decisions by the Executive Committee to maximize the effectiveness of the Fund's resources in phasing out ODS.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/10 para. 10(a)).

Counterpart funding

The Twenty-second Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies to seek a commitment from the relevant enterprise(s) to provide the required counterpart funding;
- (b) for projects approved at the level of funds requested, to request Implementing Agencies to provide the Executive Committee with a clear indication that the enterprise(s) concerned had given this commitment on counterpart funding;
- (c) for projects for which no commitment on counterpart funding had been obtained and projects for which a significant reduction in the funding requested was being recommended by the Secretariat, to give the project provisional approval, subject to the commitment being obtained and to request the Implementing Agencies to approach the enterprise(s) concerned to obtain this commitment;
- (d) when the Secretariat received an assurance of the relevant commitment, the provisionally approved projects could proceed.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/6, para. 83).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the Secretariat to explore modalities for co-financing with the Implementing Agencies;
- (b) to discuss the issue further at a subsequent meeting.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/41, para. 69).

Using operating costs to fund non-incremental capital costs

The Twentieth Meeting of the Executive Committee decided:

- (a) that where the Secretariat, in reviewing a project that did not claim all the eligible operating costs in order to keep its cost-effectiveness within the established threshold, determined that part of the capital costs were ineligible, the value of those ineligible costs could be compensated by an increase in the eligible operating costs provided that:
- (i) the original eligible operating costs were claimed for less than the allowable period;
 - (ii) the compensation did not result in the allowable period being exceeded; and
 - (iii) the overall cost of the project remained within the threshold established for the sector or subsector;
- (b) transfers from operating costs to capital costs during implementation of such a project could only occur to fund cost overruns for eligible capital equipment items that had been included in the project approval, in which case, a report would have to be submitted to the Executive Committee providing an explanation and justification for the transfer.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/6, para. 17).

Loss of profit

The Thirteenth Meeting of the Executive Committee agreed that lost profit is not considered an eligible operating incremental cost.

(UNEP/OzL.Pro/ExCom/13/47, para. 75).

Recurrent costs

Recurrent costs of a project should continue to be considered on a case-by-case basis depending on the merits of the project.

(UNEP/OzL.Pro/ExCom/11/36, para. 116).

Given the uncertainty associated with projecting future cash flows, recurrent costs would be considered for a transitional period as defined in document on Incremental Cost Policies and Operational Interpretation (UNEP/OzL.Pro/ExCom/10/39 and its Annexes). In cases where recurrent costs were not considered as defined in the document and its Annexes, a justification for that approach must be given to the Executive Committee by the Implementing Agency.

(UNEP/OzL.Pro/ExCom/10/40, para. 171B).

(Supporting document: UNEP/OzL.Pro/ExCom/10/39).

Cost overruns

For projects that have already been approved, decisions on project cost overruns are necessary if additional financing would cause the total expenditures for the project to exceed US \$500,000. Overruns which do not cause total expenditures to exceed \$500,000 can be approved within the context of a work programme or work programme amendment. The Executive Committee can approve modifications of approved project budgets with a total incremental cost exceeding US \$500,000.

(UNEP/OzL.Pro/ExCom/8/29 Annex III, para. 3.11).

Completed projects with balances

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) that project balances should be returned to the Multilateral Fund at the latest 12 months after project completion;
- (b) to request Implementing Agencies to report to the Executive Committee if they could not close the accounts on a project within 12 months after project completion;
- (c) also to request Implementing Agencies to report to the Executive Committee cases where they could not liquidate their remaining obligations within 12 months after project completion.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/7, para. 21).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to take note with appreciation of the report of UNDP;
- (b) to request a report from each agency, to be submitted to the Thirtieth Meeting of the Executive Committee, on the extent to which the Implementing Agencies' share of the project balances from projects completed through 1998 has been obligated;
- (c) that where there were still balances that had not been committed or obligated for projects completed by

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

December 1997, those amounts should be made available for utilization by the Executive Committee at its Thirtieth Meeting.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/9, para.).

The Thirtieth Meeting of the Executive Committee decided to request the Secretariat to liaise with the Implementing Agencies to refine further the un-obligated balances and un-liquidated obligations included in the following table and to indicate a time for return of the balances to the Fund in time for the Thirty-first Meeting.

Agency	Balances from completed projects through 1998 (US\$)	Obligations (US\$)	Funds to be returned (US\$)	Un-obligated balances (US\$)
UNEP	2,404,858	1,931,979	481,365	0
UNIDO	7,287,129	4,652,911	336,091	2,134,079
World Bank	11,319,764	3,296,410	5,350,629	5,969,134
Total	21,011,751	9,881,300	6,168,085	8,103,213

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/19, para. 40).

(Supporting document: UNEP/OzL.Pro/ExCom/30/17).

The Thirty-second Meeting of the Executive Committee decided that balances from completed recurring projects should be returned to the Fund for reprogramming.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/3, para. 14 (c)).

The Thirty-third Meeting of the Executive Committee decided:

- (b) to urge Implementing Agencies to specify a date on which funds would be returned for all projects;
- (c) to note that UNIDO had indicated that it would return US \$700,000 of its US \$2.2 million in unobligated balances within one month, and that it would report on the schedule for returning funds on 16 projects by the Thirty-fourth Meeting;
- (d) to request the Multilateral Fund Secretariat to ensure that UNIDO reported unobligated balances in the same way as the other Implementing Agencies;
- (e) to note with appreciation the reports on completed projects with balances from the Governments of Australia, Canada, Denmark, France, and the United States of America and the four Implementing Agencies contained in UNEP/OzL.Pro/ExCom/33/15 and Add.1.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/11, para. 28 (b, c, d, e)).

(Supporting documents: UNEP/OzL.Pro/ExCom/33/15 and 33/15/Add.1).

The Thirty-fourth Meeting of the Executive Committee decided to request UNIDO and the World Bank, at the 35th Meeting, to specify a date on which funds would be returned for those projects where no date was specified, pursuant to Decision 33/11(b).

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/2, para. 20(b)).

The Thirty-fifth Meeting of the Executive Committee decided to note with concern that it appeared that projects had been prematurely classified as completed although they had not been completed, and requested the agencies to adhere strictly to Decision 28/2 when classifying all projects as completed.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/12, para. 40 (c)).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to note:
 - (i) the report on project balances contained in UNEP/OzL.Pro/ExCom/38/10;
 - (ii) the levels of funds being returned to the 38th Meeting totaling US \$3,751,490 including support costs as follows by agency: US \$283,783 from UNDP and agency support costs of US \$30,468; US \$174,000 from UNEP and agency support costs of US \$22,620; US \$1,770,088 from UNIDO and agency support costs of US \$232,629, and US \$1,147,692 from the World Bank and agency support costs of US \$90,210;
 - (iii) that Implementing Agencies had balances totaling US \$2,422,895 excluding support costs from projects completed over two years previously: UNDP (US \$664,430 plus support costs); UNIDO (US \$1,547,147 plus support costs); and the World Bank (US \$211,318 plus support costs);
- (b) to urge Implementing Agencies to re-assess the status of their completed projects with balances and re-classify projects as ongoing in their reports to the 39th Meeting if Decision 28/2 had not been fully complied

with and reconsider the matter if balances from projects completed two years previously did not continue to be reduced;

- (c) to withhold US \$1,159,980 from fund transfers to the World Bank at the 38th Meeting as the World Bank had not provided sufficient explanations for not returning those support costs and any further consideration of the matter should be made contingent on the World Bank providing information required by the Secretariat for its assessments of the Bank's compliance with Decision 35/13(k);
- (d) to note that the only circumstances under which it would be possible for a portion of the support costs from cancelled projects and completed projects with savings not to be returned according to United Nations practice was when a fee was paid by the Implementing Agency to a financial intermediary to undertake a financial evaluation of the enterprise before project implementation, and the project was subsequently cancelled.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/7, para. 38).

The Forty-first Meeting of the Executive Committee decided to note:

- (i) the report on project balances contained in document UNEP/OzL.Pro/ExCom/41/11;
- (ii) the levels of funds being returned to the Forty-first Meeting, totaling US \$3,442,269 plus support costs of US \$446,975 as follows by agency: US \$1,337,614 from UNDP and agency support costs of US \$173,252, including reimbursement of funds previously returned in error for two projects by UNDP; US \$364,882 from UNEP and agency support costs of US \$47,435; US \$601,841 from UNIDO and agency support costs of US \$78,237, including reimbursement of funds for 17 projects due to necessary adjustments to reconcile the accounts; and US \$1,137,932 from the World Bank and agency support costs of US \$148,051;
- (iii) that Implementing Agencies had balances totaling US \$408,477, excluding support costs from projects completed over two years previously: UNDP (US \$255,399 plus support costs); UNEP (US \$62,610 plus support costs); and the World Bank (US \$90,468 plus support costs); and
- (iv) that the Government of Israel had returned US \$64,177 plus support costs of US \$5,847 by making a cash contribution to the Treasurer for the international methyl bromide compliance assistance workshop (GLO/FUM/37/TRA/240).

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/9, para.40(a)).

(Supporting documents:UNEP/OzL.Pro/ExCom/41/11).

The Forty-second Meeting of the Executive Committee decided:

- (a) to note both the level of funds being returned to the 42nd Meeting against project balances totaling US \$2,574,926: UNDP - US \$526,643 including reimbursement of funds previously returned in error for two projects; UNIDO - US \$1,048,283; and the World Bank - US \$1,000,000; and additionally the return of support costs totaling US \$280,891: UNDP - US \$68,463 including reimbursement of support costs previously returned in error for two projects; UNIDO - US \$117,428; and the World Bank - US \$95,000; and
- (b) also to note that Implementing Agencies had balances totaling US \$513,207 excluding support costs from projects completed over two years previously: UNDP - US \$388,882 plus support costs; UNEP - US \$33,857 plus support costs; and the World Bank - US \$90,468 plus support costs.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/16, para. 72)

(Supporting documents:UNEP/OzL.Pro/ExCom/42/2 Annex I).

The Forty-third Meeting of the Executive Committee decided:

- (a) to note:
 - (i) the report on project balances contained in document UNEP/OzL.Pro/ExCom/43/4;
 - (ii) the levels of funds being returned to the 43rd Meeting against project balances totalling US \$960,388 (UNDP US \$617,556 net of reimbursement of funds previously returned in error for six projects by UNDP; UNEP US \$214,930; UNIDO US \$27,470; and the World Bank US \$100,432 net of the funds returned by UNDP for the Thai institutional strengthening project to be transferred to the World Bank), and additionally the return of support costs totalling US \$107,885 (UNDP US \$80,078 net of reimbursement of support costs previously returned in error for six projects by UNDP; UNEP US \$19,289; UNIDO US \$3,484; and the World Bank US \$5,034 net of reimbursement of support costs associated with the

transfer of the Thai institutional strengthening project);

(iii) that Implementing Agencies had balances totalling US \$1,093,535 excluding support costs from projects completed over two years previously as follows: UNDP (US \$808,118 plus support costs); and the World Bank (US \$285,417 plus support costs);

(iv) that US \$41,950,720 was available to the Executive Committee for approvals at the 43rd Meeting; and

(b) to present future reports on balances and on the availability of resources, noting the balances of unliquidated obligations emanating from multi-year agreements which could not be returned.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/2, para. 35).

(Supporting documents: UNEP/OzL.Pro/ExCom/43/4 1).

The Forty-fifth Meeting of the Executive Committee decided:

(a) to note:

(i) the report on project balances contained in document UNEP/OzL.Pro/ExCom/45/4;

(ii) the net level of funds being returned from the multilateral Implementing Agencies to the 45th Meeting against project balances totalling US \$4,222,859, including the return of US \$263,533 from UNDP; US \$40,000 from UNEP; US \$485,945 from UNIDO; and US \$3,433,381 from the World Bank;

(iii) the net level of support costs being returned from the multilateral Implementing Agencies to the 45th Meeting against project support cost balances totalling US \$519,343, including the return of US \$33,923 from UNDP; US \$5,200 from UNEP; US \$59,063 from UNIDO; and US \$421,157 from the World Bank;

(iv) that multilateral Implementing Agencies had balances totalling US \$47,929, excluding support costs, from projects completed over two years previously: UNDP US \$42,611 plus support costs; and UNEP US \$5,318 plus support costs; and that the amount of balances from such projects was the lowest achieved since such balances began to be monitored by the Executive Committee at its 28th Meeting;

(v) the return of US \$110,352 from UNDP on behalf of Australia, including earnings on interest amounting to US \$68,190, for the completed recovery and recycling project in Viet Nam (VIE/REF/20/DEM/14), and the treasurer's adjustments to Australia's bilateral contributions and cash contributions, and that the interest was credited as interest collected on Fund balances instead of additional contributions from Australia;

(b) to request the treasurer to offset the return of US \$75,353 to Germany from the Azckon refrigeration project in the Philippines (PHI/REF/23/INV/53);

(c) to note that Germany would transfer the interest amounting to US \$36,710 to the treasurer, which should be credited as interest collected on Fund balances instead of additional contributions from Germany; and

(d) to note that US \$88,629,484 was available to the Executive Committee for approvals at the 45th Meeting.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/3, para. 32).

(Supporting documents: UNEP/OzL.Pro/ExCom/45/4).

The Forty-sixth Meeting of the Executive Committee decided to note:

(a) the report on project balances contained in UNEP/OzL.Pro/ExCom/46/4;

(b) the net level of funds being returned by the multilateral Implementing Agencies to the 46th Meeting against project balances totalling US \$1,983,485, including the return of US \$69,845 from UNDP; US \$1,216,495 from UNEP; US \$18,797 net of reimbursement of funds previously returned twice for one project from UNIDO; and US \$678,348 from the World Bank;

(c) the net level of support costs being returned by the multilateral Implementing Agencies to the 46th Meeting against project support cost balances totalling US \$246,548, including the return of US \$9,040 from UNDP; US \$142,965 from UNEP; US \$6,362 net of reimbursement of support costs previously returned twice for one project by UNIDO; and US \$88,181 from the World Bank;

(d) that Implementing Agencies had balances totalling US \$2,940,519 excluding support costs from projects completed over two years previously: UNDP US \$484,719 plus support costs; UNEP--US \$40,063 plus support costs; and the World Bank--US \$2,415,737 plus support costs; and

(e) that US \$91,985,148 was available to the Executive Committee for approvals at the 46th Meeting.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/2, para. 24).

(Supporting documents: UNEP/OzL.Pro/ExCom/46/4).

The Forty-eighth Meeting of the Executive Committee decided to note:

- (a) the report on balances and availability of resources contained in documents UNEP/OzL.Pro/ExCom/48/4 and Add.1;
- (b) the net level of funds being returned by the multilateral implementing agencies to the 48th Meeting against project balances totalling US \$751,179 that included the return of: US \$372,434 from UNDP; US \$136,537 net of reimbursement of funds previously returned in error for three projects from UNEP; US \$247,596 from UNIDO; and US \$5,388 reimbursement to the World Bank to account for the funds previously returned in error for one project;
- (c) the net level of support costs being returned by the multilateral implementing agencies to the 48th Meeting against project support cost balances totalling US \$77,291 that included the return of: US \$46,296 from UNDP; US \$10,279 net of reimbursement of support costs previously returned in error for three projects from UNEP; US \$28,323 from UNIDO; and US \$7,607 reimbursement to the World Bank to account for the support costs previously returned in error for one project;
- (d) that implementing agencies had balances totalling US \$11,812,361, excluding support costs from projects completed over two years previously: UNDP US \$824,798 plus support costs; UNEP US \$119,467 plus support costs; UNIDO US \$165,063 plus support costs; and the World Bank US \$10,703,033 plus support costs;
- (e) the transfer of US \$114,480 plus agency fees of US \$10,303 from the World Bank to UNDP for the project “Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.” (COL/PAG/47/INV/64) and to request the Treasurer to make the necessary adjustments;
- (f) that US \$192,547 plus agency support costs of US \$25,031 in bilateral cooperation for Germany approved in the 2003 to 2005 triennium for the national ODS phase-out plan in Cuba, including US \$116,000 plus agency support costs of US \$15,080 from the 2005 annual implementation plan (CUB/PHA/45/INV/30), as well as US \$76,547 plus agency support costs of US \$9,951 from the first tranche of the plan (CUB/PHA/43/TAS/25), should be offset against future approvals for Germany;
- (g) that US \$319,681 plus agency support costs of US \$41,559 in bilateral cooperation for France, approved in the 2003 to 2005 triennium for the national ODS phase-out plan in Cuba, including US \$200,000 plus agency support costs of US \$26,000 approved at the 45th Meeting for the 2005 annual implementation plan (CUB/PHA/45/INV/31), as well as the remaining balance of funds totalling US \$119,681 plus agency support costs of US \$15,559 approved for the first tranche of the plan (CUB/PHA/43/TAS/27), should be offset against approvals for France;
- (h) the transfer of US \$20,000 plus agency fees of US \$1,500 from UNDP to UNIDO for project preparation for a fumigant (methyl bromide) project in Zimbabwe (ZIM/FUM/45/PRP/31) and to request the Treasurer to make the necessary adjustment; and
- (i) that US \$41,771,843 was available to the Executive Committee for approvals at the 48th Meeting.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/2, para. 28).

(Supporting documents: UNEP/OzL.Pro/ExCom/48/4 and Add.1).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/49/4 and Add.1;
- (b) the net level of funds being returned by the multilateral implementing agencies to the 49th Meeting against project balances totalling US \$4,324,771, including the return of US \$650,450 from UNDP, US \$50,803 from UNEP, US \$216,855 from UNIDO, and US \$3,406,663 from the World Bank;
- (c) the net level of support costs being returned by the multilateral implementing agencies to the 49th Meeting against project support cost balances totalling US \$532,132, including the return of US \$82,209 from UNDP, US \$12,076 from UNEP, US \$26,190 from UNIDO, and US \$411,657 from the World Bank;
- (d) that implementing agencies had balances totalling US \$14,550,486 excluding support costs from projects completed over two years previously, including US \$366,760 plus support costs from UNDP, US \$258,155

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plus support costs from UNEP, US \$223,151 plus support costs from UNIDO, and US \$13,702,420 plus support costs from the World Bank; and

(e) that US \$31,529,502 was available to the Executive Committee for approvals at the 49th Meeting.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/3, para. 36).

(Supporting documents: UNEP/OzL.Pro/ExCom/49/4 and Add.1).

The Fiftieth Meeting of the Executive Committee decided:

(a) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/50/4/Rev.1;

(b) the net level of funds being returned by the implementing agencies to the 50th Meeting against project balances totalling US \$423,773 and that this amount included the return of US \$126,160 from UNDP, US \$213,082 from UNEP, and US \$84,531 from UNIDO;

(c) the net level of support costs being returned by the implementing agencies to the 50th Meeting against project support cost balances totalling US \$47,184 and that the amount included the return of US \$16,402 from UNDP, US \$21,584 from UNEP, and US \$9,198 from UNIDO;

(d) that implementing agencies had balances totalling US \$12,944,539 excluding support costs from projects completed over two years previously and that the amount included US \$341,151 plus support costs from UNDP, US \$528,870 plus support costs from UNEP, US \$232,034 plus support costs from UNIDO, and US \$11,842,484 plus support costs from the World Bank; and

(e) that US \$58,074,893 were available to the Executive Committee for approvals at the 50th Meeting.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/2 para. 33).

(Supporting documents: UNEP/OzL.Pro/ExCom/50/4/Rev.1).

The Fifty-first Meeting of the Executive Committee decided:

(a) to note:

(i) the report on balances and availability of resources contained in documents UNEP/OzL.Pro/ExCom/51/5 and Add.1;

(ii) the net level of funds being returned by the multilateral implementing agencies to the 51st Meeting against project balances totalling US \$206,668, which included the return of US \$115,285 from UNDP, US \$755 from UNEP, US \$58,499 from UNIDO, and US \$32,129 from the World Bank;

(iii) the net level of agency fees being returned by the multilateral implementing agencies to the 51st Meeting against project support cost balances totalling US \$24,678, which included the return of US \$14,058 from UNDP, US \$44 from UNEP, US \$6,399 from UNIDO, and US \$4,177 from the World Bank;

(iv) That implementing agencies had balances totalling US \$3,077,442, excluding support costs, from projects completed over two years previously, which included US \$408,173 plus support costs from UNDP, US \$868,125 plus support costs from UNEP, US \$1,562,328 plus support costs from UNIDO, and US \$238,816 plus support costs from the World Bank;

(v) the return to UNIDO the amount of US \$254,918 for the projects listed in Annex II to document UNEP/OzL.Pro/ExCom/51/5/Add.1 in the light of decision 50/44;

(vi) the return of US \$250,860 from Sweden for the transfer of the Swedish components of Serbia's national ODS phase-out plan (YUG/PHA/43/TAS/22 and YUG/PHA/47/TAS/29) and the transfer to UNIDO of US \$238,650, including US \$16,650 in support costs;

(b) to note that US \$57,031,609 were available to the Executive Committee for approvals at the 51st Meeting;

(c) to approve the transfer of US \$196,871 in project costs and US \$17,718 in support costs for the chiller project in Cuba (CUB/REF/47/DEM/35) from Canada to UNDP and a reduction in the level of Canada's bilateral contribution by US \$196,871 in project costs and US \$25,593 in support costs; and

(d) to request the World Bank to report on balances from completed tranches of multi-year agreements, in line with the other implementing agencies.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/4 para. 39).

(Supporting documents: UNEP/OzL.Pro/ExCom/51/5 and Add.1).

The Fifty-second Meeting of the Executive Committee decided:

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- (a) to note the report on balances and availability of resources contained in documents UNEP/OzL.Pro/ExCom/52/4 and Add.1;
- (b) to note the net level of funds being returned by the implementing agencies to the 52nd Meeting amounting to US \$1,525,904 against project balances, including the return of US \$531,442 from UNDP, US \$215,766 from UNEP, US \$62,064 from UNIDO, and US \$716,632 from the World Bank;
- (c) to note the net level of support costs being returned by the implementing agencies to the 52nd Meeting amounting to US \$180,933 against project support cost balances, including the return of US \$60,419 from UNDP, US \$27,199 from UNEP, US \$4,814 from UNIDO, and US \$88,501 from the World Bank;
- (d) to note that implementing agencies had balances totalling US \$14,129,095 excluding support costs from projects completed over two years previously, including US \$161,406 plus support costs from UNDP, US \$862,627 plus support costs from UNEP, US \$678,677 plus support costs from UNIDO, and US \$12,426,385 plus support costs from the World Bank;
- (e) to urge UNEP to resolve the US \$1,680,292 in unobligated balances and report thereon to the 53rd Meeting;
- (f) to note that US \$750 should be deducted from the bilateral contribution of Canada as a result of funds being returned from project preparation for the terminal phase-out management plan in Burkina Faso (BKF/PHA/47/PRP/19);
- (g) to note that US \$3,686 should be deducted from the bilateral contribution of Germany as a result of funds being returned from several projects (IND/FOA/36/INV/350, IND/FOA/36/INV/351, MAR/REF/28/TAS/12);
- (h) to note that US \$6,216 should be deducted from the bilateral contribution of Japan as a result of funds being returned from several projects (CPR/REF/31/TAS/359, IDS/FOA/37/INV/145, IDS/FOA/37/INV/146, NIR/FOA/32/INV/73).
- (i) to note the transfer of US \$60,667 from UNEP to UNDP for the institutional strengthening project in Georgia (GEO/SEV/51/INS/23);
- (j) to approve US \$4,550 in agency fees for UNDP to implement the institutional strengthening project in Georgia (GEO/SEV/51/INS/23);
- (k) to note that US \$84.5 million was available to the Executive Committee for approvals at the 52nd Meeting; and
- (l) to request the Libyan Arab Jamahiriya to indicate whether it had any objection to the return of the remaining funds for the Electrical Household Appliance Manufacturing refrigeration project (LIB/REF/32/INV/03) by the 53rd Meeting, noting that without written objection the remaining funds from the project should be returned to the 53rd Meeting.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/2, para. 32).

(Supporting documents: UNEP/OzL.Pro/ExCom/52/4 and Add.1).

The Executive Committee at its Fifty-third Meeting decided to note:

- (a) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/53/4;
- (b) the net level of funds being returned by the multilateral implementing agencies to the 53rd Meeting amounting to US \$60,211 against project balances, including the return of US \$28,509 by UNDP; US \$22,708 by UNEP and US \$8,994 by UNIDO;
- (c) the net level of support costs being returned by the multilateral implementing agencies to the 53rd Meeting of US \$7,331 against project support cost balances, including the return of US \$3,569 by UNDP; US \$2,952 by UNEP and US \$810 by UNIDO;
- (d) that multilateral implementing agencies had balances totalling US \$9,576,651, excluding support costs, from projects completed over two years previously: US \$119,512 for UNDP, US \$899,062 for UNEP, US \$669,352 for UNIDO, and US \$7,888,725 for the World Bank;
- (e) the transfer of US \$510,659 plus agency fees of US \$38,300 from UNDP to UNIDO for national methyl bromide projects in Kenya (KEN/FUM/44/INV/38 and KEN/FUM/50/INV/40);
- (f) the transfer of US \$12,000 plus agency fees of US \$900 from UNDP to UNIDO for the terminal phase-out management plan project preparation project in Niger (NER/PHA/48/PRP/17); and

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(g) that US \$102,182,323 were available to the Executive Committee for approvals at the 53rd Meeting.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/2, para. 28).

(Supporting documents: UNEP/OzL.Pro/ExCom/53/4).

The Fifty-fourth Meeting of the Executive Committee decided to note:

- (a) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/54/4;
- (b) the net level of funds being returned by the implementing agencies to the 54th Meeting amounting to US \$598,760 against project balances, comprising the return of US \$413 from UNDP, US \$279,684 from UNEP, US \$257,168 from UNIDO and US \$61,495 from the World Bank;
- (c) the net level of support costs being returned by the implementing agencies to the 54th Meeting amounting to US \$55,746 against project support cost balances. This included the return of US \$45 from UNDP, US \$31,278 from UNEP, US \$20,427 from UNIDO and US \$3,996 from the World Bank;
- (d) that implementing agencies had balances totalling US \$11,023,102 excluding support costs from projects completed over two years previously, comprising US \$387,718 from UNDP, US \$1,041,526 from UNEP, US \$662,682 from UNIDO, and US \$8,931,176 from the World Bank;
- (e) that US \$24,100 should be deducted from the bilateral contribution of Australia as a result of funds being returned from the halon management and banking programme in India; and
- (f) that US \$86,439,073 were available to the Executive Committee for approvals at the 54th Meeting

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/3, para. 34).

(Supporting document: UNEP/OzL.Pro/ExCom/54/4).

The Fifty-fifth Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/55/4;
- (ii) The net level of funds being returned by the implementing agencies to the 55th Meeting amounting to US \$2,282,273 against project balances. That included the return of US \$167,062 from UNDP, US \$108,253 from UNEP, US \$10,689 from UNIDO and US \$1,996,269 from the World Bank (including a return of US \$1,198,947 against the chiller concessional loan project for Thailand (THA/REF/26/INV/104));
- (iii) The net level of support costs being returned by the implementing agencies to the 55th Meeting amounting to US \$129,706 against project support cost balances. That included the return of US \$21,718 from UNDP, US \$9,760 from UNEP, US \$948 from UNIDO and US \$97,280 from the World Bank;
- (iv) That implementing agencies had balances totalling US \$6,169,728 excluding support costs from projects completed over two years previously. That included US \$306,423 from UNDP, US \$1,198,376 from UNEP, US \$659,588 from UNIDO, and US \$4,005,341 from the World Bank;
- (v) That US \$7,000 plus project support costs of US \$910 should be deducted from the bilateral contributions of Canada;
- (vi) That US \$44,182 plus project support costs of US \$5,744 should be deducted from the bilateral contributions of Sweden;
- (vii) That US \$113,739,340 were available to the Executive Committee for approvals at the 55th Meeting;

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/2 para 29(a))

The Fifty-sixth Meeting of the Executive Committee decided:

(a) to note:

- (i) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/56/4;
- (ii) the net level of funds being returned by the implementing agencies to the 56th Meeting, amounting to US \$1,107,116 against projects and the balance from advances for HCFC phase-out management plans (HPMP). That included the return of US \$267,698 from UNDP, US \$443,000 from UNEP, and US \$396,418 from UNIDO;
- (iii) the net level of support costs being returned by the implementing agencies to the 56th Meeting amounting to US \$123,488 against projects and the balance from advances for HPMP support costs. That included

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the return of US \$20,581 from UNDP, US \$55,840 from UNEP, US \$29,816 from UNIDO, and US \$17,251 from the World Bank;

- (iv) that implementing agencies had balances totalling US \$5,911,756, excluding support costs, from projects completed over two years previously. That included US \$412,783 for UNDP, US \$1,322,165 for UNEP, US \$623,517 for UNIDO and US \$3,553,291 for the World Bank;
- (v) that bilateral agencies had balances from completed projects totalling US \$617,117 excluding support costs;
- (vi) that bilateral agencies had balances totalling US \$457,254 from projects completed over two years previously. That included US \$42,162 for Australia, US \$237,336 for France, US \$676 for Italy, US \$43,497 for Denmark, US \$76,730 for Finland and US \$56,853 for Japan;
- (b) to request bilateral agencies to report to the Executive Committee at its 57th Meeting on their proposed disposition of balances from completed projects; and
- (c) to request the Secretariat to continue monitoring completed projects with balances for bilateral agencies and to report to the Executive Committee thereon.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/2 para 30)

(Supporting document: UNEP/OzL.Pro/ExCom/56/4).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/57/4;
- (b) to note the net level of funds being returned by the implementing agencies at the 57th Meeting amounting to US \$449,113 against projects, which included the return of US \$41,294 from UNDP, US \$364,421 from UNEP, and US \$43,398 from UNIDO;
- (c) to note the net level of support costs being returned by the implementing agencies at the 57th Meeting amounting to US \$34,800 against projects, which included the return of US \$5,042 from UNDP, US \$25,487 from UNEP and US \$4,271 from UNIDO;
- (d) to note the net level of funding and support costs being returned by the bilateral agencies to the 57th Meeting amounting to US \$1,005,112 against projects;
- (e) to request the Treasurer:
 - (i) to reduce bilateral funding by the amount of US \$448,876 for France which includes a balance of US \$25,000 resulting from the applicable project support cost rate for UNIDO; US \$23,798 for Italy; and US \$57,965 for Japan; as reflected in Annex II of document UNEP/OzL.Pro/ExCom/57/4;
 - (ii) to record US \$432,849 in interest accrued and US \$41,624 in exchange gain as miscellaneous income to the Fund on receipt of equivalent amounts in cash;
- (f) to note that France had transferred the project on ODS phase-out in 50 existing centrifugal chiller units in Côte d'Ivoire (IVC/REF/37/INV/17) to UNIDO at the net level of funds of US \$1,000,000 and support costs of US \$75,000;
- (g) to note that implementing agencies had balances totalling US \$6,635,720 excluding support costs from projects completed over two years previously, which included US \$481,669 from UNDP, US \$2,158,709 from UNEP, US \$857,335 from UNIDO, and US \$3,138,007 from the World Bank; and
- (h) to note that bilateral agencies had balances totalling US \$289,465 excluding support costs from projects completed over two years previously, which included US \$165,898 from France, US \$43,947 from Denmark, US \$80,225 from Finland, and minus US \$605 from Italy.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/3 para 33)

(Supporting document: UNEP/OzL.Pro/ExCom/57/4).

The Fifty-eighth Meeting of the Executive Committee decided:

- (a) to note:
 - (i) the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/58/4;
 - (ii) the net level of funds being returned by the implementing agencies to the 58th Meeting amounting to US \$801,736 against projects, which included the return of US \$59,829 from UNDP, US \$209,562 from

UNEP, US \$64,015 from UNIDO, and US \$468,330 from the World Bank;

- (iii) the net level of support costs being returned by the implementing agencies to the 58th Meeting amounting to US \$54,641 against projects, which included the return of US \$4,396 from UNDP, US \$14,621 from UNEP, US \$6,426 from UNIDO, and US \$29,198 from the World Bank;
 - (iv) the net level of funds and support costs being returned to the 58th Meeting by the bilateral agencies amounting to US \$309,713 against projects;
 - (v) that implementing agencies had balances totalling US \$5,290,966, excluding support costs, from projects completed over two years previously, which included US \$519,466 from UNDP, US \$1,530,274 from UNEP, US \$521,077 from UNIDO, and US \$2,720,149 from the World Bank;
 - (vi) that France had balances totalling US \$165,917, including support costs, from projects completed over two years previously;
 - (vii) that the World Bank had informed the Committee at its 58th Meeting that it was returning the un-obligated balance of US \$461,338 against two institutional strengthening projects and the total CFC phase-out for Turkey, which had been completed in 2005, as well as US \$28,289 in support costs; and
- (b) to request the Treasurer:
- (i) to reduce bilateral funding by US \$47,598 for Canada, US \$43,947 for Denmark, US \$76,855 for Finland, and US \$78,451 for Italy; and to record US \$59,363 in interest accrued; and
 - (ii) to apply US \$62,862 for future bilateral projects against Germany's bilateral contribution for the previous triennia. to note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/57/4.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/2 para 32)

(Supporting document: UNEP/OzL.Pro/ExCom/58/4).

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/59/4;
- (b) That the net level of funds being returned by the implementing agencies to the 59th Meeting was US \$874,815 against projects, comprising US \$347,295 from UNDP, US \$222,248 from UNEP, US \$155,272 from UNIDO and a return of US \$150,000 from the World Bank to be transferred to UNEP and UNIDO in equal shares;
- (c) That the net support costs being returned by the implementing agencies to the 59th Meeting were US \$441,446 against projects, comprising US \$29,396 from UNDP, US \$26,227 from UNEP, US \$14,504 from UNIDO, US \$371,319 from the World Bank from its 2008 core unit budget and the programme support costs associated with the transfer of the HCFC phase-out management plan preparation project in Ecuador;
- (d) That the net funds and support costs of US \$201,706 being returned by bilateral agencies to the 59th Meeting comprised US \$200,945 returned by France and US \$761 from Italy, and to request the Treasurer to follow up with France and Italy on the cash transfer of those amounts;
- (e) That implementing agencies had a total balance of US \$4,880,613, excluding support costs, from projects completed more than two years previously, which comprised US \$530,378 from UNDP, US \$1,061,888 from UNEP, US \$874,893 from UNIDO and US \$2,413,454 from the World Bank; and
- (f) That Australia had balances totalling US \$78,087, Finland US \$34,022 and France US \$87,848, including support costs.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/2 para 26)

(Supporting document: UNEP/OzL.Pro/ExCom/59/4).

The Sixtieth Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/60/5;
 - (ii) That the net level of funds being returned to the 60th Meeting by the implementing agencies was US \$66,944 against projects, which included the return of US \$38,855 from UNDP, US \$9 from UNEP and US \$28,080 from UNIDO;
 - (iii) That the net level of support costs being returned by the implementing agencies to the 60th Meeting was

- US \$6,445 against projects, which included the return of US \$3,912 from UNDP, US \$1 from UNEP and US \$2,532 from UNIDO; and
- (iv) That the net level of funds and support costs being returned by the bilateral agencies to the 60th Meeting was US \$140,019, which reflected no return from Finland as a result from its intent to use its unspent balance on other projects, US \$16 by France and US \$140,003 by Sweden, and to request the Treasurer to follow up the cash transfer of those amounts with France and Sweden;
- (b) To approve the transfer to UNIDO of two projects (ROM/PHA/45/TAS/31 and YUG/PHA/43/TAS/22) from Sweden, as well as the transfer of US \$123,897 in project costs and US \$9,292 in support costs for the two projects, as requested by Sweden in its letter to the Secretariat of 12 February 2010, and thereby:
- (i) Reduce the bilateral funding approved for the Government of Sweden for the implementation of the project ROM/PHA/45/TAS/31 by US \$83,219, plus agency support costs of US \$10,818, and to increase the funding approved for UNIDO for implementation of the same project by US \$83,219, plus agency support costs of US \$6,241, as agreed mutually between the Governments of Romania and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Romania and the Executive Committee; and
- (ii) Reduce the bilateral funding approved for the Government of Sweden for implementation of the project YUG/PHA/43/TAS/22 by US \$40,678, plus agency support costs of US \$5,288, and to increase the funding approved for UNIDO for implementation of the same project by US \$40,678, plus agency support costs of US \$3,051, as agreed mutually between the Governments of Serbia and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Serbia and the Executive Committee;
- (c) To note:
- (i) That implementing agencies had total balances of US \$4,579,745, excluding support costs, from projects completed more than two years previously, which comprised US \$709,606 for UNDP, US \$1,295,490 for UNEP, US \$522,148 for UNIDO, and US \$2,052,501 for the World Bank;
- (ii) That UNEP had an unobligated balance of US \$1,928,039 for completed projects; and
- (iii) That there were balances totalling US \$52,712 for Finland, US \$87,864 for France, US \$20,203 for Japan and US \$26,841 for Spain, including support costs; and
- (d) To request UNEP to report on the application of the financial rules regarding obligated cash advances by the 61st Meeting.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/3 para 39)

(Supporting document: UNEP/OzL.Pro/ExCom/60/5).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/61/4;
- (ii) That the net level of funds being returned to the 61st Meeting by the implementing agencies was US \$156,455 against projects, which included the return of US \$52,327 from UNDP, US \$3,520 from UNEP, US \$26,351 from UNIDO and US \$74,257 from the World Bank;
- (iii) That the net level of support costs being returned by the implementing agencies to the 61st Meeting was US \$221,184, which included the return of US \$5,212 from UNDP, US \$282 from UNEP, US \$2,549 from UNIDO and US \$213,141 from the World Bank;
- (iv) That the net level of funds and support costs being returned by the bilateral agencies to the 61st Meeting was US \$27,112, which included a return in cash of US \$31 from the Government of Canada and US \$27,081 from the Government of Spain, noting that the return from Canada was already included in the status of contributions and disbursements;
- (v) That implementing agencies had balances totalling US \$3,930,493, excluding support costs, from projects completed more than two years previously, which included US \$678,003 for UNDP, US \$867,421 for UNEP, US \$332,569 for UNIDO, and US \$2,052,501 for the World Bank;

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- (vi) That there were balances totalling US \$87,848 for France and US \$20,203, for Japan, including support costs from projects completed more than one year previously;
- (vii) UNEP's report on the application of the financial rules regarding obligated cash advances, which had been requested by decision 60/3, and the application of those rules as of the 61st Meeting;
- (b) To request the Treasurer to continue to consult with the Government of Spain on the cash transfer of the returned amount by the Government of Spain mentioned in sub paragraph (a)(iv) above; and
- (c) To approve the transfer from the World Bank to UNDP of US \$60,000, plus agency costs of US \$4,500, for the preparation of the HCFC phase-out management plan in Sri Lanka (SRL/PHA/57/PRP/36).

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/2 para 22)

(Supporting document: UNEP/OzL.Pro/ExCom/61/4).

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/62/4;
- (b) To note that the net level of funds being returned by the implementing agencies to the 62nd meeting was US \$1,337,446 against projects, which included the return of US \$54,908 from UNDP, US \$74,282 from UNEP, US \$712,927 from UNIDO and US \$495,329 from the World Bank;
- (c) To note that the net level of support costs being returned by the implementing agencies to the 62nd meeting was US \$106,223 against projects, which included the return of US \$5,977 from UNDP, US \$9,657 from UNEP, US \$53,470 from UNIDO and US \$37,119 from the World Bank;
- (d) To note that implementing agencies had balances totalling US \$2,854,199, excluding support costs, from projects completed over two years previously, which included US \$665,302 for UNDP, US \$769,433 for UNEP, US \$304,237 for UNIDO and US \$1,115,227 for the World Bank;
- (e) To note that Finland, as a bilateral agency, had a balance totalling US \$34,022, excluding support costs, from a project completed over two years previously; and
- (f) To request the Treasurer to assign any gains or losses from balances returned from completed bilateral activities to exchange rate losses or gains due to the fixed-exchange rate mechanism, including those funds returned to the 57th, 59th, and 60th meetings.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/2 para 20)

(Supporting document: UNEP/OzL.Pro/ExCom/62/4).

The Sixty-third Meeting of the Executive Committee decided:

- (a) To note:
 - (ii) That the net level of funds being returned by the implementing agencies at the 63rd meeting was US \$147,387 against projects, which included the return of US \$67,890 from UNDP, US \$39,140 from UNEP, and US \$40,357 from UNIDO;
 - (iii) That the net level of support costs being returned by the implementing agencies at the 63rd meeting was US \$15,670 against projects, which included the return of US \$8,707 from UNDP, US \$3,591 from UNEP and US \$3,372 from UNIDO;
 - (iv) With concern that implementing agencies had balances totalling US \$3,301,923, excluding support costs, from projects completed over two years prior to the meeting, which included US \$886,174 for UNDP, US \$1,124,885 for UNEP, US \$634,543 for UNIDO, and US \$656,321 for the World Bank;
 - (v) That bilateral agencies had balances totalling US \$96,319, excluding support costs, from projects completed over two years earlier, attributable to the Governments of France and Japan;
 - (vi) That the net level of funds and support costs being returned by the bilateral agencies at the 63rd meeting was US \$1,008,739, including the return of US \$558,527 from the Government of Canada, US \$52,712 from the Government of Finland, and US \$397,500 from the Government of France;
- (b) To request the Treasurer to follow up with the Governments of Canada, Finland and France the cash transfer of the amounts indicated in subparagraph (a)(vi) above;
- (e) To request UNDP to follow up on clearing the obligated balances and to report progress made on the financially

closed projects by the 64th meeting;

- (f) To note the explanation by UNEP regarding the obligated balance against the institutional strengthening project in Peru, approved in 2002 at the 29th meeting of the Executive Committee, and to request UNEP to justify obligated balances for projects completed over two years previously at the 64th meeting; and
- (g) To request UNIDO to expedite the financial completion of projects with obligated and unobligated balances for projects completed two years earlier with a view to returning the unobligated balances at the 64th meeting.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/2 para 27)

(Supporting document: UNEP/OzL.Pro/ExCom/63/4).

The Sixty-fourth Meeting of the Executive Committee decided:

- (b) To note that the net level of funds being returned by the implementing agencies to the 64th meeting was US \$976,400 against projects, which included the return of US \$538,420 from UNDP, US \$403,062 from UNEP, and US \$34,918 from UNIDO;
- (c) To note that the net level of support costs being returned by the implementing agencies to the 64th meeting was US \$499,244 against projects, which included the return of US \$58,920 from UNDP, US \$46,538 from UNEP, US \$3,080 from UNIDO and US \$390,706 from the World Bank;
- (d) To note that implementing agencies had balances totalling US \$1,804,588, excluding support costs, from projects completed over two years previously, which included US \$333,721 for UNDP, US \$268,110 for UNEP, US \$546,436 for UNIDO, and US \$656,321 for the World Bank;
- (e) To note that bilateral agencies had balances totalling US \$139,340, excluding support costs attributed to France and Japan, from projects completed over two years previously;
- (f) To note that the net level of funds and support costs being returned by Canada to the 64th meeting was US 23,736;
- (g) To approve the transfer of the preparation of the HCFC phase-out management plan in Argentina (ARG/PHA/55/PRP/157) from UNDP to UNIDO, in accordance with decision 63/5(i), at the amount of US \$43,657 in project costs, plus US \$3,274 in support costs;
- (h) To approve the transfer of the terminal phase-out management plan in Peru from UNEP and UNDP to UNEP and UNIDO and to request UNDP to return the remaining balance by the 65th meeting of the Executive Committee; and
- (i) To note UNIDO's commitment to return unobligated balances from individual completed projects in full by the 66th meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/64/53, Decision 64/2 para 25)

(Supporting document: UNEP/OzL.Pro/ExCom/64/4).

The Sixty-fifth Meeting of the Executive Committee decided:

- (a) To note:
 - (ii) That the net level of funds being returned by the implementing agencies to the 65th meeting was US \$705,522 against projects, which included the return of US \$253,695 from UNDP, US \$18,808 from UNIDO and US \$433,019 from the World Bank;
 - (iii) That the net level of support costs being returned by the implementing agencies to the 65th meeting was US \$81,031 against projects, which included the return of US \$19,121 from UNDP, US \$1,416 from UNIDO and US \$60,494 from the World Bank;
 - (iv) That implementing agencies had balances totalling US \$1,717,559, excluding support costs, from projects completed over two years previously, which included US \$257,492 for UNDP, US \$277,674 for UNEP, US \$526,072 for UNIDO, and US \$656,321 for the World Bank;
 - (v) That bilateral agencies had balances totalling US \$139,340, excluding support costs, attributed to France and Japan from projects completed over two years previously;
 - (vi) The return of the remaining balance of US \$183,500 in project costs, plus US \$13,763 in support costs already included in sub-paragraph (ii) above, owing to the transfer of the terminal phase-out management plan in Peru (PER/PHA/55/INV/41) from UNDP to UNIDO, in accordance with decision 64/2(h);

- (vii) The return of the remaining balance of US \$60,495 in project costs and US \$4,835 in programme support costs for phase VII of the institutional strengthening project for the Philippines (PHI/SEV/60/INS/89) for the transfer of the project from the World Bank to UNEP, in accordance with decision 64/25;
- (viii) The return of US \$8,446 including US \$972 agency fees to be offset against Germany's approvals at the present meeting
- (b) To reiterate decision 31/2(a)(i) and (ii) and request UNIDO to update the Committee at the 66th meeting on the date at which the remaining unobligated balances for completed projects would be returned in full.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/2 para 26).

(Supporting document: UNEP/OzL.Pro/ExCom/65/4).

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) To note:
 - (ii) That the net level of funds being returned by the implementing agencies to the 66th meeting was US \$2,773,074 against projects, which included the return of US \$676,933 from UNDP, US \$52,098 from UNEP, US \$130,094 from UNIDO, and US \$1,913,949 from the World Bank;
 - (iii) That the net level of support costs being returned by the implementing agencies to the 66th meeting was US \$255,236 against projects, which included the return of US \$73,257 from UNDP, US \$6,773 from UNEP, US \$13,866 from UNIDO, and US \$161,340 from the World Bank;
 - (iv) That the return from the World Bank included the transfer of US \$1,835,205, plus US \$154,294 in support costs, from the World Bank to UNEP for the national CFC phase-out plan for the Philippines, in accordance with decision 65/10(e);
 - (v) That implementing agencies had balances totalling US \$1,235,799, excluding support costs, from projects completed over two years previously, which included US \$362,381 for UNDP, US \$266,972 for UNEP and US \$606,446 for UNIDO;
 - (vi) That the Government of France had unobligated balances totalling US \$78,440, excluding support costs, attributed to a project completed over two years previously;
 - (vii) That UNIDO's report to the 66th meeting reflected no unobligated balances for completed projects, as a follow-up to decisions 64/2(i) and 65/2(b);
 - (viii) That the net level of funds and support costs being returned by the Governments of Italy and Japan at the 66th meeting was US \$382 and US \$77,950, respectively, and to request the Treasurer to follow up with Italy and Japan on their returns in cash to the Fund;
 - (ix) Italy's return of accrued interest of US \$261,583 as additional income directly to the Fund; and
- (b) To request agencies with long-outstanding obligated balances on projects completed in 2005, 2006 and 2007 to return these balances as soon as possible.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/2 para 23).

(Supporting document: UNEP/OzL.Pro/ExCom/66/4).

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/67/4;
 - (ii) The return of US \$2,733 from Canada's bilateral technical assistance project to phase out the use of methyl bromide in Jamaica (JAM/FUM/47/TAS/22);
 - (iii) That the net level of funds being returned by the implementing agencies to the 67th meeting was US \$1,958,285 against projects, which included the return of US \$1,190,304 from UNDP, US \$296,503 from UNEP, US \$295,883 from UNIDO and US \$175,595 from the World Bank;
 - (iv) That the net level of support costs being returned by the implementing agencies to the 67th meeting was US \$139,727 against projects, which included the return of US \$72,986 from UNDP, US \$25,094 from UNEP, US \$22,274 from UNIDO and US \$19,373 from the World Bank;
 - (v) That implementing agencies had balances totalling US \$1,073,513, excluding support costs, from projects

completed over two years previously, which included US \$282,707 from UNDP, US \$199,653 from UNEP, and US \$591,153 from UNIDO;

- (vi) The feedback received from UNDP, UNEP and UNIDO on the projects with long outstanding obligated balances completed in 2005, 2006 and 2007;
- (vii) That the Government of France still had unobligated balances totalling US \$78,440, excluding support costs, attributed to a project completed over two years previously;
- (b) To request the Treasurer to follow up with the Government of Sweden its return of a total of US \$114,046 in cash to the Fund; and
- (c) To request implementing agencies with projects completed in 2005, 2006 and 2007 to return the balances as soon as possible.

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/3 para 25).

(Supporting document: UNEP/OzL.Pro/ExCom/67/4).

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources contained in documents UNEP/OzL.Pro/ExCom/68/4 and Add.1;
 - (ii) That the net level of funds being returned by the implementing agencies to the 68th meeting was US \$309,652 against projects, which included the return of US \$212,468 from UNDP and US \$97,184 from UNIDO;
 - (iii) That the net level of support costs being returned by the implementing agencies to the 68th meeting was US \$417,111 against projects, which included the return of US \$18,328 from UNDP, US \$810 from UNEP, US \$7,288 from UNIDO, and US \$390,685 from the World Bank;
 - (iv) That implementing agencies had balances totalling US \$720,382, excluding support costs, from projects completed over two years previously, which included US \$145,202 for UNDP, US \$130,669 for UNEP and US \$444,511 for UNIDO;
 - (v) That the Government of France had balances totalling US \$14,012, including support costs, for one project completed over two years previously;
 - (vi) That the net level of funds and support costs being returned by the bilateral agencies to the 68th meeting was US \$148,286, which included the return of US \$146,869 from the Government of France and US \$1,417 from the Government of Italy; and to request the Treasurer to follow up with the Governments concerned on the cash transfer of those amounts;
 - (vii) The Government of Spain's return of accrued interest of US \$157,755 for the projects BRA/FUM/46/INV/272 and MEX/FUM/42/TAS/118 directly to the Treasurer as additional income to the Fund;
- (b) To request implementing agencies with projects completed in 2007 and 2008 to return the balances as soon as possible;
- (c) To approve an additional US \$57,579 in support costs for UNEP for the national CFC phase-out plan for the Philippines (PHI/PHA/66/INV/94), in accordance with decision 66/2(a)(iv);
- (d) With regard to the request by the Government of the Plurinational State of Bolivia relating to its terminal phase-out management plan (TPMP), to approve:
 - (i) The transfer of the balance of US \$5,000 of the second tranche of the TPMP from the Government of Canada to UNDP;
 - (ii) The transfer of US \$375 for agency support costs from Canada to UNDP and the return of US \$275 from the Government of Canada to the Multilateral Fund;
 - (iii) The revised Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee contained in Annex II to the present report;
- (e) With regard to the national ODS phase-out plan for Tunisia, to approve:
 - (i) The transfer of the national ODS phase-out plan for Tunisia from the World Bank to UNIDO;

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- (ii) The transfer of the balance of US \$758,432, including US \$52,914 in agency support costs, from the World Bank to UNIDO; and
- (iii) The revised Agreement between the Government of Tunisia and the Executive Committee contained in Annex III to the present report.

(UNEP/OzL.Pro/ExCom/68/53, Decision 68/2 para 29).

(Supporting documents: UNEP/OzL.Pro/ExCom/68/4 and Add.1).

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/69/4;
 - (ii) That the net level of funds being returned by the implementing agencies to the 69th meeting was US \$635,063 against projects, which included the return of US \$505,286 from UNDP, US \$29,119 from UNEP, US \$66,345 from UNIDO and US \$34,313 from the World Bank;
 - (iii) That the net level of agency support costs being returned by the implementing agencies to the 69th meeting was US \$51,625 against projects, which included the return of US \$39,758 from UNDP, US \$3,785 from UNEP, US \$4,994 from UNIDO, and US \$3,088 from the World Bank;
 - (iv) That implementing agencies had balances totalling US \$535,869, excluding agency support costs, from projects completed over two years previously, which included US \$286,241 for UNDP, US \$8,000 for UNEP and US \$241,628 for UNIDO;
 - (v) That the Government of Japan's balance for completed projects not returned to the Fund, totalling US \$52,906, excluding support costs, would be offset against future bilateral projects;
 - (vi) That the net level of funds and support costs being returned by the bilateral agencies to the 69th meeting was US \$176,122, which included the return of US \$175,930 from the Government of France and US \$192 from the Government of Portugal, and to request the Treasurer to follow up with the Government of Portugal on the cash transfer of US \$192 to the Fund; and
- (b) To request implementing agencies with projects completed in 2007 to 2009 to return the balances as soon as possible.

(UNEP/OzL.Pro/ExCom/69/40, Decision 69/3 para 25).

(Supporting documents: UNEP/OzL.Pro/ExCom/69/4).

The Seventy Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on balances and availability of resources, as contained in document UNEP/OzL.Pro/ExCom/70/4 and the return of US \$432,419 by UNEP of the 2012 CAP budget balance to the 70th meeting;
 - (ii) That the net level of funds being returned by the implementing agencies to the 70th meeting was US \$1,013,088 against projects, which included the return of US \$197,122 from UNDP, US \$400,388 from UNEP and US \$415,578 from UNIDO;
 - (iii) That the net level of support costs being returned by the implementing agencies to the 70th meeting was US \$78,105 against projects, which included the return of US \$14,897 from UNDP, US \$32,031 from UNEP 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 had 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, totalling US \$40,154, excluding support costs, would be offset against future bilateral projects;
 - (vii) That UNEP had reported obligated balances under two Compliance Assistance Programme (CAP) activities completed in 2010 and 2011 and to request UNEP to review those balances with a view to

returning the funds at the 71st meeting;

(viii) That the net level of funds and support costs being returned by the bilateral agencies at the 70th meeting was US \$5,603 from the Government of Canada;

(ix) That the Swedish International Development Agency had informed the Secretariat that the Government of Sweden would no longer have a Multilateral Fund bilateral programme;

(b) To request:

(i) Implementing agencies with projects completed from 2004 to 2009 to return the balances as soon as possible; and

(ii) 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 the completed projects in Jamaica (JAM/FUM/47/TAS) and in Saint Lucia (STL/PHA/56/INV/15) from the Government of Canada's regular contribution to the Fund.

(UNEP/OzL.Pro/ExCom/70/59, Decision 70/2 para 34).

(Supporting documents: UNEP/OzL.Pro/ExCom/70/4).

The Seventy-first Meeting of the Executive Committee decided:

(a) To note:

(i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/71/4;

(ii) That the net level of funds being returned by the implementing agencies at the 71st meeting was US \$3,918,245 against projects, which included the return of US \$28,343 from UNDP, US \$583,568 from UNEP, US \$48,717 from UNIDO and US \$3,257,617 from the World Bank;

(iii) That the net level of support costs being returned by the implementing agencies at the 71st meeting was US \$318,818 against projects, which included the return of US \$2,380 from UNDP, US \$53,981 from UNEP, US \$3,655 from UNIDO and US \$258,802 from the World Bank;

(iv) That implementing agencies had balances totalling US \$566,914, excluding support costs, from projects completed over two years previously, which included US \$94,141 for UNDP, US \$273,027 for UNEP and US \$199,746 for UNIDO;

(v) That UNDP had already alerted its country offices to financially close those projects with balances completed over two years previously;

(vi) That UNEP would return funds for 16 of 21 projects not related to HCFCs or methyl bromide (MB) at the 72nd meeting;

(vii) That UNIDO would return balances by the 72nd meeting for three projects: China (CPR/PRO/47/INV/436), Pakistan (PAK/REF/59/PRP/74) and Saudi Arabia (SAU/FOA/60/PRP/07);

(viii) That the Government of Japan had balances totalling US \$335, excluding support costs, for one project completed over two years previously;

(ix) That the Government of France's balances for two projects completed over two years previously and not yet returned to the Fund, totalling US \$308,920, excluding support costs, would be returned to the Fund;

(x) That the net level of funds and support costs being returned by the bilateral agencies at the 71st meeting was US \$6,444, which included the return of US \$3,260 from the Government of the Czech Republic, US \$2,992 from the Government of Japan, and US \$192 from the Government of Portugal; and to request the Treasurer to follow up with the respective Governments on the cash transfer to the Fund; and

(b) To request:

(i) Implementing agencies with projects completed over two years previously to return the balances at the 72nd meeting, or as soon as possible thereafter; and

(ii) UNEP to return at the 72nd meeting all unobligated balances identified in document UNEP/OzL.Pro/ExCom/71/4.

(UNEP/OzL.Pro/ExCom/71/64, Decision 71/2 para 32).

(Supporting documents: UNEP/OzL.Pro/ExCom/71/4).

The Seventy-second Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/72/4 and the updated information provided by the Secretariat at the meeting;
- (ii) That the net level of funds being returned by the implementing agencies at the 72nd meeting was US \$1,589,391 against completed projects, which included the return of US \$377,453 from UNDP, US \$1,088,529 from UNEP, and US \$123,409 from UNIDO;
- (iii) That the net level of funds being returned by the implementing agencies at the 72nd meeting was US \$4,479,994 against projects subject to decisions 70/7(b)(ii) and (iii), and 71/11(b), which included the return of: US \$317,501 from UNDP, US \$784,955 from UNEP, US \$1,705,511 from UNIDO, and US \$1,672,027 from the World Bank;
- (iv) That the net level of support costs being returned by the implementing agencies at the 72nd meeting was US \$133,798 against completed projects, which included the return of US \$28,823 from UNDP, US \$95,717 from UNEP, and US \$9,258 from UNIDO;
- (v) That the net level of support costs being returned by the implementing agencies at the 72nd meeting was US \$402,342 against projects subject to decisions 70/7(b)(ii) and (iii), and 71/11(b), which included the return of: US \$26,109 from UNDP, US \$102,045 from UNEP, US \$127,974 from UNIDO, and US \$146,214 from the World Bank;
- (vi) That implementing agencies had balances totalling US \$307,766, excluding support costs, from projects completed over two years previously, which included US \$8,332 for UNDP, US \$138,187 for UNEP and US \$161,247 for UNIDO;
- (vii) That UNDP was working to financially close the 10 projects operationally completed in 2011 and intended to return the balance of US \$8,332 to the 73rd meeting;
- (viii) That the Government of France had balances for two projects (ETH/PHA/51/PRP/17 and IRA/PHA/45/INV/171) completed over two years previously but not returned to the Fund, totalling US \$160,381, excluding support costs, and that these balances would be returned in 2014;
- (ix) That the Government of Italy had balances for one project completed over two years previously but not returned to the Fund, totalling US \$2,677, excluding support costs;-
- (x) That the net level of funds and support costs being returned by the bilateral agencies at the 72nd meeting was US \$7,104, which included the return of US \$6,725 from the Government of Italy and US \$379 from the Government of Japan, which would be offset against future projects;
- (xi) That UNIDO had requested that the methyl bromide project in China (CPR/PRO/47/INV/436) be reinstated as “ongoing” owing to an ongoing contract on technical assistance for which the final payment was scheduled in December 2015;

(b) To request:

- (i) Implementing agencies with projects completed over two years previously to return the balances as soon as possible; and
- (ii) UNEP to return all unobligated balances to the 73rd meeting.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/2 para 31).

(Supporting documents: UNEP/OzL.Pro/ExCom/72/4).

The Seventy-third Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/73/4;
- (ii) That the net level of funds being returned to the 73rd meeting by the implementing agencies against completed projects was US \$4,139,113, which included: US \$244,378, plus agency support costs of US \$41,057, from UNDP; US \$271,563, plus agency support costs of US \$27,974, from UNEP; US \$767,378, plus agency support costs of US \$58,978, from UNIDO; and US \$2,143,080, plus agency support costs of US \$584,704, from the World Bank;
- (iii) That the net level of funds being returned to the 73rd meeting by the implementing agencies against

projects completed by decision of the Executive Committee was US \$1,014,384, which included: US \$34,137, plus agency support costs of US \$2,560, from UNDP; US \$422,703, plus agency support costs of US \$54,952, from UNEP; US \$408,252, plus agency support costs of US \$30,640, from UNIDO, including the partial return of US \$250,000, plus agency support costs US \$18,750, from a project for Tunisia (TUN/PHA/68/INV/54); and US \$56,874, plus agency support costs of US \$4,266, from the World Bank;

(iv) That UNIDO had balances totalling US \$30,192, excluding support costs, from projects completed over two years previously;

(v) That the Government of France held balances from four completed projects and one project closed over two years previously, totalling US \$378,985, excluding support costs, which would be offset against France's future approved bilateral activities;

(vi) That the Government of Italy held balances from one project completed over two years previously, totalling US \$2,677, excluding support costs;

(vii) That the Government of Israel held balances for one project completed over two years previously, totalling US \$68,853, excluding support costs;

(b) To request:

(i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the Fund by the 74th meeting;

(ii) Bilateral and implementing agencies to liquidate or cancel obligations not needed for completed projects and projects completed by decision of the Executive Committee in order to return balances to the Fund by the 74th meeting as follow up to decisions 70/7(b)(ii) and (iii) and 71/11(b);

(iii) Bilateral and implementing agencies to return balances from all closed projects to the Fund by the 74th meeting; and

(iv) UNEP to return all unobligated balances to the Fund by the 74th meeting.

(UNEP/OzL.Pro/ExCom/73/62, Decision 73/2 para 28).

(Supporting documents: UNEP/OzL.Pro/ExCom/73/4).

The Seventy-fourth Meeting of the Executive Committee decided:

(a) To note:

(i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/74/4 and the update provided by UNIDO after the document had been issued;

(ii) That the net level of funds being returned to the 74th meeting by the implementing agencies was US \$2,409,941, which included the return of US \$353,703, plus agency support costs of US \$28,024, from UNDP; US \$1,772,803, plus agency support costs of US \$153,290, from UNEP; and US \$94,931, plus agency support costs of US \$7,190, from UNIDO;

(iii) That the net level of funds being returned to the 74th meeting by the bilateral agencies in cash against completed projects was US \$12,363, which included US \$6,529, plus agency support costs of US \$849, from the Government of the Czech Republic; US \$1,580, plus agency support costs of US \$205, from the Government of Japan; and US \$32, plus agency support costs of US \$4 and interest of US \$3,164, from the Government of Spain;

(iv) That the return of US \$140,685 (US \$94,500, plus agency support costs of US \$12,285 for the HCFC phase-out management plan (HPMP) (stage I, second tranche) for the Plurinational State of Bolivia; and US \$30,000, plus agency support costs of US \$3,900), for the verification report for stage I of the HPMP, from the Government of Germany owing to the change of implementing agency would be offset against future approved bilateral projects for the Government of Germany;

(v) That UNIDO had balances of US \$15,053, excluding agency support costs, for one project completed over two years previously;

(vi) That UNEP had unobligated balances of US \$50,000, excluding agency support costs, for one project completed over two years previously;

(vii) That the World Bank had unobligated balances of US \$521,029, excluding agency support costs, for one project completed "by decision" of the Executive Committee;

- (viii) That the Government of France had balances for one project closed and four projects completed over two years previously, totalling US \$378,985, excluding agency support costs, which would be offset against future approved bilateral projects for the Government of France;
 - (ix) That the Government of Israel had balances for one project completed over two years previously, totalling US \$68,853, excluding agency support costs;
 - (x) That the Government of Italy had balances for two projects completed over two years previously, totalling US \$4,228 in obligated and US \$3,043 in unobligated balances, excluding agency support costs;
- (b) To request:
- (i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the 75th meeting;
 - (ii) Bilateral and implementing agencies to liquidate or cancel obligations not needed for completed projects and projects completed “by decision” of the Executive Committee in order to return balances to the 75th meeting as a follow-up to decisions 70/7(b)(ii) and (iii) and 71/11(b);
 - (iii) UNEP and the World Bank to return all unobligated balances from completed projects and/or projects completed “by decision” of the Executive Committee to the 75th meeting;
 - (iv) The Government of Italy to return all unobligated balances to the 75th meeting;
 - (v) The Secretariat to adjust the additional funds allocated to UNEP for stage I of the HPMP for the Philippines from US \$1,077,221, plus agency support costs of US \$124,364, approved at the 68th meeting (decision 68/20) to US \$1,033,575, plus agency support costs of US \$123,693, to reflect the actual balance returned by the World Bank, as recorded in the report of the 66th meeting (UNEP/OzL.Pro/ExCom/66/54);
 - (vi) The Treasurer to follow up with the Governments of the Czech Republic, Japan, and Spain the respective return of balances to the Fund and to record the amount of US \$3,164 as interest income for the Fund;
- (c) To approve:
- (i) The transfer of preparation of stage II of the HPMP (EGY/PHA/73/PRP/121) and related investment activities in the foam sector (EGY/FOA/73/PRP/120) for Egypt from UNIDO to UNDP, in the amount of US \$20,000, plus agency support costs of US \$1,400, for each of the two projects;
 - (ii) The transfer of preparation of stage II of the HPMP for Chile (CHI/PHA/73/PRP/182) from UNDP to UNIDO, in the amount of US \$40,000, plus agency support costs of US \$2,800;
 - (iii) The extension of the duration of the African chiller demonstration project being implemented by the Governments of France (AFR/REF/48/DEM/36) and Japan (AFR/REF/48/DEM/35) until December 2015 to enable the completion of assistance to Sudan; and
 - (iv) The extension of the duration of the national ODS phase-out plan in Yemen (YEM/PHA/55/INV/28 and YEM/PHA/60/INV/36) until June 2016 owing to the continued crisis and conflict in the country.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/2 para 31).

(Supporting documents: UNEP/OzL.Pro/ExCom/74/4).

The Seventy-fifth Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/75/4/Rev.1;
 - (ii) That the net level of funds being returned to the 75th meeting by the implementing agencies against completed projects was US \$625,064 which included: a refund of US \$4,804 and a return of agency support costs of US \$89, from UNDP; US \$166,513, plus agency support costs of US \$18,687, from UNEP; US \$21,864, plus agency support costs of US \$256, from UNIDO and US \$74,889, plus agency support costs of US \$5,617, and US \$341,953 in core unit costs, from the World Bank;
 - (iii) That the net level of funds being returned in cash to the 75th meeting by the bilateral agencies was US \$221, plus agency support costs of US \$29, from the Government of Spain, and that the Treasurer would follow up on that process;
 - (iv) That UNEP had balances of US \$97,790, excluding support costs, for six projects completed over two years previously;

- (v) That the Government of France had balances for one project closed and four projects completed over two years previously, totaling US \$378,985, excluding agency support costs, which would be offset against France's future approved bilateral projects;
 - (vi) That the Government of Germany had not-committed balances for one completed project totaling US \$1,794, excluding agency support costs, which would be offset against Germany's future approved bilateral projects;
 - (vii) That the Government of Italy had balances for four completed projects totaling US \$74,213, excluding agency support costs, which would be offset against Italy's future approved bilateral projects;
- (b) To request:
- (i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the 76th meeting;
 - (ii) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and project completed "by decision of the Executive Committee" in order to return balances to the 76th meeting;
- (c) To approve the transfer of survey of ODS alternatives at the national level for the Republic of Moldova (MOL/SEV/74/TAS/32) from UNEP to UNDP, in the amount of US \$20,000, plus agency support costs of US \$1,800; and
- (d) To note that UNEP would return US \$800 in agency support costs to the 75th meeting, which represented the difference in agency support costs between UNEP and UNDP for the transfer of survey of ODS alternatives, as per sub-paragraph (c) above.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/2 para 38).

(Supporting documents: UNEP/OzL.Pro/ExCom/75/4).

The Seventy-sixth meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/76/4;
 - (ii) That the net level of funds being returned to the 76th meeting by the implementing agencies was US \$867,120, which included the return of: US \$243,247 plus agency support costs of US \$18,238 from UNDP; US \$6,113 plus agency support costs of US \$1,403 from UNEP; US \$73,462 plus agency support costs of US \$6,907 from UNIDO; and US \$481,628 plus agency support costs of US \$36,122 from the World Bank;
 - (iii) That UNIDO had balances of US \$145,448, excluding support costs, for two projects completed over two years previously;
 - (iv) That the Government of France had balances for one closed project and four completed projects, totalling US \$425,293, including agency support costs, which would be offset against bilateral projects approved for the Government of France at the 76th meeting;
 - (v) That the Government of Germany had balances for one completed project, totalling US \$1,989, including agency support costs, which would be offset against bilateral projects approved for the Government of Germany at the 77th meeting;
 - (vi) That the Government of Italy had balances for five completed projects, totalling US \$22,357, including agency support costs, which would be offset against bilateral projects approved for the Government of Italy at the 77th meeting;
- (b) To request:
- (i) Implementing agencies with projects completed over two years previously to return the balances to the 77th meeting;
 - (ii) Bilateral and implementing agencies to disburse or to cancel commitments not needed for completed projects and projects completed "by decision of the Executive Committee" in order to return balances to the 77th meeting;
- (c) To request the Treasurer:
- (i) To adjust, by US \$82,009, including agency support costs, the amount due in cash to the Multilateral Fund from the Government of Israel to reflect the balances associated with one project completed since December 2008; and
 - (ii) To adjust, by US \$53,765, including agency support costs, the amount due in cash to the Multilateral Fund from the Government of Portugal to reflect the balances associated with one project completed since

July 2011.

UNEP/OzL.Pro/ExCom/76/66, Decision 76/2, para 31(a)-(c)
(Supporting document: UNEP/OzL.Pro/ExCom/76/4).

The Seventy-seventh meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/77/4;
 - (ii) That the net level of funds being returned to the 77th meeting by the implementing agencies was US \$863,471, consisting of: US \$244,115, plus agency support costs of US \$18,478 from UNDP; US \$126,301, plus agency support costs of US \$17,643 from UNEP; US \$42,829, plus agency support costs of US \$2,664 from UNIDO; and US \$411,441 in agency support costs from the World Bank;
 - (iii) That the net level of funds being returned to the 77th meeting by the bilateral agencies was US \$115,282, consisting of: US \$76,711, plus agency support costs of US \$8,783, and US \$29,552 in accrued interest, from the Government of Italy; and US \$209, plus agency support costs of US \$27, from the Government of Japan;
 - (iv) That UNEP had balances of US \$138,818, excluding support costs, for nine projects completed over two years previously;
 - (v) That UNIDO had balances of US \$137,311, excluding support costs, for one project completed over two years previously;
 - (vi) That the Government of Germany had non-committed balances for one completed and two ongoing projects, totalling US \$1,989 and US \$149,090, respectively, including agency support costs, which would be offset against bilateral projects submitted to the 77th meeting, if they were approved by the Executive Committee;
 - (vii) That the Government of Spain had balances for two completed projects that had been completed over two years previously, totalling US \$15,600 in agency support costs, which would be offset against bilateral projects submitted to a future meeting, subject to their approval;
- (b) To request:
- (i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the 79th meeting;
 - (ii) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and those completed “by decision of the Executive Committee” in order to return the balances to the 79th meeting;
 - (iii) UNEP to return non-committed balances to the 79th meeting; and
 - (iv) The Treasurer to follow up with the Governments of Italy and Japan on the return in cash as indicated in sub-paragraph (a)(iii) above.

UNEP/OzL.Pro/ExCom/77/76, Decision 77/2, para 26(a)-(b)
(Supporting document: UNEP/OzL.Pro/ExCom/77/4).

The Seventy-ninth Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/79/4;
 - (ii) That the funds being returned to the 79th meeting by the implementing agencies amounted to US \$1,960,282, consisting of US \$1,291,131, plus agency support costs of US \$147,728 from UNEP, and US \$486,204, plus agency support costs of US \$35,219, from UNIDO;
 - (iii) The adjustment for UNDP, thereby crediting the agency with US \$97,064, plus agency support costs of US \$7,159, to rectify the mistaken return of those amounts to the 76th meeting, which made the net level of funds being returned by the implementing agencies to the 79th meeting US \$1,856,059;
 - (iv) That the net level of funds being returned to the 79th meeting by the bilateral agencies was US \$203,182, consisting of US \$177,992, plus agency support costs of US \$23,139, from the Government of Italy, and US \$1,837, plus agency support costs of US \$214, from the Government of Spain;
 - (v) That UNDP held balances of US \$10,062, excluding support costs, for projects completed two years previously;
 - (vi) That UNEP held balances of US \$486,443, consisting of US \$146,435 and US \$340,008 in committed and

not-committed balances, respectively, excluding support costs, for 13 projects completed over two years previously;

(vii) That UNIDO held balances of US \$54,232, excluding support costs, for two projects completed over two years previously;

(viii) That the Government of Germany's not-committed balances, totalling US \$5,961, including agency support costs, for one project that had been transferred, would be offset against any bilateral projects approved for the Government of Germany at the 79th meeting;

(ix) That the Government of Japan held balances totalling US \$1,179,170, consisting of US \$269,080 and US \$910,090 in committed and not-committed balances, respectively, including agency support costs, for one completed project and two projects completed "by decision of the Executive Committee";

(b) To request:

(i) The Treasurer to follow up with the Governments of Italy and Spain on the return, in cash, of the US \$203,182 being made to the 79th meeting as per sub paragraph (a)(iv) above;

(ii) Bilateral and implementing agencies to return, no later than the 80th meeting, the balances of all projects completed over two years previously;

(iii) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and projects completed "by decision of the Executive Committee" and to return the balances to the 80th meeting; and

(iv) The Government of Japan and UNEP to return to the 80th meeting not committed balances no longer required for future projects.

(UNEP/OzL.Pro/ExCom/79/51, Decision 79/3, para 25)

(Supporting document: UNEP/OzL.Pro/ExCom/79/51).

The Eightieth Meeting of the Executive Committee decided:

(a) To note:

(i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/80/4;

(ii) That the level of funds being returned to the 80th meeting by the implementing agencies amounted to US \$5,432,309, consisting of US \$558,552, plus agency support costs of US \$44,491 from UNDP; US \$2,609,791, plus agency support costs of US \$229,320 from UNEP; US \$652,068, plus agency support costs of US \$47,948 from UNIDO; and US \$1,142,011, plus agency support costs of US \$148,128 from the World Bank;

(iii) That the net level of funds to be returned to the Government of France was US \$21,755, plus agency support costs of US \$1,450;

(iv) That UNDP held balances of US \$262,988, including agency support costs of US \$18,358, for projects completed two years previously;

(v) That UNEP held balances of US \$377,431, consisting of US \$219,231 and US \$158,200 in committed and not-committed balances, respectively, including agency support costs of US \$33,403, for five projects completed over two years previously;

(vi) That the Government of Japan held balances of US \$1,179,170, consisting of US \$365,464 and US \$813,706 in committed and not-committed balances, respectively, including agency support costs of US \$122,696, for one completed project and two projects completed "by decision of the Executive Committee";

(b) To request:

(i) Bilateral and implementing agencies to return, no later than the 81st meeting, the balances of all projects completed over two years previously;

(ii) Bilateral and implementing agencies to disburse or to cancel commitments not needed for completed projects and project completed "by decision of the Executive Committee" and to return balances to the 81st meeting;

(iii) The Government of Japan and UNEP to return to the 81st meeting not-committed balances no longer required; and

(iv) The Treasurer to increase France's bilateral approval by US \$23,205.

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/--, para --)

(Supporting document: UNEP/OzL.Pro/ExCom/80/--).

The Eighty-first Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/81/4;
- (ii) That the net level of funds being returned to the 81st meeting by the implementing agencies was US \$91,055, consisting of: US \$10,467, plus agency support costs of US \$802, from UNDP; US \$124,964, plus agency support costs of US \$9,107, from UNIDO; and, to rectify the premature return, by UNEP, of balances to the 80th meeting, an adjustment crediting the agency with US \$52,867, plus agency support costs of US \$1,418;
- (iii) That UNEP held US \$158,200, including agency support costs, in not-committed balances, for one project completed over two years previously;
- (iv) That UNIDO held US \$36,983, including agency support costs, in committed balances, for one project completed two years previously;
- (v) That UNIDO did not hold any balances on projects completed by decision of the Executive Committee, and that the total balance withheld by UNIDO should read US \$312,499 in Table 2 of document UNEP/OzL.Pro/ExCom/81/4;
- (vi) That the net level of funds and agency support costs due to be returned by the bilateral agencies to the 81st meeting was US \$742,272, consisting of: US \$1,462 from the Government of Canada; US \$282,500 from the Government of France; and US \$458,310 from the Government of Japan;
- (vii) That, of the return of US \$458,310 by the Government of Japan referred to in sub-paragraph (vi) above, US \$1,482, plus agency support costs of US \$193 for the project PHI/FOA/62/INV/91, had already been returned in cash to the Fund, and that US \$3,914 in accrued interest would be considered additional income to the Fund;
- (viii) The return by the Government of Canada of accrued interest of US \$1,703 for the project MEX/FUM/54/INV/138, which would be considered additional income to the Fund;
- (ix) That the Government of France held US \$14,854, including agency support costs, in committed balances, for one project completed by decision of the Executive Committee;
- (x) That the Government of Japan held balances of US \$713,741, consisting of US \$712,196 and US \$1,545 in committed and not-committed balances, respectively, including agency support costs, for two projects completed by decision of the Executive Committee;
- (xi) That the Government of Spain held US \$28,416, including agency support costs, in not-committed balances, for one project completed by decision of the Executive Committee;
- (xii) The return to the Fund of US \$966,254, consisting of US \$777,000, plus agency support costs of US \$54,390 for UNIDO, and US \$120,000, plus agency supports costs of US \$14,864 for UNEP, withheld by the Treasurer from the fourth tranche of stage I of the HPMP for Saudi Arabia in line with decision 77/54(f); and

(b) To request:

- (i) UNEP and UNIDO to return, no later than the 82nd meeting, the balances from all projects completed over two years previously;
- (ii) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and projects completed by decision of the Executive Committee and to return balances to the 82nd meeting;

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

- (iii) The Government of Spain and UNEP to return to the 82nd meeting not-committed balances no longer required for future projects;
- (iv) The Treasurer to follow up on the amounts of US \$3,165 due from the Government of Canada, US \$282,500 due from the Government of France and US \$456,635 due from the Government of Japan excluding the amount already returned in cash referred to in sub-paragraph (a)(vii) above; and
- (v) The Treasurer to offset US \$5,275 against approvals for the Government of Canada at the 81st meeting in line with Annex IX of document UNEP/OzL.Pro/ExCom/68/53.

(UNEP/OzL.Pro/ExCom/81/58, Decision 81/2)

(Supporting document: UNEP/OzL.Pro/ExCom/81/4).

The Eighty-second Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/82/4;
- (ii) That the net level of funds being returned at the 82nd meeting by the implementing agencies was US \$3,102,557, consisting of: US \$109,231, plus agency support costs of US \$8,619 from UNDP; US \$1,248,220, plus agency support costs of US \$108,993 from UNEP; US \$1,241,267, plus agency support costs of US \$90,757 from UNIDO; and US \$220,000, plus agency support costs of US \$75,470 from the World Bank;
- (iii) That UNEP held balances of US \$158,200, including agency support costs, in not-committed balances, for one project completed over two years previously;
- (iv) That UNEP held balances of US \$301,042, including agency support costs, for seven ODS-alternative survey projects;
- (v) That UNIDO held balances of US \$12,773, including agency support costs, for two ODS-alternative survey projects;
- (vi) That the net level of funds and agency support costs due to be returned by the bilateral agencies at the 82nd meeting was US \$121,266, consisting of US \$120,723 from the Government of France and US \$543 from the Government of Spain;
- (vii) The return by the Governments of France and Spain of accrued interest of US \$3,774 and US \$5,399, respectively, which would be considered additional income to the Fund;
- (viii) That the Government of Japan held US \$63, including agency support costs, in committed balances, for one completed project;
- (ix) That the Government of Spain held US \$3,092, including agency support costs, in committed balances, for one completed project; and

(b) To request:

- (i) Bilateral and implementing agencies to disburse committed balances, or to cancel commitments not needed for completed projects and projects completed “by decision” of the Executive Committee and to return balances at the 83rd meeting;
- (ii) UNEP and UNIDO to return balances outstanding from ODS-alternative survey projects before the 83rd meeting, in line with decision 80/75(c)(i); and
- (iii) The Treasurer to follow up with the Government of France, on the return, in cash, the amounts of US \$121,266 and US \$3,774, referred to in sub-paragraphs (a)(vi) and (vii) above, respectively.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/2).

(Supporting document: UNEP/OzL.Pro/ExCom/82/4).

The Eighty-third Meeting of the Executive Committee decided:

(a) To note:

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- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/83/4;
 - (ii) That the net level of funds being returned at the 83rd meeting by the implementing agencies was US \$5,278,006, consisting of: US \$267,329, plus agency support costs of US \$19,219 from UNDP; US \$2,927,147, plus agency support costs of US \$265,091 from UNEP; US \$345,199, plus agency support costs of US \$25,603 from UNIDO, and US \$1,333,562, plus agency support costs of US \$94,856 from the World Bank;
 - (iii) That the net level of funds being returned to the funding window established with the additional contributions for fast-start support for implementation of the HFC phase-down was US \$225,992, plus agency support costs of US \$15,819 from the World Bank;
 - (iv) That UNEP held balances of US \$333,873, including agency support costs, for 11 projects completed over two years previously, including one institutional strengthening project completed in 2013;
 - (v) That UNEP held balances of US \$56,500, including agency support costs, for one survey of ODS alternative project (ALG/SEV/74/TAS/82);
 - (vi) That UNIDO held balances of US \$154,257, including agency support costs, for two projects completed over two years previously;
 - (vii) That the net level of funds and agency support costs due to be returned by the bilateral agencies to the 83rd meeting was US \$3,100, consisting of: the return of US \$53, plus agency support costs of US \$7 from the Government of Japan; the return of US \$2,736, plus agency support costs of US \$356 from the Government of Spain; and a credit of US \$48, plus agency support costs of US \$4 to the Government of France;
 - (viii) The return, by the Government of France, of accrued interest of US \$6,632, which would be considered additional income to the Fund;
- (b) To request:
- (i) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and projects completed “by decision of the Executive Committee” and to return the balances at the 84th meeting;
 - (ii) UNEP and UNIDO to disburse or cancel commitments for projects completed over two years previously and to return the balances at the 84th meeting;
 - (iii) UNEP to return the outstanding balance for the survey of ODS alternative project for Algeria (ALG/SEV/74/TAS/82) before the 84th meeting, in line with decision 80/75(c)(i); and
 - (iv) The Treasurer to follow up with the Government of France on the return, in cash, of the amount of US \$6,632, referred to in sub-paragraph (a)(viii) above.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/3).

(Supporting document: UNEP/OzL.Pro/ExCom/83/4).

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/84/4;
 - (ii) That the net level of funds being returned at the 84th meeting by the implementing agencies was US \$12,014,622, consisting of: US \$438,499, plus agency support costs of US \$30,902 from UNDP; US \$2,088,984, plus agency support costs of US \$162,970 from UNEP; US \$1,050,133, plus agency support costs of US \$83,837 from UNIDO; and US \$7,670,501, plus agency support costs of US \$488,796 from the World Bank;
 - (iii) That the net level of funds being returned at the 84th meeting by the implementing agencies from projects funded using the additional voluntary contributions was US \$28,064, consisting of: US

- \$25,934, plus agency support costs of US \$1,815 from UNDP, and US \$294 plus agency support costs of US \$21 from UNIDO;
- (iv) That UNEP held balances of US \$56,500, including agency support costs, for one ODS-alternative survey project, and US \$58,363, including agency support costs, in not-committed balance for one project;
 - (v) That UNIDO held balances of US \$152,209, including agency support costs, for one project completed over two years previously, and US \$8,058, including agency support costs, for one project funded using the additional voluntary contributions;
 - (vi) That the net level of funds and agency support costs returned by the bilateral agencies at the 84th meeting was US \$920,287, consisting of: US \$454,087, plus agency support costs of US \$57,518 from the Government of France, and US \$405,953, plus agency support costs of US \$2,729 from the Government of Japan;
- (b) To request:
- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and for projects completed “by decision of the Executive Committee”, and to return the associated balances at the 85th meeting;
 - (ii) UNIDO to return to the 85th meeting the balance of one completed project funded using the additional voluntary contributions;
 - (iii) UNIDO to disburse or cancel commitments for one project completed over two years previously and to return balances at the 85th meeting;
 - (iv) UNEP to return the outstanding balances for one ODS-alternative survey project before the 85th meeting, in line with decisions 80/75(c)(ii) and 83/3(b)(iii);
 - (v) The Treasurer to follow up with the Governments of France and Japan, on the return, in cash, of the amount of US \$920,287 referred to in sub-paragraph (a)(vi) above; and
 - (vi) The Treasurer to offset US \$133,146 from the funds approved for the World Bank at the 84th meeting, representing the amount of the penalty payment received from the Government of China pursuant to decision 82/88(d).

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/3).

(Supporting document: UNEP/OzL.Pro/ExCom/84/5).

The Eighty-sixth Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/86/4;
 - (ii) That the net level of funds being returned at the 86th meeting by the implementing agencies was US \$2,573,375, consisting of US \$756,229, plus agency support costs of US \$55,951, from UNDP; US \$686,656, plus agency support costs of US \$61,080, from UNEP; US \$794,898, plus agency support costs of US \$57,619, from UNIDO; and US \$108,881, plus agency support costs of US \$52,061, from the World Bank;
 - (iii) That UNIDO held balances of US \$38, including agency support costs, for one project completed over two years previously and US \$6,637, including agency support costs, for two projects funded using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of the HFC phase-down;
 - (iv) That the net level of funds being returned at the 86th meeting by the Government of Japan was US \$126, plus agency support costs of US \$16;
 - (v) That the Government of Italy held balances of US \$5,350, including agency support costs, for one project funded using the additional voluntary contributions;
- (b) To request:

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- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee”, and to return the associated balances to the 87th meeting;
- (ii) UNIDO to return to the 87th meeting the balance of two completed projects funded using the additional voluntary contributions;
- (iii) UNIDO to proceed with disbursement or to cancel commitments for one project completed over two years previously, and to return balances to the 87th meeting;
- (iv) The Government of Italy to return to the 87th meeting the balance of one completed project funded using the additional voluntary contributions; and
- (v) The Treasurer to follow up with the Government of Japan, on the return, in cash, of the amount of US \$142 referred to in sub-paragraph (a)(iv) above.

(UNEP/OzL.Pro/ExCom/86/100, Decision 86/4).

(Supporting document: UNEP/OzL.Pro/ExCom/86/4).

The Eighty-seventh Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/87/4;
- (ii) That the net level of funds being returned at the 87th meeting by the implementing agencies was US \$2,308,358, consisting of: US \$58,511, plus agency support costs of US \$4,199, from UNDP; US \$1,867,022, plus agency support costs of US \$148,337, from UNEP, and US \$214,743, plus agency support costs of US \$15,546, from UNIDO;
- (iii) That UNEP held balances of US \$109,372, including agency support costs, from seven projects completed over two years previously, which included balances of US \$434, including agency support costs, from one ODS-alternative survey project and US \$10,110, including agency support costs, from one project funded using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase-down;
- (iv) That UNIDO held balances of US \$2,132, including agency support costs, from one project funded using the additional voluntary contributions;
- (v) That the net level of funds being returned by the Government of France at the 87th meeting was US \$6,247, plus agency support costs of US \$500;

(b) To request:

- (vi) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee”, and to return the associated balances to the 88th meeting;
- (vii) UNEP to return to the 88th meeting the balance from one ODS-alternative survey project completed over two years previously, in line with decision 80/75(c)(i), and the balance from one completed project funded using the additional voluntary contributions;
- (viii) UNEP to proceed with disbursement or to cancel commitments for the remaining six projects completed over two years previously, and to return the balances to the 88th meeting;
- (ix) UNIDO to return to the 88th meeting the balance from one completed project funded using the additional voluntary contributions; and
- (x) The Treasurer to follow up with the Government of France, on the return, in cash, of the amount of US \$6,747 referred to in sub-paragraph (a)(v) above.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/2).

(Supporting document: UNEP/OzL.Pro/ExCom/87/4).

The Eighty-eighth Meeting of the Executive Committee decided:

(a) To note

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/88/4;
- (ii) That the net level of funds being returned at the 88th meeting by the implementing agencies was US \$6,320,237, consisting of US \$2,261,506, plus agency support costs of US \$168,607 from UNDP; US \$3,165,404, plus agency support costs of US \$241,892 from UNEP; US \$36,946, plus agency support costs of US \$2,678 from UNIDO; and agency support costs of US \$443,204 from the World Bank;
- (iii) That UNDP held balances of US \$25,773, including agency support costs, for three projects completed over two years previously, and US \$22,223, including agency support costs, for three completed projects funded using the additional voluntary contributions for enabling activities for HFC phase-down;
- (iv) That UNEP held balances of US \$116,344 including agency support costs, for two projects completed “by decisions of the Executive Committee”;
- (v) That the net level of funds being returned at the 88th meeting by the Government of Australia was US \$2,070, plus agency support costs of US \$269;

- (b) To request:
- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee”, and to return the associated balances to the 90th meeting;
 - (ii) UNDP to proceed with disbursement or to cancel commitments for the remaining three projects completed over two years previously, and to return balances to the 90th meeting;
 - (iii) UNDP to return to the 90th meeting the balances of three completed projects funded using the additional voluntary contributions;
 - (iv) UNEP to return to the 90th meeting, the balances of two projects completed “by decision of the Executive Committee”, in line with decision 86/16(f)(i); and
 - (v) The Treasurer to follow up with the Government of Australia, on the return, in cash, of the amount of US \$2,339 referred to in sub-paragraph (a)(v) above.

(UNEP/OzL.Pro/ExCom/88/79, Decision 88/3).

(Supporting document: UNEP/OzL.Pro/ExCom/88/4).

The Ninetieth Meeting of the Executive Committee decided:

- (a) To note:
- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/90/4;
 - (ii) That the net level of funds being returned at the 90th meeting, by the implementing agencies, was US \$3,360,846, consisting of US \$2,156,038, plus agency support costs of US \$161,346, from UNDP; a credit adjustment of US \$17,118, plus agency support costs of US \$23,719, from UNEP; and US \$968,631, plus agency support costs of US \$68,230, from UNIDO;
 - (iii) That UNDP held balances of US \$31,206, including agency support costs, for two projects completed over two years previously, and US \$119,016, including agency support costs, for one project completed “by decision of the Executive Committee”;
 - (iv) That UNEP held balances of US \$54,511, including agency support costs, for two projects completed over two years previously, and US \$240,643, including agency support costs, for three projects completed “by decision of the Executive Committee”;
 - (v) That UNIDO held balances of US \$46,514, including agency support costs, for one project completed over two years previously, and US \$893,905, including agency support costs, for three projects completed “by decision of the Executive Committee”;
- (b) To request:
- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee”, and to return the associated balances at the 91st meeting;
 - (ii) UNDP to proceed with disbursement or to cancel commitments for the remaining two projects completed over two years previously, and to return the associated balances at the 91st meeting;
 - (iii) UNEP to proceed with disbursement or to cancel commitments for the remaining two projects completed over two years previously, and to return the associated balances at the 91st meeting; and
 - (iv) UNIDO to proceed with disbursement or to cancel commitments for the remaining project completed over two years previously, and to return the associated balance at the 91st meeting.

(UNEP/OzL.Pro/ExCom/90/40, Decision 90/2).

(Supporting document: UNEP/OzL.Pro/ExCom/90/4).

The Ninety-first Meeting of the Executive Committee decided:

- (a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/91/4;
 - (ii) That the net level of funds being returned by the implementing agencies at the 91st meeting was US \$3,085,700, consisting of US \$38,438, plus agency support costs of US \$2,887, from UNDP; US \$2,578,802, plus agency support costs of US \$219,667, from UNEP; US \$225,813, plus agency support costs of US \$16,526, from UNIDO; and US \$3,334, plus agency support costs of US \$233, from the World Bank;
 - (iii) That UNDP held balances of US \$30,298, including agency support costs, for two projects completed over two years previously, and US \$43,987, including agency support costs, for four completed projects funded using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase down;
 - (iv) That UNIDO held balances of US \$5,931, including agency support costs, for one project completed over two years previously, US \$23,307, including agency support costs, for two projects completed “by decision of the Executive Committee” and US \$210,806, including agency support costs, for seven projects funded using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase down;
 - (v) That the World Bank held a balance of US \$334, including agency support costs, for one project funded using the additional voluntary contributions made by a group of donor countries to finance fast start activities for the implementation of HFC phase down;
 - (vi) That the net level of funds being returned at the 91st meeting by the Government of France was US \$21,199, consisting of US \$18,488, plus agency support costs of US \$1,479, and accrued interest of US \$1,232, which would be considered additional income to the Fund;
- (b) To request:
- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee” and to return the associated balances at the 92nd meeting;
 - (ii) UNDP and UNIDO to proceed with disbursement or to cancel commitments for the projects completed over two years previously and to return the balances at the 92nd meeting;
 - (iii) UNDP, UNIDO and the World Bank to proceed with disbursement or return at the 92nd meeting the balances from completed projects funded using the additional voluntary contributions;
 - (iv) UNIDO to return at the 92nd meeting the balances of two projects completed “by decision of the Executive Committee”, in line with decision 86/17(i)(i); and
 - (v) The Treasurer to follow up with the Government of France regarding the return, in cash, of the amount of US \$21,199 referred to in subparagraph (a)(vi) above.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/3).

(Supporting document: UNEP/OzL.Pro/ExCom/91/4).

The Ninety-second Meeting of the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/92/4;
- (ii) That the net level of funds being returned by the implementing agencies at the 92nd meeting was US \$2,508,725 consisting of US \$334,630, plus agency support costs of US \$23,485 from UNDP; US \$277,372, plus agency support costs of US \$17,732, from UNEP; US \$1,728,863, plus agency support costs of US \$123,876, from UNIDO; and US \$2,586, plus agency support costs of US \$181, from the World Bank;

- (iii) That UNDP held balances of US \$50,243, including agency support costs, for five projects completed over two years previously and US \$23,411, including agency support costs, for one completed project using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase-down;
- (iv) That UNIDO held balances of US \$119,069, including agency support costs, for two completed projects using the additional voluntary contributions made by a group of donor countries to finance fast-start activities for the implementation of HFC phase-down;
- (b) To request:
 - (i) Implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and projects completed “by decision of the Executive Committee” and to return the associated balances at the 93rd meeting;
 - (ii) UNDP to proceed with disbursement or to cancel commitments for the projects completed over two years previously and to return balances at the 93rd meeting;
 - (iii) UNDP and UNIDO to proceed with disbursement or return at the 93rd meeting the balances of completed projects funded using the additional voluntary contributions;
 - (iv) The Government of Germany to return at the 92nd meeting the balance from stage II of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran, in the amount of US \$803,872, plus agency support costs of US \$91,434, consisting of:
 - a) US \$93,017, plus agency support costs of US \$10,580, from the second tranche (IRA/PHA/84/INV/236);
 - b) US \$145,255, plus agency support costs of US \$16,521, from the third tranche (IRA/PHA/86/INV/250);
 - c) US \$502,500, plus agency support costs of US \$57,156, and US \$63,100, plus agency support costs of US \$7,177, from the fourth tranche (IRA/PHA/90/INV/259 and IRA/PHA/90/INV/260, respectively);
 - (v) The Treasurer to transfer at the 92nd meeting the funds returned for the projects referred to in subparagraph (b)(iv) above to UNDP for the implementation of the fourth tranche, in the amount of US \$803,872, plus agency support costs of US \$56,271, consisting of:
 - a) US \$93,017, plus agency support costs of US \$6,511 for the second tranche (IRA/PHA/84/INV/236);
 - b) US \$145,255, plus agency support costs of US \$10,168 for the third tranche (IRA/PHA/86/INV/250);
 - c) US \$502,500, plus agency support costs of US \$35,175, and US \$63,100, plus agency support costs of US \$4,417 for the fourth tranche (IRA/PHA/90/INV/259 and IRA/PHA/90/INV/260, respectively);
 - (vi) The Government of Germany to return at the 92nd meeting the balance from the preparation of stage III of the HPMP for the Islamic Republic of Iran, in the amount of US \$30,000, plus agency support costs of US \$3,900, consisting of:
 - a) US \$5,000, plus agency support costs of US \$650, from the preparation of the overarching strategy (IRA/PHA/87/PRP/251);
 - b) US \$25,000, plus agency support costs of US \$3,250, from the preparation of investment activities in the industrial refrigeration and air-conditioning sector (IRA/PHA/87/PRP/252);
 - (vii) The Treasurer to transfer at the 92nd meeting the funds returned for the projects referred to in subparagraph (b)(vi) above to UNDP for implementation, in the amount of US \$30,000, plus agency support costs of US \$2,100, consisting of:
 - a) US \$5,000, plus agency support costs of US \$350 for the preparation of the overarching strategy (IRA/PHA/87/PRP/251);
 - b) US \$25,000, plus agency support costs of US \$1,750 for the preparation of investment activities in the industrial refrigeration and air-conditioning sector (IRA/PHA/87/PRP/252);

- (viii) UNEP to return at the 92nd meeting the balance from the preparation of the Kigali HFC implementation plan for Turkmenistan (TKM/KIP/87/PRP/18), in the amount of US \$10,000, plus agency support costs of US \$1,300;
- (ix) The Treasurer to transfer at the 92nd meeting the funds returned for the project referred to in subparagraph (b)(viii) above to UNIDO for implementation, in the amount of US \$10,000, plus agency support costs of US \$700;
- (x) The World Bank to return at the 92nd meeting the balance from the preparation of stage III of the HPMP for Jordan (overarching) (JOR/PHA/88/PRP/110), in the amount of US \$35,000, plus agency support costs of US \$2,450; and
- (xi) The Treasurer to transfer at the 92nd meeting the funds returned for the project referred to in subparagraph (b)(x) above to UNIDO for implementation, in the amount of US \$35,000 and agency support costs of US \$2,450.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/3).

(Supporting document: UNEP/OzL.Pro/ExCom/92/4).

The Ninety-third Meeting of the Executive Committee decided:

(a) To note:

(i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/93/4;

(ii) That the net level of funds being returned by the implementing agencies at the 93rd meeting was US \$4,235,786, consisting of US \$562,920, plus agency support costs of US \$39,505, from UNDP; US \$2,245,847, plus agency support costs of US \$175,064, from UNEP; US \$551,323, plus agency support costs of US \$38,603, from UNIDO; and US \$320,000, plus agency support costs of US \$302,524, from the World Bank;

(iii) That UNDP held balances of US \$109,930, including agency support costs, for seven projects completed over two years previously, and US \$7,953, including agency support costs, for two completed projects funded using the additional voluntary contributions made by a group of donor countries to finance fast start activities for the implementation of HFC phase-down;

(iv) That UNIDO held balances of US \$1,828,437, including agency support costs, for two projects completed over two years previously, and US \$122,134, including agency support costs, for five completed projects funded using the additional voluntary contributions made by a group of donor countries to finance fast start activities for the implementation of HFC phase down;

(v) That the level of funding being returned at the 93rd meeting by the Government of France was US \$50,850, consisting of US \$45,000, plus agency support costs of US \$5,850;

(b) To request:

(i) UNDP and UNIDO:

a. To proceed with disbursement or cancel committed and not committed funds that were not needed for completed projects, and to return the associated balances at the 94th meeting;

b. To proceed with disbursement or to cancel commitments for the projects completed over two years previously, and to return the balances at the 94th meeting;

c. To proceed with disbursement or return, at the 94th meeting, the balances from completed projects funded using the additional voluntary contributions; and

(ii) The Treasurer to follow up with the Government of France on the return, in cash, of the amount of US \$50,850 referred to in subparagraph (a) (v) above.

(UNEP/OzL.Pro/ExCom/93/105, Decision 93/3).

(Supporting document: UNEP/OzL.Pro/ExCom/93/4).

Guidelines for the return of unobligated balances from completed projects

The Thirty-first Meeting of the Executive Committee decided:

(a) to adopt the following guidelines for the return of unobligated balances from completed projects:

- (i) Implementing Agencies should return remaining unobligated (unencumbered) balances as soon as possible, but not later than one year following project completion, with the amount returned specified by project;

- (ii) Implementing Agencies should report on the reasons why any unobligated (unencumbered) balances could not be returned within the required time-frame and when they would be returned;
- (iii) full accounting of funds returned during the calendar year of reporting should be provided by project in the annual progress and financial reports;
- (b) to request the Secretariat, in consultation with the Implementing Agencies, to develop procedures and formats for applying the above guidelines and to investigate ways of dealing with the balances from recurring projects. The format should include the date of completion, the level of approved funding, the amount dispersed to date and, of the balance, how much had been obligated, how much was unobligated, and how much had been returned.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/2, para. 18(a, b)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/6).

High-cost projects

The Twentieth Meeting of the Executive Committee decided:

- (a) that projects in the consumption sector with a requested level of funding of more than US \$5 million should be submitted to the Fund Secretariat in full, 12 weeks in advance of the Executive Committee meeting at which they were to be considered;
- (b) for projects other than umbrella projects:
 - (i) that the submitting agency should, if requested, provide additional information, such as detailed baseline information beyond that normally provided, plant layouts, description, justification and costing of all significant items;
 - (ii) that the analysis and review process could involve a joint visit, if warranted, by the Fund Secretariat's reviewer and the relevant Implementing Agency.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/7, para. 18 (a, c)).

Retroactive funding

The Seventh Meeting of the Executive Committee recommended that the resources of the Fund can cover expenses incurred for CFC phasing-out activities undertaken only after a country has ratified the Montreal Protocol and qualified as an Article 5 Paragraph 1 country. It also concluded that the resources of the Fund may be extended to cover the agreed incremental costs of projects that had not received prior approval by the Executive Committee (retroactive funding) provided that:

- (a) they were incurred by an Article 5, paragraph 1 country subsequent to the date on which it became a Party to the Montreal Protocol, and
- (b) they meet the eligibility criteria.

(UNEP/OzL.Pro/ExCom/7/30, para. 85 and Annex V).

(Supporting document: UNEP/OzL.Pro/ExCom/7/30 Annex V).

The Twentieth Meeting of the Executive Committee decided to request the Secretariat to prepare a policy paper for consideration at the Twenty-first Meeting on the issue of retroactive funding as a whole, covering *inter alia* the years to be used as a basis for determining ODS consumption, in order to give guidance to the Implementing Agencies.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/26, para. 37).

The Twenty-second Meeting of the Executive Committee took note of the suggestion made by one member to the effect that, because very few projects were being submitted for retroactive funding, it might be necessary to encourage the submission of such projects, for example by waiving the need to apply the cost-effectiveness thresholds to them. The Committee decided to take note of the report of the Secretariat on retroactive funding and of the above comments made by one member.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/72 (paras. 102, 103)).

(Supporting document: UNEP/OzL.Pro/ExCom/22/75).

Administrative costs in retroactive projects

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to note that there was general agreement among members of the Sub-Committee that the current level of support costs for retroactive projects was too high;

- (b) that no new level of support costs for retroactive projects could be decided upon at the current meeting and that the proposal should be taken up again in the general framework of the review of the question of administrative support costs to be undertaken in accordance with decision 26/41.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/17, para. 42).

The Twenty-ninth Meeting of the Executive Committee decided that the level of administrative support costs for retroactive projects would be set at 6 per cent.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/72, para. 114).

Types of retroactive projects

The Twenty-eighth Meeting of the Executive Committee noted that there were different types of retroactive projects, depending on what proportion of the project was actually in place by the time the Implementing Agency became involved, noted that differing levels of support costs might be appropriate to those different types, and decided:

- (a) to request the Implementing Agencies to provide more information on the different types of retroactive projects;
- (b) to request the World Bank to give further clarification on the figure of three per cent for the financial intermediary fee at the following meeting of the Executive Committee;
- (c) to request the Secretariat and the Implementing Agencies to identify the approved projects which could be classified as SMEs in accordance with the definition of SMEs provided in document UNEP/OzL.Pro/ExCom/19/54 and report on their administrative costs to the Twenty-ninth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/49, para. 93).

The Thirty-fourth Meeting of the Executive Committee decided to request the World Bank to provide the support cost per project for all the projects approved up to the 16th Meeting by pro-rating the administrative costs approved up to that Meeting on an annual basis, while noting that any evaluation of agency support costs for the Bank would take into account the method by which support costs for the Bank were originally approved.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/4, para. 22(f)).

Bankruptcy

The Twenty-fifth Meeting of the Executive Committee decided:

- (a) to request the Implementing Agencies:
 - (i) to carry out some preliminary screening of the financial viability of companies when preparing project proposals;
 - (ii) to take appropriate action, in consultation with the ozone unit in the country concerned, if there was any indication of a possibility of bankruptcy;
 - (iii) to report to the Sub-Committee on Monitoring, Evaluation and Finance any slowdown expected as a result of bankruptcy and to present the most cost-effective options to protect the Fund's assets, in collaboration with the ozone unit;
 - (iv) to sell or redeploy equipment within an appropriate time-frame in accordance with the recommendations made by the Implementing Agencies and the ozone unit and approved by the Sub-Committee on Monitoring, Evaluation and Finance and the Executive Committee;
 - (v) to reflect instances of bankruptcy and their impact on ODS phase-out in project completion reports;
- (b) to consider seeking advice from external auditors or lawyers, as appropriate, on bankruptcy issues with a view to protecting the Fund's assets.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/3, para. 24).

Agreed set of cost range

The Sixteenth Meeting of the Executive Committee decided at its that Implementing Agencies and the Secretariat should work together to prepare a document for the Executive Committee's endorsement (the work commenced in the Bank on documenting real costs, collected from approved projects, will be extended to include input from the Secretariat and the other agencies. The resultant draft document would be reviewed jointly before it is submitted to the Executive Committee).

(UNEP/OzL.Pro/ExCom/16/20, para. 71b, and Annex II).

(Supporting document: UNEP/OzL.Pro/ExCom/16/13).

The Sixteenth Meeting of the Executive Committee requested Implementing Agencies to make available real historical data on projects coming to conclusion, so that it could be used by other agencies and by the Secretariat in reviewing other projects in the future. The Implementing Agencies will develop a draft format for consideration by the Executive Committee.

(UNEP/OzL.Pro/ExCom/16/20, para. 71b, and Annex II).

(Supporting document: UNEP/OzL.Pro/ExCom/16/13).

Database of estimated costs of major equipment items

The Twentieth Meeting of the Executive Committee decided, in relation to the dissemination of information,:

- (i) to request the Fund Secretariat to prepare and maintain, for dissemination to the Implementing Agencies, a database of estimated costs of major equipment items obtained from approved investment projects and other sources by the Fund Secretariat;
- (ii) that the database should include information on completed and ongoing projects where the equipment procurement process had been concluded, when such information became available;
- (iii) to request the Implementing Agencies, when the database had been completed, to take steps to ensure that consultants preparing projects were familiar with its contents: this should be facilitated through a conference or seminar, the modalities and timing of which would be finalized by the Fund Secretariat and the Implementing Agencies in the course of their regular coordination meetings.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/7, para. 18 (c)).

Equipment to be replaced by the projects

The Twenty-second Meeting of the Executive Committee decided:

- (a) to approve the projects recommended for blanket approval on the understanding that the Implementing Agencies would take strong steps to ensure that equipment to be replaced by the projects was destroyed or rendered unusable;
- (b) that in future project submissions, the Implementing Agencies should provide a list of the equipment to be destroyed or rendered unusable;
- (c) to request the Implementing Agencies to provide in their project completion reports information on the actions taken to ensure that specific equipment or components replaced had in fact been destroyed or rendered unusable. The reports should also cover the fate of old equipment in those cases where funds had been approved for retrofitting and the enterprise concerned had subsequently decided to replace the equipment rather than to retrofit. The Secretariat could then transmit this information to a future meeting of the Executive Committee;
- (d) to approve the projects recommended for approval on the understanding that the Implementing Agencies would ensure that the safety measures paid for were implemented;
- (e) to request the Implementing Agencies to explain in their project completion reports how they ensured that funds allocated for safety-related costs were actually used for this purpose.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/38, para. 55).

The Twenty-fourth Meeting of the Executive Committee decided:

- (a) to approve all investment projects on the understanding that project implementation would not go forward until a list of equipment to be destroyed or made unusable had been prepared, and an undertaking given by the enterprise concerned that the dismantling or destruction would be carried out;
- (b) that projects should not be prepared in cases where the countries or enterprises involved did not agree to destruction of the equipment.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/56, para. 84).

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) to reaffirm decision 22/38 on equipment destruction and decide that, in order to clarify the issue of phase-out claimed as a result of projects “completed”, the following language should be added to the definition of “completed project” contained in decisions 17/22 and 19/23: “that no further use of CFCs is in evidence, that the alternative product is being produced and/or production has begun, and that the CFC-using equipment has been destroyed/dismantled/ rendered unusable with CFCs”;

- (b) that formal agreements should be concluded among the national government, the enterprise and the Implementing Agency requiring that replaced equipment should be destroyed/dismantled/rendered unusable and that no CFCs should be used after completion of projects.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/2, para. 16).

The Thirtieth Meeting of the Executive Committee decided to add the following paragraph to Decision 28/2: “To request the agencies to withhold, wherever possible, part of the project funding or reimbursement of cost until proof of disposal and destruction of equipment has been provided.”

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/6, para. 22(c)).

The Thirtieth Meeting of the Executive Committee also decided to request the Secretariat to establish, in co-operation with the Implementing Agencies, lists of key parts for standard equipment which need to be destroyed or rendered unusable, while other parts to be specified could be used as spare parts or in a service department, e.g. leak detectors, and in so doing to identify suitable mechanisms to verify destruction.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/6, para. 22(d)).

Safety issues and related costs of hydrocarbon technology

The Twenty-third Meeting of the Executive Committee decided:

- (a) safety standards should follow international standards, where these are higher than standards in the country concerned. The practical application of established standards should be based on industry norms and practice in European countries.
- (b) projects should be prepared and reviewed on the basis of this principle.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/18, para. 39).

The Twenty-fifth Meeting of the Executive Committee decided to approve the Hydrocarbon Safety Cost Study to be used as guidance for the Implementing Agencies, for enterprises in Article 5 countries in the preparation of investment projects and for the Secretariat in reviewing the submitted projects (Note: an executive summary of the paper is presented in Annex IX.7).

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/47, para. 48).

(Supporting document: UNEP/OzL.Pro/ExCom/25/54).

The Thirty-third Meeting of the Executive Committee decided to request the Implementing Agencies, in co-operation with the National Ozone Units, to conduct safety inspections where applicable and to prepare a report on incidences of fires resulting from conversion projects and to report thereon at its Thirty-fifth Meeting. As a follow-up, Implementing Agencies and sector experts might need to update safety guidelines as required.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(n)).

FRAMEWORK FOR RESOURCE ALLOCATION

Mechanisms for releasing funds

The Fifteenth Meeting of the Executive Committee recommended the following procedure for use by the Committee for releasing funds exclusively to projects cleared for approval during the Fifteenth Meeting of the Executive Committee:

1. the Executive Committee will add a new procedure called ‘cleared for approval pending availability of funds’. Projects cleared for approval will be identified in the Report of the Meeting with their corresponding recommended levels of funding.
2. to comply with the Terms of Reference for the Multilateral Fund, the projects cleared for approval do not constitute a financial commitment from the Committee until sufficient contributions are received.
3. when sufficient funds have been received, the Treasurer, through the Fund Secretariat, will notify all members of the Executive Committee and will release the recommended levels of funding to the pertinent agency. Such release of funds will be recorded in the Report of the Sixteenth Meeting of the Executive Committee.
4. projects cleared for approval at the Fifteenth Meeting will take precedence over other projects submitted subsequently to the Executive Committee.

(UNEP/OzL.Pro/ExCom/15/45, para. 121).

The Sixteenth Meeting of the Executive Committee approved a framework that was transparent, objective and fair, and addressed the situation where the projects submitted exceeded the resources available (under the framework, resources would be divided into distinct slices for various categories of projects, including slices for low-consuming countries and support projects).

(UNEP/OzL.Pro/ExCom/16/20 (paras. 17, 23).

The Sixteenth Meeting of the Executive Committee decided to implement on a trial basis for projects submitted to the Seventeenth Meeting of the Executive Committee the following operation framework whereby projects could be prioritized, and that it should be reviewed at the Eighteenth Meeting: the Executive Committee will approve eligible projects, but if the projects submitted exceeded the resources available it would approve projects up to the amounts available. Any remaining eligible projects would be for priority funding at the next meeting.

(UNEP/OzL.Pro/ExCom/16/20 (paras. 24, 32a).

The Sixteenth Meeting of the Executive Committee agreed to reserve:

- (a) US \$8,379,591 as a discretionary fund which could be applied to projects, sectors, or countries it might wish to target or give special consideration to in 1995;
- (b) US \$3,900,000 for funding recycling projects (including halon banking);
- (c) US \$6,630,000 exclusively for allocation to projects from low-ODS-consuming countries. This amount would be in addition to any funds received as a result of approval of projects from low-ODS-consuming countries that qualified under the cost-effectiveness thresholds listed above;
- (d) US \$5 million to cover 1995 Implementing Agency work programmes and support projects, US \$3,157,851 of which had been approved at the current meeting under agenda item 6; and
- (e) US \$13 million to account for bilateral activities that could be applied against 1995 contributions from non-Article 5 countries.
- (f) the Executive Committee noted that it was difficult to determine cost-effectiveness thresholds for the mobile air conditioner and compressor sub-sectors and therefore agreed that an amount of US \$8,900,000 should be reserved for funding these projects in 1995.

(UNEP/OzL.Pro/ExCom/16/20, para. 32).

The Seventeenth Meeting of the Executive Committee adopted a framework for resource allocation, the solution set out in Annex IX.8. Under that solution, projects that had been recommended for blanket approval at the Seventeenth Meeting would be submitted to the Executive Committee for its approval up to the limit of funds available. Any projects with blanket approval not funded at the Seventeenth Meeting would go to the Eighteenth Meeting without further review. In addition, projects listed in Annex I of the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/17/3 Rev.1), together with projects listed in Annex II of the report of the Sub-Committee on Project Review if resubmitted by the Implementing Agencies, would be reviewed by the Secretariat and the Project Review Sub-Committee prior to the Eighteenth Meeting. Both those categories would be funded ahead of new projects received. Projects in these categories recommended for approval would form a consolidated list with the blanket approval projects remaining from the Seventeenth Meeting, and that list of projects would have priority for funding over any new projects submitted to the Eighteenth Meeting. Similarly, eligible projects not funded at the Eighteenth Meeting would be carried over to the Nineteenth Meeting and be funded ahead of any new projects received.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/20 para. 29a).

The Eighteenth Meeting of the Executive Committee decided :

- (a) that any new project proposals submitted to, but not funded at, the Eighteenth Meeting should form part of the 1996 business plans of the Implementing Agencies and be funded ahead of new projects submitted to the Nineteenth Meeting. Commencing in 1997, all new projects approved by the Executive Committee would receive funding in accordance with the business plans;
- (b) that, when allocating resources for 1996, the Executive Committee should adhere to the framework, sector allocations and methodologies agreed and applied at its Sixteenth and Seventeenth Meetings.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/11a, b para. 23).

The Nineteenth Meeting of the Executive Committee decided:

- (a) in accordance with decision 18/11, subparagraph (a), to approve for funding at the Nineteenth Meeting the projects and activities approved as eligible for funding, but not funded, at the Eighteenth Meeting, as indicated in Annex IV to the report of that Meeting (UNEP/OzL.Pro/ExCom/18/75);
- (b) to approve as eligible for funding the projects and activities listed in Annex IV to the final report of the meeting;
- (c) to note that, since the projects carried over from the Eighteenth Meeting, the four institutional-strengthening

extensions and the UNEP work programme together totaled US \$28,106,763, giving a remaining balance of US \$1,715,388, no funds were currently available for the new investment projects, the cost of which amounted to approximately US \$21.8 million; and

- (d) in view of the likelihood that an amount of funds to cover the new projects approved for funding would be deposited relatively soon, as stated by the Treasurer and certain members of the Executive Committee in the course of the Meeting, to request the Treasurer, when sufficient funds have been received, to notify all members of the Executive Committee, through the Fund Secretariat, and to release the recommended levels of funding to the pertinent agencies, in order to fund simultaneously all of the new projects approved for funding.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/14, para. 32).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the Secretariat to work together with the Implementing Agencies to charge some items in the non-investment category to other categories in order to allow more room in the non-investment category;
- (b) to request the Secretariat to define separately a specific figure for institutional strengthening projects under the non-investment category.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/45, para. 73).

At the Twenty-ninth Meeting of the Executive Committee the balance of the Multilateral Fund resources available for committal stood at about US \$19.6 million, while the projects recommended for approval at the meeting totaled about US \$83.6 million. Therefore, the Executive Committee decided that the Work Programme Amendments and the UNEP Work Programme for 2000 should be funded first, followed by the most cost-effective projects, to be determined on a percentile basis. As further contributions were received, the Treasurer would be instructed to release the funds for approved projects immediately to the Implementing Agencies concerned.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/66, paras. 95 and 96).

PROJECT IMPLEMENTATION DELAYS

The Sixteenth Meeting of the Executive Committee recommended to develop a process whereby an approved project that remained unimplemented for a certain period would be reviewed with a view to amendment or cancellation (the meeting did not discuss the details of what an appropriate period would be, which was a matter to be agreed upon in consultation with the Implementing Agencies).

(UNEP/OzL.Pro/ExCom/16/20, paras. 18, 19).

Priority for projects in countries with delays in commencing implementation

The Twentieth Meeting of the Executive Committee decided:

- (a) that when preparing projects in countries where serious delays in implementation were likely to occur, the Implementing Agencies could raise these issues with the Executive Committee in those cases where it seemed that the Executive Committee might be able to help remove the impediment, and should submit projects only when such impediments had been resolved;
- (b) noting that it could be the case that one agency's projects in a given country were proceeding smoothly, while another's were seriously delayed, an agency not encountering such major delays should continue to submit projects for that country.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/12, para. 23).

The Twenty-first Meeting of the Executive Committee decided to request the Implementing Agencies to provide the Executive Committee at its Twenty-second Meeting with a list of projects where there had been no significant activity in the last two years.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/28, para. 41).

The Twenty-second Meeting of the Executive Committee decided:

- (a) where no disbursement had occurred 18 months after the date of approval of a project, a full explanation of the reason for the delay should be submitted by the Implementing Agency to the next meeting of the Executive Committee for review. Those reports should contain the comments received from the Article 5 countries and enterprises concerned;
- (b) where a project had not been completed 12 months after the proposed completion date in the progress report of the Implementing Agencies to the Executive Committee, a full explanation of the reason for the delay should also be submitted by the Implementing Agencies to the next meeting of the Executive Committee for

review. Those reports should contain the comments received from the Article 5 countries and enterprises concerned;

- (c) to review the reports on a case-by-case basis and decide upon the action required;
- (d) on the basis of the experience gained through consideration of these reports, to consider the development of guidelines to ensure that the project preparation process included measures to prevent any delays in implementation or completion in the future.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/61, para. 81).

The Twenty-second Meeting of the Executive Committee noted the Sub-Committee's decision to address, at its next meeting, the following additional reasons for delays in implementation:

- (a) changes in project specification by the beneficiary;
- (b) enterprises refrained from implementing their projects until their competitors' projects had been approved or government regulations had been enacted;
- (c) the bidding process resulted in higher costs;
- (d) the difficulty of obtaining agreements on the transfer of technology;
- (e) prolonged contract negotiations;
- (f) changes in technology;
- (g) differences in appraised tonnage;
- (h) completion of grant agreements.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/62, para. 82).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to encourage the Implementing Agencies to facilitate, where possible, the transfer of technologies and make greater efforts to assist in the negotiation of technology transfer agreements between the supplier and the recipient where those were necessary;
- (b) to request the World Bank to continue its efforts to obtain exemption from taxes for equipment purchased under the Multilateral Fund and to produce a progress report on the matter in time for the Sub-Committee's fourth meeting;
- (c) to request the Sub-Committee to maintain a watching brief on project implementation delays.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/4, para. 16).

The Twenty-fourth Meeting of the Executive Committee decided:

- (a) that as projects suffering from serious delays were relatively few, they could be highlighted on a case-by-case basis at each meeting, when any appropriate guidance could be provided to the Implementing Agencies;
- (b) to urge the Implementing Agencies to make greater efforts to overcome existing delays and to take appropriate measures to avoid such delays in the future; and
- (c) to request the Secretariat to analyze specific types of delay, such as bankruptcy, with the Implementing Agencies and present a paper on the subject to its next meeting.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/7, para. 25).

The Twenty-fourth Meeting of the Executive Committee decided that no project preparation proposals should be put forward by Implementing Agencies if there were impediments at policy level in the country concerned to active and expeditious implementation. Furthermore, in cases where counterpart contributions were needed to ensure implementation, in order to avoid delays in the projects' implementation, those counterpart contributions should be known to the Implementing Agency to be in place before the projects were submitted.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/49, para. 77).

The Twenty-eighth Meeting of the Executive Committee decided that reports on projects with implementation delays to be submitted to its Twenty-ninth Meeting should be based on the Secretariat's list of projects with implementation delays, including project preparation and those projects where disbursement had begun after no disbursement had taken place for a period of 18 months.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/8, para. 22).

Procedures for cancellation of projects

The Twenty-fifth Meeting of the Executive Committee decided to request the Secretariat, in co-operation with the Implementing Agencies, to develop a procedure and criteria for cancellation of projects, bearing in mind the need to ensure that cancelled projects were not resubmitted within a period of time to be specified, and to consider this within the context of the business planning process.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/10, para. 32 (e)).

The Twenty-sixth Meeting of the Executive Committee decided to endorse two procedures for project cancellation:

- (a) first, that projects can be cancelled through mutual agreement among the Implementing Agencies, the Government concerned and the beneficiary enterprise where applicable. Agencies should indicate their proposed cancellations to the Executive Committee through their annual progress reports and/or reports on projects with implementation delays, bearing in mind the definition of project implementation delays adopted at the Twenty-second Meeting (decision 22/61);
- (b) second, that projects with implementation delays identified by the Executive Committee at its second meeting in each year could be considered for cancellation if the following two criteria were met:
 - (i) Criterion 1: If no progress is reported after a project has been classified in the latest progress report as having an implementation delay, the Secretariat on behalf of the Committee may, at the meeting following classification, issue a notice of possible cancellation of the project to the Implementing Agency concerned and the recipient country Government.
 - (ii) Criterion 2: If no progress is reported to two consecutive meetings of the Executive Committee for a project classified as having an implementation delay, the Committee may, taking into account the response to the notice of possible cancellation, decide on cancellation of the project on a case-by-case basis.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/2, para. 15).

The Executive Committee decided to request the Sub-Committee on Monitoring, Evaluation and Finance to discuss how to deal with all the consequences of project cancellation at its next meeting and to report back to the Executive Committee.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/9, para. 29).

Beneficiary delays

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) no project preparation proposal should be put forward unless it was clear to everyone concerned that, once a project was approved, it must move ahead immediately;
- (b) beneficiary delays should be dealt with by existing procedures on implementation delays and there was no need for separate, additional procedures.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/5, para. 19).

Reports on cancellation of projects and implementation delays

The Thirty-second Meeting of the Executive Committee decided:

- (a) to note, with appreciation, the cancellation report of the Government of Australia and decide that project cancellation reports should be submitted for all projects that had incurred disbursements;
- (h) to agree that projects that have experienced some progress and are recommended for continued monitoring should include:
 - (i) those institutional strengthening projects which have not moved from one milestone to another, the delay in which has not been clearly removed, or which have additional implementation delays;
 - (ii) those other projects approved within the last three years which have not moved from one milestone to another, the delay in which has not been clearly removed, or which have additional implementation delays, and which, despite additional actions taken by the agency, government or beneficiary, still experience implementation delays;
- (i) to agree that projects which should be considered for cancellation in accordance with the Executive Committee's project cancellation guidelines (Decision 26/2) should include:

- (i) projects which have made no progress;
- (ii) projects approved more than three years previously which have not moved from one milestone to another, the delay in which has not been clearly removed, or which have additional implementation delays, and which, despite additional actions taken by the agency, government or beneficiary, still experience implementation delays.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/4, para. 15(a, h, i)).

The Thirty-third Meeting of the Executive Committee decided:

- (a) to confirm that the Secretariat's interpretation of progress reflected the understanding of the Executive Committee;
- (c) that, as of the Thirty-third Meeting, projects which had been approved more than three years previously and had been classified as experiencing implementation delays should remain on the list of projects for continued monitoring.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/10, para. 27(a, c)).

The Thirty-fifth Meeting of the Executive Committee decided:

- (b) that the Secretariat and Implementing Agencies should take necessary actions according to the Secretariat's assessment of status, i.e., progress and some progress, and should report and notify governments as required;
- (c) to note that the Secretariat would be conducting a comprehensive review of the status of projects with implementation delays and to authorize the Secretariat to modify its classifications of progress and some progress based on the results of the assessment, and to report on this to the 36th Meeting of the Executive Committee;
- (l) in order to ensure project implementation did not proceed until the preconditions necessary for sustainability were in place, to urge all Implementing Agencies to re-assess planned completion dates in the context of their annual progress report to the 37th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/13, para. 41 (b, c, l)).

The Thirty-sixth Meeting of the Executive Committee decided:

- (b) to remove institutional strengthening, halon banking, customs training, recovery and recycling, and demonstration projects from the list of projects with implementation delays, but to continue to monitor them, as appropriate;
- (c) to note that the Secretariat and the Implementing Agencies would take actions according to the assessment of status, i.e., progress, some progress, or no progress, as mandated in Decision 34/13.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/14, para. 48 (b, c)).

The Thirty-seventh Meeting of the Executive Committee decided:

- (h) to request the Secretariat to prepare a working paper on how to deal with project cancellations in an overall, strategic manner in light of country compliance rather than on a case-by-case basis;
- (i) to note that actual ODS phase-out from cancelled projects should be recorded, and request the Secretariat to provide options on how that could be achieved.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/8, para. 34 (h, i)).

The Thirty-eighth Meeting of the Executive Committee decided to note that the Secretariat and Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments as required.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/6, para. 37(a iii)).

The Fortieth Meeting of the Executive Committee decided to note that the Secretariat and Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report to and notify governments as required.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/17, para. 56 (c)).

The Forty-fourth Meeting of the Executive Committee decided to note that the Secretariat and Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress and report and notify governments and Implementing Agencies as required.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/11, para. 82 (c)).

The Forty-fifth Meeting of the Executive Committee decided to note that the Secretariat and Implementing

Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress and report and notify governments and Implementing Agencies as required.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/12, para. 72(b)).

The Forty-sixth Meeting of the Executive Committee decided:

- (b) to note that the Secretariat and the Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e. progress, some progress, or no progress, and report and notify governments and Implementing Agencies as required;
- (j) to take note of the report on how to avoid project implementation delays, and to encourage bilateral and Implementing Agencies to take the findings into account in future project design and implementation.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/15, para. 82 (b, j)).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to note:
 - (i) with appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan, Sweden and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/47/9);
 - (iv) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and implementing agencies as required;
- (c) that policy and technical assistance projects were not subject to the procedure for project cancellation;
- (d) for policy and technical assistance projects suffering persistent delays, to request the Secretariat to write letters of concern to the relevant country or agency, requesting an update on the status of the project, an estimated date of completion, and an action plan for the future completion.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/7, para. 48 (a (i, iv), c, d).

(Supporting document: UNEP/OzL.Pro/ExCom/47/9).

The Forty-eighth Meeting of the Executive Committee decided to note:

- (a) with appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Italy, Sweden and the four implementing agencies, as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/48/16);
- (b) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
- (c) the completion of 14 out of the 56 projects listed with implementation delays.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/14, para. 91 (a-c)).

(Supporting document: UNEP/OzL.Pro/ExCom/48/16).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) with appreciation, the reports on projects with implementation delays submitted to the Secretariat by France, Italy, Sweden and the four implementing agencies, as contained in document UNEP/OzL.Pro/ExCom/49/16;
- (b) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
- (c) the completion of four of the 38 projects listed with implementation delays.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/14, para. 90 (a-c)).

(Supporting document: UNEP/OzL.Pro/ExCom/49/16).

The Fiftieth Meeting of the Executive Committee decided:

- (a) to request the Governments of Portugal and Switzerland to provide progress reports to the 51st Meeting of the Executive Committee;
- (b) to note:

- (i) with appreciation, the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Italy, Japan, Sweden and the four implementing agencies and the progress report submitted by the United States of America as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/50/12);
- (ii) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
- (iii) the completion of 15 out of the 102 projects listed with implementation delays;
- (d) to request implementing agencies to suggest ways of encouraging the timely implementation of projects subject to letters of possible cancellation and to emphasize the importance of projects to achieve compliance.
(UNEP/OzL.Pro/ExCom/50/62, Decision 50/10 para. 70 (a, b, d)).
(Supporting document: UNEP/OzL.Pro/ExCom/50/12).

The Fifty-first Meeting of the Executive Committee decided:

- (a) to note:
 - (i) with appreciation, the status reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan and the four implementing agencies, and the progress report submitted by Switzerland as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/51/15);
 - (ii) that the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
 - (iii) the completion of 19 of the 66 projects listed with implementation delays;
- (k) to request the Fund Secretariat to include in its report to the 52nd Meeting on projects with implementation delays information on the procedures that were in place and the studies that had been undertaken in the past with respect to addressing projects with implementation delays.
(UNEP/OzL.Pro/ExCom/51/46, Decision 51/ para. 96 (a, k)).
(Supporting document: UNEP/OzL.Pro/ExCom/51/15).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to note:
 - (i) with appreciation, the status reports on projects with implementation delays submitted to the Secretariat by France, Germany, Italy, Japan, and the four implementing agencies (UNEP/OzL.Pro/ExCom/52/17);
 - (ii) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
 - (iii) the completion of seven out of the 34 projects listed with implementation delays;
- (b) to request high-level contacts with the Governments of Algeria and the Libyan Arab Jamahiriya concerning ongoing difficulties in obtaining the required government approval for implementing components of projects approved by the Executive Committee.
(UNEP/OzL.Pro/ExCom/52/55, Decision 52/15, para. 88 (a, b)).
(Supporting document: UNEP/OzL.Pro/ExCom/52/17).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note:
 - (i) with appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, France, Germany, Japan, Portugal, and Sweden, and the four implementing agencies, and the 2006 progress report from the Government of Sweden addressed in document UNEP/OzL.Pro/ExCom/53/12;
 - (ii) that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to, and notify, governments and implementing agencies as required;

- (iii) the completion of eight of the 60 projects listed with implementation delays;
- (e) to request the Governments of Finland and the United States of America to submit progress reports to the 54th Meeting.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/9, para.67 (a,e)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/12).

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to note:
- (i) with appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Canada, France, Germany, Japan, Spain, and the four implementing agencies, and the 2006 progress report from the Government of the United States of America addressed in document UNEP/OzL.Pro/ExCom/54/5;
- (ii) the completion of 13 of the 41 projects listed with implementation delays;
- (e) to request the Government of Finland to submit its progress report to the 55th Meeting;

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/4 para 40 (a e)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/5).

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to note:
- (i) with appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Canada, France, Germany, and Spain, and by the four implementing agencies, addressed in document UNEP/OzL.Pro/ExCom/55/6;
- (ii) the completion of four of the 27 projects listed with implementation delays;
- (c) to note the cancellation by mutual agreement of the project “Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co. (SYR/REF/29/INV/53)” in the Syrian Arab Republic, for implementation by France;
- (d) to request the Government of Japan to submit implementation delay reports to the 56th Meeting;

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/4, para 380 (a c,d)).

(Supporting document: UNEP/OzL.Pro/ExCom/55/6).

The Sixty-first Meeting of the Executive Committee decided:

- (a) to note:
- (ii) With appreciation, the status reports on projects with implementation delays submitted by the Governments of Australia, France and Japan, and the four implementing agencies, addressed in document UNEP/OzL.Pro/ExCom/61/6;
- (iii) The completion of three of the 19 projects identified as having implementation delays;
- (iv) That the Secretariat and the bilateral and implementing agencies would take established actions according to the Secretariat’s assessments (progress or some progress) and report to, and notify, governments and implementing agencies as required;
- (b) To request:
- (i) Additional status reports on the following projects:
- | Code | Agency | Project title |
|-------------------|-----------|---|
| BHE/SEV/43/INS/19 | UNID
O | Extension of the institutional strengthening project (phase II) in Bosnia and Herzegovina |
| KUW/PHA/52/TAS/10 | UNEP | Terminal phase-out management plan for Annex A Group I substances (first tranche) in Kuwait |
- (ii) That letters of possible cancellation should be sent in respect of the project for the technical assistance for methyl bromide reduction and formulation of regional phase-out strategies for low-volume-consuming countries in the African region (AFR/FUM/38/TAS/32), implemented by UNDP;
- (c) To cancel the following projects:

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Code	Agency	Project title
ETH/REF/44/TAS/14	France	Implementation of the refrigerant management plan (RMP) update in Ethiopia
KUW/HAL/45/PRP/07	UNIDO	Preparation of a halon phase-out plan in Kuwait
LIB/HAL/47/TAS/26	UNIDO	Plan for the phase-out of import and net consumption of halons in the fire fighting sector in Libyan Arab Jamahiriya

- (d) To cancel, by mutual agreement between the Government of Romania and UNIDO, the remaining elements of the terminal phase-out management plan (TPMP) for the CTC production/consumption for process agent uses in Romania (ROM/PAG/50/INV/36) relating to the establishment of a new production line with no CTC use; and
- (e) To request UNIDO to return the balance of funds from the CTC production/consumption project for process agent uses in Romania (ROM/PAG/50/INV/36) to the 62nd Meeting.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/4, para26.

(Supporting documents: UNEP/OzL.Pro/ExCom/61/6 and Add.1).

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note:
- (i) The status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol, as contained in documents UNEP/OzL.Pro/ExCom/62/6 and Add.1;
 - (ii) With appreciation, the status reports on projects with implementation delays submitted to the Fund Secretariat by the Governments of Australia, Canada, France, Italy, Japan, and the four implementing agencies, addressed in documents UNEP/OzL.Pro/ExCom/62/6 and Add.1;
 - (iii) The completion of three of the 34 projects listed with implementation delays;
 - (iv) That the Fund Secretariat and the implementing agencies would take established actions according to the Fund Secretariat's assessments (progress or some progress) and report to and notify governments and implementing agencies as required;
- (b) To request:
- (i) Additional status reports on the projects listed in Annexes II and III to the present report;
 - (ii) That letters of possible cancellation be sent in respect of the following projects:
 - a. The elimination of CFCs in the domestic refrigerator manufacturing plant of Neba, S.A. in Argentina (ARG/REF/18/INV/39), implemented by the World Bank; and
 - b. The sub-regional project on harmonization of legislative and regulatory mechanisms to improve monitoring and control of ODS consumption in English-speaking Africa (AFR/SEV/45/TAS/33), implemented by UNEP;
 - (iii) The Governments of Israel, Portugal and Spain to provide their implementation delay reports to the 63rd meeting of the Executive Committee;
- (c) To note the possible cancellation of the renewal of the institutional strengthening project (phase II) in Brunei Darussalam (BRU/SEV/43/INS/05), implemented by UNEP, if the project document had not been signed by the 63rd meeting, with the possibility of resubmission when the Government was in a position to sign a project document;
- (d) To request additional information from the lead agency of HCFC phase-out management plans on the application of licensing systems to the importation of HCFC-containing equipment and to continue requesting reports on those countries that had not taken the 2007 adjustments to the HCFC control measures into account;
- (e) To note the cancellation of the chiller project in the Caribbean (LAC/REF/47/DEM/36) if no additional chillers had been identified for inclusion in the project by the 63rd meeting;
- (f) To request UNEP and Germany to provide to the 63rd meeting information on the status of actions undertaken to obtain co-financing for the countries for which such information had not been provided according to the categories used in table 14 of document UNEP/OzL.Pro/ExCom/62/6/Add.1; and

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- (g) Also to request UNDP, UNIDO and the World Bank to update the information they had provided to the 62nd meeting on the status of actions undertaken to obtain co-financing, as appropriate, for submission to the 63rd meeting.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/4, para25).

(Supporting documents: UNEP/OzL.Pro/ExCom/62/6 and Add.1).

The Sixty-third Meeting of the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, Italy, Japan, Spain and the four implementing agencies, addressed in document UNEP/OzL.Pro/ExCom/63/6;
- (ii) That only 11 country programme (CP) reports for the year 2009 had been submitted through the web-based system, which had been initiated on 25 April 2007;
- (iii) The completion of 12 of the 26 projects with implementation delays;
- (iv) That the Secretariat and the bilateral and implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify governments and implementing agencies as required;

(b) To request:

- (i) The Secretariat to consult with the implementing agencies in order to ascertain why so few countries had submitted CP reports through the web-based portal and to report back to the Committee at its 64th meeting;
- (ii) That CFC, CTC and halon be removed from the CP report format, as shown in Annex II to the present report, starting with the report on 2012 data due on 1 May 2013;
- (iii) The UNEP Compliance Assistance Programme (CAP) to ascertain the reasons for which licensing systems in the Cook Islands, Haiti, Kiribati, Mauritania, the Federated States of Micronesia and Senegal were not operating satisfactorily and the countries' plans to improve their operation; and why licensing systems in Ethiopia and Lesotho had not been established;
- (iii) Additional status reports on the projects listed in Annexes III and IV to the present report, as well as on the following project subject to an existing decision (decision 54/4(c)):

Agency	Code	Project title	Existing decision
UNEP	SOM/SEV/35/TAS/01	Formulation of national phase-out strategy	Milestone: Funding for country programme preparation to be obligated on the basis of a visit to Somalia by UNEP. Deadline: Six months following the UNEP visit, which would occur as soon as security conditions allowed. (decision 54/4(c))

- (v) The Governments of France, Israel and Portugal to provide their reports on implementation delays to the 64th meeting of the Executive Committee;
- (c) To encourage the Government of Angola to deposit the instruments of ratification of the four outstanding amendments to the Montreal Protocol with the United Nations in New York as soon as possible and to encourage the Government of Guinea to continue its efforts to ratify the Copenhagen Amendment so as to enable it to access funding for HCFC phase out, as required by decision 53/37; and
- (d) To note the report by UNIDO on the results of its consultations with Kyrgyzstan on the 2009 business plans' qualitative performance evaluations, in line with decision 61/17(d).

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/4, para 34).

(Supporting documents: UNEP/OzL.Pro/ExCom/63/6).

The Sixty-fourth Meeting of the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat

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by the Governments of Canada, France and the four implementing agencies, addressed in document UNEP/OzL.Pro/ExCom/64/6;

- (ii) That 29 country programme reports for the year 2010 had been submitted through the web-based system, which had been initiated on 25 April 2007;
- (iii) The completion of one of the 15 projects listed with implementation delays;
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify governments and implementing agencies as required;

(b) To request:

- (i) Additional status reports on the projects listed in Annexes II and III to the present report;
- (ii) The Governments of Israel, Japan and Portugal to provide their implementation delay reports to the 65th meeting of the Executive Committee; and

(c) To urge the Government of Ethiopia to approve its licensing system as soon as possible.

(UNEP/OzL.Pro/ExCom/64/53, Decision 64/4, para 29).

(Supporting documents: UNEP/OzL.Pro/ExCom/64/6).

The Sixty-fifth Meeting of the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of Australia, France, Italy and Japan, addressed in document UNEP/OzL.Pro/ExCom/65/6;
- (ii) That 51 country programme reports for the year 2010 had been submitted through the web based system, which had been initiated on 25 April 2007;
- (iii) The completion of four of the 34 projects listed with implementation delays, as indicated in Annex III to document UNEP/OzL.Pro/ExCom/65/6;
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress and some progress as per Annexes IV and V to document UNEP/OzL.Pro/ExCom/65/6) and report to and notify governments and implementing agencies as required;

(b) To request:

(i) That letters of possible cancellation be sent in respect of the following projects:

Agency	Code	Project title
UNIDO	ALG/REF/44/INV/62	Conversion of CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the last group of commercial refrigerator manufacturers (refrigeration sector terminal project) in Algeria
UNDP	CHI/REF/48/INV/160	Terminal umbrella project for phase-out of the use of CFC-11, CFC-12 and R-502 (CFC-115) in the manufacture of refrigeration equipment in Chile
UNIDO	KEN/SOL/57/TAS/47	Technical assistance for the total phase-out of CTC and TCA in the solvent sector in Kenya

- (ii) Additional status reports on the projects listed in Annexes II and III to the present report;
- (iii) Bilateral and implementing agencies to report to the 66th meeting on the signing of project documents/agreements/small-scale funding agreements or when working arrangements had been put in place for approved HCFC phase-out management plans;
- (iv) The Governments of Israel, Portugal and Spain to provide their implementation delay reports to the 66th meeting of the Executive Committee; and
- (v) The Fund Secretariat to write to the following countries enquiring why they had reported that their

licensing systems were not operating satisfactorily: the Cook Islands, the Democratic Republic of the Congo and Lesotho.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/4, para 35).

(Supporting documents: UNEP/OzL.Pro/ExCom/65/6).

The Sixty-sixth Meeting of the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of France, Italy, Japan and Portugal addressed in document UNEP/OzL.Pro/ExCom/66/6;
- (ii) That 59 country programme implementation reports for the year 2010 had been submitted through the web based system, which had been initiated on 25 April 2007;
- (iii) The completion of seven of the 22 projects listed with implementation delays, as indicated in Annex III to document UNEP/OzL.Pro/ExCom/66/6 and as updated at the meeting;
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (some progress as per Annex IV to document UNEP/OzL.Pro/ExCom/66/6) and report to and notify governments and implementing agencies as required;

(b) To request:

- (i) That a letter of possible cancellation be sent in respect of the project Global technical assistance programme in the chiller sector (GLO/REF/48/TAS/275) implemented by UNEP;
- (ii) Additional status reports on the projects listed in Annexes II and III to the present report;
- (iii) The Governments of Israel and Spain to provide their report on projects with implementation delays to the 67th meeting of the Executive Committee; and
- (iv) The cancellation by mutual agreement of the project Phase-out of HCFC-141b from the manufacturing of polyurethane rigid foam at Pavusin (CRO/FOA/59/INV/34) implemented by UNIDO.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/4, para 30).

(Supporting documents: UNEP/OzL.Pro/ExCom/66/6).

The Sixty-seventh Meeting of the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of France, Japan and Spain addressed in document UNEP/OzL.Pro/ExCom/67/6;
- (ii) That 47 country programme (CP) implementation reports for the year 2011 had been submitted through the web based system, which had been initiated on 25 April 2007;
- (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (some progress as per Annex II to the present report) and report to and notify governments and bilateral and implementing agencies as required;
- (iv) The significant reduction in reporting resulting from the streamlining decision to date, which has led to the elimination of 81 tranche implementation plan reports for 81 non-HCFC multi-year agreements (MYAs), and 96 tranche implementation plan reports for HCFC phase-out management plans (HPMPs) in 62 countries at the 67th meeting, with some involving tranches from multiple agencies;

(b) To address requests for technology changes under the agenda item on investment projects;

(c) To urge the following countries that had not yet submitted 2011 CP data to do so before the 68th meeting: China, the Cook Islands, Eritrea, Guinea-Bissau, India, Madagascar, Nepal, Nigeria, Saudi Arabia and the Syrian Arab Republic;

(d) To request:

- (i) Implementing agencies to ensure that the requirements of decision 66/16(b)(ii) were fulfilled in the future as a condition for submission of tranche implementation plans to meetings following the 67th meeting;

- (ii) The Government of South Africa to provide CP data relating to HCFCs following approval of its HPMP;
 - (iii) Additional status reports on the projects listed in Annexes III and IV to the present report;
 - (iv) The Government of Israel to provide its implementation delay reports to the 68th meeting of the Executive Committee;
 - (v) The submission to the 69th meeting of additional specific status reports on the remaining 34 projects listed in Annex V to the present report;
- (e) With respect to the HCFC demonstration project:
- (i) To note with appreciation the report entitled “HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam boardstock: An assessment for the application in MLF projects”, submitted by UNDP;
 - (ii) To request bilateral and implementing agencies to share the UNDP assessment report on HFO-1234ze, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC 142b/HCFC-22 in extruded polystyrene foam applications; and
- (f) With respect to resource mobilization for climate co-benefits, to note the interim reports on resource mobilization for climate co-benefits submitted by UNDP and UNIDO and to urge them to submit final reports on those projects by the 69th meeting.

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/5 para 30).

(Supporting document: UNEP/OzL.Pro/ExCom/67/6).

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note:
- (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of Germany and Spain addressed in documents UNEP/OzL.Pro/ExCom/68/6 and Add.1;
 - (ii) That the total production of CTC for China indicated in paragraph 10 of document UNEP/OzL.Pro/ExCom/68/6 should be revised to 415.06 metric tonnes, consisting of 179.92 metric tonnes for process agent uses and 235.14 metric tonnes for laboratory uses;
 - (iii) That 65 country programme (CP) implementation reports for the year 2011 had been submitted through the web-based system, which had been initiated on 25 April 2007;
 - (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat’s assessments and report to and notify governments and implementing agencies as required;
- (b) To request:
- (i) The implementing agencies to consider the need for additional methyl bromide (MB) projects, taking into account the evaluation of the MB projects contained in document UNEP/OzL.Pro/ExCom/68/11, in the potential countries that had remaining consumption of MB not covered under approved projects or were exempt from compliance pursuant to decision XV/12 of the Fifteenth Meeting of the Parties;
 - (ii) The implementing agencies to include in their 2013-2015 business plans stage I of the HCFC phase-out management plans (HPMPs) for the following countries that had not yet submitted their HPMPs: Barbados, Botswana, Libya, Mauritania, South Sudan and Tunisia;
 - (iii) The Governments of Indonesia, Kenya, Mozambique, Panama, Papua New Guinea and Timor-Leste to report to the Secretariat, as a matter of urgency, on whether their licensing systems were functioning “satisfactorily”, “very well” or “not so well”;
 - (iv) The Governments to report, on a voluntary basis, on an average import Free on Board (FOB) price for each ODS and ODS substitute in the revised CP format mandated by decision 63/4(b)(ii);
 - (v) That letters of possible cancellation be sent in respect of the following projects:

Agency	Code	Project title
UNDP	PAK/ARS/56/INV/71	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs
UNEP	GLO/REF/48/TAS/275	Global technical assistance programme in the chiller sector

UNIDO	SYR/FUM/49/TAS/95	Methyl bromide national phase-out plan (soil fumigation)
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- (vi) Additional status reports on the projects listed in Annexes VI and VII to the present report;
- (vii) The Governments of the Czech Republic, France, Israel and Japan to provide their implementation delay reports to the 69th meeting of the Executive Committee;
- (viii) The submission to the 69th meeting of additional specific status reports on the remaining five projects with specific reporting requirements (BRA/PHA/50/INV/278, BRA/PHA/53/INV/280, BRA/PHA/56/INV/284, BRA/PHA/59/INV/293 and COL/FOA/60/DEM/75), as shown in Annex VIII to the present report;
- (c) With respect to resource mobilization for climate co-benefits:
 - (i) To take note of the important information on resource mobilization provided in the desk study on the evaluation of chiller projects as presented in document UNEP/OzL.Pro/ExCom/68/10 and noted in paragraphs 48 to 54 of the present report;
 - (ii) To request that UNDP, UNEP, UNIDO and the World Bank take into account the information provided in the desk study, where relevant, and incorporate such information in the final reports on resource mobilization for climate co-benefits to be presented to the 69th meeting in the context of the terms of reference set out in decisions 63/20, 63/22, 63/23 and 63/24;
 - (iii) To request the Secretariat, in its review and summary of the final reports, to include an elaboration of the elements called for in the decisions of the 63rd meeting of the Executive Committee, in consultation with the respective implementing agency, and to provide its recommendations to the 69th meeting on criteria identified in those final reports that could facilitate consideration of whether to engage in a short-term pilot scheme for mobilization of financing for non-eligible projects;
- (d) With respect to the verification report on the Process agent sector plan (phase II) in China: status of CTC phase-out in process agent applications, to request the World Bank, on behalf of the Government of China, to submit a project completion report for phase II of the plan, accompanied by a revised 2010 verification report for the sector, together with a report on CTC production and consumption, in line with decision 65/10(i), no later than the 70th meeting;
- (e) With respect to the Progress report on final implementation (2010-2012) and consumption verification report for 2009 and 2010 in Nigeria:
 - (i) To note the verification report for CFC consumption in Nigeria for 2009 and 2010;
 - (ii) To note the submission of a report on the implementation of the national CFC phase-out plan for Nigeria from 2010 to 2012;
 - (iii) To approve use of part of the remaining funds for a publication and the return of the balance to the Multilateral Fund, as proposed in the submission;
- (f) With respect to the verification report on the National ODS phase-out plan in Tunisia (2010 verification report on the consumption of CFCs and halons), to note the verification report on CFC and halon consumption in Tunisia for 2010;
- (g) With respect to the methyl bromide (MB) project in Costa Rica:
 - (i) To note the 2011 annual progress report on the implementation of the fifth tranche of the project for the total phase-out of MB used as a fumigant for melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding quarantine and pre-shipment applications, in Costa Rica;
 - (ii) To authorize the disbursement of US \$297,300 by UNDP to the Government of Costa Rica as part of the fifth tranche of the project;
 - (iii) To request UNDP to submit the project completion report to the Executive Committee soon after completion of the fifth tranche of the project; and
- (h) With respect to UNEP's progress report on the implementation of Executive Committee decision 66/15 in the Democratic People's Republic of Korea, to note the progress report submitted by UNEP on the implementation of Executive Committee decision 66/15 on the institutional strengthening project for the Democratic People's Republic of Korea.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/4 para 37).
(Supporting documents: UNEP/OzL.Pro/ExCom/67/6 and Add.1).*

Project cancellations in light of country compliance

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to authorize the Secretariat, in coordination with the country concerned and the Implementing Agencies, to implement the procedures for project cancellation leading to the possible automatic cancellation of projects except in those cases where the Secretariat and the Implementing Agency concerned did not agree to cancel the project and in those cases where the project was critical to a country's compliance with existing or future control measures of the Montreal Protocol;
- (b) to request countries with projects considered for cancellation, where the cancellation was critical to a country's compliance with existing or future control measures of the Montreal Protocol, to present its views on the cancellation along with any actions that the government would take to reactivate the project.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/8, para. 39).

Consequences of project cancellation

The Twenty-seventh Meeting of the Executive Committee decided to request the Sub-Committee on Monitoring, Evaluation and Finance to discuss how to deal with all the consequences of project cancellation at its next meeting and to report back to the Executive Committee.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/9, para. 29).

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) to clarify the technical reasons involved when referring to projects that had been cancelled because the funding level originally approved had been determined to be insufficient due to technical reasons;
- (b) to determine the potential frequency of such projects, given the assumption that they would be rare;
- (c) to establish the financial implications of allowing such projects to be resubmitted;
- (d) to request the Secretariat, in consultation with the Implementing Agencies, to prepare a document on these issues; and
- (e) to request the Sub-Committee on Monitoring, Evaluation and Finance to consider the recommendation further at its Ninth Meeting, taking into account the above points, and to report back to the Executive Committee at its Twenty-ninth Meeting.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/19, para. 34).

The Twenty-eighth Meeting of the Executive Committee also decided to request the representatives of the Implementing Agencies to identify the reasons for which projects had been cancelled or for which it was proposed to cancel projects.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/20, para. 35).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) that no reapplication for assistance from the Multilateral Fund should be allowed for projects that had been cancelled for the following reasons:
 - (i) transfer of ownership to a non-Article 5 country;
 - (ii) bankruptcy.
- (b) that reapplication for assistance from the Multilateral Fund at a level of funding no greater than that previously approved, following a new decision to be taken on a case-by-case basis, should be allowed for projects that had been cancelled for other reasons such as:
 - (i) request of the company/financial situation;
 - (ii) persistent project delays (after making sure that the causes of earlier delays had been removed);
 - (iii) lack of response from the beneficiary.

In cases where reapplication was allowed pursuant to subparagraph (b) above, it could not take place within 24 months from cancellation.

Furthermore, second requests for project preparation, pursuant to subparagraph (b) above, could be considered as eligible incremental costs on a case-by-case basis, but should not exceed 30 per cent of initial project preparation funds.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/8, para. 26).

The Fortieth Meeting of the Executive Committee decided that enterprises with cancelled projects eligible for resubmission pursuant to Decision 29/8 may be allowed to submit a request to reinstate the cancelled projects with the incremental costs adjusted by the amount of funds disbursed on the cancelled projects, and the level of phase-out based on the original approval as modified by Decision 39/13(b).

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/16, para. 55 (e)).

Options on how phase-out from cancelled projects should be recorded

The Thirty-eighth Meeting of the Executive Committee decided to request the Secretariat, in co-operation with the Implementing Agencies, to prepare a working paper providing options on how phase-out from cancelled projects should be recorded, for presentation to the 39th Meeting of the Executive Committee, taking into account the comments made by members during their discussion of this issue at the 37th Meeting, and inviting further input subsequent to the Meeting.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/6, para. 37 (d)).

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to take note of the report on the ODS phase-out from cancelled projects contained in UNEP/OzL.Pro/ExCom/39/16;
- (b) to adopt the following two options:
 - (i) if an enterprise was provided with equipment needed for conversion to non-ODS technology, the full amount of ODS envisioned for phase-out in the approved project should be recorded as the phase-out;
 - (ii) if an enterprise was provided with some items of equipment and such items could not be transferred by the Implementing Agency concerned to another enterprise(s) in the country or the region, the cost-effectiveness of the approved project should be used to calculate an amount of ODS phase-out proportional to the cost of equipment items and other associated costs, by dividing the amount of funds disbursed to the enterprise by the cost-effectiveness value. The resulting amount should be recorded as the phase-out;
- (c) to request the Secretariat to prepare, by the 40th Meeting of the Executive Committee, advice on how to deal with the issue of funding levels when reapplying for assistance for projects that had previously been cancelled.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/13, para. 47).

(Supporting document: UNEP/OzL.Pro/ExCom/39/16).

The Fortieth Meeting of the Executive Committee decided:

- (a) to take note of the document on phase-out from cancelled projects (UNEP/OzL.Pro/ExCom/40/22);
- (b) to request that reasons for project cancellation be specified by the Implementing Agencies and taken into account by the Executive Committee in its decisions on project cancellation;
- (c) that projects cancelled due to the non-provision by the beneficiary of its non incremental counterpart contributions may be resubmitted on a case-by-case basis;
- (d) to consider, on a case-by-case basis, the resubmission of cancelled projects in cases where their completion enables compliance with control measures, provided that the enterprise is determined to be financially viable and, preferably, that the implementation timeframe is accelerated.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/16, para. 55 (a – d)).

(Supporting document: UNEP/OzL.Pro/ExCom/40/22).

Implementation delays as a result of an inability to reallocate funds

The Thirty-fourth Meeting of the Executive Committee decided to request all the Implementing Agencies to report to the 35th Meeting on any Executive Committee decisions that might have led to implementation delays as a result of an inability to reallocate funds among a project's budget components.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/10, para. 28).

Return agency fees associated with remaining funds from projects

The Thirty-fifth Meeting of the Executive Committee decided to request Implementing Agencies to return all agency fees associated with remaining funds from projects. If expenditures had been incurred for support costs, the Implementing Agencies should provide an explanation and return the balance of funds.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/13, para. 41 (k)).

The Thirty-seventh Meeting of the Executive Committee decided to request the World Bank to return agency support costs for all project savings and cancelled projects as stipulated in Executive Committee Decision 35/13(k), while noting that the issue of the return of agency support costs should be considered in the context of reconciliation of the Accounts of the Multilateral Fund and the Implementing Agency progress reports.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/7, para. 33 (e)).

The Thirty-eighth Meeting of the Executive Committee decided:

- (c) to withhold \$1,159,980 from fund transfers to the World Bank at the 38th Meeting as the World Bank had not provided sufficient explanations for not returning those support costs and any further consideration of the matter should be made contingent on the World Bank providing information required by the Secretariat for its assessments of the Bank's compliance with Decision 35/13(k);
- (d) to note that the only circumstances under which it would be possible for a portion of the support costs from cancelled projects and completed projects with savings not to be returned according to United Nations practice was when a fee was paid by the Implementing Agency to a financial intermediary to undertake a financial evaluation of the enterprise before project implementation, and the project was subsequently cancelled.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/7, para. 38 (c, d)).

The Forty-first Meeting of the Executive Committee decided:

- (a) to note with appreciation the reports submitted to the Secretariat on projects with implementation delays provided by Belgium, Canada, France, Germany, Poland, and the four Implementing Agencies, as contained in document UNEP/OzL.Pro/ExCom/41/10;
- (b) to request the Government of Japan to provide a report on the projects classified with implementation delays as a matter of urgency;
- (c) to note that the Secretariat and Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and to report and notify Governments and Implementing Agencies as required.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/8, para. 39(a, b, c)).

The Forty-second Meeting of the Executive Committee decided:

- (a) to note with appreciation the reports submitted to the Secretariat on projects with implementation delays provided by Belgium, Canada, Germany and the four Implementing Agencies, as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/42/15);
- (b) to request the Government of France to provide reports on the projects classified with implementation delays as a matter of urgency;
- (c) to note that the Secretariat and the Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and Implementing Agencies as required.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/15 (a, b, c), para. 70 (a-c)).

The Forty-third Meeting of the Executive Committee decided:

- (a) to note with appreciation the reports submitted to the Secretariat on projects with implementation delays provided by Canada, France, Germany and the four Implementing Agencies, as contained in document UNEP/OzL.Pro/ExCom/43/17;
- (b) to request UNEP, on behalf of the Government of Japan, to provide a report to the 44th Meeting of the Executive Committee on the project "Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol" in Nigeria, which had been classified as a project with implementation delays;
- (c) to note that the Secretariat and Implementing Agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and notify governments and Implementing Agencies as required and report thereon to the next Executive Committee Meeting.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/12 (a, b, c), para. 68).

(Supporting document: UNEP/OzL.Pro/ExCom/43/16).

COST-EFFECTIVENESS

Threshold values

The Sixteenth Meeting of the Executive Committee adopted the following sector and sub-sector cost-effectiveness threshold values to be applied to projects submitted to the Seventeenth Meeting, and to review them at its Eighteenth Meeting:

Sector		US \$/kg ODP
Aerosol		
	Hydrocarbon	4.40
Foam		
	General	9.53
	Flexible polyurethane	6.23
	Integral skin	16.86
	Polystyrene/polyethylene	8.22
	Rigid polyurethane	7.83
Halon		
	General	1.48
Refrigeration		
	Commercial	15.21
	Domestic	13.76
Solvent		
	CFC-113	19.73
	TCA	38.50

(UNEP/OzL.Pro/ExCom/16/20 (paras. 32c, 32d).

Cost-effectiveness for refrigeration projects

The Sixteenth Meeting of the Executive Committee recognized that in some domestic refrigeration projects using hydrocarbon technologies there are significant costs related to the provision of safety equipment and agreed that in calculating the cost-effectiveness of such projects, the safety-related costs should be identified and deducted from the total project cost before the cost-effectiveness calculations are made. These costs would, however, be considered in determining the level of project costs and funding.

(UNEP/OzL.Pro/ExCom/16/20, para. 32e).

The Seventeenth Meeting of the Executive Committee, noting its decision at its Fifteenth Meeting to presume against the use of HCFCs in investment projects, recognizing the higher cost of hydrocarbon technologies, primarily due to safety factors, and desiring to ensure an equality between technology options consistent with that decision, decided:

- (a) that for the purposes of calculating the cost-effectiveness value of projects utilizing such technologies, the numerator should be discounted by up to 35 per cent. It is expected that these figures will be adjusted in the light of experience and a study on safety matters to be conducted by the Secretariat;
- (b) to request the Secretariat to analyze projects in the pipeline for the commercial refrigeration sector and the rigid polyurethane sector where hydrocarbon technologies are used, and to inform the Executive Committee of the results at its Eighteenth Meeting.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/14 para. 23).

The Twentieth Meeting of the Executive Committee decided,

- (a) with regard to domestic refrigeration projects:
 - (i) there was an increase in both the capital and total cost per unit for all-hydrocarbon technologies compared to HCFC/HFC-based technologies. The increase in the total project cost (capital plus operating costs) ranged between 15.6 per cent to 55.1 per cent for different categories of projects;
 - (ii) discounting the numerator by 35 per cent was sufficient to maintain parity between HCFC-141b/HFC-134a and cyclopentane/HFC-134a technology options in the domestic refrigeration sector;
 - (iii) the number of projects approved for cyclopentane/isobutane technology was not sufficient to enable reliable conclusions to be drawn;

- (b) with regard to the commercial refrigeration projects there was no need for the introduction of a discounting factor to account for the additional safety costs needed for hydrocarbon technology, because on average, projects using hydrocarbon technologies were within one per cent of the cost-effectiveness threshold for the sector and therefore would not be disadvantaged for consideration for funding;
- (c) that the Secretariat should, however, consider further information on conversion in the commercial refrigeration sector and report back to the Executive Committee at its Twenty-second Meeting.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/45, para. 45).

(Supporting document: UNEP/OzL.Pro/ExCom/20/65).

Cost-effectiveness for rigid polyurethane foam projects

The Twentieth Meeting of the Executive Committee decided, with regard to rigid polyurethane foam projects, there was no need for the introduction of a discounting factor to account for the additional safety costs for hydrocarbon technology, because the above statistical analysis showed that on average, projects using hydrocarbon technology were already below the cost-effectiveness threshold for the sector, and thus would not be disadvantaged for consideration for funding.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/45, para. 45 (a)(iii)).

(Supporting document: UNEP/OzL.Pro/ExCom/20/65).

Cost-effectiveness for multinational corporations

The Seventeenth Meeting of the Executive Committee decided that:

- (b) the cost-effectiveness of projects for enterprises with multinational corporation ownership and enterprises that exported to non-Article 5 countries should be determined using as a basis the eligible amount of the grant;
- (c) consumption should be calculated in accordance with the decision contained in paragraph 32 (b) of the report of the Sixteenth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/16/20).

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/10 para. 10).

Threshold values for low-ODS consuming countries

The Seventeenth Meeting of the Executive Committee decided that there should not be a separate set of cost-effectiveness thresholds to be applied to projects from low-ODS-consuming countries that did not meet the general threshold values agreed by the Executive Committee at its Sixteenth Meeting.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/11 para. 19b).

SECTORAL PRIORITIES

The Twenty-second Meeting of the Executive Committee decided to note that the Sub-Committee had discussed the suggestion of UNIDO that setting sectoral priorities would assist the operations of the Implementing Agencies, but that no agreement had been reached, some concerns being expressed about pursuing such a path, bearing in mind that priorities would tend to differ for each country.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/7, para. 22).

Assignment of CFC consumption between sectors

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to stress that the assignment of CFC consumption between sectors should be strongly justified, and must be based on existing and verifiable use;
- (b) that the emerging issues should continue to be resolved among the Secretariat and countries and Implementing Agencies on a case-by-case basis, in accordance with the rules of the Fund.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/11, para. 43).

Development of umbrella projects and sector approaches

The Twenty-eighth Meeting of the Executive Committee also decided to encourage co-operation between international Implementing Agencies and the national governments in Article 5 countries to develop umbrella projects and sector approaches. The responsibilities of the international Implementing Agencies would focus on consulting, monitoring and auditing project implementation by domestic Implementing Agencies.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/9, para. 23).

The Thirtieth Meeting of the Executive Committee decided to approve the funding for additional individual project preparation activities in countries which were preparing sector plans for terminal phase-out, on the

understanding that:

- (a) it was clear that the sectoral strategy in preparation was unlikely to be submitted to the Executive Committee for approval for at least six months;
- (b) the country concerned had stated in a letter its intention to adhere to a sectoral strategy; and
- (c) the Implementing Agency provided an assurance in the request for funding that the project could be adjusted, as appropriate, and incorporated into the sectoral strategy.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/21, para. 44).

The Thirty-eighth Meeting of the Executive Committee decided to note the essential need for the Implementing Agencies to work together, wherever possible, and select lead agencies to consolidate activities included in individual phase-out plans.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/46, para. 82 (a)).

The Forty-fifth Meeting of the Executive Committee decided to authorize the Secretariat to agree to any future changes in terminal umbrella projects in cases where all cost and policy issues between the Secretariat and the implementing agency concerned had been resolved, and to report back to the Executive Committee.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/16, para.84(b)).

Assistance for countries with a baseline consumption of zero

The Forty-seventh Meeting of the Executive Committee decided:

- (a) that Article 5 countries with zero halon baselines but a low level of documented installed halon inventories could submit project proposals to manage their halon stocks in accordance with the Executive Committee's Interim Halon Banking Guidelines. The level of funding for such proposals should normally be between US \$25,000 (as recommended in the Interim Halon Banking Guidelines) and US \$50,000 (as per decision 44/8), depending on the level of the inventory;
- (b) that Article 5 countries with zero methyl bromide, CTC and/or TCA baselines that were experiencing compliance difficulties with respect to one or more of those substances could be provided with assistance under UNEP's Compliance Assistance Programme (CAP);
- (c) to request UNEP to use funds from the 2006 CAP budget to provide assistance to countries in accordance with paragraph (b) of the present decision;
- (d) also to request UNEP to submit to the 48th Meeting a strategic plan indicating which countries with zero baselines it proposed to assist, the justification or criteria used for selecting those countries, the type of assistance to be provided and the extent to which the activities would be additional to the usual work of the CAP;
- (e) to request bilateral and implementing agencies providing assistance in the preparation and implementation of new terminal phase-out management plans to work towards ensuring that, within the approved levels of funding, project activities included support for developing and implementing licensing systems or import controls for methyl bromide, CTC and/or TCA in cases where there were zero baselines for one or more of those substances but there was a risk of future consumption; and
- (f) that the Executive Committee would consider, at its 48th Meeting, the need for any additional support to the CAP that might be required to implement the proposed strategic plan.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/10, para. 58).

Multi-year projects

The Thirty-third Meeting of the Executive Committee decided:

- (b) to request that, as a minimum, multi-year projects include:
 - (i) a schedule for the disbursement of project funds in tranches, based on the achievement of stated targets as approved in the project document;
 - (ii) a commitment from the recipient government to establish the legislative/regulatory measures necessary to ensure the permanent annual reduction in the country's latest consumption eliminated through the project or other agreed targets as appropriate; and
 - (iii) a commitment to the preparation and submission to the Secretariat of annual reports on progress in meeting the agreed targets;

- (c) to request that Implementing Agencies:
- (i) in employing the multi-year project modality, consider the needs of countries requiring immediate assistance in complying with freeze and first reduction measures; and
 - (ii) ensure that their future business plans include a greater number of projects for countries requiring immediate assistance in complying with the freeze measures or at least requiring assistance in meeting the first reduction targets.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/4, para. 21 (b, c)).

(Supporting document: UNEP/OzL.Pro/ExCom/33/8 and 33/8/Corr.1).

Performance-based substance-wide agreements

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to convene, back-to-back with the 38th Meeting of the Executive Committee and prior to it, an informal meeting of a working group to consider revised draft guidelines for the preparation, implementation and management of performance-based substance-wide and national phase-out agreements/plans, on a paragraph-by-paragraph basis, in an endeavor to resolve outstanding issues prior to their submission to the Executive Committee;
- (b) to invite all interested members of the Committee, as well as representatives of the Implementing Agencies, to participate in the meeting, under the Chairmanship of the representative of Japan;
- (c) to request the Secretariat, as preparation for that meeting:
 - (i) to compile a revision of document UNEP/OzL.Pro/ExCom/37/65 containing, within the specific paragraphs concerned, the bracketed proposals for addition and amendment made at the current Meeting and, after the specific paragraphs concerned, the requests for clarification made and the responses of the Secretariat;
 - (ii) to circulate the revised document to all members of the Executive Committee, soliciting their comments thereon, to be submitted to the Secretariat by 19 August 2002;
 - (iii) on the basis of the feedback received, to prepare a new version of the revision, for submission to the informal meeting of the working group.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/67, para. 109).

(Supporting document: UNEP/OzL.Pro/ExCom/37/65).

Guidelines for preparation, implementation and management of performance-based phase-out plans

The Thirty-eighth Meeting of the Executive Committee decided to approve the guidelines for the preparation, implementation and management of performance-based sector and national ODS phase-out plans, as contained in Annex IX.9, on the understanding that:

- (a) because of the different situations and needs of countries, and the impracticability of attempting to encompass every situation, the purpose of the guidelines is to provide general principles and procedures that should be followed in developing and implementing performance-based ODS phase-out plans;
- (b) the guidelines shall not apply to already approved performance-based sectoral and national ODS phase-out plans in any regard, since these existing plans refer to agreements that shall be governed by rules specified in each case;
- (c) the guidelines shall also apply to the production and consumption of HBFCs;
- (d) the Executive Committee will review the guidelines after a period of two years, in order to take into account the experience gained in their application. That future review will not affect their status as guidelines;
- (e) the content of subparagraphs (b) and (c) above will be reflected in final text of the guidelines.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/65, para. 106).

(Supporting document: UNEP/OzL.Pro/ExCom/38/57/Rev.1).

Flexibility conditions in phase-out agreements

The Forty-fifth Meeting of the Executive Committee decided to request the Secretariat, in consultation with the Implementing Agencies, to prepare a paper for consideration at the 46th Meeting defining the meaning of major changes in the use of funding and the need to document such changes in advance in the country's annual implementation programme.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/15, para. 81).

The Forty-sixth Meeting of the Executive Committee decided:

- (a) that consistent with the flexibility provisions in the relevant agreement, any annual implementation plan prepared and submitted to the Executive Committee for approval could include changes to the scope and nature of the activities foreshadowed in the project document, on which approval in principle of the overall phase-out plan was based;
- (b) to reiterate its expectation that each annual implementation plan would be implemented as approved and would achieve, as a minimum, the phase-out proposed in the project document and the agreement, where relevant;
- (c) that minor changes to a project or an annual implementation plan could be incorporated, as implementation proceeded during the year, and reported on in the annual report on implementation of the annual implementation plan;
- (d) that examples of minor changes included:
 - (i) adjustments to the number of equipment items to be purchased (for example, plus or minus 20 per cent of the number of recovery and recycling machines in an annual investment plan);
 - (ii) changes to the size or content of training programmes included in the current approved annual investment plan;
 - (iii) financial adjustments between the levels of funding of activities in the current approved annual implementation plan (excluding transfers between agencies), provided that they did not affect the overall funding level of the approved annual investment plan;
- (e) that proposed major changes to the scope and nature of activities foreshadowed in the project document should be referred to the Executive Committee for approval as part of the annual implementation plan for the subsequent year;
- (f) that major changes could be defined as those presenting:
 - (i) issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) reductions from the planned amount of phase-out to be achieved in the year;
 - (iii) changes in the annual levels of funding allocated to individual bilateral or Implementing Agencies;
 - (iv) provision of funding for programmes or activities not included in the current endorsed annual investment plan, or removal of an activity in the annual investment plan, with a cost greater than 30 per cent of the total cost of the tranche;
- (g) that it is the responsibility of the bilateral or implementing agency in the first instance to identify whether a proposed change to implementation of the current approved annual implementation plan would be considered major or minor according to the criteria above;
- (h) that, if the proposal could constitute a major change, the agency should defer the proposed change pending submission and endorsement by the Executive Committee as part of the subsequent annual investment plan;
- (i) that where there is doubt as to the nature of a proposed change, the agency should seek the views of the Secretariat as to whether the issues raised by the proposal were such that prior consideration by the Executive Committee should be required. If the Secretariat indicated that the proposed change did not raise issues that required reference to the Committee, consistent with the above criteria, the proposal would be deemed to be a minor change and could be incorporated in the annual implementation plan currently under implementation and reported to the Executive Committee in the annual report on implementation of the annual investment plan; and
- (j) that the guidelines for preparation, implementation and management of performance-based phase-out plans adopted by the Executive Committee at its 38th Meeting (decision 38/65) were amended by replacing paragraph 7 of the draft agreement by the following revised wording and that this would be applicable to future agreements:

“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 ... 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.”

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/37, para. 160).

(Supporting document: UNEP/OzL.Pro/ExCom/46/43).

The Forty-eighth Meeting of the Executive Committee decided to replace paragraph 5(b) of the standard agreement in all future TPMPs with the following text: “That the meeting of these targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54.”

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/31, para.137).

Criteria for the assessment of the progress reports and verification audits

The Forty-first Meeting of the Executive Committee decided to request the Fund Secretariat, in cooperation with the Implementing Agencies, to develop criteria for the assessment of the progress reports and verification audits of multi-year agreements with the aim of submitting a paper to the 43rd Meeting.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/15, para. 48).

The Forty-third Meeting of the Executive Committee decided:

- (a) to request Executive Committee members, bilateral agencies and Implementing Agencies to submit their written comments on the criteria for the assessment of the progress reports and verification audits of multi-year agreements contained in document UNEP/OzL.Pro/ExCom/43/50 to the Secretariat before 20 September 2004; and
- (b) to request the Secretariat to prepare a new document for consideration at the 44th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/38, para. 132).

(Supporting document: UNEP/OzL.Pro/ExCom/43/50).

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to take note of the report on the criteria for the assessment of the progress reports and verification audits of multi-year agreements contained in document UNEP/OzL.Pro/ExCom/44/70;
- (b) to request the World Bank, in cooperation with the other Implementing Agencies and the Secretariat, to organize a one-day seminar on verification and data reporting, to be held in the margins of the 45th Meeting of the Executive Committee, with participation by some interested Parties; and
- (c) to request the Secretariat to revise the document in the light of the comments made at the 44th Meeting and of the outcome of the seminar referred to above and to present a revised text to the 46th Meeting.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/58, para. 243).

(Supporting document: UNEP/OzL.Pro/ExCom/44/70).

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to approve the guidelines for the verification of national consumption targets for the multi-year agreements contained in Annex IX.10;
- (b) to request the bilateral and Implementing Agencies to apply the guidelines to the verification of national consumption targets of the multi-year agreements, starting with the verification of consumption for the year 2005; and
- (c) to request the Secretariat, in cooperation with the bilateral and Implementing Agencies, to review the implementation of the guidelines at the end of 2007.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/38, para. 167).

(Supporting document: UNEP/OzL.Pro/ExCom/46/44).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to note the report on options for monitoring and assessing the progress of agencies with regard to multi-year agreements contained in document UNEP/OzL.Pro/ExCom/47/54;
- (b) to adopt the following options for improving the accuracy of progress reporting on multi-year agreements:
 - (i) to request the Secretariat and the Implementing Agencies to continue to review the national implementation carried out in the previous year and to provide additional information in annual implementation plan submissions on disbursements and completed activities, including information on

when delayed activities funded by an annual tranche were to be completed. There should also continue to be a comparison of what had been planned in the previous annual tranche and what had been achieved. The disbursement information should be provided cumulatively and data concerning actual or planned commitments could also be provided, as appropriate. The information should also specify how the relevant flexibility clause in the agreement was implemented and/or how to allocate unused funds from previous tranches. In this respect, it should be reiterated that the flexibility clause decision applied only to multi-year agreements approved at or after the 46th Meeting (decision 46/37(j));

- (ii) to request the Secretariat to continue to monitor annual tranches in the context of documents on implementation delays and balances, noting that those monitoring tools appeared to have encouraged the removal of impediments to completing projects and activities and so resulted in more timely final disbursement of approved funds to Article 5 countries. To make the process more effective, it could further request implementing agencies to include in funding requests for annual tranches the dates of completion of the tasks associated with those annual tranches;
- (c) to request Implementing Agencies to record phase-out according to the actual and real levels of consumption achieved in annual tranches of multi-year agreements, while noting that in some cases the phase-out might need further explanation and that there should be consistency in the use of the definition of planned and actual phase-out;
- (d) that a separate sub-agenda item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations should be included for future meetings; and
- (e) to request Implementing Agencies to inform countries of the need to exceed the phase-out indicated in an agreement where necessary to meet the obligations of the Montreal Protocol, as well as those cases where actual consumption or production data had resulted in changes to the phase-out indicated in the agreements.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/50, para 189).

(Supporting document: UNEP/OzL.Pro/ExCom/47/54).

Descriptions of technical assistance and other non investment projects

The Forty-sixth Meeting of the Executive Committee decided to request the Secretariat to include, in the narrative of relevant project documents for future meetings, brief descriptions of the technical assistance and other non investment projects recommended for blanket approval.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/18, para. 90 (b)).

Evaluation of national phase-out plans

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the extended desk study on the evaluation of national phase-out plans contained in document UNEP/OzL.Pro/ExCom/45/12, including the proposed evaluation issues and approach for the second phase of the evaluation;
- (b) that the follow-up phase of the evaluation should continue as proposed, with the following amendments:
 - (i) the evaluation should take into account:
 - i. the fact that in many countries, delays were caused by administrative problems which the country had to deal with by developing new processes and procedures;
 - ii. the cost of independent verification and the possibility of using more cost-effective alternatives;
 - iii. the fact that the levels of phase-out of ODS were not directly proportionate to the levels of disbursement;
 - (ii) the evaluation report should include a section on conclusions highlighting the achievements of the national phase-out plans;
 - (iii) the list of evaluation issues should also include the following questions:
 - i. whether the country felt that there was still a project-by-project approach when several Implementing Agencies were involved, or whether the national plan approach predominated;
 - ii. how the country-driven approach had created a stakeholder buy in; and
 - iii. whether the sequence of activities had been implemented as planned, and if not, why not.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/11, para. 68).

(Supporting document: UNEP/OzL.Pro/ExCom/45/12).

The Fifty-first Meeting of the Executive Committee decided:

- (a) to take note of the desk study on the evaluation of management and monitoring of national phase-out plans contained in document UNEP/OzL.Pro/ExCom/51/13, including the proposed evaluation issues and work plan for the second phase of the evaluation;
- (b) to request implementing agencies to seek authorization from the Executive Committee prior to using the flexibility provided for under multi-year agreements (MYAs) to allow funds to be directed to enterprises established after July 1995 in cases where countries had committed to the total phase-out of the ODS concerned; and
- (c) to request the bilateral and implementing agencies to report, as part of their regular periodic reporting under MYAs, whether they had used the flexibility clause for this purpose.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/12 para. 88).

(Supporting document: UNEP/OzL.Pro/ExCom/51/13).

Evaluation on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to note with appreciation the desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform contained in documents UNEP/OzL.Pro/ExCom/46/8 and Corr.1;
- (b) to request the Senior Monitoring and Evaluation Officer to include countries in non-compliance in the sample of field visits planned for evaluations of refrigerant management plans in non-low-volume-consuming countries and of national and sectoral phase out plans; and
- (c) to request the Senior Monitoring and Evaluation Officer to include a full analysis and follow-up study on cases of non-compliance, including field visits, in the monitoring and evaluation work programme for 2006.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/6, para. 42).

(Supporting document: UNEP/OzL.Pro/ExCom/46/8 and Corr.1).

The Fiftieth Meeting of the Executive Committee decided to note the final evaluation report on cases of non-compliance (follow-up to decision 46/6) (UNEP/OzL.Pro/ExCom/50/9) and to communicate its conclusions to the thirty-eighth meeting of the Implementation Committee in mid-2007 through the presentation to be made by the Multilateral Fund Secretariat and the implementing agencies, advising that:

- (a) one of the most important incentives for returning to compliance had been the commitment to meeting the targets set by the respective plan of action submitted to the Implementation Committee and approved by the Meeting of the Parties;
- (b) once a country had taken decisive action in approving and enforcing legislation, improving and correcting data reporting, where applicable, and accelerating previously delayed project implementation, rapid progress towards compliance was possible in most cases.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/7 para. 57).

(Supporting document: UNEP/OzL.Pro/ExCom/50/9).

AEROSOL SECTOR

Contract filler

The Seventeenth Meeting of the Executive Committee, recognizing the good cost-effectiveness of aerosol sector projects and the desirability of supporting the initiation of phase-out activities for contract fillers in this sector, decided:

- (a) to continue taking into account incremental operating savings when preparing aerosol project proposals;
- (b) to request Implementing Agencies to calculate net operating costs/savings in the aerosol sector, including the difference in cost per can when filling with CFC or HAPs, when preparing project proposals;
- (c) to recognize that savings resulting from CFC phase-out for contract aerosol fillers, and in circumstances where a parallel market exists, may accrue to the national economy but that quantifying these savings is analytically difficult and applying these savings at project level may not always be feasible.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/15 para. 24).

The Twenty-fifth Meeting of the Executive Committee decided to stipulate that a project document should

include verification by the agencies' consultants and certification by the Government concerned that the enterprise operated as a "contract filler".

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/19, para. 44).

Use of terminal umbrella projects for the remainder of the aerosol sector

The Twenty-fifth Meeting of the Executive Committee decided to encourage the development of innovative approaches, including terminal umbrella projects for the remainder of the aerosol sector in all Article 5 countries.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/20, para. 45).

Evaluation of aerosol projects

The Thirty-seventh Meeting of the Executive Committee decided to take note of the status report presented in document UNEP/OzL.Pro/ExCom/37/5.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/3, para. 29).

(Supporting document: UNEP/OzL.Pro/ExCom/37/5).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the final report on the evaluation of aerosol projects (UNEP/OzL.Pro/ExCom/38/5 and Corr.1);
- (b) to request Implementing Agencies to assess in each future project the feasibility of retrofitting the CFC-gasser equipment, the liquid filler and the crimper and to justify cases where that was not deemed to be possible;
- (c) to apply Decision 17/15, paragraph 24 (c), not only to contract aerosol fillers, but also, in certain cases, to other newly converting fillers, reading: "to recognize that savings resulting from CFC phase-out for contract and, in certain cases, other aerosol fillers, and in circumstances where a parallel market exists, may accrue to the national economy but that quantifying these savings is analytically difficult and applying these savings at the project level may not always be feasible." (changes to Decision 17/15 marked in bold);
- (d) to request:
 - (i) UNIDO to find ways to allow the beneficiary to pay the cost difference for equipment from high-priced bidders if the company insisted on it and provided sufficient guarantees for timely payment;
 - (ii) the Implementing Agencies:
 - to ensure that in the bidding specifications, the provision of manuals in a language understood by the engineers of the beneficiary company was foreseen, as well as interpreters during equipment installation, if necessary;
 - to take the necessary measures to ensure that a fair and equitable opportunity was given to all competent suppliers, regardless of location, in the procurement of goods and services for aerosol sector projects;
 - to analyze the current procurement procedures and consider ways and means, within the limitations of their contracting procedures, to include as much input as possible from the country and the beneficiary company concerned when composing the list of potential bidders being considered for all projects, and request them, together with the Secretariat, to report on the progress made in the implementation of sub-paragraph (ii);
 - (iii) UNEP, in consultation with the Secretariat and the other Implementing Agencies, to prepare, translate and distribute an up-to-date manual on safety, formula adaptations, and effective destenching methods for aerosol production using Hydrocarbon Aerosol Propellants (HAP).

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/2, para. 33).

(Supporting document: UNEP/OzL.Pro/ExCom/38/5 and Corr.1).

Incremental operating costs

The Sixty-second Meeting of the Executive Committee decided that the incremental operating costs for the aerosol sector should be determined on the basis of a one-year duration.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/9 para.40(a)).

METERED-DOSE INHALERS**Transfer of essential-use authorizations for CFCs for MDIs**

The The Ninth Meeting of the Parties decided:

1. to note with appreciation the interim report of the Technology and Economic Assessment Panel (TEAP) pursuant to decision VIII/12;
2. to request the Technology and Economic Assessment Panel to continue its work and submit the final report to the Tenth Meeting of the Parties, through the Open-ended Working Group, taking into account the approach indicated in paragraph 5 of decision VIII/12 and the comments made during the fifteenth and sixteenth meetings of the Open-ended Working Group and the Ninth Meeting of the Parties;
3. to note the expectation of TEAP and its relevant Technical Options Committee that it remains possible that the major part of the MDI transition may occur in non-Article 5 countries by the year 2000 and there will be minimal need for CFCs for metered-dose inhalers by 2005, however, at this point in time there are still many variables and an exact time-scale is not possible to predict with certainty;
4. to note the concerns of some non-Article 5 Parties that they may not be able to convert as soon as they would like unless their independent MDI manufacturers are able to license non-CFC technologies;
5. to require non-Article 5 Parties submitting essential-use nominations for CFCs for MDIs for the treatment of asthma and chronic obstructive pulmonary disease (COPD) to present to the Ozone Secretariat an initial national or regional transition strategy by 31 January 1999 for circulation to all Parties. Where possible, non-Article 5 Parties are encouraged to develop and submit to the Secretariat an initial transition strategy by 31 January 1998. In preparing a transition strategy, non-Article 5 Parties should take into consideration the availability and price of treatments for asthma and COPD in countries currently importing CFC MDIs.

(UNEP/OzL.Pro.9/12, Decision IX/19).

The Ninth Meeting of the Parties also decided:

1. that all transfers of essential-use authorizations for CFCs for MDIs be reviewed on a case-by-case basis at Meetings of the Parties for approval;
2. notwithstanding paragraph 1 of the present decision, to allow the Secretariat, in consultation with the Technology and Economic Assessment Panel, to authorize a Party, in an emergency situation, to transfer some or all of its authorized levels of CFCs for essential uses in MDIs to another Party, provided that:
 - (a) the transfer applies only up to the maximum level that has previously been authorized for the calendar year in which the next Meeting of the Parties is to be held;
 - (b) both Parties involved agree to the transfer;
 - (c) the aggregate annual level of authorizations for all Parties for essential uses of MDIs does not increase as a result of the transfer;
 - (d) the transfer or receipt is reported by each Party involved on the essential-use quantity-accounting format approved by the Eighth Meeting of the Parties by paragraph 9 of decision VIII/9.

(UNEP/OzL.Pro.9/12, Decision IX/20).

Transition to chlorofluorocarbon-free MDIs

The Twelfth Meeting of the Parties decided:

1. for the purposes of this decision, "chlorofluorocarbon metered-dose inhaler product" means a chlorofluorocarbon-containing metered-dose inhaler of a particular brand name or company, active ingredient(s) and strength;
2. that any chlorofluorocarbon metered-dose inhaler product approved after 31 December 2000 for treatment of asthma and/or chronic obstructive pulmonary disease in a non-Article 5(1) Party is not an essential use unless the product meets the criteria set out in paragraph 1(a) of decision IV/25;
3. with respect to any chlorofluorocarbon metered-dose inhaler active ingredient or category of products that a Party has determined to be non-essential and thereby not authorized for domestic use, to request:
 - (a) the Party that has made the determination to notify the Secretariat;
 - (b) the Secretariat to maintain such a list on its Web site;

- (c) each nominating Party to reduce accordingly the volume of chlorofluorocarbons it requests and licenses;
4. to encourage each Party to urge each metered-dose inhaler company within its territory to diligently seek approval for the company's chlorofluorocarbon-free alternatives in its domestic and export markets, and to require each Party to provide a general report on such efforts to the Secretariat by 31 January 2002 and each year thereafter;
 5. to agree that each non-Article 5 Party should, if it has not already done so:
 - (a) develop a national or regional transition strategy based on economically and technically feasible alternatives or substitutes that it deems acceptable from the standpoint of environment and health and that includes effective criteria and measures for determining when chlorofluorocarbon metered-dose inhaler product(s) is/are no longer essential;
 - (b) submit the text of any such strategy to the Secretariat by 31 January 2002;
 - (iii) report to the Secretariat by 31 January each year thereafter on progress made on its transition to chlorofluorocarbon-free metered-dose inhalers;
 6. to encourage each Article 5(1) Party to:
 - (a) develop a national or regional transition strategy based on economically and technically feasible alternatives or substitutes that it deems acceptable from the standpoint of environment and health and that includes effective criteria and measures for determining when chlorofluorocarbon metered-dose inhaler product(s) can be replaced with chlorofluorocarbon-free alternatives;
 - (b) submit the text of any such a strategy to the Secretariat by 31 January 2005;
 - (c) report to the Secretariat by 31 January each year thereafter on progress made on its transition to chlorofluorocarbon-free metered-dose inhalers;
 7. to request the Executive Committee of the Multilateral Fund to consider providing technical, financial and other assistance to Article 5(1) Parties to facilitate the development of metered-dose inhaler transition strategies and the implementation of approved activities contained therein, and to invite the Global Environment Facility to consider providing the same assistance to those eligible countries with economies in transition;
 8. to decide that, as a means of avoiding unnecessary production of new chlorofluorocarbons, and provided that the conditions set out in paragraphs (a) - (d) of decision IX/20 are met, a Party may allow a metered-dose inhaler company to transfer:
 - (a) all or part of its essential use authorization to another existing metered-dose inhaler company; or
 - (b) chlorofluorocarbons to another metered-dose inhaler company provided that the transfer complies with national/regional license or other authorization requirements;
 9. to request the Technology and Economic Assessment Panel to summarize and review by 15 May each year the information submitted to the Secretariat;
 10. to modify as necessary the Handbook for Essential Use Nominations to take account of the requirements contained in this decision as they pertain to non-Article 5(1) Parties;
 11. to request the Technology and Economic Assessment Panel to consider and report to the next Meeting of the Parties on issues related to the campaign production of chlorofluorocarbons for chlorofluorocarbon metered-dose inhalers.

(UNEP/OzL.Pro/12/9, Decision XII/2).

The Twentieth Meeting of the Parties decided:

- (f) to add a new paragraph after paragraph 2 of decision XII/2 to read as follows:

2 bis. that any chlorofluorocarbon metered-dose inhaler product approved after 31 December 2008, excluding any product in the process of registration and approved by 31 December 2009, for treatment of asthma and/or chronic obstructive pulmonary disease in a Party operating under paragraph 1 of Article 5, is not an essential use, unless the product meets the criteria set out in paragraph 1 (a) of decision IV/25.

(UNEP/OzL.Pro/20/9, Decision XX/3, para 1(f)).

Global database and assessment to determine measures to complete the transition from CFC-MDIs

The Fourteenth Meeting of the Parties decided

1. to request each Party or regional economic integration organization to submit available information to the Ozone Secretariat by 28 February 2003 and annual updates thereafter the following information concerning inhaler treatments for asthma and COPD that contain CFCs or that do not contain CFCs:
 - (a) CFC and non-CFC metered-dose inhalers and dry-powder inhalers: sold or distributed within the Party, by active ingredient, brand/manufacturer, and source (import or domestic production);
 - (b) CFC and non-CFC metered-dose inhalers and dry-powder inhalers: produced within the Party for export to other Parties, by active ingredient, brand/manufacturer, source and importing Party;
 - (c) non-CFC metered-dose inhalers and dry-powder inhalers: date approved, authorized for marketing, and/or launched in the territory of the Party;
2. to request the Technology and Economic Assessment Panel to take into account information submitted pursuant to paragraph 1 and other available information in its annual assessment, and to request the Parties to pay due consideration to this information when reviewing their national transition strategies.

(UNEP/OzL.Pro.14/9, Decision XIV/5).

Further study of campaign production of CFCs for MDIs

The Thirteenth Meeting of the Parties decided:

1. to note with appreciation the work of the Technology and Economic Assessment Panel and its Technical Options Committees in studying the issue of campaign production of CFCs for manufacturing CFC-based MDIs;
2. to request the Technology and Economic Assessment Panel and Technical Options Committees to analyze the current essential-use decisions and procedures to identify if changes are needed to facilitate expedient authorization for campaign production, including information needed for the review and authorization of nominations for campaign production quantities, the contingencies for under- and over-estimation of the quantities needed for a campaign production, the timing of the campaign production vis-à-vis export and import of those quantities, the oversight and reporting on the use of campaign production quantities, and the flexibility in ensuring that the campaign production is used only in the manufacture of MDIs for the treatment of asthma and chronic obstructive pulmonary disease or that any excess is destroyed;
3. to request the Technology and Economic Assessment Panel to present its findings to the Open-ended Working Group in 2002;
4. to request the Technology and Economic Assessment Panel to continue to monitor and report on the timing of the likely need for campaign production.

(UNEP/OzL.Pro/13/10, Decision XIII/10).

Promoting the closure of essential-use nominations for metered-dose inhalers

The Fifteenth Meeting of the Parties decided:

1. that the present decision shall not affect the operation of paragraph 10 of Decision VIII/9 relating to the authorization of a quantity of CFCs in an emergency situation;
2. to request that Parties not operating under paragraph 1 of Article 5, when submitting their nominations for essential-use exemptions for CFCs for metered-dose inhalers, specify, for each nominated use, the active ingredients, the intended market for sale or distribution and the quantity of CFCs required;
3. to request the Technology and Economic Assessment Panel and its Technical Options Committee to make recommendations on nominations for essential-use exemptions for CFCs for metered-dose inhalers from Parties not operating under paragraph 1 of Article 5 with reference to the active ingredient of the metered-dose inhalers in which the CFCs will be used and the intended market for sale or distribution and any national transition strategy covering that intended market which has been submitted according to decision XII/2 or decision IX/19;
4. that no quantity of CFCs for essential uses shall be authorized after the commencement of the Seventeenth Meeting of the Parties if the nominating Party not operating under paragraph 1 of Article 5 has not submitted to the Ozone Secretariat, in time for consideration by the Parties at the twenty-fifth meeting of the Open-

ended Working Group, a plan of action regarding the phase-out of the domestic use of CFC-containing metered-dose inhalers where the sole active ingredient is salbutamol;

5. that the plans of action referred to in paragraph 4 above must include:
 - (a) a specific date by which time the Party will cease making nominations for essential use exemptions for CFCs for metered-dose inhalers where the sole active ingredient is salbutamol and where the metered-dose inhalers are expected to be sold or distributed on the market of any Party not operating under paragraph 1 of Article 5;
 - (b) the specific measures and actions sufficient to deliver the phase-out;
 - (c) where appropriate, the actions or measures needed to ensure continuing access to or supply of CFC-containing metered-dose inhalers by Parties operating under paragraph 1 of Article 5;
6. to request each Party not operating under paragraph 1 of Article 5 to submit to the Ozone Secretariat as soon as practicable for that Party specific dates by which time it will cease making nominations for essential-use exemptions for CFCs for metered-dose inhalers where the active ingredient is not solely salbutamol and where the metered-dose inhalers are expected to be sold or distributed on the market of any Party not operating under paragraph 1 of Article 5;
7. to request the Technology and Economic Assessment Panel to report, in time for the twenty-fourth meeting of the Open-ended Working Group, on the potential impacts of the phase out of CFCs in Parties not operating under paragraph 1 of Article 5 on the availability of affordable inhaled therapy in Parties operating under paragraph 1 of Article 5;
8. to request the Ozone Secretariat to post on its web site all data submitted pursuant to decision XIV/5 that are designated non-confidential by the submitting Party;
9. to request the Technology and Economic Assessment Panel to modify the Handbook on Essential Use Nominations to reflect the present decision.

(UNEP/OzL.Pro.15/9, Decision XV/5).

The Twentieth Meeting of the Parties decided:

- (e) To add a new paragraph after paragraph 5 of decision IX/19 to read as follows:

5 bis. to require Parties operating under paragraph 1 of Article 5 submitting essential-use nominations for chlorofluorocarbons for metered-dose inhalers for the treatment of asthma and chronic obstructive pulmonary disease to present to the Ozone Secretariat an initial national or regional transition strategy by 31 January 2010 for circulation to all Parties. Where possible, Parties operating under paragraph 1 of Article 5 are encouraged to develop and submit to the Secretariat an initial transition strategy by 31 January 2009. In preparing a transition strategy, Parties operating under paragraph 1 of Article 5 should take into consideration the availability and price of treatments for asthma and chronic obstructive pulmonary disease in countries currently importing chlorofluorocarbon-containing metered-dose inhalers;

- (g) to add a new paragraph after paragraph 4 of decision XV/5 to read as follows:

4 bis. that no quantity of chlorofluorocarbons for essential uses shall be authorized after the commencement of the Twenty-First Meeting of the Parties if the nominating Party operating under paragraph 1 of Article 5 has not submitted to the Ozone Secretariat, in time for consideration by the Parties at the twenty-ninth meeting of the Open-ended Working Group, a preliminary plan of action regarding the phase-out of the domestic use of chlorofluorocarbon containing metered-dose inhalers where the sole active ingredient is salbutamol.

(UNEP/OzL.Pro.20/9, Decision XX/3, paras. (e) and (g)).

Difficulties faced by some Article 5 Parties with respect to CFCs used in the manufacture of MDIs

The Seventeenth Meeting of the Parties decided:

1. to consider at the Eighteenth Meeting of the Parties a possible decision which would address the difficulties that some Parties operating under paragraph 1 of Article 5 may face in relation to metered-dose inhalers;
2. to request the Executive Committee of the Multilateral Fund to examine situations such as these and consider options that might assist this potential situation of non-compliance;
3. to request the Executive Committee to consider appropriate regional workshops to create awareness and

educate stakeholders, including doctors and patients, on alternative metered-dose inhalers and on the elimination of chlorofluorocarbons in metered-dose inhaler uses and technical assistance to Article 5 Parties to phase out this use;

4. to request the Open-ended Working Group at its twenty-sixth meeting to consider the issue.
(*UNEP/OzL.Pro.17/11, Decision XVII/14*).

The Forty-eighth Meeting of the Executive Committee decided to request the Secretariat, in consultation with relevant implementing agencies, to prepare a paper for submission to the 49th Meeting outlining options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties.
(*UNEP/OzL.Pro/ExCom/48/45, Decision 48/36, para. 151 (c)*).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to request the Governments of Bangladesh and Egypt, assisted by the relevant implementing agencies, to include the following in the 2007 and 2008 annual implementation programmes of their national CFC phase-out plans:
 - (i) specific activities that were technically viable and economically feasible that could be implemented in the shortest possible period of time to achieve the greatest reduction in consumption of CFCs, such as the introduction of non-CFC drop-in refrigerants for servicing refrigeration equipment and/or cost-effective equipment retrofits;
 - (ii) assessment of the feasibility of importing recovered and recycled CFCs for servicing existing refrigeration equipment;
 - (iii) within the flexibility for reallocating approved funds provided in the agreements between the Governments concerned and the Executive Committee, consider establishing stockpiles of pharmaceutical-grade CFC for use in metered-dose-inhaler (MDI) production facilities, if technically feasible and economically viable;
- (b) to request the Government of Bangladesh to submit to the 50th Meeting a proposal for the development of a transition strategy for the phase-out of CFC based MDIs. In developing its strategy, Bangladesh was invited to consider, among other things:
 - (i) accelerating the replacement of CFC-MDIs with hydrofluoroalkane-MDIs and/or other non-CFC alternatives (i.e. dry powder inhalers) by multi national companies that had already introduced those products in other Article 5 Parties;
 - (ii) inviting multinational companies manufacturing CFC-MDIs in Bangladesh to provide information demonstrating the steps being taken to assist the earliest possible changeover to the manufacture of non-CFC asthma and chronic obstructive pulmonary disease treatments in Bangladesh;
 - (iii) to facilitate the earliest possible completion by the leading nationally owned manufacturer of MDIs in Bangladesh of the manufacturing facilities for non-CFC MDIs currently under implementation;
- (c) to request the Government of Egypt to finalize as soon as possible the preparation of a project for the phase-out of CFCs in the manufacture of MDIs that had been approved for UNIDO at the 45th Meeting of the Executive Committee, addressing any compliance-related issues; and
- (d) to request the Fund Secretariat to update document UNEP/OzL.Pro/ExCom/49/39, taking into account any new information that might come to light and the implications of decisions to be taken at the Eighteenth Meeting of the Parties, and to present the revised paper to the Executive Committee at its 51st Meeting.

(*UNEP/OzL.Pro/ExCom/49/43, Decision 49/33, para. 143*).

(*Supporting document: UNEP/OzL.Pro/ExCom/49/39*).

The Eighteenth Meeting of the Parties decided:

1. to request the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol to consider as a matter of urgency the funding of projects in relation to those Parties operating under paragraph 1 of Article 5 that experience difficulties due to high consumption of chlorofluorocarbons for manufacturing metered-dose inhalers, in order to facilitate the transition from chlorofluorocarbon based metered-dose inhalers;
2. to request the Executive Committee to consider within the context of the existing Multilateral Fund guidelines to review its decision 17/7 with regard to the existing cut-off date for consideration of metered-

- dose inhaler conversion projects consistent with the reality of the pace of technological advances in the metered-dose inhaler sector;
3. to request the Implementation Committee under the Non-compliance Procedure of the Montreal Protocol to consider all possible options on how to address the potential non-compliance difficulties of some Parties operating under paragraph 1 of Article 5 resulting from their high proportion of chlorofluorocarbon consumption in the metered-dose inhaler sector;
 4. to further request the Implementation Committee to give special consideration to the situation of such Parties, particularly in the context of paragraph 4 of the non-compliance procedure of the Protocol, in the light of information received from the Parties concerned and having due regard to health considerations;
 5. to consider again the matter referred to in paragraphs 3 and 4 at the twentieth Meeting of the Parties in 2008;
 6. to request the Executive Committee to consider including on the agenda of the United Nations Environment Programme thematic regional workshops, information to clarify the steps required to advance the transition from chlorofluorocarbon metered-dose inhalers;
 7. to request each Party not operating under paragraph 1 of Article 5 receiving essential use exemptions for the production or import of chlorofluorocarbons to manufacture metered-dose inhalers for export to Parties operating under paragraph 1 of Article 5 to submit to each importing Party a detailed export manufacturing transition plan for each manufacturer where the exports of an active ingredient to that Party exceed 10 metric tonnes, specifying the actions that each manufacturer is taking and will take to transition its exports to chlorofluorocarbon-free metered-dose inhalers as expeditiously as possible in a manner that does not put patients at risk;
 8. That each manufacturer's export manufacturing transition plans should include specific details for each of the manufacturer's export markets and for each metered-dose inhaler by active ingredient concerning:
 - (a) Timing of submission to the health authority of marketing applications for chlorofluorocarbon-free alternatives, expected approval and launch of such alternatives and withdrawal of associated chlorofluorocarbon product or products;
 - (b) Indicative information on facilitative pricing, licensing and/or technology transfer arrangements under consideration;
 - (c) Contribution to, and participation in, programmes for educating health care professionals, government health authorities and patients about the transition to chlorofluorocarbon-free treatments for asthma and chronic obstructive pulmonary disease;
 9. Consistent with decision IV/25 and paragraph 4 of decision XII/2, to request each Party referred to in paragraph 7 of the present decision, when deciding whether to nominate essential-use volumes for and/or grant essential-use licenses to a manufacturer, to take into account the manufacturer's efforts to implement its export manufacturing transition plan and its contribution to transition towards chlorofluorocarbon-free metered-dose inhalers;
 10. to request each Party referred to in paragraph 7 to submit each year to the Technology and Economic Assessment Panel, as part of the Party's essential-use nomination, a report summarizing the export manufacturing transition plans submitted, taking care to protect any confidential information;
 11. to request the Technology and Economic Assessment Panel to consider such reports in its assessment of each Party's essential-use nominations;
 12. to request the Technology and Economic Assessment Panel to assess and report on progress at the twenty-seventh meeting Open-ended Working Group and to report to the Nineteenth Meeting of the Parties on the need for, feasibility of, optimal timing of, and recommended quantities for a limited campaign production of chlorofluorocarbons exclusively for metered-dose inhalers in both Parties operating under paragraph 1 of Article 5 and Parties not operating under paragraph 1 of Article 5.

(UNEP/OzL.Pro.18/10, Decision XVIII/16).

The Fifty-first Meeting of the Executive Committee decided:

- (a) that Article 5 Parties with plants manufacturing CFC-metered-dose inhalers (MDIs) should be advised of the timing on which to begin considering the need for essential use exemptions beyond the 2010 phase-out date and that the preparation of a nomination for essential use exemptions might begin in 2007 for

submission to the Parties for their consideration in 2008;

- (b) that the Executive Committee would need to consider further the availability of pharmaceutical grade CFC after 2010 in light of the Technology and Economic Assessment Panel reports to the 27th Meeting of the Open-ended Working Group and the Nineteenth Meeting of the Parties on campaign production of CFCs for MDIs in Article 5 and non Article 5 Parties;
- (c) that the Executive Committee might consider on a case-by-case basis the submission of requests for project preparation for the conversion of CFC-MDI production facilities on the understanding that they must include a comprehensive justification from the country concerned for the need to receive assistance and, as a minimum, should provide the following detailed information:
 - (i) name of nationally owned CFC-MDI manufacturing facilities, the date when the CFC production lines were established and the production capacity of each production line;
 - (ii) type of CFC-MDI products manufactured, active ingredients used, annual production output (units/year);
 - (iii) growth patterns of CFC-MDI production over the past five years;
 - (iv) whether any of the CFC-MDI manufacturing plants were contemplating alternatives to CFC-MDIs and what those alternatives were;
 - (v) each production facility's plans for phasing out CFC consumption; and
 - (vi) the number of non-CFC MDIs and dry-powder inhalers sold or distributed within the Party, by active ingredient, brand/manufacturer, and source;
- (d) that the Executive Committee would consider on a case-by-case basis requests for transition strategies to non-CFC MDIs in Article 5 Parties that did not have MDI manufacturing facilities, in accordance with decision 45/54, when the need for a strategy had been fully demonstrated and documented through the submission of the following information for the previous three years:
 - (i) CFC and non-CFC MDIs and dry-powder inhalers: sold or distributed within the Party, by active ingredient, brand/manufacturer, and source;
 - (ii) non-CFC MDIs and dry-powder inhalers: date approved, authorized for marketing, and/or launched in the territory of the Party;
 - (iii) CFC and non-CFC MDIs and dry-powder inhalers: estimated cost by active ingredient and source.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/34 para. 170).

(Supporting document: UNEP/OzL.Pro/ExCom/51/39).

With respect to metered-dose inhaler (MDI) investment activities in the business plans, the Fifty-fourth Meeting of the Executive Committee decided:

- (i) that all information required under decision 51/34 and the additional supporting data in the following paragraphs had to be submitted for consideration by the Executive Committee by the 55th Meeting to provide ample time for project initiation before the 2010 phase-out and to avoid, to the extent possible, the need for essential-use exemption requests;
- (ii) that all requests for MDI investment projects should be submitted for consideration by the Executive Committee no later than the 56th Meeting, and that any request submitted to a later meeting would not be considered eligible for funding under the criteria in decision 51/34;
- (iii) that in submitting information required under decision 51/34, and for the associated project preparation proposal, the country should provide documentation and certify that the facilities producing MDIs and seeking funding were producing CFC MDIs in the year in which the national phase-out plan (NPP) or sector plan had been prepared;
- (iv) to clarify that only MDI production in place in the year in which remaining eligible CFC consumption for the NPP or sector plan had been established was eligible for funding through the Executive Committee so as to ensure that all MDI projects were treated in an equal manner;
- (v) that information submitted under decision 51/34 in respect of project proposals should clearly describe: the volumes of CFCs associated with MDIs manufactured for domestic sale as compared with the amounts of CFCs used to manufacture MDIs for export; the volumes of CFCs associated with national

MDI manufacturers; and the volumes of stockpiled CFCs currently and in the past in order to facilitate the smooth transition from CFC MDIs and to mitigate the need for a temporary essential-use exemption request;

(vi) that project proposals under decision 51/34 should provide detailed information demonstrating that the commitment for co-financing represented at least 30 per cent of total project costs (minus support costs); and

(e) to urge bilateral and implementing agencies to continue their efforts to implement approved projects to ensure the expected phase-out of 28,201 ODP tonnes in 2008.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/5(d) para. 49(d)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/6).

The Twentieth Meeting of the Parties decided:

1. to request that the Technology and Economic Assessment Panel present a report to the Twenty-First Meeting of the Parties, preceded by a preliminary report to the Open-ended Working Group at its twenty-ninth meeting, concerning:
 - (a) the potential timing for final campaign production, taking into account, among other things, the information submitted in the nominations for 2010 and that some Parties operating under paragraph 1 of Article 5 may prepare essential use nominations for the first time for the Twenty-First Meeting of the Parties;
 - (b) options for long-term storage, distribution, and management of produced quantities of pharmaceutical-grade chlorofluorocarbons before they are needed by Parties, including existing methods used by Parties not operating under paragraph 1 of Article 5;
 - (c) options for minimizing the potential for too much or too little chlorofluorocarbons production as part of a final campaign;
 - (d) contractual arrangements that may be necessary, considering the models currently used by Parties not operating under paragraph 1 of Article 5 that submit essential use nominations consistent with decision IV/25;
 - (e) options for reducing production of non-pharmaceutical-grade chlorofluorocarbons, together with options for final disposal of such chlorofluorocarbons;
2. to request the Multilateral Fund Secretariat to report to the Open ended Working Group at its twenty-ninth meeting on the status of agreements to convert metered-dose inhaler manufacturing facilities located in Parties operating under paragraph 1 of Article 5 and the implementation of approved projects.

(UNEP/OzL.Pro.20/9, Decision XX/4).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to request the relevant implementing agencies to submit to the Secretariat a report on the status of implementation of the metered-dose inhaler (MDI) investment projects approved so far by the Executive Committee, no later than 10 April 2009;
- (b) to request the Secretariat to circulate, intersessionally, the amended report on the status of agreements to convert MDI manufacturing facilities in Article 5 countries and implementation of approved projects to Members of the Executive Committee, for their comments, no later than 30 April 2009; and
- (c) to submit the revised report, cleared by the Chair of the Executive Committee, to the 29th Meeting of the Open-ended Working Group of the Parties, no later than 15 May 2009.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/40, para.203).

(Supporting document: UNEP/OzL.Pro/ExCom/57/67).

MDI production

The Thirteenth Meeting of the Parties decided to request the Executive Committee to prepare guidelines for the presentation of MDI projects involving the preparation of strategies and investment projects that would enable the move to CFC-free production of MDIs in Article 5 countries, and enable them to meet their obligations under the Montreal Protocol.

(UNEP/OzL.Pro/13/10, Decision XIII/9).

The Thirty-fifth Meeting of the Executive Committee decided to request the Secretariat, in co-operation with the Implementing Agencies, to prepare a paper for the Executive Committee's consideration on the issues associated

with developing projects for the CFC metered-dose inhaler (MDI) sub-sector to give effect to Decision XIII/9 of the 13th Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/4(c), para. 30 (c)).

The Thirty-sixth Meeting of the Executive Committee decided to request the Secretariat to prepare draft guidelines for Metered Dose Inhaler (MDI) projects for consideration by the Executive Committee at its 37th Meeting.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/9, para. 43(e)).

Draft guidelines for MDI projects

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the draft guidelines;
- (b) to request members of the Executive Committee to submit comments on the issue to the Secretariat in time for a further discussion at the 40th Meeting of the Executive Committee;
- (c) in the meantime, to allow consideration of some projects on a case-by-case basis, taking into account the relative need of the country to have an MDI project to ensure compliance, the relative cost-effectiveness of the project and the possibility that essential use applications for MDIs might be considered by the Parties as early as 2008.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/61, para. 94).

(Supporting document: UNEP/OzL.Pro/ExCom/37/58).

In regard to project preparation for an MDI investment project, the Fifty-second Meeting of the Executive Committee decided:

- (a) the resulting project proposal presented to the Executive Committee would include written commitments for significant counterpart funding from the companies requesting assistance;
- (b) in order to avoid double-counting, a deduction from the total funding approved for either the country's national phase-out plan and/or from any future MDI conversion project would be made to account for the amount of CFCs consumed for MDIs to be addressed by the new project;
- (c) no additional assistance from the Multilateral Fund would be available for the conversion of CFC-MDI facilities not covered by the proposed project.

(UNEP/OzL.Pro/ExCom/52/55, Decisions 52/25 and 52/30, para. 123 and 138).

FOAM SECTOR

Validation of CFC consumption

The Thirty-third Meeting of the Executive Committee decided to request National Ozone Units to validate the CFC consumption to be phased out in enterprises participating in foam sector projects, retaining records to enable future verification, and to advise their governments that their agreement to the project would indicate a commitment to ensure that the validated phase-out figure was realized and yielded a sustained reduction from the specified level of current sector consumption.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(c)).

Importation of CFCs and unscheduled visits to importers and foam companies

The Thirty-third Meeting of the Executive Committee decided that in view of the instances of equipment purchased by the Multilateral Fund not being used or being reverted to the use of CFCs, to request the National Ozone Units to monitor closely, in co-operation with customs authorities and local environmental protection authorities, the importation of CFCs (if any were still allowed) and to combine this with occasional unscheduled visits to importers and foam companies to check invoices and storage areas for unauthorized use of CFCs. Project documents might include an agreement that the National Ozone Units might conduct a determined number of unscheduled visits to the recipient enterprise. Furthermore, measures were needed to cope with illegal imports that seemed to be widespread in a number of countries.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(e)).

Technology transfer funds and use of international consultants for foam projects

The Thirty-third Meeting of the Executive Committee decided to:

- (j) request the Implementing Agencies, in co-operation with their internal auditors, if necessary, to report on the need for and use of technology transfer funds and on the selection and use of international consultants

for preparing, reviewing and implementing foam projects, bearing in mind that technology transfer funds should generally be paid only to supplier companies in cases of patented or otherwise restricted and recent technology, but not to consultants and not for standard technology.

- (k) to require the Implementing Agencies to justify the use of international consultants in projects more carefully than in the past; their cost should be declared as such and their selection be based on competitive bidding and an evaluation of various options, including package deals with supplier companies and systems houses and the increased use of local engineers, in particular, for standard conversion technologies;
- (l) to request Implementing Agencies to diversify their choice of technical reviewers for foam projects.
(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(j, k, l)).

Follow-up on the evaluation reports on foam projects

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) that the focus should be on lessons learned from the foam evaluation and their application in the development of future projects;
- (b) to request the Secretariat and the Implementing Agencies to use observed actual average project duration as a starting point for determining on a case-by-case basis the duration of foam projects converting to HCFC-141b technology;
- (c) to take note of the report on fire incidences reported in some foam conversion projects.
(UNEP/OzL.Pro/ExCom/35/67, Decision 35/9, para. 35).

Evaporation losses

The Twenty-sixth Meeting of the Executive Committee decided:

- (c) to request the Secretariat and the Implementing Agencies to examine in detail the technical issues of evaporation losses of ODS, as well as the question of how such losses should be taken into account in determining the eligible level of compensation to be provided to an enterprise, with a view to submitting a report on their findings to the Sub-Committee on Project Review at its sixteenth meeting;
- (d) to agree that any similar projects submitted to the next meeting should be reviewed and approved consistent with the conclusions reached by the Sub-Committee on the report prepared pursuant to subparagraph (c) above.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/13, para. 36(c, d)).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to reaffirm its decision 26/13 (a) and (b) in which the Committee:
 - (i) requested the Implementing Agencies, in the preparation of projects, to take extreme care to ensure the reliability and accuracy of data on ODS consumption and make available to the Secretariat figures normally provided by enterprises on ODS purchased by the enterprises and ODS used in the products being produced; and also
 - (ii) requested that the enterprises for which projects were being prepared made available their relevant records to provide the best available information to the Implementing Agencies concerning ODS purchased and used;
- (b) to request the Implementing Agencies, when preparing foam projects, to determine within the context of paragraphs (a) (i) and (ii) above, the ODS evaporation losses arising out of the production activity; and
- (c) to consider as eligible ODS consumption of the enterprise losses of up to 10 per cent of the ODS purchased and used in the production of foam.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/76, para. 107).

Foam density

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to request the Fund Secretariat and the Implementing Agencies to resolve the technical issues on foam density by jointly undertaking a technical study based on information from implemented Multilateral Fund projects and report back to the Sub-Committee at the time of the Thirtieth Meeting of the Executive Committee, on the understanding that the Chair and Vice-Chair of the Executive Committee would be kept informed of any progress made with the study; and

(b) to provisionally approve, on that basis, the relevant projects, on the understanding that the incremental operating costs associated with foam density still had to be determined.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/22, para. 48).

The Thirtieth Meeting of the Executive Committee decided to urge the Secretariat and the Implementing Agencies to ensure that the study would be completed for submission to the Executive Committee at its Thirty-first Meeting.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/55, para. 83(b)).

The Thirty-first Meeting of the Executive Committee decided:

(a) to adopt the conclusions and the recommendations of the technical study on foam density, as contained in Annex IX.11 to the present report, for a period of one year for the calculation of incremental operating costs;

(b) to request the Secretariat to arrange for work on the subject to be resumed, in order to improve the conclusions. This resumed work, may include, inter alia, consideration of the costs and viability of LCD technology for small and medium-sized enterprises, within the context of existing guidelines and cost-effectiveness thresholds.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/44, para. 68).

(Supporting document: UNEP/OzL.Pro/ExCom/31/53).

Consumption arising from CFC-11 contained in pre-mixed foam chemicals

The Thirty-fourth Meeting of the Executive Committee decided to consider the issue (on consumption arising from CFC-11 contained in pre-mixed foam chemicals) at its 35th Meeting, in the light of any relevant consideration of the matter by the Implementation Committee.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/20, para. 39).

Low-pressure foaming machine

The Executive Committee recommended that small pressurized foam dispenser system at a much lower cost than that of full size high pressure machines, and "solventless dispensing guns" instead of the large size foam machine) should be considered in low-consuming enterprises in other Article 5 countries. It further recommended that UNEP should highlight this technology in the OzonAction news letter once the projects had been implemented.

(UNEP/OzL.Pro/ExCom/15/45, para. 94).

The Eighteenth Meeting of the Executive Committee requested the Implementing Agencies to study the feasibility of using low pressure machines with HCFC-141b formulations in the manufacture of rigid foams.

(UNEP/OzL.Pro/ExCom/18/75, Annex V, para. 3).

The Twentieth Meeting of the Executive Committee requested the Secretariat and the Implementing Agency to co-operate in resolving outstanding technical issues on the paper on the study on low-pressure versus high-pressure foaming machines.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/47, para. 70).

(Supporting document: UNEP/OzL.Pro/ExCom/20/67).

The Thirty-third Meeting of the Executive Committee decided to take note of the actions proposed for follow-up by the Secretariat in co-operation with the Implementing Agencies (finalizing the guidelines for equipment destruction and reviewing the agreement on eligibility of high-pressure machines for rigid foam insulation projects), in line with the principles of sustainable and long-term conversion.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(m)).

50 per cent CFC reduced technology

The Fifteenth Meeting of the Executive Committee encouraged Implementing Agencies and Article 5 countries to avoid the use of 50 per cent CFC reduced technology in future projects.

(UNEP/OzL.Pro/ExCom/15/45, para. 84).

Methylene chloride projects

The Sixteenth Meeting of the Executive Committee, endorsed the recommendations on a methodology for calculation of operational costs in methylene chloride projects as presented in Annex IX.12.

(UNEP/OzL.Pro/ExCom/16/20, para. 85b and Annex IV).

(Supporting document: UNEP/OzL.Pro/ExCom/16/17).

Rigid polyurethane foam projects

The Eighteenth Meeting of the Executive Committee, approved a time-frame of up to two years for the calculation of incremental operating costs of all rigid polyurethane foam projects other than those relating to the domestic

refrigeration sector.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/8, para. 20(a)).

The Nineteenth Meeting of the Executive Committee, recalling that, by paragraph (i) of its decision 18/10, it had approved a recommendation to request the Implementing Agencies to study the feasibility of using low-pressure foaming machines with HCFC-141b formulations in the manufacture of rigid foams decided to request the Implementing Agencies to take this and related technological developments into account and, in consultation with the Fund Secretariat, to prepare a report on the subject for submission to the Twentieth Meeting.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/7, para. 24(b)).

The Thirty-first Meeting of the Executive Committee decided to approve the terms of reference for a study on CFC alternatives in rigid foam contained in Annex IX.13.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/49, para. 81).

(Supporting document: UNEP/OzL.Pro/ExCom/31/59/Rev.1).

The Thirty-second Meeting of the Executive Committee decided:

- (a) to take note of the “Status report on the study on alternatives to CFC in rigid foam applications”;
- (b) to request the Secretariat to provide to the Thirty-third Meeting more substantive information on progress, if possible with preliminary findings.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/81, para. 101).

The Thirty-third Meeting of the Executive Committee decided:

- (a) to take note of the status report on the study on alternatives to CFC in rigid foam applications;
- (b) to urge the Secretariat to complete its assessment of offers made by consulting firms to undertake the study so that it could commence as soon as possible.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/56, para. 91).

Liquid carbon dioxide projects

The Twenty-second Meeting of the Executive Committee decided:

- (a) to urge the Secretariat and the Implementing Agencies to finalize their discussions on guidelines for liquid carbon dioxide projects and submit recommendations on the subject to the Executive Committee at its Twenty-third Meeting;
- (b) that liquid carbon dioxide projects could be submitted to the Executive Committee at its Twenty-third Meeting and approved for funding on the basis of the guidelines agreed at that Meeting, on the understanding that, if no guidelines were approved, consideration of the projects would be deferred until such time as they were.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/37, para. 54).

The Twenty-fourth Meeting of the Executive Committee decided to approve the guidelines for liquid carbon dioxide technology in foam projects, which appear in Annex IX.14 to the present report.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/58, para. 86).

(Supporting document: UNEP/OzL.Pro/ExCom/24/39).

The Thirty-third Meeting of the Executive Committee decided to request that, in preparing liquid carbon dioxide (LCD) projects, Implementing Agencies and National Ozone Units fully explain the nature of the LCD technology to potential recipient enterprises so that their decision to sign the required statement would be well-informed.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/2, para. 18(g)).

The Thirty-fifth Meeting of the Executive Committee decided to request the Secretariat, in consultation with the Implementing Agencies, to re-examine LCD technology and the guidelines for projects converting to the technology and to report on its findings to the 37th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/16, para. 47(a)).

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to take note with appreciation of the report submitted by the Fund Secretariat (UNEP/OzL.Pro/ExCom/39/38 and Corr.1);
- (b) to request the Secretariat to make a small number of on-site visits to companies that were making successful use of LCD technology in Article 5 countries and submit relevant additional information to the 41st Meeting of the Executive Committee;

(c) not to approve any future projects utilizing LCD technology pending consideration of the information referred to under sub paragraph (b) above.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/52, para. 90).

(Supporting document: UNEP/OzL.Pro/ExCom/39/38 and Corr.1).

The Forty-first Meeting of the Executive Committee decided:

(a) to take note of the report on the follow-up study on liquid carbon dioxide (LCD) technology as contained in document UNEP/OzL.Pro/ExCom/41/65 and Add.1; and

(b) that any future projects for LCD technology would have to be developed taking fully into consideration:

(i) the ability of the LCD technology to produce the specific foam grades manufactured by the enterprise;

(ii) the compatibility between the equipment provided by the LCD technology supplier and the equipment in place in the enterprise;

(iii) the need for long-term technical support beyond the currently-defined completion date of the project;

(iv) having regard to the technical constraints mentioned in part I of document UNEP/OzL.Pro/ExCom/41/65, the ability of LCD technology to contribute to reductions in CFC-11 consumption soon enough to meet the schedules in relevant national CFC phase-out plans; and

(v) the need for countries to provide written confirmation that they understood the possible problems with the application of the technology.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/77, para. 113).

(Supporting document: UNEP/OzL.Pro/ExCom/41/65 and Add.1).

Handling and destruction of foams containing ODSs at the end of their life

The Fifteenth Meeting of the Parties decided to request the Technology and Economic Assessment Panel, in its April 2005 report:

(a) to provide updated useful information on the handling and destruction of ozone depleting substance-containing thermal insulation foams including thermal foams situated in buildings, with particular attention to the economic and technological implications;

(b) to clarify the distinction between the destruction efficiency achievable for ozone depleting substances recovered from foams prior to destruction (reconcentrated) and the destruction efficiency achievable for the foams themselves containing ozone-depleting substances (dilute source).

(UNEP/OzL.Pro.15/9, Decision XV/10).

Cost-effectiveness threshold for the rigid insulation refrigeration foam sub-sector

The Sixty-second Meeting of the Executive Committee decided to set the cost-effectiveness threshold for rigid insulation refrigeration foam at US \$7.83/kg with a maximum of up to 25 per cent above this threshold for low-global warming potential alternatives.

(UNEP/OzL.Pro/ExCom/62/61, decision 62/13, para 52).

FUMIGANT SECTOR

The Fifth Meeting of the Parties authorized the Executive Committee to provide funding for a limited number of methyl bromide projects for data collection, information exchange within the scope of country programmes, in line with paragraphs 1 (b) and (c) of decision IV/23 of the Fourth Meeting of the Parties, as well as for a limited number of methyl bromide alternative demonstration projects, which should be selected with the assistance of the Technology and Economic Assessment Panel; and requested the Implementing Agencies to co-operate according to their specific areas of expertise to assist in implementing the present decision.

(UNEP/OzL.Pro/5/12 Decision V/23 (sections 1, 2)).

Definitions for methyl bromide uses

The Seventh Meeting of the Parties adopted the following definitions:

(a) "quarantine applications", with respect to methyl bromide, are treatments to prevent the introduction, establishment and/or spread of quarantine pests (including diseases), or to ensure their official control, where:

(i) official control is that performed by, or authorized by, a national plant, animal or environmental protection or health authority;

- (ii) quarantine pests are pests of potential importance to the areas endangered thereby and not yet present there, or present but not widely distributed and being officially controlled;
- (b) "pre-shipment applications" are those treatments applied directly preceding and in relation to export, to meet the phytosanitary or sanitary requirements of the importing country or existing phytosanitary or sanitary requirements of the exporting country;
- (c) in applying these definitions, all countries are urged to refrain from use of methyl bromide and to use non-ozone-depleting technologies wherever possible. Where methyl bromide is used, Parties are urged to minimize emissions and use of methyl bromide through containment and recovery and recycling methodologies to the extent possible.

(UNEP/OzL.Pro.7/12 Decision VII/5).

Trade issues with methyl bromide

The Eighth Meeting of the Parties decided to consider the issue of control of trade in methyl bromide with non-Parties at the Ninth Meeting of the Parties to the Montreal Protocol in 1997.

(UNEP/OzL.Pro.8/12, Decision VIII/15).

The Sixteenth Meeting of the Parties decided:

1. to invite the Parties to the Montreal Protocol, subject to rights and obligations under this agreement and any other international agreements, not to restrict trade in products or commodities from Parties that have ratified the Montreal Protocol provisions regarding methyl bromide and are otherwise in compliance with their Montreal Protocol obligations just because the commodities or products have been treated with methyl bromide, or because the commodities have been produced or grown on soil treated with methyl bromide;
2. to welcome the continuing efforts of the Parties operating under paragraph 1 of Article 5 of the Montreal Protocol in the adoption of alternatives to methyl bromide.

(UNEP/OzL.Pro.16/17, Decision XVI/17).

Conditions for control measures on Annex E substance

The Ninth Meeting of the Parties decided:

1. that, in the fulfillment of the control schedule set out in paragraph 8 ter (d) of Article 5 of the Protocol, the following conditions shall be met:
 - (a) the Multilateral Fund shall meet, on a grant basis, all agreed incremental costs of Parties operating under paragraph 1 of Article 5 to enable their compliance with the control measures on methyl bromide. All methyl-bromide projects will be eligible for funding irrespective of their relative cost-effectiveness. The Executive Committee of the Multilateral Fund should develop and apply specific criteria for methyl-bromide projects in order to decide which projects to fund first and to ensure that all Parties operating under paragraph 1 of Article 5 are able to meet their obligations regarding methyl bromide ;
 - (b) while noting that the overall level of resources available to the Multilateral Fund during the 1997-1999 triennium is limited to the amounts agreed at the Eighth Meeting of the Parties, immediate priority shall be given to the use of resources of the Multilateral Fund for the purpose of identifying, evaluating, adapting and demonstrating methyl bromide alternatives and substitutes in Parties operating under paragraph 1 of Article 5. In addition to the US \$10 million agreed upon at the Eighth Meeting of the Parties, a sum of US \$25 million per year should be made available for these activities in both 1998 and 1999 to facilitate the earliest possible action towards enabling compliance with the agreed control measures on methyl bromide ;
 - (c) future replenishment of the Multilateral Fund should take into account the requirement to provide new and additional adequate financial and technical assistance to enable Parties operating under paragraph 1 of Article 5 to comply with the agreed control measures on methyl bromide ;
 - (d) the alternatives, substitutes and related technologies necessary to enable compliance with the agreed control measures on methyl bromide must be expeditiously transferred to Parties operating under paragraph 1 of Article 5 under fair and most favorable conditions in line with Article 10A of the Protocol. The Executive Committee should consider ways to enable and promote information exchange on methyl bromide alternatives among Parties operating under paragraph 1 of Article 5 and from Parties not operating under paragraph 1 of Article 5 to Parties operating under that paragraph;

- (e) in light of the assessment by the Technology and Economic Assessment Panel in 2002 and bearing in mind the conditions set out in paragraph 2 of decision VII/8 of the Seventh Meeting of the Parties, paragraph 8 of Article 5 of the Protocol, sub-paragraphs (a) to (d) above and the functioning of the Financial Mechanism as it relates to methyl bromide issues, the Meeting of the Parties shall decide in 2003 on further specific interim reductions on methyl bromide for the period beyond 2005 applicable to Parties operating under paragraph 1 of Article 5;
2. that the Executive Committee should, during 1998 and 1999, consider and, within the limits of available funding, approve sufficient financial resources for methyl-bromide projects submitted by Parties operating under paragraph 1 of Article 5 in order to assist them to fulfill their obligations in advance of the agreed phase-out schedule.

(UNEP/OzL.Pro.9/12, Decision IX/5).

Further adjustments relating to the controlled substance in Annex E

The First Extraordinary Meeting of the Parties decided:

1. to keep under review the interim reduction schedule as elaborated during the Fifteenth Meeting of the Parties; and
2. to consider, preferably by 2006, further specific interim reductions in methyl bromide applicable to Parties operating under paragraph 1 of Article 5.

(UNEP/OzL.Pro.ExMP/1/3, Decision Ex.I/1).

Quarantine and pre-shipment exemption for methyl bromide

The Tenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel, as part of its ongoing work:
 - (a) to assess the volumes and uses of methyl bromide under the quarantine and pre-shipment exemption, including the trend in use since the 1991 base year;
 - (b) to report on the existing and potential availability of alternative substances and technologies, identifying those applications where alternative treatments do not currently exist, and also on the availability and economic viability of recovery, containment and recycling technologies;
 - (c) to report on the operation of quarantine and pre-shipment exemptions as set out in decision VII/5, including the scope of the pre-shipment definition;
 - (d) to report on existing and potential options that individual Parties might consider to reduce the use and emissions of methyl bromide from its application under the quarantine and pre-shipment exemption and to elaborate further on their recommendations in previous reports, and taking into account the special circumstances of Parties operating under paragraph 1 of Article 5 of the Protocol;
 - (e) to review and report on the amendment by the International Plant Protection Convention (IPPC) to its quarantine and non-quarantine pests definitions, and the FAO/IPPC structure relative to the use of pesticides for regulated non-quarantine pests, to help determine whether clarification of the definitions of quarantine and pre-shipment, taking into account these FAO/IPPC usage, would help encourage consistency in the quarantine and pre-shipment definitions;
 - (f) to submit its findings to the Open-ended Working Group of the Parties to the Montreal Protocol at its first meeting in 1999;
2. to request the Open-ended Working Group, in the light of the report of the Technology and Economic Assessment Panel, to make any appropriate recommendations for consideration by the Eleventh Meeting of the Parties;
3. to request the Parties to submit to the Secretariat by 31 December 1999 a list of regulations that mandate the use of methyl bromide for quarantine and pre-shipment treatments;
4. to remind the Parties of the need to report on the volumes of methyl bromide consumed under the quarantine and pre-shipment exemption as set out in decision IX/28.

(UNEP/OzL.Pro.10/9, Decision X/11).

The Eleventh Meeting of the Parties decided:

1. to note that, while the reliability of the survey data was noted by the Technology and Economic Assessment

Panel to be insufficient to draw firm conclusions, the Panel's April 1999 report estimates that over 22 per cent of the methyl bromide use is excluded from control under the quarantine and pre-shipment exemption, and that this use is increasing in some countries;

2. to note that the Science Assessment Panel revised the ODP of methyl bromide to 0.4 in its 1998 report;
3. to note that, under an amendment adopted by the Eleventh Meeting of the Parties, each Party shall provide the Secretariat with statistical data on the annual amount of the controlled substance listed in Annex E used for quarantine and pre-shipment applications.
4. to request that the 2003 report of the Technology and Economic Assessment Panel:
 - (a) evaluate the technical and economic feasibility of alternative treatments and procedures that can replace methyl bromide for quarantine and pre-shipment;
 - (b) estimate the volume of methyl bromide that would be replaced by the implementation of technically and economically feasible alternatives for quarantine and pre-shipment, reported by commodity and/or application;
5. to request the Parties to review their national plant, animal, environmental, health and stored product regulations with a view to removing the requirement for the use of methyl bromide for quarantine and pre-shipment where technically and economically feasible alternatives exist;
6. to urge the Parties to implement procedures (using a form shown in the Panel's April 1999 report, if necessary) to monitor the uses of methyl bromide by commodity and quantity for quarantine and pre-shipment uses in order:
 - (a) to target the efficient use of resources for undertaking research to develop and implement technically and economically feasible alternatives;
 - (b) to encourage early identification of technically and economically feasible alternatives to methyl bromide for quarantine and pre-shipment where such alternatives exist;
7. to encourage the use of methyl bromide recovery and recycling technology (where technically and economically feasible) to reduce emissions of methyl bromide, until alternatives to methyl bromide for quarantine and pre-shipment uses are available.

(UNEP/OzL.Pro.11/10, Decision XI/13).

The Twentieth Meeting of the Parties decided:

1. to urge those Parties that have not yet done so to report data on the use of methyl bromide for quarantine and pre-shipment applications, as required under paragraph 3 of Article 7, by April 2009 and to report such data in accordance with existing Protocol requirements and decisions annually thereafter;
2. to request the Ozone Secretariat:
 - (a) to update the definition of pre-shipment in paragraph 5.6 of the Instructions/Guidelines for data reporting to reflect decision XI/12;
 - (b) to post on its website, production and consumption data reported by the Parties under paragraph 3 of Article 7 for methyl bromide used for quarantine and pre-shipment applications;
3. to request the Implementation Committee to consider the reporting of methyl bromide used for quarantine and pre-shipment applications under paragraph 3 of Article 7, in accordance with the Non-Compliance Procedure of the Montreal Protocol;
4. to request the Technology and Economic Assessment Panel, in consultation with the International Plant Protection Convention secretariat, to review all relevant, currently available information on the use of methyl bromide for quarantine and pre-shipment applications and related emissions, to assess trends in the major uses, available alternatives and other mitigation options, and barriers to the adoption of alternatives or determine what additional information or action may be required to meet those objectives; the assessment should consider:
 - (a) a description of the majority of the volumes of methyl bromide used for quarantine and pre-shipment applications, by the major uses and target pests;
 - (b) the technical and economic availability of alternative substances and technologies for the main methyl bromide uses, by volume, and of technologies for methyl bromide recovery, containment and recycling;

- (c) quarantine and pre-shipment applications for which no alternatives are available to date and an assessment of why alternatives are not technically or economically feasible or cannot be adopted;
 - (d) illustrative examples of regulations or other relevant measures that directly affect the use of methyl bromide for quarantine and pre-shipment treatment (including information requested in decision X/11);
 - (e) other barriers preventing the adoption of alternatives to methyl bromide;
 - (f) projects demonstrating technically and economically feasible alternatives, including technologies for recapture and destruction of methyl bromide for quarantine and pre-shipment applications;
5. to request the Technology and Economic Assessment Panel to present a draft report based on the analysis of the available information to the Open ended Working Group at its twenty-ninth meeting, indicating areas where the information is not sufficient, explaining, where appropriate, why the data were inadequate and presenting a practical proposal for how best to gather the information required for a satisfactory analysis;
 6. to request the Technology and Economic Assessment Panel to present a final report highlighting areas where sufficient information indicates opportunities for reductions in methyl bromide use or emissions for quarantine and pre-shipment purposes, including a list of available methyl bromide recapture technologies for consideration by the Parties and, where there is insufficient information, a final proposal for further data gathering for the consideration of the Twenty-First Meeting of the Parties;
 7. to request the Technology and Economic Assessment Panel, in accordance with its terms of reference, to list categories of use it has identified that have been classified as quarantine and pre-shipment use by some Parties but not by others by the twenty-ninth meeting of the Open-ended Working Group and that those Parties are requested to provide the information on the rationale for doing so to the Technology and Economic Assessment Panel in time for inclusion in its final report to the Twenty-First Meeting of the Parties
 8. to request the Ozone Secretariat, in cooperation with the Technology and Economic Assessment Panel, the International Plant Protection Convention secretariat and other relevant bodies, to organize in the margins of the Twenty First Meeting of the Parties a workshop to discuss the report referred to in paragraph 4 of the present decision and other relevant inputs with a view to determining possible further actions;
 9. to request the Ozone Secretariat to strengthen cooperation and coordination with the International Plant Protection Convention secretariat in accordance with decisions XVII/15 and XVIII/14;
 10. to encourage Parties in accordance with the recommendations of the third meeting of the Commission on Phytosanitary Measures under the International Plant Protection Convention to put in place a national strategy that describes actions that will help them to reduce the use of methyl bromide for phytosanitary measures and/or reduce emissions of methyl bromide and make such strategies available to other Parties through the Ozone Secretariat, where possible before the Twenty-First Meeting of the Parties; the strategy may include the following areas for action:
 - (a) replacing methyl bromide use;
 - (b) reducing methyl bromide use;
 - (c) physically reducing methyl bromide emissions;
 - (d) accurately recording methyl bromide use for phytosanitary measures.

(UNEP/OzL.Pro.20/9, Decision XX/6).

The Twenty-first Meeting of the Parties decided:

1. To remind Parties of their obligations to report annual data on the consumption of methyl bromide for quarantine and pre-shipment under Article 7 and to establish and implement a system for licensing trade in methyl bromide, including quarantine and pre-shipment, under Article 4B;
2. To invite Parties to collect data on quarantine and pre-shipment according to Decision XI/13, and to consider using the format provided in the Technology and Economic Assessment Panel's report of April 1999;
3. To request the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee, in consultation with other relevant experts and the IPPC Secretariat to provide a report to be considered by the 30th meeting of the Open-ended Working Group covering the following:
 - (1) A review of available information on the technical and economical feasibility of alternatives, and the estimated availability, for the following categories of quarantine and pre-shipment uses:

- a. sawn timber and wood packaging material (ISPM 15);
 - b. grains and similar foodstuffs;
 - c. pre-plant soils use;
 - d. logs;
- (2) The current availability and market penetration rate of quarantine and pre-shipment alternatives to the uses listed in paragraph 3(1) above, and their relation with regulatory requirements and other drivers for the implementation of alternatives;
 - (3) An update of table 9.1 of the 2009 Task Force report to include economic aspects, and to take account of the information compiled under this paragraph, distinguishing between Article 5 and non Article 5 parties and between quarantine and pre-shipment uses separately;
 - (4) A description of a draft methodology, including assumptions, limitations, objective parameters, the variations within and between countries and how to take account of them, that the Technology and Economic Assessment Panel would use, if requested by the Parties, for the assessment of the technical and economical feasibility of alternatives, of the impact of their implementation and of the impacts of restricting the quantities of methyl bromide production and consumption for quarantine and pre-shipment uses;
4. To encourage Parties to apply best-practice measures to reduce methyl bromide quarantine and pre-shipment use and emissions, that may include the review of required use dosages, gas tightness controls, monitoring during fumigation and other measures to minimize methyl bromide dosages, and, in applications where alternatives are not yet available, the recovery and possible reuse of methyl bromide, and to review the methyl bromide quarantine and pre-shipment requirements for possibilities of introducing alternative mitigation measures whenever possible;
 5. To encourage Parties to consider adopting, where possible within their national policy framework, incentives to promote the transition to alternatives such as deposit/rebate schemes or other financial measures;
 6. To encourage Parties or regions to use the October 2009 Technology and Economic Assessment Panel quarantine and pre-shipment task force report to develop documents that summarise information on technical options to reduce emissions, and on adopted technologies that have replaced methyl bromide quarantine and pre-shipment applications, the reductions achieved, the investments needed, the operating costs, and the funding strategies;
 7. To encourage Parties to implement the recommendations of the third meeting of the Commission of the Phytosanitary Measures under the IPPC, also referred to in Decision XX/6;

(UNEP/OzL.Pro.21/8, Decision XXI/10).

Reporting of information relating to quarantine and pre shipment uses of methyl bromide

The Sixteenth Meeting of the Parties decided:

1. to request the Panel to establish a task force, with the assistance of the Parties in identifying suitably qualified members, to prepare the report requested by the Parties under decision XI/13 paragraph 4;
2. to request Parties that have not yet submitted data to the Panel on this issue to provide best available data to the task force before 31 March 2005, identifying as available all known uses of methyl bromide for quarantine and pre shipment, by commodity and application;
3. in responding to the request under paragraph 2, to request the Parties to use best available data for the year 2002 or data considered by the Party to be representative of a calendar year period;
4. to request the task force to report the data submitted by the Parties under paragraphs 2 and 3, or previously submitted by other Parties in response to the 14 April 2004 methyl bromide quarantine and pre-shipment survey, by 31 May 2005, for the information of the Open-ended Working Group at its twenty-fifth session;
5. also to request the task force, in reporting pursuant to paragraph 4, to present the data in a written report in a format aggregated by commodity and application so as to provide a global use pattern overview, and to include available information on potential alternatives for those uses identified by the Parties' submitted data;
6. to request the Parties to provide information to the task force, as available and based on best available data,

on the availability and technical and economic feasibility of applying in their national circumstances the alternatives identified in paragraph 5, focusing in particular on the Parties' own uses, for the calendar year period reported under paragraphs 2 and 3, by 30 November 2005, constituting either:

- (a) more than 10 per cent of their own total annual methyl bromide consumption for quarantine and pre-shipment consumption; or
- (b) in the absence of uses over 10 per cent, which constitute their five highest volume uses; or
- (c) where data is available to the Party, all their known uses;

7. to request the Panel, on the basis of information contained in paragraph 6, to report to the Parties in accordance with decision XI/13, paragraph 4, by 31 May 2006.

(UNEP/OzL.Pro.16/17, Decision XVI/10).

The Twenty-first Meeting of the Parties decided to urge Parties that have not reported data on quarantine and pre-shipment applications for previous years to do so expeditiously and to urge all Parties to report such data annually as required under paragraph 3 of Article 7 of the Montreal Protocol.

(UNEP/OzL.Pro.21/8, Decision XXI/15).

The Twenty-third Meeting of the Parties decided:

1. To encourage parties to follow the recommendation of the Commission on Phytosanitary Measures of the International Plant Protection Convention that data on current usage of methyl bromide as a phytosanitary measure should be accurately recorded and collated, including information on the quantities of methyl bromide used in kilograms, a description of the articles fumigated, where appropriate, whether the use was on imported or exported commodities and target pests;
2. To invite parties in a position to do so, on a voluntary basis, to submit information to the Ozone Secretariat by 31 March 2013 on:
 - (a) The amount of methyl bromide used to comply with phytosanitary requirements of destination countries;
 - (b) Phytosanitary requirements for imported commodities that must be met through the use of methyl bromide and to request the Secretariat to forward the information to the Technology and Economic Assessment Panel;
3. To urge parties to comply with the reporting requirements of Article 7 and to provide data on the amount of methyl bromide used for quarantine and pre-shipment applications annually and to invite parties in a position to do so, on a voluntary basis, to supplement such data by reporting to the Secretariat information on methyl bromide uses recorded and collated pursuant to the recommendation of the Commission on Phytosanitary Measures;
4. To encourage parties to consider avoiding requiring multiple treatments of consignments with methyl bromide unless a risk of an infestation with a pest has been identified;
5. To request the Technology and Economic Assessment Panel to provide, for consideration by the Open-ended Working group at its thirty-second meeting, a concise report that:
 - (a) Summarizes data submitted under article 7 of the Montreal Protocol on a regional basis, providing analysis of trends in that data;
 - (b) Provides guidance on procedures and methods for data collection on methyl bromide use for quarantine and pre-shipment for parties that have not yet established such procedures and methods or wish to improve existing ones;
6. To request the Technology and Economic Assessment Panel to provide, for consideration by the Open-ended Working group at its thirty-third meeting, a concise report based on the information provided in accordance with paragraph 2 above;
7. To request the Secretariat to consult the Secretariat of the International Plant Protection Convention on how to ensure and improve the exchange of information on methyl bromide uses and alternative treatments between the Convention and Montreal Protocol bodies and on the systems available to facilitate access to such information by national authorities and private organizations, and to report to the Open-ended Working group at its thirty-second meeting on the outcome of such consultation and on cooperation in general between the Convention and the Protocol;

(UNEP/OzL.Pro.23/11 Decision XXIII/5).

The Twenty-fourth Meeting of the Parties decided:

1. To consider at the thirty-third meeting of the Open-ended Working Group whether to ask the Technology and Economic Assessment Panel to undertake an analysis of trends in Article 7 data on methyl bromide use for quarantine and pre-shipment, taking into account the information submitted in accordance with decision XXIII/5 and how to improve the information;
2. To request the Ozone Secretariat to remind parties that they are invited to submit information by 31 March 2013, on a voluntary basis, in accordance with paragraph 2 of decision XXIII/5;
3. To invite parties that have not yet established procedures for data collection on methyl bromide use for quarantine and pre-shipment or wish to improve existing procedures to consider using the elements identified as essential by the Technology and Economic Assessment Panel in section 10.4.4 of its 2012 progress report;
4. To request the Ozone Secretariat to upload to its website the forms that have been provided as examples in section 10.4.2 of the 2012 progress report of the Technology and Economic Assessment Panel;

(UNEP/OzL.Pro.24/10 Decision XXIV/15).

The Thirty-fourth Meeting of the Parties decided:

1. To invite parties to submit to the Ozone Secretariat, on a voluntary basis, by 1 June 2023, a list of the pest and commodity combinations in which methyl bromide is needed or used in their respective countries;
2. To invite parties to submit, on a voluntary basis, accessible data on the volumes of pre phase-out methyl bromide stocks at the country level to the Ozone Secretariat by 1 June 2023;
3. To include the issue of methyl bromide stocks in the agenda of the forty-fifth meeting of the Open-ended Working Group;
4. To request the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee, in consultation with the secretariat of the International Plant Protection Convention, to provide updated information, as part of its progress report to the Open-ended Working Group at its forty-fifth meeting, on current quarantine and pre-shipment uses for which alternatives are available;
5. To invite parties to take into account the standards and guidelines under the International Plant Protection Convention in their national processes and to consider the potential for uptake of practices to minimize the use of methyl bromide.

(UNEP/OzL.Pro.34/9/Add.1, Decision XXXIV/10).

Coordination between the Ozone Secretariat and the Secretariat of the International Plant Protection Convention

The Sixteenth Meeting of the Parties decided:

1. to request the Ozone Secretariat to make contact with the Secretariat of the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations, stressing the commitment by Parties to the Montreal Protocol to the reduction of methyl bromide with specific reference to standard 15 of the International Standard for Phytosanitary Measures, and to exchange information with a view to encouraging alternatives to methyl bromide treatment of wood packaging material stipulated by that organization as a phytosanitary measure;
2. to request the Ozone Secretariat to report thereon to the Seventeenth Meeting of the Parties;
3. to urge the Parties to consider, in the context of standard 15 of the International Standards for Phytosanitary Measures, the use, as a priority and to the greatest possible extent, when economically feasible and when the country concerned has the required facilities of alternatives such as heat treatment or alternative packaging materials, instead of methyl bromide fumigation;
4. to encourage the importing Parties to consider accepting wood packaging treated with alternative methods to methyl bromide, in accordance with standard 15.

(UNEP/OzL.Pro.16/17, Decision XVI/11).

The Seventeenth Meeting of the Parties decided:

1. to request the Ozone Secretariat to further liaise with the Secretariat of the International Plant Protection Convention regarding the application of standard 15 of the International Standards for Phytosanitary Measures;
2. to request the Technology and Economic Assessment Panel to provide any information collected by the Quarantine and Pre-shipment Task Force pursuant to decision XVI/10 to the relevant bodies of the International Plant Protection Convention.

(UNEP/OzL.Pro.17/11, Decision XVII/15).

The Eighteenth Meeting of the Parties decided:

1. to welcome proposals by the Technical Panel on Forestry Quarantine of the International Plant Protection Convention for closer cooperation between the International Plant Protection Convention and the Montreal Protocol technical bodies and to encourage the Commission on Phytosanitary Measures to consider approval of the recommendations from the Technical Panel on Forestry Quarantine on cooperation with the Protocol;
2. to request the Technology and Economic Assessment Panel to cooperate with the technical bodies of the International Plant Protection Convention with a view to:
 - (a) ensuring that potentially duplicative activities are coordinated where practical and that technical information is shared and jointly developed as appropriate;
 - (b) identifying jointly technical and economic opportunities and constraints faced by countries in the development and adoption of alternatives to methyl bromide for quarantine and pre shipment applications;
 - (c) allowing the Quarantine and Pre-shipment Task Force to gather quantitative and to the extent possible comprehensive information about the use of methyl bromide in quarantine and pre shipment activities by combining relevant data sets available to each respective technical body;
 - (d) identifying jointly existing national plant, animal, environmental health and stored product regulations that require or authorize the use of methyl bromide for quarantine and pre-shipment applications;
 - (e) providing practical technical guidance on technologies, systems and arrangements aimed at minimizing emissions from methyl bromide fumigations to national plant protection organizations, as is urged in decision XI/13;
3. to request the Technology and Economic Assessment Panel to report on the results of its contacts and work described in paragraph 2 above in time for the twenty-seventh meeting of the Open ended Working Group of the Parties to the Montreal Protocol;
4. to request the Ozone Secretariat to continue liaising with the International Plant Protection Convention secretariat as appropriate in line with decision XVII/15, to build on interactions already developed, and to report comprehensively to the Parties on secretariat level cooperation and joint activities;
5. to request the Secretariat to provide factual information on the definitions of quarantine and pre-shipment under the Protocol and the International Plant Protection Convention;
6. to encourage national level officials working on Montreal Protocol and International Plant Protection Convention issues to cooperate more closely to ensure that the objectives of both agreements are being met when domestic actions are undertaken in relation to methyl bromide use for quarantine and pre-shipment purposes and in the lead up to future decision-making by Parties in both multilateral agreements.

(UNEP/OzL.Pro.18/10, Decision XVIII/14).

Reduction of methyl bromide emissions

The Seventh Meeting of the Parties decided that Parties should endeavor to reduce methyl bromide emissions by encouraging producers and users to take appropriate measures to implement, *inter alia*, good agricultural practices and improved application techniques.

(UNEP/OzL.Pro.7/12, Decision VII/6).

Recapturing/recycling and destruction of methyl bromide from space fumigation

The Seventeenth Meeting of the Parties decided:

1. to encourage Parties who have deployed in the past, currently deploy or plan to deploy technologies to recapture/recycle/destroy or reduce methyl bromide emissions from fixed facilities or sea container

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fumigation applications to submit to the Technology and Economic Assessment Panel details of efficacy, including destruction and removal efficiency (DRE), logistical issues and the economic feasibility of such fumigations, by 1 April 2006;

2. to encourage Parties to report on any harmful by-products created using such technologies;
3. to adopt the form below for the purpose of submitting data;
4. to include the findings of data submitted in the 2006 progress report of the Technology and Economic Assessment Panel and summarize Parties' positive and negative past experiences of recovery and destruction technologies.

Recapture or destruction system used:	
Location:	
Submitting body: (Provide name and e-mail address of individual to be contacted in the event of a query)	
Commodity treated:	
Fumigation contents and volume:	
Chamber or tent volume:	
Percentage loading of chamber:	
Gas quantity retained by the recapture or destruction system:	
Quantity lost during the fumigation by leakage or reaction:	
Residual free gas left in the enclosure after extraction of methyl bromide into the recapture system:	
Remaining sorbed gas (taking into account any gas naturally present prior to fumigation):	
Quantity of methyl bromide transiting the recapture/destruction system and lost by leaks in the system:	
Measurement of gas exhausted after recapture stopped:	
Total gas present in the fumigated system at start of recapture:	
Net efficiency of recapture:	
Cost per kg recaptured/destroyed (US\$):	

(UNEP/OzL.Pro.17/11, Decision XVII/11).

Use of methyl bromide for the treatment of high-moisture dates

The Fifteenth Meeting of the Parties decided:

1. that the Implementation Committee and Meeting of the Parties should defer the consideration of the compliance status of countries that use over 80 per cent of their consumption of methyl bromide on high-moisture dates until two years after the Technology and Economic Assessment Panel formally finds that there are alternatives to methyl bromide that are available for high moisture dates;
2. that the above provision shall apply so long as the relevant Party does not increase consumption of methyl bromide on products other than high-moisture dates beyond 2002 levels, and the Party has noted its commitment to minimizing the use of methyl bromide for dates to the extent necessary to ensure effective control of pests;
3. to request the Executive Committee to consider appropriate demonstration projects for alternatives on high-moisture dates, and to ensure that the results of those projects are shared with the Technology and Economic Assessment Panel.

(UNEP/OzL.Pro.15/9, Decision XV/12).

Critical-use exemptions for methyl bromide

The Eighth Meeting of the Parties decided:

1. to note with appreciation the work done by the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee pursuant to decision VII/29 of the Seventh Meeting of the Parties;
2. to request the Technology and Economic Assessment Panel to further examine and report to the Ninth Meeting of the Parties on the different options on the issue of critical use of methyl bromide, as presented to the thirteenth meeting of the Open-ended Working Group in the June 1996 TEAP Report.

(UNEP/OzL.Pro.8/12, Decision VIII/16).

The Ninth Meeting of the Parties decided:

1. to apply the following criteria and procedure in assessing a critical methyl bromide use for the purposes of control measures in Article 2 of the Protocol:

- (a) that a use of methyl bromide should qualify as "critical" only if the nominating Party determines that:
 - (i) the specific use is critical because the lack of availability of methyl bromide for that use would result in a significant market disruption; and
 - (ii) there are no technically and economically feasible alternatives or substitutes available to the user that are acceptable from the standpoint of environment and health and are suitable to the crops and circumstances of the nomination;
 - (b) that production and consumption, if any, of methyl bromide for critical uses should be permitted only if:
 - (i) all technically and economically feasible steps have been taken to minimize the critical use and any associated emission of methyl bromide ;
 - (ii) methyl bromide is not available in sufficient quantity and quality from existing stocks of banked or recycled methyl bromide , also bearing in mind the developing countries' need for methyl bromide ;
 - (iii) it is demonstrated that an appropriate effort is being made to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes, taking into consideration the circumstances of the particular nomination and the special needs of Article 5 Parties, including lack of financial and expert resources, institutional capacity, and information. Non-Article 5 Parties must demonstrate that research programmes are in place to develop and deploy alternatives and substitutes. Article 5 Parties must demonstrate that feasible alternatives shall be adopted as soon as they are confirmed as suitable to the Party's specific conditions and/or that they have applied to the Multilateral Fund or other sources for assistance in identifying, evaluating, adapting and demonstrating such options;
2. to request the Technology and Economic Assessment Panel to review nominations and make recommendations based on the criteria established in paragraphs 1 (a) (ii) and 1 (b) of the present decision;
 3. that the present decision will apply to Parties operating under Article 5 and Parties not so operating only after the phase-out date applicable to those Parties.

(UNEP/OzL.Pro.9/12, Decision IX/6).

The Twenty-first Meeting of the Parties decided:

1. To permit, for the agreed critical-use categories for 2010 set forth in table A of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2010 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, in addition to the amounts permitted in decision XX/5;
2. To permit, for the agreed critical-use categories for 2011 set forth in table C of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and in decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2011 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties in accordance with decision IX/6;
3. That Parties shall endeavour to license, permit, authorize or allocate quantities of critical-use methyl bromide as listed in tables A and C of the annex to the present decision;
4. To recognize the continued contribution of the Methyl Bromide Technical Options Committee's expertise and to agree that, in accordance with section 4.1 of the Technology and Economic Assessment Panel's terms of reference, the Committee should ensure that it develops its recommendations in a consensus process that includes full discussion among all available members of the Committee and should ensure that members with relevant expertise are involved in developing its recommendations;
5. To request the Technology and Economic Assessment Panel to ensure that the critical use recommendations reported in its annual progress report clearly set out the reasons for recommendations and that, where requests are received from Parties for further information, the Methyl Bromide Technical Options Committee should provide a response within four weeks of the submission of such a request;

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6. That each Party which has an agreed critical use exemption renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and, in particular, the criterion laid down in paragraph 1 (b) (ii) of decision IX/6. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat by 1 February for the years to which the present decision applies.
7. To request all Parties that have nominated a critical use exemption to report data on stocks using the accounting framework agreed at the 16th Meeting of the Parties and to urge Parties that have not yet provided such a report to submit the accounting framework prior to the 22nd Meeting of the Parties.
8. When submitting nominations, Parties are requested to submit updates of the reports requested in the decisions on critical uses including the following:
 - i. National Management Strategy under decision Ex.I/4(3), if there are significant changes
 - ii. Methyl bromide alternative database under decision Ex.I/4(2)
 - iii. Information to enable the Methyl Bromide Technical Options Committee to report on the amount of critical use categories licensed, permitted, authorised or the amount used
9. The Methyl Bromide Technical Options Committee is requested to summarise in the table on its recommendations for each nomination information on adherence with each criterion set out in decision IX/6(1)(a)(ii) and (b)(i) and (b)(iii) and other relevant decisions of the Parties.

Table A. 2010 agreed critical use categories (metric tonnes)

Canada	Pasta (3.529)
Israel	Broomrape protected (12.50), cucumber (15.937), cut flowers & bulbs protected (63.464), cut flowers open field (28.554), dates (1.04), melon protected & open field (70.00), strawberry fruit – Sharon and Gaza (57.063), strawberry runners – Sharon and Gaza (22.320), sweet potatoes (20.000)
United States of America	Strawberry runners (2.018)

Table B. 2010 permitted levels of production and consumption (metric tonnes)

Canada	3.529
Israel	290.878
United States of America	2.018*

* *Minus available stocks*

Table C. 2011 agreed critical use categories (metric tonnes)

Australia	Strawberry runners (23.840), Rice (4.87)
Canada	Mills (14.107), strawberry runners (Prince Edward Island) (5.261)
Japan	Chestnuts (5.35), cucumbers (27.621), ginger - field (47.450), ginger – protected (7.036), melons (73.548), pepper - green and hot (65.691), watermelon (13.050)
United States of America	Commodities (5.0), NPMA food processing structures (17.365), mills and processors (135.299), dried cured pork (3.73), cucurbits (195.698), eggplant – field (19.725), forest nursery seedlings (93.547), nursery stock – fruit, nut, flower (7.955), orchard replant (183.232) ornamentals (64.307), peppers – field (206.234), strawberries – field (812.709), strawberry runners (6.036), tomatoes – field (292.751), sweet potato slips (11.612)

Table D. 2011 permitted levels of production and consumption (metric tonnes)

Australia	28.710
Canada	19.368
Japan	239.746
United States of America	1855.2*

* Minus available stocks

(UNEP/OzL.Pro.21/8, Decision XXI/11).

Procedures for applying for a critical-use exemption for methyl bromide

The Thirteenth Meeting of the Parties decided:

1. to note with appreciation the work of the Methyl Bromide Technical Options Committee (MBTOC) in presenting the information required in order adequately to assess nominations submitted in pursuance of decision IX/6 for critical-use exemptions and the ongoing work of the Technology and Economic Assessment Panel in preparing a consolidated list of alternatives to methyl bromide that had been included in past TEAP and MBTOC reports;
2. to request the Technology and Economic Assessment Panel to prepare a handbook on critical-use nomination procedures which provides this information, and the schedule for submission which reflects that currently employed in the essential-use nomination procedure;
3. to request the Technology and Economic Assessment Panel to finalize the consolidated list of alternatives to methyl bromide referred to in paragraph 1 and post it on its Website as soon as possible;
4. to request the Technology and Economic Assessment Panel to finalize the “Handbook on Critical Use Nominations for Methyl Bromide” by January 2002, and the Secretariat to post this Handbook on its Website as soon as possible;
5. to request the Technology and Economic Assessment Panel to engage suitably qualified agricultural economists to assist it in reviewing critical-use nominations.

(UNEP/OzL.Pro.13/10, Decision XIII/11).

Categories of assessment to be used when assessing critical uses of methyl bromide

The Fifteenth Meeting of the Parties decided:

1. to invite Parties with nominations that are currently categorized as “noted” in the Technology and Economic Assessment Panel 2003 supplementary report to submit additional information in support of their nominations, using the comments by the Technology and Economic Assessment Panel/Methyl Bromide Technical Options Committee in the October 2003 supplementary report as a guide to the additional information required. The Methyl Bromide Technical Options Committee co-chairs will provide additional guidance to assist Parties concerning the information required if so requested. Parties are requested to submit additional information to the Ozone Secretariat by 31 January 2004;
2. to request the Methyl Bromide Technical Options Committee to convene a special meeting, which should be held in sufficient time to allow a report by the Technology and Economic Assessment Panel to be released to the Parties no later than 14 February 2004;
3. to request the Technology and Economic Assessment Panel to evaluate the critical use nominations for methyl bromide that are currently categorized as “noted” and recategorize them as “recommended”, “not recommended” or “unable to assess”.

(UNEP/OzL.Pro.15/9, Decision XV/54).

Conditions for granting and reporting critical-use exemptions for methyl bromide

The First Extraordinary Meeting of the Parties decided:

1. that each Party which has an agreed critical use under the present decision should submit available information to the Ozone Secretariat before 1 February 2005 on the alternatives available, listed according

- to their pre-harvest or post-harvest uses and the possible date of registration, if required, for each alternative; and on the alternatives which the Parties can disclose to be under development, listed according to their pre-harvest or post-harvest uses and the likely date of registration, if required and known, for those alternatives, and that the Ozone Secretariat shall be requested to provide a template for that information and to post the said information in a database entitled “Methyl Bromide Alternatives” on its web site;
2. that each Party which submits a nomination for the production and consumption of methyl bromide for years after 2005 should also submit information listed in paragraph 1 to the Ozone Secretariat to include in its Methyl Bromide Alternatives database and that any other Party which no longer consumes methyl bromide should also submit information on alternatives to the Secretariat for inclusion in that database;
 3. to request each Party which makes a critical-use nomination after 2005 to submit a national management strategy for phase-out of critical uses of methyl bromide to the Ozone Secretariat before 1 February 2006. The management strategy should aim, among other things:
 - (a) to avoid any increase in methyl bromide consumption except for unforeseen circumstances;
 - (b) to encourage the use of alternatives through the use of expedited procedures, where possible, to develop, register and deploy technically and economically feasible alternatives;
 - (c) to provide information, for each current pre-harvest and post-harvest use for which a nomination is planned, on the potential market penetration of newly deployed alternatives and alternatives which may be used in the near future, to bring forward the time when it is estimated that methyl bromide consumption for such uses can be reduced and/or ultimately eliminated;
 - (d) to promote the implementation of measures which ensure that any emissions of methyl bromide are minimized;
 - (e) to show how the management strategy will be implemented to promote the phase out of uses of methyl bromide as soon as technically and economically feasible alternatives are available, in particular describing the steps which the Party is taking in regard to subparagraph (b) (iii) of paragraph 1 of decision IX/6 in respect of research programmes in non-Article 5 Parties and the adoption of alternatives by Article 5 Parties;
 4. to request the Meeting of the Parties to take into account information submitted pursuant to paragraphs 1 and 3 of the present decision when it considers permitting a Party to produce or consume methyl bromide for critical uses after 2006;
 5. to request a Party that has submitted a request for a critical use exemption to consider and implement, if feasible, Technology and Economic Assessment Panel and Methyl Bromide Technical Options Committee recommendations on actions which a Party may take to reduce critical uses of methyl bromide;
 6. to request any Party submitting a critical-use nomination after 2004 to describe in its nomination the methodology used to determine economic feasibility in the event that economic feasibility is used as a criterion to justify the requirement for the critical use of methyl bromide, using as a guide the economic criteria contained in section 4 of annex I to the present report;
 7. to request each Party from 1 January 2005 to provide to the Ozone Secretariat a summary of each crop or post-harvest nomination containing the following information:
 - (a) name of the nominating Party;
 - (b) descriptive title of the nomination;
 - (c) crop name (open field or protected) or post-harvest use;
 - (d) quantity of methyl bromide requested in each year;
 - (e) reason or reasons why alternatives to methyl bromide are not technically and economically feasible;
 8. to request the Ozone Secretariat to post the information submitted pursuant to paragraph 7 above, categorized according to the year in which it was received, on its web site within 10 days of receiving the nomination;
 9. to request the Technology and Economic Assessment Panel:
 - (a) to identify options which Parties may consider for preventing potential harmful trade of methyl bromide

stocks to Article 5 Parties as consumption is reduced in non-Article 5 Parties and to publish its evaluation in 2005 to enable the Seventeenth Meeting of the Parties to decide if suitable mitigating steps are necessary;

- (b) to identify factors which Article 5 Parties may wish to take into account in evaluating whether they should either undertake new accelerated phase-out commitments through the Multilateral Fund for the Implementation of the Montreal Protocol or seek changes to already agreed accelerated phase-outs of methyl bromide under the Multilateral Fund;
- (c) to assess economic infeasibility, based on the methodology submitted by the nominating Party under paragraph 6 above, in making its recommendations on each critical-use nomination. The report by the Technology and Economic Assessment Panel should be made with a view to encouraging nominating Parties to adopt a common approach in assessing the economic feasibility of alternatives;
- (d) to submit a report to the Open-ended Working Group at its twenty-sixth session on the possible need for methyl bromide critical uses over the next few years, based on a review of the management strategies submitted by Parties pursuant to paragraph 3 of the present decision;
- (e) to review critical-use nominations on an annual basis and apply the criteria set forth in decision IX/6 and of other relevant criteria agreed by the Parties;
- (f) to recommend an accounting framework for adoption by the Sixteenth Meeting of the Parties which can be used for reporting quantities of methyl bromide produced, imported and exported by Parties under the terms of critical-use exemptions, and after the end of 2005 to request each Party which has been granted a critical-use exemption to submit information together with its nomination using the agreed format;
- (g) to provide, in consultation with interested Parties, a format for a critical-use exemption report, based on the content of annex I to the present report, for adoption by the Sixteenth Meeting of the Parties, and to request each Party which reapplies for a methyl bromide critical-use exemption after the end of 2005 to submit a critical-use exemption report in the agreed format;
- (h) to assess, annually where appropriate, any critical-use nomination made after the end of 2006 in the light of the Methyl Bromide Alternatives database information submitted pursuant to paragraph 1 of the present decision, and to compare, annually where appropriate, the quantity, in the nomination, of methyl bromide requested and recommended for each pre-harvest and post-harvest use with the management strategy submitted by the Party pursuant to paragraph 3 of the present decision;
- (i) to report annually on the status of re-registration and review of methyl bromide uses for the applications reflected in the critical-use exemptions, including any information on health effects and environmental acceptability;
- (j) to report annually on the status of registration of alternatives and substitutes for methyl bromide, with particular emphasis on possible regulatory actions that will increase or decrease dependence on methyl bromide;
- (k) to modify the handbook on critical-use nominations for methyl bromide to take the present decision and other relevant information into account, for submission to the Sixteenth Meeting of the Parties.

(UNEP/OzL.Pro.ExMP/1/3, Decision Ex.I/4).

The Second Extraordinary Meeting of the Parties decided:

1. for the agreed critical uses for 2006, set forth in table A of the annex to the present decision, to permit, subject to the conditions set forth in the present decision and in decision Ex. I/4, to the extent those conditions are applicable, the supplementary levels of production and consumption for 2006 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels and categories of uses may be approved by the Seventeenth Meeting of the Parties in accordance with decision IX/6;
2. that a Party with a critical-use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such difference between those levels by using quantities of methyl bromide available from existing stocks;
3. that each Party which has an agreed critical use shall take into full consideration all quantities of existing

stocks of methyl bromide and that the sum of these quantities shall be reported in 2006 in column G of the Framework Report, as set out in annex II to the report of the Sixteenth Meeting of the Parties, subject to confidentiality and disclosure clauses of domestic laws and regulations. Where all or part of the quantities are withheld pursuant to such laws and regulations, the reasons for withholding the quantities in column G shall be footnoted appropriately;

4. that Parties that have an agreed critical use shall endeavour to license, permit, authorize or allocate the quantities of methyl bromide recommended by the Technology and Economic Assessment Panel to the specific categories of use shown in table A of the annex to the present decision;
5. that each Party which has an agreed critical use renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing the use of methyl bromide and that such procedures take into account quantities of methyl bromide available from existing stocks;
6. to request Parties licensing, permitting or authorizing methyl bromide that is used for 2006 critical uses to ensure, wherever methyl bromide is authorized for critical-use exemptions, the use of emission minimization techniques such as virtually impermeable films, barrier film technologies, deep shank injection and/or other techniques that promote environmental protection, whenever technically and economically feasible.

Table A: Agreed critical-use categories

Country	Categories of permitted critical uses (metric tonnes)
Australia	Cut-flowers (1.75); Strawberry runners (7.5)
Canada	Pasta manufacturing facilities (2.057); Flour mills (6.974)
Japan	Peppers (hot) (9.3); Peppers (green) (65.6)
United States of America	Ornamentals (148.483); dry-cured ham (40.854); Dry commodities/structures (cocoa beans) (9.228); Dry commodities/structures (processed foods, herbs and spices, dried milk and cheese processing facilities) (12.865); Eggplant – field, for research only (0.914); Mills and processors (66.915); Peppers – field (436.665); Strawberry fruit – field (207.648); Tomato – field (253.431)

Table B: Permitted levels of production and consumption of methyl bromide to satisfy critical uses in 2006

Country	Methyl bromide (metric tonnes)
Australia	9.250
Canada	9.031
Japan	74.900
United States of America	760.585

(UNEP/OzL.Pro.ExMP/2/3, Decision Ex.II/1).

The Seventeenth Meeting of the Parties decided:

1. for the agreed critical-use categories for 2006, set forth in table A of the annex to the present decision for each Party, to permit, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2006 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses;
2. for the agreed critical-use categories for 2007, set forth in table C of the annex to the present decision for each Party, to permit, subject to the conditions set forth in the present decision and in decision Ex. I/4, the levels of production and consumption for 2007 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties to the Montreal Protocol in accordance with decision IX/6;
3. that a Party with a critical use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such differences between those levels by using quantities of methyl bromide from stocks that the Party has recognized to be available;
4. that Parties shall endeavour to license, permit, authorize or allocate quantities of critical-use methyl bromide as listed in tables A and C of the annex to the present decision;
5. that each Party which has an agreed critical use renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and that such procedures take into account available stocks of banked or recycled methyl bromide.

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Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat by 1 February for the years to which this decision applies;

6. that Parties licensing, permitting or authorizing methyl bromide that is used for 2007 critical uses shall request the use of emission minimization techniques such as virtually impermeable films, barrier film technologies, deep shank injection and/or other techniques that promote environmental protection, whenever technically and economically feasible;
7. to request Parties to endeavour to use stocks, where available, to meet any demand for methyl bromide for the purposes of research and development;
8. to request the Quarantine and Pre-shipment Task Force of the Technology and Economic Assessment Panel to evaluate whether soil fumigation with methyl bromide to control quarantine pests on living plant material can in practice control pests to applicable quarantine standards, to evaluate the long-term effectiveness of pest control several months after fumigation for this purpose and to provide a report in time for the twenty-sixth meeting of the Open-ended Working Group;
9. that each Party should ensure that its national management strategy for the phase-out of critical uses of methyl bromide addresses the aims specified in paragraph 3 of decision Ex.I/4;
10. to request the Technology and Economic Assessment Panel and its Methyl Bromide Technical Options Committee to report for 2005 and annually thereafter, for each agreed critical use category, the amount of methyl bromide nominated by a Party, the amount of the agreed critical use and either:
 - (a) the amount licensed, permitted or authorized; or
 - (b) the amount used.

Table A. 2006 agreed critical-use categories (metric tonnes)

Belgium	Antique structures and furniture (0.199), Artefacts and structures (0.307), Asparagus (0.225), Berry fruit (0.621), Chicory (0.18), Churches, monuments and ships' quarters (0.059), Cucumber (0.545), Cut flowers (1.956), Electronic equipment (0.035), Empty silo (0.043), Endive (1.65), Flour mill (0.072), Flour mills (4.17), Food premises (0.03), Mills (0.2), Nursery (0.384), Old buildings (0.306), Old buildings (0.282), Pepper and eggplant (1.35), Strawberry runners (0.9), Tomato (protected) (4.5), Tree nursery (0.155), Woodworking premises (0.101)
Germany	Artefacts (0.1), mills and processors (19.35)
Greece	Dried fruit (3.081), Cucurbits (19.2), Cut flowers (6.0), Mills and processors (15.445), Rice and legumes (2.355), Tomatoes (73.6)
Ireland	Mills (0.888)
Italy	Mills and processors (65.0)
Japan	Chestnut (0.3), Cucumber (1.2), Melon (32.3), Peppers (green & hot) (13.5), Watermelon (38.0)
Latvia	Grains (2.502)
Malta	Cucumber (0.127), Eggplant (0.17), Strawberry (0.212), Tomatoes (0.594)
Netherlands	Strawberry runners (0.12)
Poland	Coffee, cocoa beans (2.160)
Portugal	Cut flowers (8.75)
Spain	Rice (42.065)
United Kingdom	Cereal processing plants (8.131), Cheese stores (1.248), Cut flowers (6.05), Dried commodities (rice, fruits and nuts) Whitworths (1.256), Herbs and spices (0.037), Mills (Nabim) (10.195), Mills and processors (biscuits) (1.787), Structures (herbs and spices) (1.872), Structures, processors and storage Whitworths (0.880)
United States of America	Dried beans (7.07)

Table B: Permitted levels of production and consumption of methyl bromide to satisfy critical uses in 2006

Country	Methyl bromide (metric tonnes)
Belgium*	18.270
Germany*	19.450
Greece*	119.681
Ireland*	0.888
Italy*	65.000

Japan	85.300
Latvia*	2.502
Malta*	1.103
Netherlands*	0.120
Poland*	2.160
Portugal*	8.750
Spain*	42.065
United Kingdom*	31.456

Table C: 2007 agreed critical-use categories (metric tonnes)

Australia	Rice (consumer packs) (5.13), Strawberry runners (35.75)
Canada	Flour mills (30.167), Strawberry runners PEI (7.995), Strawberry runners Quebec (1.826)
Japan	Chestnuts (6.5), Cucumbers (72.4), Ginger field (109.701), Ginger protected (14.471), Melon (182.2), Peppers green and hot (156.7), Watermelon (94.2)
United States of America	Cucurbits (592.891), Dry commodities/structures cocoa beans (64.082), Dried fruit and nuts (78.983), Dry commodities/structures (processed foods, herbs & spices, dried milk and cheese processing facilities) NPMA (82.771), Dry cure pork products (building and product) (18.998), Eggplant field (85.363), Forest nursery seedlings (122.032), Mills and processors (401.889), Nursery stock – fruit trees, raspberries, roses (28.275), Orchard replant (405.400), Ornamentals (137.835), Peppers field (1106.753), Strawberry fruit field (1476.019), Strawberry runners (4.483), Tomato field (2065.246), Turf grass (78.040)

Table D: 2007 permitted levels of production and consumption (metric tonnes)

Country	Methyl bromide (metric tonnes)
Australia	40.88
Canada	39.988
Japan	636.172
United States of America	5,149.060

(UNEP/OzL.Pro.17/11, Decision XVII/9).

The Eighteenth Meeting of the Parties decided:

- for the agreed critical-use categories for 2007, set forth in table A of the annex to the present decision for each Party, to permit, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2007 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, in addition to the amounts permitted in decision XVII/9;
- for the agreed critical-use categories for 2008 set forth in table C of the annex to the present decision for each Party to permit, subject to the conditions set forth in the present decision and in decision Ex.I/4, to the extent that those conditions are applicable, the levels of production and consumption for 2008 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties to the Montreal Protocol in accordance with decision IX/6;
- that when assessing supplemental requests for critical use exemptions for 2008 for a specific nomination, the Technology and Economic Assessment Panel should take into account the most current information, including any information on domestic implementation of related 2007 and 2008 critical uses, in accordance with paragraph 2 of decision IX/6;
- that a Party with a critical use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such differences between those levels by using quantities of methyl bromide from stocks that the Party has recognized to be available;
- that Parties shall endeavour to license, permit, authorize or allocate quantities of critical-use methyl bromide as listed in tables A and C of the annex to the present decision;
- that each Party which has an agreed critical use renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and, in particular, the criterion laid down in paragraph 1(b) (ii) of decision IX/6. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat by 1 February

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for the years to which this decision applies;

7. to request the Technology and Economic Assessment Panel to publish annually in its progress report beginning in 2007 and prior to each Open-ended Working Group meeting the stocks of methyl bromide held by each nominating Party as reported in its accounting framework report;
8. that Parties licensing, permitting or authorizing methyl bromide that is used for 2008 critical uses shall request the use of emission minimization techniques such as virtually impermeable films, barrier film technologies, deep shank injection and/or other techniques that promote environmental protection, whenever technically and economically feasible;
9. that each Party should continue to ensure that its national management strategy for the phase-out of critical uses of methyl bromide addresses the aims specified in paragraph 3 of decision Ex.I/4.

Table A.: 2007 agreed critical-use categories (metric tonnes)

Australia	Cut flowers – bulbs – protected (3.598), Rice (4.075)
Canada	Pasta (6.757), Strawberry runners (Ontario) (6.129)
France	Chestnuts (1.800), Mills (8.000), Seeds (0.096), Carrots (1.400), Cucumbers (12.500), Cut flowers and bulbs (9.600), Forest nurseries (1.500), Orchard & raspberry nurseries (2.000), Orchard replant (7.000), Pepper (6.000), Strawberry runners (28.000)
Greece	Dried fruit (0.450), Mills & processors (1.340)
Israel	Dates (2.200), flour mills (1.040), broomrape (250.000), cucumber (25.000), cut-flowers – bulbs – protected (220.185), cut-flowers – open field (74.540), fruit tree nurseries (7.500), melon – protected & field (105.000), potato (137.500), strawberry runners (28.000), strawberry fruit (93.000), tomato (22.750)
Italy	Artefacts (5.000), Mills and processors (25.000), Cut flowers – protected (30.000), Melon – protected (10.000), Pepper – protected (67.000), Strawberry runners (35.000), Tomatoes protected (80.000)
Netherlands	Strawberry runners (0.120)
New Zealand	Strawberry runners (6.234), Strawberry fruit (12.000)
Poland	Coffee & cocoa beans (1.420), Medicinal herbs and mushrooms (1.800), Strawberry runners (24.500)
Spain	Cut flowers (Andalucia & Catalonia) (43.490), Peppers (45.000), Strawberry fruit (0.0796 for research), Strawberry runners (230.000)
United Kingdom	Aircraft (0.165), Cereal processing plants (3.480), Cheese stores (1.248), 13 Mills (4.509), Mills – Food processing (Biscuits) (0.479), Structures (Herbs & spices) (0.908), Structures (Whitworth) (0.257)

Table B: 2007 permitted levels of production and consumption (metric tonnes)

Australia	7.673
Canada	12.886
France *	77.896
Greece *	1.790
Israel	966.715
Italy *	252.000
Netherlands *	0.120
New Zealand	18.234
Poland *	27.720
Spain *	318.5696
United Kingdom *	11.046

* The production and consumption of the European Community shall not exceed 689.1416 metric tonnes for the purposes of the agreed critical uses.

Table C: 2008 agreed critical-use categories (metric tonnes)

Australia	Cut flowers – bulbs – protected (3.500), Rice (7.400 + 1.8*), Strawberry runners (35.750)
Canada	Mills (28.650); Strawberry runners (Prince Edward Island) (7.462)
Japan	Chestnuts (6.300), Cucumbers (51.450), Ginger – field (84.075), Ginger – protected (11.100), Melon (136.650), Pepper green & hot (121.725), Watermelon (32.475)

United States of America	Commodities (58.921), Cocoa beans (NPMA subset) (53.188), NPMA food processing structures (cocoa beans removed) (69.208), Mills and processors (348.237), Smokehouse ham (19.669), Cucurbits – field (486.757), Eggplant – field (66.018), Forest nursery (131.208), Nursery stock – fruit, nut, flower (51.102), Orchard replant (393.720), Ornamentals (138.538), Peppers – field (756.339), Strawberry – field (1,349.575), Strawberry runners (8.838), Tomatoes – field (1,406.484), Sweet potato slips (18.144)
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* All or part of the supplementary amount of 1.8 metric tonnes, if required, is conditional on the Technical and Economic Assessment Panel's recommendation in its 2007 progress report.

Table D: 2008 permitted levels of production and consumption (metric tonnes)

Australia	46.650 + 1.8*
Canada	36.112
Japan	443.775
United States of America	4,595.040

* All or part of the supplementary amount of 1.8 metric tonnes, if required, is conditional on the Technical and Economic Assessment Panel's recommendation in its 2007 progress report.

(UNEP/OzL.Pro.18/10, Decision XVIII/13).

The Nineteenth Meeting of the Parties decided:

1. to permit, for the agreed critical-use categories for 2008 set forth in table A of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2008 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, in addition to the amounts permitted in decision XVIII/13;
2. to permit, for the agreed critical-use categories for 2009 set forth in table C of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and in decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2009 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties in accordance with decision IX/6;
3. to request the Technology and Economic Assessment Panel to ensure that recent findings with regard to the adoption rate of alternatives are annually updated and reported to the Parties in its first report of each year and inform the work of the Panel;
4. that when assessing supplemental requests for critical use exemptions for 2009 for a specific nomination, the Technology and Economic Assessment Panel should take into account the most current information, including any information on domestic implementation of related 2008 and 2009 critical uses, in accordance with paragraph 2 of decision IX/6;
5. that a Party with a critical use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such differences between those levels by using quantities of methyl bromide from stocks that the Party has recognized to be available;
6. that Parties shall endeavour to license, permit, authorize or allocate quantities of critical-use methyl bromide as listed in tables A and C of the annex to the present decision;
7. that each Party which has an agreed critical use renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and, in particular, the criterion laid down in paragraph 1 (b) (ii) of decision IX/6. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat by 1 February for the years to which this decision applies;
8. to request the Technology and Economic Assessment Panel to continue publishing annually in its progress report prior to each meeting of the Open-ended Working Group the stocks of methyl bromide held by each nominating Party as reported in that Party's accounting framework report;
9. to recognize the continued contribution of the Methyl Bromide Technical Options Committee's expertise and to agree that, in accordance with section 4.1 of the Technology and Economic Assessment Panel's terms of reference, the Committee should continue to develop its recommendations in a consensus process that

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includes full discussion among all available members of the Committee;

10. to note the importance of transparency in the critical-use exemption process and to request the Technology and Economic Assessment Panel to provide to the Open-ended Working Group at its next meeting a written explanation of its methodology for using its meta-analysis in its work and to disclose to the Parties in a written explanation any significant changes or deviations it intends to make to that methodology before it undertakes any such change or deviation;
11. that Parties licensing, permitting or authorizing methyl bromide for critical uses shall request the use of emission minimization techniques such as virtually impermeable films, barrier film technologies, deep shank injection and/or other techniques that promote environmental protection, whenever technically and economically feasible;
12. that each Party should continue to ensure that its national management strategy for the phase-out of critical uses of methyl bromide addresses the aims specified in paragraph 3 of decision Ex.I/4;

Critical-use exemptions for 2008 and 2009

Table A. 2008 agreed critical-use categories (metric tonnes)

Australia	Rice (1.80)*
Canada	Pasta (6.067)
Israel	Dates (1.800), Flour mills (0.312), Broomrape (250.000), Cucumber – protected (18.750), Cut flowers – bulbs – protected (114.450), Cut-flowers – open field (44.750), Melon – protected and field (87.500), Potato (93.750), Sweet potatoes (111.500), Strawberry runners (Sharon and Gaza) (31.900), Strawberry fruit – protected (Sharon and Gaza) (105.960),
Poland	Coffee and cocoa beans (0.500), Medicinal herbs and mushrooms (0.500), Strawberry runners (11.995)
Spain	Cut flowers (Andalucia and Catalonia) (17.000), Strawberry runners (215.000), Strawberry and pepper – research (0.151)

* This amount was first approved in decision XVIII/13, conditional on the Technology and Economic Assessment Panel's 2007 progress report.

Table B: 2008 permitted levels of production and consumption (metric tonnes)

Australia	1.80**
Canada	6.067
Israel	860.672
Poland *	12.995
Spain *	232.151

* The production and consumption of the European Community shall not exceed 245.146 metric tonnes for the purposes of the agreed critical uses.

** This amount was first approved in decision XVIII/13, conditional on the Technology and Economic Assessment Panel's 2007 progress report.

Table C: 2009 agreed critical-use categories (metric tonnes)

Australia	Strawberry runners (29.790), Rice (7.820)
Canada	Mills (26.913), Strawberry runners (Prince Edward Island) (7.462)
Japan	Chestnuts (5.800), Cucumbers (34.300), Ginger – field (63.056), Ginger – protected (8.325), Melons (91.100), Peppers green and hot (81.149), Watermelon (21.650)
United States of America	Commodities (45.623), NPMA food processing structures (cocoa beans removed) (54.606), Mills and processors (291.418), Dried cured pork (18.998), Cucurbits (407.091), Eggplant – field (48.691), Forest nursery seedlings (122.060), Nursery stock – fruit, nut, flower (25.326), Orchard replant (292.756), Ornamentals (107.136), Peppers – field (548.984), Strawberries – field (1,269.321), Strawberry runners (7.944), Tomatoes – field (1,003.876), Sweet potato slips (18.144)

Table D: 2009 permitted levels of production and consumption (metric tonnes)

Australia	37.610
Canada	34.375
Japan	305.380
United States of America	3,961.974*

* Minus available stocks

(UNEP/OzL.Pro.19/7, Decision XIX/9).

The Twentieth Meeting of the Parties decided:

1. to permit, for the agreed critical-use categories for 2009 set forth in table A of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2009 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, in addition to the amounts permitted in decision XIX/9;
2. to permit, for the agreed critical-use categories for 2010 set forth in table C of the annex to the present decision for each Party, subject to the conditions set forth in the present decision and in decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2010 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties in accordance with decision IX/6;
3. to request the Technology and Economic Assessment Panel to ensure that recent findings with regard to the adoption rate of alternatives are annually updated and reported to the Parties in its first report of each year and inform the work of the Panel;
4. that when assessing supplemental requests for critical use exemptions for 2010 for a specific nomination, the Technology and Economic Assessment Panel should take into account the most current information, including any information on domestic implementation of related 2009 and 2010 critical uses, in accordance with paragraph 2 of decision IX/6;
5. that a Party with a critical use exemption level in excess of permitted levels of production and consumption for critical uses is to make up any such differences between those levels by using quantities of methyl bromide from stocks that the Party has recognized to be available;
6. that Parties shall endeavour to license, permit, authorize or allocate quantities of critical-use methyl bromide as listed in tables A and C of the annex to the present decision;
7. that each Party which has an agreed critical use renews its commitment to ensure that the criteria in paragraph 1 of decision IX/6 are applied when licensing, permitting or authorizing critical use of methyl bromide and, in particular, the criterion laid down in paragraph 1 (b) (ii) of decision IX/6. Each Party is requested to report on the implementation of the present paragraph to the Ozone Secretariat by 1 February for the years to which the present decision applies;
8. to request the Technology and Economic Assessment Panel to continue publishing annually in its progress report prior to each meeting of the Open-ended Working Group the stocks of methyl bromide held by each nominating Party as reported in that Party's accounting framework report;
9. to recognize the continued contribution of the Methyl Bromide Technical Options Committee's expertise and to agree that, in accordance with section 4.1 of the Technology and Economic Assessment Panel's terms of reference, the Committee should ensure that it develops its recommendations in a consensus process that includes full discussion among all available members of the Committee and should ensure that members with relevant expertise are involved in developing its recommendations;
10. to request the Technology and Economic Assessment Panel to ensure that the critical-use recommendations reported in its annual progress report clearly set out the reasons for recommendations and that, where requests are received from Parties for further information, the Methyl Bromide Technical Options Committee should provide a response within four weeks of submission of such a request;
11. that Parties licensing, permitting or authorizing methyl bromide for critical uses shall request the use of emission minimization techniques such as virtually impermeable films, barrier film technologies, deep shank injection and/or other techniques that promote environmental protection, whenever technically and economically feasible;
12. that each Party should continue to ensure that its national management strategy for the phase-out of critical uses of methyl bromide addresses the aims specified in paragraph 3 of decision Ex.I/4, and that each Party should periodically update or provide supplements to its national management strategy to provide new information on actions, such as identifying alternatives or regulatory updates, being undertaken to make significant progress in reducing critical use nominations, and indicating currently envisaged progress towards

a phase-down;

- to request the Technology and Economic Assessment Panel to ensure that its consideration of nominations analyse the impact of national, subnational and local regulations and law on the potential use of methyl bromide alternatives, and include a description of the analysis in the critical use nomination report;

Annex to decision XX/5

Critical-use exemptions for methyl bromide for 2009 and 2010

Table A. 2009 agreed critical use categories (metric tonnes)

Canada	Pasta (4.74)
Israel	Dates (2.100), flour mills (0.300), broomrape (125.000), cut flowers – bulbs – protected (85.431), cut flowers – open field (34.698), melon – protected and field (87.500), potato (75.000), sweet potatoes (95.000), strawberry runners (Sharon and Gaza) (28.075), strawberry fruit – protected (Sharon and Gaza) (77.750)

Table B. 2009 permitted levels of production and consumption (metric tonnes)

Canada	4.74
Israel	610.554

Table C. 2010 agreed critical use categories (metric tonnes)

Australia	Strawberry runners (29.790), Rice (6.65)
Canada	Mills (22.878), strawberry runners (Prince Edward Island) (7.462)
Japan	Chestnuts (5.400), cucumbers (30.690), ginger - field (53.400), ginger – protected (8.300), melons (81.72), pepper - green and hot (72.99), watermelon (14.500)
United States of America	Commodities (19.242), NPMA food processing structures (cocoa beans removed) (37.778), mills and processors (173.023), dried cured pork (4.465), cucurbits (302.974), eggplant – field (32.820), forest nursery seedlings (117.826), nursery stock – fruit, nut, flower (17.363), orchard replant (215.800), ornamentals (84.617), peppers – field (463.282), strawberries – field (1007.477), strawberry runners (4.690), tomatoes – field (737.584), sweet potato slips (14.515)

Table D. 2010 permitted levels of production and consumption (metric tonnes)

Australia	36.44
Canada	30.34
Japan	267.0
United States of America	2 763.456*

*Minus available stocks.

(UNEP/OzL.Pro.20/9, Decision XX/5).

The Twenty-second Meeting of the Parties decided:

- To permit, for the agreed critical-use categories for 2011 set forth in table A of the annex to the present decision for each party, subject to the conditions set forth in the present decision and decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2011 set forth in table B of the annex to the present decision which are necessary to satisfy critical uses, in addition to the amounts permitted in decision XXI/11;
- To permit, for the agreed critical-use categories for 2012 set forth in table C of the annex to the present decision for each party, subject to the conditions set forth in the present decision and in decision Ex.I/4 to the extent that those conditions are applicable, the levels of production and consumption for 2012 set forth in table D of the annex to the present decision which are necessary to satisfy critical uses, with the understanding that additional levels of production and consumption and categories of uses may be approved by the Meeting of the Parties in accordance with decision IX/6;
- That parties shall endeavour to license, permit, authorize or allocate quantities of methyl bromide for critical uses as listed in tables A and C of the annex to the present decision;
- To recognize the continued contribution of the Methyl Bromide Technical Options Committee's expertise and to agree that, in accordance with section 4.1 of the terms of reference of the Technology and Economic Assessment Panel, the Committee should ensure that it develops its recommendations in a consensus process

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

that includes full discussion among all available Committee members and should ensure that members with relevant expertise are involved in developing its recommendations;

5. That each party that has an agreed critical-use exemption shall renew its commitment to ensuring that the criteria in paragraph 1 of decision IX/6, in particular the criterion laid down in paragraph 1 (b) (ii) of decision IX/6, are applied in licensing, permitting or authorizing critical uses of methyl bromide, with each party requested to report on the implementation of the present provision to the Ozone Secretariat by 1 February for the years to which the present decision applies;
6. To urge parties operating under a critical-use exemption to put in place an effective system to discourage the accumulation of methyl bromide produced under the exemption;

Annex to decision XXII/6

Table A: Agreed critical-use categories for 2011 (metric tonnes)

Australia	Strawberry runners (5.950)
Canada	Pasta (2.084)
Israel	Broomrape – protected (12.500), cucumbers (12.500), cut flowers and bulbs – protected (52.330), cut flowers – open field (23.292), melons – protected and open field (35.000), strawberry fruit – Sharon and Gaza (41.875), strawberry runners – Sharon and Gaza (27.000), sweet potatoes (20.000)

Table B: Permitted levels of production and consumption for 2011 (metric tonnes)

Australia	5.950
Canada	2.084
Israel	224.497

Table C: Agreed critical-use categories for 2012 (metric tonnes)

Australia	Strawberry runners (29.760), rice (3.653)
Canada	Mills (11.020), strawberry runners (Prince Edward Island) (5.261)
Japan	Chestnuts (3.489), cucumbers (26.162), ginger – field (42.235), ginger – protected (6.558), melons (67.936), peppers – green and hot (61.154), watermelons (12.075)
United States of America	Commodities (2.419), National Pest Management Association food-processing structures (0.200), mills and processors (74.510), dried cured pork (3.730), cucurbits (59.500), eggplant – field (6.904), forest nursery seedlings (34.230), nursery stock – fruit, nuts, flowers (1.591), orchard replants (18.324), ornamentals (48.164), peppers – field (28.366), strawberry – field (678.004), strawberry runners (3.752), tomatoes – field (54.423), sweet potato slips (8.709)

Table D: Permitted levels of production and consumption for 2012 (metric tonnes)

Australia	33.413
Canada	16.281
Japan	219.609
United States of America	922.826*

[* Minus available stocks.]

(UNEP/OzL.Pro.22/9, Decision XXII/6).

Duration of critical-use nominations of methyl bromide

The Sixteenth Meeting of the Parties decided:

1. to agree that the basis for extending the duration of critical-use nominations and exemptions of methyl bromide to periods greater than one year requires further attention;
2. to elaborate, as far as possible, at the Seventeenth Meeting of Parties a framework for spreading a critical-use exemption over more than one year and to agree that the following elements, among others, should be

taken into account:

- (a) annual reporting on:
 - (i) status of re-registration and review of methyl bromide;
 - (ii) status of registration of alternatives and substitutes for methyl bromide;
 - (iii) efforts to evaluate, commercialize and secure national regulatory approval of alternatives and substitutes;
 - (b) assessment of requests to reconsider approved critical-use exemptions in the case of exceptional circumstances;
 - (c) review of downward trends for different instances;
 - (d) assessments of nominations in the light of the alternatives database referred to in paragraph 1 of decision Ex.I/4, and comparisons with management strategies;
 - (e) applicability of existing decisions to methyl bromide critical-use exemptions longer than one year;
 - (f) additional conditions applicable to critical-use exemptions longer than one year;
3. to consider the technical justifications for spreading a critical-use exemption over more than one year, taking into account, among others, the following instances:
- (a) where the use patterns of methyl bromide are not regular on an annual or seasonal basis;
 - (b) where, for a specific use, no alternatives or emerging solutions are anticipated for several years;
 - (c) where a plan of implementation of an alternative stretches over several years;
 - (d) where management strategies include a complete time-bound phase-out for a nomination or sector or use.

(UNEP/OzL.Pro.16/17, Decision XVI/3).

Emergency methyl bromide use

The Ninth Meeting of the Parties decided to allow a Party, upon notification to the Secretariat, to use, in response to an emergency event, consumption of quantities not exceeding 20 tonnes of methyl bromide. The Secretariat and the Technology and Economic Assessment Panel will evaluate the use according to the "critical methyl bromide use" criteria and present this information to the next meeting of the Parties for review and appropriate guidance on future such emergencies, including whether or not the figure of 20 tonnes is appropriate.

(UNEP/OzL.Pro.9/12, Decision IX/7).

Regional data collection on methyl bromide

The Seventeenth Meeting of the Executive Committee, accepting in principle the need to consider funding requests related to methyl bromide but emphasizing, however, the desirability of such projects being submitted on a regional rather than an individual-country basis, approved three regional methyl bromide data-collection and demonstration workshops. In doing so, the Committee agreed that approval of those projects did not prejudice any other country-specific proposals for methyl bromide projects that may be submitted.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/8 para. 16).

Consultation with interested parties

The Nineteenth Meeting of the Executive Committee decided:

- (a) to note the need to coordinate work on this subject and to request the Fund Secretariat to consult with other interested parties, such as agricultural departments at the national level and the Food and Agriculture Organization of the United Nations at the international level, to ensure that all concerned were aware of and working towards the same goals;
- (b) to invite the United Nations Industrial Development Organization to take the lead in preparing, in collaboration with the other Implementing Agencies, a brief paper on the work currently in progress on alternatives to methyl bromide, funded both on bilateral and multilateral bases through financial programmes other than the Multilateral Fund, and to present it for the consideration of the Executive Committee at its Twentieth Meeting.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/5, para. 21).

Interim guidelines on methyl bromide demonstration projects

The Twentieth Meeting of the Executive Committee decided:

- (a) to adopt the interim guidelines on methyl bromide projects;
- (b) to allocate a sum of US \$100,000 to Implementing Agencies for preparation of demonstration projects on alternatives to methyl bromide ;
- (c) to request the Implementing Agencies to prepare a coordinated first tranche of projects with a total cost not exceeding US \$3 million;
- (d) to re-examine the applicability of the interim guidelines at its Twenty-second Meeting.
(*UNEP/OzL.Pro/ExCom/20/72, Decision 20/49, para. 75*).

[NOTE: The Interim Guidelines on methyl bromide demonstration projects were replaced by Guidelines for projects in the methyl bromide sector (Decision 24/12)].

Noting that there was US \$10 million in the 1997 business plan for methyl bromide demonstration projects over the next three years, US \$3 million of which was earmarked for 1997, US \$4 million for 1998 and US \$3 million for 1999, but that there was a possibility that the 1997 allocation would be exceeded, the Twenty-second Meeting of the Executive Committee decided that the US \$3 million for 1997 could be exceeded if necessary. Any adjustment of allocations would have to be approved by the Executive Committee.

(*UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/8, para. 23*).

The Executive Committee at its Twenty-third Meeting, noted that, owing to the low number of projects involved so far, it would be premature to attempt to establish general procedures for methyl bromide demonstration projects, in particular with regard to salary costs, and that the Implementing Agencies should prepare further projects similar to those so far approved, but using, where possible, more local experts with the objective of enhancing local expertise and reducing costs.

(*UNEP/OzL.Pro/ExCom/23/68, para. 34*).

Strategy and guidelines for methyl bromide investment projects

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the Secretariat to convene a meeting of Implementing Agencies and interested bilateral donors, with the participation of the Methyl Bromide Technical Options Committee and some interested non-governmental organizations, for the purpose of developing a strategy and guidelines for investment projects in the methyl bromide sector;
- (b) that, as guidelines for these already existed, demonstration projects should go ahead.
- (c) to urge the Implementing Agencies to make every effort to present well-considered investment projects in the methyl bromide sector during 1998 and based on the developments under point (a) above.

(*UNEP/OzL.Pro/ExCom/23/68, Decision 23/44, para. 72*).

The Twenty-fourth Meeting of the Executive Committee decided to approve the strategy and guidelines for the methyl bromide sector as appeared in document UNEP/OzL.Pro/ExCom/24/47 Annex IV).

NOTE: These guidelines have been supersede by the revised guidelines in Annex IX.15.

(*UNEP/OzL.Pro/ExCom/24/47, Decision 24/12, para. 33*).

(*Supporting document: UNEP/OzL.Pro/ExCom/24/18*).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to set up a working group, composed of Algeria, Brazil, Canada, China, Italy and the United States of America, to revise the existing guidelines for projects in the methyl bromide sector;
- (b) to request the Secretariat to prepare a document, incorporating information provided by experts in the field and by members of the Methyl Bromide Technical Options Committee, as well as findings from any of the Implementing Agencies' demonstration projects, for study by the working group and for submission to the Executive Committee at its Twenty-eighth Meeting.

(*UNEP/OzL.Pro/ExCom/27/48, Decision 27/86, para. 132*).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to commend the working group and its facilitator on the progress made;
- (b) to reconstitute the working group from members of the new Executive Committee to conclude the work on the guidelines for the methyl bromide sector;
- (c) to include the subject of the revision of the guidelines for the methyl bromide sector in the agenda for the next meeting of the Executive Committee;

- (d) to request the Secretariat, in conjunction with the relevant Implementing Agencies, to develop draft project templates for cost categories for specific priority applications; and
- (e) to continue using the existing guidelines until the new guidelines had been completed.
(UNEP/OzL.Pro/ExCom/29/65, Decision 29/68, para. 101).

The Thirtieth Meeting of the Executive Committee decided to re-establish the Working Group on Revision of the Guidelines for Methyl Bromide Projects, composed of Australia, Brazil, China, Dominican Republic, Germany, India, Netherlands, Tunisia, Uganda (convener) and the United States of America.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/3, para. 10).

The Thirty-second Meeting of the Executive Committee noting the efforts and recommendations of the working group, decided to adopt the revised guidelines for methyl bromide projects (Annex IX.15).

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/80, para. 100).

(Supporting document: UNEP/OzL.Pro/ExCom/32/40 and Corr.1).

Modality for project preparation in the field of methyl bromide

The Twenty-fourth Meeting of the Executive Committee decided:

- (a) that, in cases where a project was dropped from the work programme following this procedure, the Implementing Agencies could come forward with alternative proposals, to the degree consistent with the overall allowable funding level;
- (b) to underline the importance for the Implementing Agencies of ensuring that all project preparation work, particularly in the area of methyl bromide projects, was carried out with the necessary care and scrutiny to ensure the subsequent success of the project;
- (c) to urge Implementing Agencies to consider the use of locally-based experts and to contact Article 2 countries with a view to recruiting low- or no-cost government experts from those countries, to bring the double advantage of lowering costs and providing valuable knowledge;
- (d) to defer projects that did not fall within the scope of the priority list of crops for soil fumigation agreed in the strategy for methyl bromide for 15 months, until the strategy had been revised, after which time they could be resubmitted for consideration under the new eligibility criteria, except if methyl bromide consumption was growing.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/18, para. 41).

The Twenty-fifth Meeting of the Executive Committee decided to request the World Bank, in consultation with the representative of the United States of America and with the Bank's country partners, to explore the possibility of proposing to the Executive Committee at its 26th Meeting a new modality for the preparation of future project proposals in the field of methyl bromide that might, for example, involve employing a competitive tender approach for project implementation. The proposal would take into account the need to insure the best quality and dissemination of information.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/29, para. 59(b)).

The Twenty-sixth Meeting of the Executive Committee decided to note the need for co-operation between bilateral donors and Implementing Agencies to ensure that the infrastructure put in place for methyl bromide demonstration projects was used in related subsequent projects by different implementing entities in the same countries, in order to reduce overall expenditure.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/20, para. 44(ii)).

The Fifty-second Meeting of the Executive Committee decided that methyl bromide projects that did not have any outstanding policy or cost issues should in future be included in the list of projects for blanket approval.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/35, para. 156).

Usefulness of methyl bromide alternative demonstration projects

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the doubts expressed regarding the usefulness of methyl bromide alternative demonstration projects given that their long duration meant that they could have little impact on the ability of Parties to meet the 2002 freeze on methyl bromide consumption, and the need to move quickly to preparation of investment projects;
- (b) to further develop guidelines to cover investment projects in the course of the revision of the guidelines for projects in the methyl bromide sector, due in May 1999 in accordance with decision 24/12.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/32, para. 58).

Technical and financial support relating to methyl bromide alternatives

The Sixteenth Meeting of the Parties decided:

1. to reinforce the fact that Parties operating under paragraph 1 of Article 5 of the Montreal Protocol that use little or no methyl bromide need technical and financial assistance from the Multilateral Fund to enable them to identify environmentally safe strategies and plans effectively to implement the methyl bromide provisions of the Montreal Protocol;
2. to request the Ozone Secretariat to translate into the official United Nations languages and to publish in those languages a summary of the alternatives-related components of the reports prepared by the Methyl Bromide Technical Options Committee.

(UNEP/OzL.Pro.16/17, Decision XVI/8).

Flexibility in the use of alternatives for the phasing out of methyl bromide

The Sixteenth Meeting of the Parties considering that the development of alternatives to methyl bromide has come up against unforeseen difficulties, for certain crops such as melons, flowers and strawberries, owing to specific local and agricultural conditions, taking into account that these agricultural technologies need to be adapted and new expertise must to be put in place for such specific conditions, aware that the Parties operating under paragraph 1 of Article 5, facing this situation, seek continued technical support and the flexibility to adapt the necessary technical assistance in order to help build these capacities and find a more satisfactory solution to the use of alternatives, decided to request the appropriate bodies to evaluate the progress already made and the necessary adjustments to reach the stated goals.

(UNEP/OzL.Pro.16/17, Decision XVI/9).

Assistance programmes in countries with very low methyl bromide consumption

The Thirty-ninth Meeting of the Executive Committee decided to request Implementing Agencies and bilateral agencies in future to submit technical assistance programmes for the complete phase-out of methyl bromide in countries with very low methyl bromide consumption rather than requests for preparation of an investment project.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/38, para.76).

Inclusion of methyl bromide activities in business plans for countries that had not ratified the Copenhagen Amendment

The Thirty-sixth Meeting of the Executive Committee decided to take up the issue on the inclusion of methyl bromide activities in Implementing Agencies' business plans for countries that had not ratified the Copenhagen Amendment at its 37th Meeting.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/16, para. 50).

Inclusion of additional projects in existing methyl bromide phase-out agreements

The Thirty-fifth Meeting of the Executive Committee decided that the project from a country which had reported exceptional decreases in consumption below the agreed baseline should be deferred, pending clarification of the exceptional circumstances and whether the decrease was in fact only temporary.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/17 para. 48

Accelerated phase-out of methyl bromide by Article 5 Parties

The First Extraordinary Meeting of the Parties decided:

1. to request the Executive Committee to adopt a flexible approach when determining an appropriate course of action to deal with instances where a country has not met a reduction step specified in its methyl bromide accelerated phase-out agreement as a result of the specified circumstance not envisaged;
2. to invite the Executive Committee to consider, upon request by a Party, a prolongation of the final reduction step, but not beyond 2015, and to consider also the timing of related funding in the Party's existing agreement for the accelerated phase-out of methyl bromide in cases where the Party concerned has demonstrated that there are difficulties in implementing alternatives originally considered to be technically and economically feasible alternatives; and
3. to call upon the Executive Committee to adopt criteria for the prolongation of accelerated phase-out agreements when so requested by interested Parties. In developing such criteria, the Executive Committee

may request the advice of the Technology and Economic Assessment Panel and Methyl Bromide Technical Options Committee and consider any available information relating to the phase-out project of the Party concerned.

(UNEP/OzL.Pro.ExMP/1/3, Decision Ex.I/2).

The Forty-second Meeting of the Executive Committee decided:

- (a) to request the Multilateral Fund Secretariat to prepare for the 43rd Meeting of the Executive Committee, an appropriate document covering updated status of the implementation of approved projects for accelerated phase-out of methyl bromide, based on available information in the Secretariat and relevant bilateral and Implementing Agencies;
- (b) to invite Executive Committee Members to submit to the Secretariat, by 30 April 2004, their comments on the implementation of decision Ex.I/2 of the Parties; and
- (c) to consider, at its 43rd Meeting, the need to establish a contact group to consider the paper prepared by the Secretariat and any submission by the Executive Committee Members.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/49, para. 161).

The Forty-third Meeting of the Executive Committee decided: to adopt the following criteria for the submission of requests for the prolongation of accelerated phase-out agreements pursuant to decision Ex. I/2:

- (a) the Executive Committee shall evaluate each individual project at the request of the Party implementing the project;
- (b) the project shall be under implementation and demonstrate substantive advancements in its implementation;
- (c) the Party implementing the project shall submit its request for reconsideration, and all other relevant information to justify its case, to the Multilateral Fund Secretariat, which will communicate it to the Executive Committee Members eight weeks before the Meeting;
- (d) the information submitted by the Party shall include, among other items it may consider relevant:
 - (i) identification of unforeseen difficulties, as of the date of the signature of the commitment, that affect the development of the project (Note: these difficulties may include, inter alia: changes in the market, the proposed alternative is no longer available in the market, the proposed alternative has been demonstrated not to be applicable at the local level in specific conditions or for a specific crop, it has not been possible to register an alternative, cancellation of the registration of an alternative, etc.);
 - (ii) where the unforeseen difficulty is the lack of technical or economic feasibility of the alternatives, evidence of trials of alternatives to methyl bromide with negative results undertaken in the corresponding region of the country; and
 - (iii) submission of an action plan or alternative schedule for the phase out of methyl bromide (Note: The proposed action plan/alternative schedule should, at the least, agree with the control measure of the Montreal Protocol applicable to methyl bromide);
- (e) the renegotiation of the disbursements shall make it a priority not to affect the continuity of the project, given the importance of not interrupting the technological transfer process because of the characteristics of agricultural production; and
- (f) in its consideration of the projects with difficulties, the Executive Committee shall take into account whether exemptions for critical uses have been granted in non Article 5 countries, facing similar circumstances. In so doing, the Executive Committee may request the advice of the Technology and Economic Assessment Panel (TEAP) and the Methyl Bromide Technical Options Committee (MBTOC).

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/14, para. 75).

(Supporting document: UNEP/OzL.Pro/ExCom/43/19).

Final report on the evaluation of methyl bromide projects

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to note with appreciation the information provided in document UNEP/OzL.Pro/ExCom/46/7 on evaluation of methyl bromide projects;
- (b) to urge:
 - (i) Bilateral and/or Implementing Agencies and National Ozone Units (NOUs), as required by the revised

- strategy and guidelines for projects in the methyl bromide sector, to involve more fully all key stakeholders such as relevant government agencies, farmers and farmers' associations, fumigation companies using methyl bromide, methyl bromide importers, suppliers of alternative technologies, research institutions/universities, public and private extension services and non governmental organizations in project preparation and implementation and, where appropriate, to encourage the use of steering committees to coordinate project implementation;
- (ii) Bilateral and/or Implementing Agencies and NOUs to analyse in greater detail the long-term sustainability and economical viability of alternatives to methyl bromide during project preparation and implementation, taking into full consideration the equipment needed, its maintenance and servicing, and the operational costs, and to share the results of the analysis among major stakeholders associated with the project;
 - (iii) Bilateral and/or Implementing Agencies to assist the relevant government authorities, where possible and appropriate, to develop policy measures from the onset of project implementation, directed to eliminating methyl bromide use and to sustaining the alternative technologies on a permanent basis, and to provide specific information in that respect in regular progress reports;
 - (iv) Bilateral and/or Implementing Agencies and NOUs to implement the integrated pest management component of the project during the entire project cycle through interdisciplinary technical teams (which could include research and extension staff specializing in plant pathology, weed control, crop production and application of pesticides) with a view to reducing methyl bromide use and emissions, where technically and economically feasible, during the transitional period until total phase-out, as well as to enhance the overall effectiveness and sustainability of implementing the alternative technology;
 - (v) Bilateral and Implementing Agencies to continue submitting, for consideration by the Executive Committee, annual progress reports on the implementation of methyl bromide phase-out projects as mandated in the relevant agreements between the governments concerned and the Executive Committee, providing in all such reports information on results achieved so far, problems overcome and lessons learned and, where applicable, a plan of action for the subsequent tranche of a multi year phase-out project;
- (c) to request UNEP and UNIDO to continue updating and maintaining the joint website on methyl bromide alternatives based on the experience gained in implementation of methyl bromide phase-out projects and, for this purpose, to request bilateral and/or the other Implementing Agencies to add to the website, through links or directly, their experiences in the implementation of their methyl bromide projects, including information on logistical, regulatory and technical barriers; and
- (d) to request relevant bilateral and/or Implementing Agencies to explore the feasibility of regional agreements between Article 5 countries facing similar issues regarding the phase-out of methyl bromide, for example for countries producing melons in Central America, or cut flowers and/or tobacco crops in some African countries, in order to facilitate the phase-out of methyl bromide, standardize regulations and minimize the risk of illegal trade.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/5, para. 40).

(Supporting document: UNEP/OzL.Pro/ExCom/46/7).

The Sixty-sixth Meeting of the Executive Committee decided to take note of the information provided in document UNEP/OzL.Pro/ExCom/66/15, including the proposed evaluation issues and approach for the final phase of the evaluation of methyl bromide projects.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/13, para. 62).

(Supporting document: UNEP/OzL.Pro/ExCom/66/15).

HALON SECTOR

Availability of halons

The Eighth Meeting of the Parties decided:

1. to note with appreciation the work done by the Technology and Economic Assessment Panel and its Halons Technical Options Committee pursuant to decision VII/12 of the Seventh Meeting of the Parties;
2. to request the Technology and Economic Assessment Panel and its Halons Technical Options Committee to carry out, on the basis of existing information, further studies on the future availability of halons to meet the

demands for use in applications that are deemed critical by Parties not operating under Article 5, and to report to the Ninth meeting of the Parties;

3. to request Parties not operating under Article 5 to estimate the approximate surplus or deficit relative to their assessment of their critical needs and to submit this information, together with an explanation of how it was determined, to the Industry and Environment Programme Activity Centre of the United Nations Environment Programme by 31 December 1997;
4. to request the Technology and Economic Assessment Panel and its Halons Technical Options Committee to evaluate the information received from Parties, and to make an assessment, if possible, for the Tenth Meeting of the Parties of whether there will be adequate quantities of halon to meet future needs for critical applications of Parties not operating under Article 5, and;
 - (a) if there is a shortfall, either overall or in individual Parties, to propose action which may be taken to enable that shortfall to be overcome; or
 - (b) if there is a surplus, either overall or in individual Parties, to provide guidance on appropriate policies for disposal or redeployment, bearing in mind the needs of other Parties not operating under Article 5, as well as the needs of Parties operating under Article 5, and to identify any potential barriers to such disposal and what steps may be needed to overcome them.

(UNEP/OzL.Pro.8/12, Decision VIII/17).

The Nineteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to undertake a further study on projected regional imbalances in the availability of halon 1211, halon 1301 and halon 2402 and to investigate and propose mechanisms to better predict and mitigate such imbalances in the future;
2. to request the Technology and Economic Assessment Panel, when undertaking the study, to consult with the Secretariat of the Multilateral Fund on the outcomes of its study on the operation of halon banks around the world and to use such information from that study as may be relevant to its own review;
3. to request the Ozone Secretariat to make available 2004, 2005 and 2006 halon consumption figures by type of halon to the Technology and Economic Assessment Panel for its study;
4. to request the Technology and Economic Assessment Panel to submit its study in time to allow the Twentieth Meeting of the Parties to consider its results;
5. to encourage Parties which have requirements for halon 1211, halon 1301 and halon 2402 to provide the following information to the Ozone Secretariat by 1 April 2008 to assist the Technology and Economic Assessment Panel with its study:
 - (a) projected need for halon 1211, halon 1301 and halon 2402 to support critical or essential equipment through the end of its useful life;
 - (b) any difficulties experienced to date, or foreseen, in accessing adequate halons to support critical or essential equipment;
6. to encourage Parties, on a regular basis, to inform their critical users of halons, including the maritime industries, the aviation sector and the military, of the need to prepare for reduced access to halons in the future and to take all actions necessary to reduce their reliance on halons;
7. to request the Ozone Secretariat to write to the International Maritime Organization secretariat and to the secretariat of the International Civil Aviation Organization to draw their attention to the decreasing availability of halons for marine and aviation uses and to the need to take all actions necessary to reduce reliance on halons in their respective sectors.

(UNEP/OzL.Pro.19/7, Decision XIX/16).

Halon management strategies

The Tenth Meeting of the Parties decided:

1. to request all Parties to develop and submit to the Ozone Secretariat a national or regional strategy for the management of halons, including emissions reduction and ultimate elimination of their use;
2. to request Parties not operating under Article 5 to submit their strategies to the Ozone Secretariat by the end of July 2000;

3. in preparing such a strategy, Parties should consider issues such as:
 - (a) discouraging the use of halons in new installations and equipment;
 - (b) encouraging the use of halon substitutes and replacements acceptable from the standpoint of environment and health, taking into account their impact on the ozone layer, on climate change and any other global environmental issues;
 - (c) considering a target date for the complete decommissioning of non-critical halon installations and equipment, taking into account an assessment of the availability of halons for critical uses;
 - (d) promoting appropriate measures to ensure the environmentally safe and effective recovery, storage, management and destruction of halons;
4. to request the Technology and Economic Assessment Panel to update its assessment of the future need for halon for critical uses, in light of these strategies;
5. to request the Technology and Economic Assessment Panel to report on these matters to the Twelfth Meeting of the Parties.

(UNEP/OzL.Pro.10/9, Decision X/7).

Portable fire extinguishers

The Sixteenth Meeting of the Executive Committee agreed to give priority to the preparation of projects in the fire extinguisher sub-sector over the next few years. In this regard, Implementing Agencies should, over the next three years, develop and submit projects to phase-out the entire halon fire extinguisher sub-sector in Article 5 countries. During this time frame, the Executive Committee would consider projects in this sub-sector taking into consideration six months of operating cost/savings. Following this time frame, the calculation of incremental cost/savings would be expected to revert to the four-year level that had been the tradition for this sub-sector.

(UNEP/OzL.Pro/ExCom/16/20, para. 81).

(Supporting document: UNEP/OzL.Pro/ExCom/16/16).

The Executive Committee also agreed to the following special arrangements:

- (a) to avoid unintentional market distortions, projects should be submitted to phase-out the country's entire fire extinguisher sub-sector and the funding distributed among all manufacturers in the sub-sector. However, for countries with more than five halon extinguisher enterprises, the projects could be submitted in groups of enterprises that were likely to be competitive for the same market within the country;
- (b) to ensure that the project objectives were fulfilled, the government should clearly indicate that the use of halon 1211 in the sub-sector covered by the project approved by the Committee should be prohibited through import bans or commitments to reduced halon production, or both;
- (c) agreements should be reached with upstream substitute producers whose conversion was supported by the Fund to determine the appropriate input prices for substitutes used by downstream manufacturers to avoid double-counting; and
- (d) to standardize project proposals and facilitate an expeditious review, baseline and with-project capital and operating costs should be presented in project proposals.

(UNEP/OzL.Pro/ExCom/16/20, para. 82).

(Supporting document: UNEP/OzL.Pro/ExCom/16/16).

The Eighteenth Meeting of the Executive Committee decided that flexibility should be shown in the case of large halon-producing enterprises, but that the burden of proving the need for conversion to a range of technologies should be placed on the enterprise. It also underlined the desirability of maintaining the 85-15 per cent ratio of ABC-powder/carbon dioxide after conversion of the sector.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/4, para. 16(b)).

(Supporting document: UNEP/OzL.Pro/ExCom/16/16).

The Executive Committee requested Article 5 countries with several halon fire extinguisher manufacturers to include in their sub-sector phase-out requests for funding a plan for the distribution of the country's total sectoral incremental costs to address any unintentional market distortions, and the Implementing Agencies to provide an itemization of all miscellaneous and capital costs, to utilize a materials balance approach to the calculation of incremental operating costs/savings in the halon fire extinguisher sub-sector and to specify the after-conversion product line in terms of the sizes of fire extinguishers to be produced as a result of the conversion.

(UNEP/OzL.Pro/ExCom/18/75, Annex V, paras. 1-2).

(Supporting document: UNEP/OzL.Pro/ExCom/16/16).

The Nineteenth Meeting of the Executive Committee, having considered the document on the re-examination of guidelines for halon fire extinguisher conversion projects prepared by the Secretariat (UNEP/OzL.Pro/ExCom/19/56), decided:

- (b) that there was no need at present to amend any of the existing provisions of the guidelines for halon fire extinguisher conversion projects; and
- (c) to note that the Fund Secretariat and the Implementing Agencies would develop a joint paper proposing an addition to the guidelines to address capital and operating costs.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/33, para. 58(b, c)).

The Twentieth Meeting of the Executive Committee decided:

- (a) that priority funding should be given for the preparation of projects in the halon fire extinguisher subsector in its business planning for 1997;
- (b) that, as an interim measure before the Committee took a decision on whether or not to endorse the agreement on eligible cost categories in document UNEP/OzL.Pro/ExCom/20/66 as an addition to the guidelines, the Implementing Agencies should use those categories in preparing projects for the halon fire extinguisher subsector for submission to the next meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/46, para. 69).

(Supporting document: UNEP/OzL.Pro/ExCom/20/66).

Halon banking

The Fourth Meeting of the Parties urged the Parties to encourage recovery, recycling and reclamation of halons in order to meet the needs of all Parties, particularly those operating under paragraph 1 of Article 5 of the Protocol; and to call upon Parties importing recovered or recycled substances in Group II of Annex A to apply, when deciding on the use of those substances, the essential-use criteria set out in the 1991 report of the Halons Technical Options Committee. The purpose of these criteria is to minimize the use of halons in non-essential applications.

(UNEP/OzL.Pro/4/15 Decision IV/26 (paras. 1, 2)).

The Fourth Meeting of the Parties requested the Industry and Environment Programme Activity Centre of the United Nations Environment Programme to function as a clearing-house for information relevant to international halon bank management and further request the Centre to liaise with and coordinate its activities with the Implementing Agencies designated under the Financial Mechanism to encourage Parties to provide pertinent information to the clearing-house.

(UNEP/OzL.Pro/4/15 Decision IV/26, para. 4).

The Thirteenth Meeting of the Executive Committee recommended that UNEP and UNDP should examine arrangements that could be made for a regional or national approach to halon recycling and banking, depending on the specific circumstances of the country involved.

(UNEP/OzL.Pro/ExCom/13/47, para. 101).

The Seventeenth Meeting of the Executive Committee decided:

- (a) to request the Secretariat to prepare, for consideration by the Executive Committee at its Eighteenth Meeting, draft guidelines for halon banking based on activities at a regional, country or enterprise level, which could include requirements for a regulatory framework, taking into account information provided by the Halon Technical Options Committee and any experience with this issue that Parties might make available to it;
- (b) that projects would be evaluated in the light of the guidelines referred to in subparagraph (a) above.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/5 para. 13a and b).

The Eighteenth Meeting of the Executive Committee decided:

- (a) to approve on an interim basis the guidelines as follows:
 - (i) countries with installed capacities exceeding 250 MT of Halon 1301 and 1,000 MT of Halon 1211 should be classified as countries with a high-level of installed capacity and should qualify for reclamation facilities for Halon 1301 and Halon 1211, respectively;
 - (ii) countries with a medium level of installed capacity (250 MT of Halon 1301 and 1,000 MT of Halon 1211) should be classified for servicing requirements with Halon 1211 and Halon 1301 recycling and recovery machines. The number will depend on national conditions, but Halon 1301 and Halon 1211 recycling and recovery machines depend on the size of country and the location of main/critical users;

- (iii) countries with a low level of installed capacity should qualify for a one time funding of US \$25,000 which can be used for the acquisition of recycling equipment or as an incentive to recover halons from existing systems, or the establishment of exchange programmes to be decided by the country;
 - (iv) the brokerage function of identifying sources of supply for those with an identified need should be handled by a steering committee consisting of authorities, the fire protection industry, and main users;
 - (v) regulations facilitating production and import bans should be established within six months after the reclamation centre is set up; and
 - (vi) halon banking operations could be established for eligible countries. The costs for providing capital equipment and management range from US \$250,000 to US \$500,000. Funds for Halon 1211/Halon 1301 reclamation centres could, if appropriate, be provided on a concessional basis containing a 25 per cent grant component;
- (b) to consider for intersessional approval, bilateral co-operation projects that had been previously submitted, for demonstration purposes on the basis of a full grant component;
 - (c) to consider at its next Meeting, the approval of two demonstration projects per region for countries with a low level of installed capacity, as defined in the interim guidelines, at a proposed level of US \$70,000 per country; and
 - (d) that, in order to facilitate a final decision by the Executive Committee on halon-banking guidelines, the Secretariat and the Implementing Agencies should closely monitor these projects as a basis for assessing the interim guidelines in terms of their commercial viability and their financial impact of on the Fund, and for assessing the possibility of establishing a regional halon-banking programme, including the possibility of a concessional loan component.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/22, para. 51.).

(Supporting document: UNEP/OzL.Pro/ExCom/18/16).

The Twenty-eighth Meeting of the Executive Committee decided to request UNEP to pursue its efforts to make halon bank management clearing-house services even more cost-effective and to report to the Twenty-ninth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/13, para. 27(d)).

Evaluation of halon projects

The Thirty-seventh Meeting of the Executive Committee decided to take note of the report on the desk study on halon projects presented in document UNEP/OzL.Pro/ExCom/37/6, and request the Senior Monitoring and Evaluation Officer to proceed with the field evaluations taking into account the comments received.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/4, para. 30).

(Supporting document: UNEP/OzL.Pro/ExCom/37/6).

The Forty-fourth Meeting of the Executive Committee decided:

- (a) in view of the particularly high ODP values of halons, to continue to consider the volume of funding for countries with low volumes of installed halon capacities with some degree of flexibility regarding the one-time funding of US \$25,000 foreseen in the Halon Banking Guidelines. Taking into account this flexibility, to allow the submission of halon banking update projects for countries which had received less than US \$50,000 for halon banking;
- (b) that countries with low volumes of installed halon capacities should concentrate project activities on stakeholders workshops, training, development of import controls/bans and awareness-raising, and consider the usefulness of the creation of a regional clearing house for providing information on sources for recycled halons and on alternatives. The import controls/bans should include provisions for the allowance of imports of recycled and/or reclaimed halons;
- (c) that recycling equipment should only be funded (i) if a significant volume of installed halon capacities in the country or region had been clearly established; (ii) if alternative recycling facilities in the country or region were not available in the medium and long terms, or were in poor condition; (iii) if the technical competence and economical viability of the proposed host company or institution had been demonstrated; (iv) if a network of recovery centres had or would be established, so as to ensure that the recycling equipment was used; and (v) if a regulatory framework which established periodical checks of equipment containing halons was in place;

- (d) to request bilateral and Implementing Agencies concerned to assist the companies or institutions hosting recovery and recycling centres to review the original planning agreed by the countries and stakeholders in developing a new business plan, which should include calculations of operational costs and projections of revenues, as well as costs and modalities for transporting halon and/or equipment to and from clients. New projects should also include a detailed business plan;
- (e) to request the Government of Germany, in cooperation with the countries concerned, to update the plan for the regional halon projects in West Asia and Eastern and Southern Africa within the framework of the funding approved, and taking into account recovery and recycling facilities in the countries and regions in order to realize full phase-out of virgin halon consumption while assuring the supply of recycled halons from either national or regional recovery and recycling centres, and to report upon the plan's preparation and implementation in the progress report covering the year 2004;
- (f) that countries participating in regional halon projects with recovery and recycling equipment should develop, during project preparation, a clear understanding and agreement about the use of the recovery and recycling equipment funded. This should include the processing fees and transport and storage costs, and the coverage of deficits, if they arose, as well as the lifting of any impediments to trade in recovered and recycled halons in the region, if such restrictions existed. In that context, the use of funds under the projects for temporary assistance for funding operating costs should be defined as well;
- (g) to recommend that the Meetings of the Parties to the Montreal Protocol draw upon the experience of the Executive Committee in the halon sector in their consideration of the need to review the status of destruction technologies in 2005 envisaged in decision XIV/6 and in the light of decision XV/9 of the Meetings of the Parties; and
- (h) to request UNEP to use fully the capacities of the recently-recruited Compliance Assistance Programme Officer for the halon sector, located in the Regional Office for West Asia, for providing interested parties with information on alternatives to halon and on regulations and standards. This should be achieved via presentations to network meetings and national stakeholder workshops, individual advice by telephone, e-mail and, if necessary, missions to selected Article 5 countries, in particular in cases of non-compliance.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/8, para. 63).

(Supporting document: UNEP/OzL.Pro/ExCom/44/10).

Plan of action to modify regulatory requirements that mandate the use of halons on new airframes

The Fifteenth Meeting of the Parties decided to authorize representatives of the Ozone Secretariat and the Technology and Economic Assessment Panel to engage in discussions with the relevant International Civil Aviation Organization bodies in the development of a timely plan of action to enable consideration of the possibility that modifying the regulatory requirements that mandate the use of halons on new airframes may be feasible without compromising the health and safety of airline passengers, and to report thereon to the sixteenth Meeting of the Parties.

(UNEP/OzL.Pro.15/9, Decision XV).

The Twenty-first Meeting of the Parties decided:

1. To express the Parties' continued support for the implementation of mandatory dates by when halon alternatives will be used in previously agreed upon applications of newly designed aircraft;
2. To request TEAP and its HTOC to continue to engage ICAO on this issue and to report progress on this issue to the twenty second Meeting of the Parties;
3. To encourage Parties that have implemented import and/or export restrictions of recovered, recycled or reclaimed halons to consider reassessing their situation with a view towards removing barriers on the import and export of recovered, recycled or reclaimed halons to allow, wherever possible, their free movement between Parties to enable Parties to meet current and future needs, even as Parties continue to transition to available halon alternatives;
4. To encourage Parties to refrain from destroying uncontaminated recovered, recycled, or reclaimed halons before they have considered their domestic, as well as the global long-term future needs for halons, and to consider retaining uncontaminated recovered, recycled, reclaimed halons for anticipated future needs in a manner that employs best practices for storage and maintenance, in order to minimize emissions;
5. To encourage Parties to report their assessments of current and long-term future needs for halons to the Ozone

Secretariat for use by the TEAP and its HTOC in their future assessments of management of halon banks.

6. To continue to encourage Parties to inform, on a regular basis, their users of halons, including the maritime industries, the aviation sector and the military, of the need to prepare for reduced access to halons in the future and to take all actions necessary to reduce their reliance on halons.

(UNEP/OzL.Pro.21/8, Decision XXI/7).

The Twenty-second Meeting of the Parties decided:

1. To request the Secretariat to convey to the International Civil Aviation Organization secretariat the parties' appreciation for the continued work of its General Assembly and the adoption of resolution A37-9;
2. To express the parties' continued support for the implementation of mandatory dates by which halon alternatives will be used in previously agreed-on applications in newly designed or newly produced aircraft consistent with resolution A37-9;
3. To request that the Secretariat ask the International Civil Aviation Organization secretariat to send halon reserves data reported to the International Civil Aviation Organization to the Secretariat annually;
4. To request that the Technology and Economic Assessment Panel and the Halons Technical Options Committee continue to engage with the International Civil Aviation Organization on further uses of halon on aircraft and report on progress at the Twenty-Third Meeting of the Parties;

(UNEP/OzL.Pro.22/9, Decision XXII/11).

Availability of recovered, recycled or reclaimed halons

The Twenty-sixth Meeting of the Parties decided:

1. To encourage parties, on a voluntary basis, to liaise, through their national ozone officers, with their national civil aviation authorities to gain an understanding of how halons are being recovered, recycled or reclaimed to meet purity standards for aviation use and supplied to air carriers to meet ongoing civil aviation needs and on any national actions being taken to expedite the replacement of halons in civil aviation uses as called for by the Assembly of the International Civil Aviation Organization in its resolutions A37-9 and A38-9;
2. To also encourage parties, on a voluntary basis, to submit information provided in accordance with paragraph 1 of the present decision to the Ozone Secretariat by 1 September 2015;
3. To invite parties, on a voluntary basis, to reassess any national import and export restrictions other than licensing requirements with a view to facilitating the import and export of recovered, recycled or reclaimed halons and the management of stocks of such halons with the aim of enabling all parties to meet remaining needs in accordance with domestic regulations even as they make the transition to halon alternatives;
4. To request the Technology and Economic Assessment Panel, through its Halons Technical Options Committee:
 - (a) To continue to liaise with the International Civil Aviation Organization to facilitate the transition to halon alternatives, to approach the International Maritime Organization to estimate the amount and purity of halon 1211 and 1301 available from the breaking of ships and to report information on global stocks of recovered halons to the parties in its 2015 progress report;
 - (b) To report on existing and emerging alternatives for halons, including information on their characteristics and their rate of adoption, in particular for aviation uses;
5. To request the Ozone Secretariat to report to the parties, prior to the thirty-seventh meeting of the Open-ended Working Group, any information provided by parties in accordance with paragraph 1 of the present decision;

(UNEP/OzL.Conv.10/7-UNEP/OzL.Pro.26/10, Decision XXVI/7).

The Twenty-ninth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel, through its Halons Technical Options Committee:
 - (a) To continue to liaise with the International Civil Aviation Organization on the development and implementation of alternatives to halons, and their rate of adoption by civil aviation, and to report thereon in its 2018 progress report;
 - (b) To explore the possibility of forming a joint working group with the International Civil Aviation Organization to develop and thereafter carry out a study to determine the current and projected future

quantities of halons installed in civil aviation fire protection systems, the associated uses and releases of halons from those systems and any potential courses of action that civil aviation could take to reduce those uses and releases;

(c) To submit a report on the work of the joint working group, if established under paragraph 1 (b) above, before the Thirtieth Meeting of the Parties and the fortieth session of the Assembly of the International Civil Aviation Organization for consideration and potential further action;

2. To invite parties, on a voluntary basis, to reassess any national import and export restrictions other than licensing requirements with a view to facilitating the import and export of recovered, recycled or reclaimed halons and the management of stocks of such halons with the aim of enabling all parties to meet remaining needs in accordance with national regulations even as they make the transition to alternatives to halons;
3. To encourage parties to refrain from destroying uncontaminated recovered, recycled or reclaimed halons before they have considered their national and the global long-term future needs for halons, and to consider retaining uncontaminated recovered, recycled or reclaimed halons for anticipated future needs in a manner that employs best practices for storage and maintenance, in order to minimize emissions;

(UNEP/OzL.Pro.29/8, Decision XXIX/8).

The Thirtieth Meeting of the Parties decided:

1. To request that the Ozone Secretariat liaise with the secretariat of the International Maritime Organization in order to facilitate the exchange of information between relevant technical experts regarding halon availability;
2. To request that the Technology and Economic Assessment Panel, through its Halons Technical Options Committee:
 - (a) Continue engaging with the International Maritime Organization and the International Civil Aviation Organization, consistent with paragraph 4 of decision XXVI/7 and paragraph 1 of decision XXIX/8, to better assess future amounts of halons available to support civil aviation and to identify relevant alternatives already available or in development;
 - (b) Identify ways to enhance the recovery of halons from the breaking of ships;
 - (c) Identify specific needs for halon, other sources of recoverable halon, and opportunities for recycling halon in parties operating under paragraph 1 of Article 5 of the Protocol and parties not so operating; and
 - (d) Submit a report on halon availability, based on the above-mentioned assessment and identification activities, to the parties in advance of the forty-second meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol.

(UNEP/OzL.Pro.30/11, Decision XXX/7)

PROCESS AGENTS

The Seventeenth Meeting of the Executive Committee decided that projects involving process agents should be deferred until the Parties had taken a decision on the issue.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/13 para. 22).

Subsequently, the Seventh Meeting of the Parties, recognizing the need to restrict emissions of ozone-depleting substances from process-agent applications, decided to continue to treat process agents in a manner similar to feedstock only for 1996 and 1997; and to decide in 1997, following recommendations by the Technology and Economic Assessment Panel and its relevant subgroups, on modalities and criteria for a continued use of controlled substances as process agents, and on restricting their emissions, for 1998 and beyond.

(UNEP/OzL.Pro.7/12 Decision VII/10).

The Tenth Meeting of the Parties recognizing the usefulness of having the controlled substances produced and used as process agents clearly delineated within the Montreal Protocol, decided:

1. that, for the purposes of this decision, the term "process agents" should be understood to mean the use of controlled substances for the applications listed in Table A (as revised by the Fifteenth and Seventeenth Meetings of the Parties) (Annex IX.16);
2. for non-Article 5 Parties, to treat process agents in a manner similar to feedstock for 1998 and until 31 December 2002;

3. that quantities of controlled substances produced or imported for the purpose of being used as process agents in plants and installations in operation before 1 January 1999, should not be taken into account in the calculation of production and consumption from 1 January 2002 onwards, provided that:
 - (a) in the case of non-Article 5 Parties, the emissions of controlled substances from these processes have been reduced to insignificant levels as defined for the purposes of this decision in Table B (Annex IX.16);
 - (b) in the case of Article 5 Parties, the emissions of controlled substances from process-agent use have been reduced to levels agreed by the Executive Committee to be reasonably achievable in a cost-effective manner without undue abandonment of infrastructure. In so deciding, the Executive Committee may consider a range of options as set out in paragraph 5 below;
4. that all Parties should:
 - (a) report to the Secretariat by 30 September 2000 and each year thereafter on their use of controlled substances as process agents, the levels of emissions from those uses and the containment technologies used by them to minimize emissions of controlled substances. Those non-Article 5 Parties which have still not reported data for inclusion in tables A and B are urged to do so as soon as possible and in any case before the nineteenth meeting of the Open Ended Working Group;
 - (b) in reporting annual data to the Secretariat for 2000 and each year thereafter, provide information on the quantities of controlled substances produced or imported by them for process-agent applications;
5. that the incremental costs of a range of cost-effective measures, including, for example, process conversions, plant closures, emissions control technologies and industrial rationalization, to reduce emissions of controlled substances from process-agent uses in Article 5 Parties to the levels referred to in paragraph 3 (b) above should be eligible for funding in accordance with the rules and guidelines of the Executive Committee of the Multilateral Fund;
6. that the Executive Committee of the Multilateral Fund should, as a matter of priority, strive to develop funding guidelines and begin to consider initial project proposals during 1999;
7. that Parties should not install or commission new plant using controlled substances as process agents after 30 June 1999, unless the Meeting of the Parties has decided that the use in question meets the criteria for essential uses under decision IV/25;
8. to request the Technology and Economic Assessment Panel and the Executive Committee to report to the Meeting of the Parties in 2001 on the progress made in reducing emissions of controlled substances from process-agent uses and on the implementation and development of emissions-reduction techniques and alternative processes not using ozone-depleting substances and to review tables A and B of the present draft decision and make recommendations for any necessary changes.

(UNEP/OzL.Pro.10/9, Decision X/14).

(UNEP/OzL.Pro.15/9, Decision XV/6).

(UNEP/OzL.Pro.17/11, Decision XVII/7).

The Thirteenth Meeting of the Parties decided to request the Technology and Economic Assessment Panel to finalize its evaluation, as requested by decision X/14, and report to the Parties at the 22nd Meeting of the Open-ended Working Group, in 2002.

(UNEP/OzL.Pro.13/10, Decision XIII/13).

The Fifteenth Meeting of the Parties decided:

1. to note that decision X/14 called on the Technology and Economic Assessment Panel and the Executive Committee to review the list of process agent uses in table A of that decision, and to make appropriate recommendations for changes to the table;
2. to note that several Parties are submitting requests to have certain uses reviewed by the Technology and Economic Assessment Panel for inclusion in table A of decision X/14 as process-agent uses;
3. to request the Technology and Economic Assessment Panel to review requests for consideration of specific uses against decision X/14 criteria for process agents, and make recommendations to the Parties annually on uses that could be added to or removed from table A of decision X/14;
4. to remind Article 5 Parties and non-Article 5 Parties with process agent applications listed in table A to decision X/14, as revised, that they shall report in accordance with paragraph 4 of decision X/14 on the use

of controlled substances as process agents, the levels of emissions from those uses, and the containment technologies used by them to minimize emissions. In addition, Article 5 Parties with listed uses in table A, as revised, shall report to the Executive Committee on progress in reducing emissions of controlled substances from process-agent uses and on the implementation and development of emissions-reduction techniques and alternative processes not using ozone depleting substances;

5. to request the Technology and Economic Assessment Panel and the Executive Committee to report to the Open-ended Working Group at its twenty fifth session, and every other year thereafter unless the Parties decide otherwise, on the progress made in reducing emissions of controlled substances from process-agent uses and on the implementation and development of emissions-reduction techniques and alternative processes not using ozone depleting substances;
6. to note that, because the 2002 report of the Technology and Economic Assessment Panel lists the process-agent applications in the table below as having non-negligible emissions, those applications are to be considered process-agent uses of controlled substances in accordance with the provisions of decision X/14 for 2004 and 2005, and are to be reconsidered at the Seventeenth Meeting of the Parties based on information reported in accordance with paragraph 4 of the present decision and paragraph 4 of decision X/14;
7. to note that, because the two uses of controlled substances at the end of the table below were submitted to the Technology and Economic Assessment Panel but not formally reviewed, those applications are to be considered process agent uses of controlled substances in accordance with the provisions of decision X/14 for 2004 and 2005, and are to be reconsidered at the Seventeenth Meeting of the Parties based on information reported in accordance with paragraph 4 of the present decision and paragraph 4 of decision X/14.

(UNEP/OzL.Pro.15/9, Decision XV/7).

The Seventeenth Meeting of the Parties decided:

1. to remind Parties operating under paragraph 1 of Article 5 and Parties not so operating with process agent applications listed in table A to decision X/14, as revised, that they shall report annually in accordance with paragraph 4 of decisions X/14 and XV/7, respectively, on the use of controlled substances as process agents;
2. in addition to paragraph 1 above, to request Parties that have emissive use of process agent uses listed in decisions XVII/7 and XVII/8 to submit data before 31 December 2006 to the Secretariat and the Technology and Economic Assessment Panel on plant start-up date, annual capacity subject to applicable laws providing for commercial or other confidentiality protection, and make-up or consumption of controlled ozone-depleting substances, total emissions of ozone depleting substances per year, and confirm that the plant using the controlled substances has been in continuous operations since 30 June 1999;
3. to note that the process-agent applications listed in decision XVII/8 are to be considered as process-agent uses in accordance with the provisions of decision X/14 and are to be confirmed as process agents at the Nineteenth Meeting of the Parties in 2007 based on the information reported in accordance with paragraphs 1 and 2 of the present decision;
4. where Parties install or commission new plant after 30 June 1999, using controlled substances as process agents, to request Parties to submit their applications to the Ozone Secretariat and the Technology and Economic Assessment Panel by 31 December 2006, and by 31 December every subsequent year or otherwise in a timely manner that allows the Technology and Economic Assessment Panel to conduct an appropriate analysis, for consideration subject to the criteria for essential uses under decision IV/25, in accordance with paragraph 7 of decision X/14;
5. to agree that the exemptions referred to in decision X/14 are process-agent uses until a subsequent decision of the Parties declares otherwise, and that the exemptions should not be permanent and should be subject to regular review by the Parties with the aim of retaining or removing process agent uses;
6. to request the Technology and Economic Assessment Panel and the Executive Committee to report to the Open-ended Working Group at its twenty-seventh meeting in 2007, and every other year thereafter unless the Parties decide otherwise, on the progress made in reducing emissions of controlled substances from process-agent uses; the associated make-up quantity of controlled substances; on the implementation and development of emissions-reduction techniques and alternative processes and products not using ozone-depleting substances;
7. to request the Technology and Economic Assessment Panel to review the information submitted in

accordance with the present decision and to report and make recommendations to the Parties at their Twentieth Meeting in 2008, and every other year thereafter, on process-agent use exemptions; on insignificant emission associated with a use, and process-agent uses that could be added to or deleted from table A of decision X/14;

8. to request Parties with process-agent uses to submit data to the Technology and Economic Assessment Panel by 31 December 2007 and 31 December of each subsequent year on opportunities to reduce emissions listed in table B and for the Technology and Economic Assessment Panel to review in 2008, and every other year thereafter, emissions in table B of decision X/14, taking into account information and data reported by the Parties in accordance with that decision, and to recommend any reductions to the make-up and maximum emission on the basis of that review. On the basis of these recommendations, the Parties shall decide on reductions to the make-up and maximum emissions with respect to table B.

(UNEP/OzL.Pro.17/11, Decision XVII/6).

The Forty-fourth Meeting of the Executive Committee decided to authorize the Secretariat to hire an expert consultant to catalogue process agent uses in Article 5 Parties and their related emission levels, with the proviso that options for addressing emission reductions would not be analysed.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/65, para. 266).

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to request the Secretariat:

- (i) to finalize the draft report on process agent uses in Article 5 Parties and their related emission levels to the Open-ended Working Group, incorporating the views of members of the Executive Committee expressed at the 45th Meeting and to obtain the approval of the Chair of the Executive Committee;
- (ii) to submit the report to the 25th Meeting of the Open-ended Working Group, together with the technical study to catalogue process agent uses and emission levels involving substances controlled under the Montreal Protocol in countries operating under Article 5.1 of the Protocol, with the recommendation that the technical study be made available to the 25th Meeting as an information document; and

- (b) to request the World Bank to consult with UNIDO to ascertain whether the technology proposed for use in the CtC phase-out plan for the Democratic People's Republic of Korea was applicable to the similar use in China for which emission controls were currently proposed.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/61, para. 200).

(Supporting document: UNEP/OzL.Pro/ExCom/45/53).

The Seventeenth Meeting of the Parties decided to adopt the following uses of controlled substances as an interim table A bis for decision X/14, subject to reconfirmation and inclusion in a reassessed table A for decision X/14 at the Nineteenth Meeting of the Parties in 2007 (Annex IX.16).

(UNEP/OzL.Pro.17/11, Decision XVII/8).

The Fifty-first Meeting of the Executive Committee decided:

- (a) to finalize the draft report, noting that the Secretariat would include in it additional information regarding differences between country programme data and Article 7 data and, should time allow, would also provide relevant information from the Chemical Technical Options Committee; and
- (b) to request the Fund Secretariat, after seeking the approval of the Chair of the Executive Committee, to submit the report to the 27th Meeting of the Open-ended Working Group.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/35 para. 175).

(Supporting document: UNEP/OzL.Pro/ExCom/51/41).

The Nineteenth Meeting of the Parties decided to adopt the table in the annex to the present decision as a list of process agent applications to replace table A of decision X/14 as it was amended in decision XVII/7 and to replace table A bis in decision XVII/8.

(UNEP/OzL.Pro.19/7, Decision XIX/15).

The Executive Committee at its Fifty-seventh Meeting after considering the report decided to request the Secretariat to complete the report on the progress made in reducing emissions of controlled substances from process agent uses, taking into account comments provided by Executive Committee Members and, following approval of the final text by the Chair of the Executive Committee, to submit it to the 29th Meeting of the Open-ended Working Group.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/41, para. 205)

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

(Supporting document: UNEP/OzL.Pro/ExCom/57/Inf.2)

The Twenty-first Meeting of the Parties decided:

1. To request all Parties with process agent uses of controlled substances to submit the information required by Decision X/14 by 30 September each year to the Ozone Secretariat;
2. To clarify that the annual reporting obligation shall not apply once a Party informs the Ozone Secretariat they do not use ozone-depleting substances as process agents as under Decision X/14, until they start doing so, and that this one-time procedure pertains to all Parties whether or not they are listed in Table B of Decision X/14;
3. To request the Ozone Secretariat every year to write to those Parties that did not submit a document as under paragraph 2, report, requesting them to submit information consistent with Decision X/14;
4. To request the Ozone Secretariat to bring cases of non-reporting to the attention of the Implementation Committee for consideration;
5. To request the Technology and Economic Assessment Panel and the Executive Committee of the Multilateral Fund to prepare a joint report for future meetings, reporting on progress with phasing out process-agent applications, as sought by Decision XVII/6 (paragraph 6);
6. To revisit this issue at the 30th Meeting of the Open-ended Working Group;
7. To update Table A of Decision X/14 as per the Annex to this decision;
8. To update Table B of Decision X/14 as per the Annex to this decision;

Annex

Table A: List of uses of controlled substances as process agents

No.	Process agent application	Substance
1	Elimination of NCl ₃ in chlor-alkali production	CTC
2	Chlorine recovery by tail gas absorption in chlor-alkali production	CTC
3	Production of chlorinated rubber	CTC
4	Production of endosulfan	CTC
5	Production of ibuprofen	CTC
6	Production of chlorosulfonated polyolefin (CSM)	CTC
7	Production of aramid polymer (PPTA)	CTC
8	Production of synthetic fibre sheet	CFC-11
9	Production of chlorinated paraffin	CTC
10	Photochemical synthesis of perfluoropolyetherpolyperoxide precursors of Z-perfluoropolyethers and difunctional derivatives	CFC-12
11	Reduction of perfluoropolyetherpolyperoxide intermediate for production of perfluoropolyether diesters	CFC-113
12	Preparation of perfluoropolyether diols with high functionality	CFC-113
13	Production of cyclodime	CTC
14	Production of chlorinated polypropene	CTC
15	Production of chlorinated ethylene vinyl acetate (CEVA)	CTC
16	Production of methyl isocyanate derivatives	CTC
17	Production of 3-phenoxybenzaldehyde	CTC
18	Production of 2-chloro-5-methylpyridine	CTC
19	Production of imidacloprid	CTC
20	Production of bupropfenin	CTC

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

21	Production of oxadiazon	CTC
22	Production of chloradized N-methylaniline	CTC
23	Production of 1,3-dichlorobenzothiazole	CTC
24	Bromination of a styrenic polymer	BCM
25	Synthesis of 2,4-D (2,4- dichlorophenoxyacetic acid)	CTC
26	Synthesis of di-(2-ethylhexyl) peroxydicarbonate (DEHPC)	CTC
27	Production of radio-labelled cyanocobalamin	CTC
28	Production of high modulus polyethylene fibre	CFC-113
29	Production of vinyl chloride monomer	CTC
30	Production of sultamicillin	BCM
31	Production of prallethrin (pesticide)	CTC
32	Production of o-nitrobenzaldehyde (for dyes)	CTC
33	Production of 3-methyl-2-thiophenecarboxaldehyde	CTC
34	Production of 2-thiophenecarboxaldehyde	CTC
35	Production of 2-thiophene ethanol	CTC
36	Production of 3,5-dinitrobenzoyl chloride (3,5-DNBC)	CTC
37	Production of 1,2-benzisothiazol-3-ketone	CTC
38	Production of m-nitrobenzaldehyde	CTC
39	Production of tichlopidine	CTC
40	Production of p-nitro benzyl alcohol	CTC
41	Production of tolclofos methyl	CTC
42	Production of polyvinylidene fluoride (PVdF)	CTC
43	Production of tetrafluorobenzoyl ethyl acetate	CTC
44	Production of 4-bromophenol	CTC

Table B: Limits for process agent uses (all figures are in metric tonnes per year)

Party	Make-up or consumption	Maximum emissions
European Community	1083	17
United States of America	2300	181
Canada	0	0
Japan	0	0
Russian Federation	800	17
Australia	0	0
New Zealand	0	0
Norway	0	0
Iceland	0	0
Switzerland	5	0.4
TOTAL	4188	215,4

(UNEP/OzL.Pro.2/8, decision XXI/3)

The Twenty-second Meeting of the Parties decided:

1. That quantities of controlled substances produced or imported by parties operating under paragraph 1 of Article 5 for use as process agents in plants and installations in operation before 1 January 1999 should not be taken into account in the calculation of production and consumption from 1 January 2011 onwards, provided that emissions of those substances are within the levels defined in the updated table B of decision X/14 included in the annex to the present decision;

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

- To update tables A and B of decision X/14 as set out in the annex to the present decision;
- To request each party to report to the Ozone Secretariat, by 15 March 2011, if possible, or 1 July 2011 at the latest, the specific applications for which it uses controlled substances as process agents and to continue to report such information in the context of the annual reports required by decision X/14;
- To request the Technology and Economic Assessment Panel to include, in its 2011 progress report, a table listing process agent uses by individual parties;
- To request the Technology and Economic Assessment Panel, beyond the reporting and assessment in respect of process agent uses requested for 2011, to review in 2013, and every second year thereafter, progress made in reducing process agent uses and to make any additional recommendations to parties on further actions to reduce uses and emissions of process agents;
- That, once all process agent projects approved by the Executive Committee are completed, reporting by the Executive Committee to the parties as requested in decision XVII/6 will no longer be required;

Annex to decision XXII/8

Table A: List of uses of controlled substances as process agents

No.	Process agent application	Substance
1	Elimination of NCl_3 in chlor-alkali production	Carbon tetrachloride (CTC)
2	Chlorine recovery by tail gas absorption in chlor-alkali production	CTC
3	Production of chlorinated rubber	CTC
4	Production of endosulfan	CTC
5	Production of chlorosulfonated polyolefin (CSM)	CTC
6	Production of aramid polymer (PPTA)	CTC
7	Production of synthetic fibre sheet	CFC-11
8	Production of chlorinated paraffin	CTC
9	Photochemical synthesis of perfluoropolyetherpolyperoxide precursors of Z-perfluoropolyethers and difunctional derivatives	CFC-12
10	Preparation of perfluoropolyether diols with high functionality	CFC-113
11	Production of cyclodime	CTC
12	Production of chlorinated polypropene	CTC
13	Production of chlorinated ethylene vinyl acetate (CEVA)	CTC
14	Production of methyl isocyanate derivatives	CTC
15	Production of 3-phenoxybenzaldehyde	CTC
16	Production of 2-chloro-5-methylpyridine	CTC
17	Production of imidacloprid	CTC
18	Production of bupropfenzin	CTC
19	Production of oxadiazon	CTC
20	Production of chloradized N-methylaniline	CTC
21	Production of 1,3-dichlorobenzothiazole	CTC
22	Bromination of a styrenic polymer	BCM
23	Synthesis of 2,4-D (2,4- dichlorophenoxyacetic acid)	CTC
24	Synthesis of di-(2-ethylhexyl) peroxydicarbonate (DEHPC)	CTC
25	Production of high modulus polyethylene fibre	CFC-113
26	Production of vinyl chloride monomer	CTC

No.	Process agent application	Substance
27	Production of sultamicillin	BCM
28	Production of prallethrin (pesticide)	CTC
29	Production of o-nitrobenzaldehyde (for dyes)	CTC
30	Production of 3-methyl-2-thiophenecarboxaldehyde	CTC
31	Production of 2-thiophenecarboxaldehyde	CTC
32	Production of 2-thiophene ethanol	CTC
33	Production of 3,5-dinitrobenzoyl chloride (3,5-DNBC)	CTC
34	Production of 1,2-benzisothiazol-3-ketone	CTC
35	Production of m-nitrobenzaldehyde	CTC
36	Production of tichlopidine	CTC
37	Production of p-nitro benzyl alcohol	CTC
38	Production of tolclofos methyl	CTC
39	Production of polyvinylidene fluoride (PVdF)	CTC
40	Production of tetrafluorobenzoylethyl acetate	CTC
41	Production of 4-bromophenol	CTC

Table B: Limits for process-agent uses (all figures are in metric tonnes per year)

Party	Make-up or consumption	Maximum emissions
European Union	1 083	17
United States of America	2 300	181
Russian Federation	800	17
Switzerland	5	0.4
Israel	3.5	0
Brazil	2.2*	2.2*
China	1 103	1 103
Total	5 296.71	1 320.61

* In accordance with decision 54/36 of the Executive Committee of the Multilateral Fund, the annual make-up or consumption and maximum emissions for Brazil will be 2.2 metric tonnes up to and including 2013 and zero thereafter.

(UNEP/OzL.Pro.22/9, Decision XXII/8)

The Sixty-second Meeting of the Executive Committee decided to request the Fund Secretariat to:

- Set up a discussion forum, open to all Committee members, on its intranet site, by 7 December 2010 to enable members to provide a first round of feedback on the Report of the Executive Committee to the Open-ended Working Group on the progress made in reducing emissions of controlled substances from process-agent uses by 19 December 2010;
- Collate the feedback and post a revised version of the document on the intranet by 15 January 2011 for further comment by Executive Committee members, via the discussion forum, by 29 January 2011; and
- Take account of members' comments and to forward a revised version of the report to the Ozone Secretariat for inclusion by the Technology and Economic Assessment Panel in the joint report requested in decision XXI/3 of the Twenty first Meeting of the Parties.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/68 para. 172)

(Supporting document: UNEP/OzL.Pro/ExCom/62/Inf.2).

The Twenty-ninth Meeting of the Parties decided:

1. To update table A of decision X/14 as set out in the annex to the present decision;
2. To urge parties to update their information on the use of controlled substances as process agents and to provide the Secretariat, by 31 December 2017, with information on the implementation and development of emissions reduction techniques;
3. To request the Technology and Economic Assessment Panel to report to the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer at its forty-first meeting on the industrial application of any alternative technologies employed by parties in the processes listed in table A, as updated in the annex to the present decision;

Annex

Table A

List of uses of controlled substances as process agents

<i>No.</i>	<i>Process agent application</i>	<i>Substance</i>	<i>Permitted parties</i>
1	Elimination of NCl ₃ in chlor-alkali production	CTC	European Union, Israel, United States of America
2	Recovery of chlorine by tail gas absorption from chlor-alkali production	CTC	European Union, United States of America
3	Production of chlorinated rubber	CTC	European Union
4	Production of chlorosulfonated polyolefin (CSM)	CTC	China
5	Production of aramid polymer (PPTA)	CTC	European Union
6	Production of synthetic fibre sheet	CFC-11	United States of America
7	Photochemical synthesis of perfluoropolyetherpolyperoxide precursors of Z-perfluoropolyethers and difunctional derivatives	CFC-12	European Union
8	Preparation of perfluoropolyether diols with high functionality	CFC-113	European Union
9	Production of cyclodime	CTC	European Union
10	Bromination of a styrenic polymer	BCM	United States of America
11	Production of high modulus polyethylene fibre	CFC-113	United States of America

(UNEP/OzL.Pro.29/8, Decision XXIX/7)

The Thirty-first Meeting of the Parties decided:

1. To update tables A and B of decision X/14, as set out in the annex to the present decision;
2. To remind parties of the importance of reporting as requested in decision X/14;
3. To request the Technology and Economic Assessment Panel to report in its quadrennial reports on any progress made by parties in reducing their use and emissions of controlled substances as process agents and on any new alternatives to such uses, including new production processes and emissions-reduction techniques, on the understanding that should new compelling information become available, that information should be reported in its annual progress report.

Annex

Table A

List of uses of controlled substances as process agents

<i>No.</i>	<i>Process agent application</i>	<i>Substance</i>	<i>Permitted parties</i>
1	Elimination of NCl ₃ in chlor-alkali production	CTC	European Union, Israel, United States of America
2	Recovery of chlorine by tail gas absorption from chlor-alkali production	CTC	United States of America
3	Production of chlorinated rubber	CTC	European Union
4	Production of chlorosulfonated polyolefin (CSM)	CTC	China
5	Production of aramid polymer (PPTA)	CTC	European Union
6	Production of synthetic fibre sheet	CFC-11	United States of America
7	Photochemical synthesis of perfluoropolyetherpolyperoxide precursors of Z-perfluoropolyethers and difunctional derivatives	CFC-12	European Union
8	Production of cyclodime	CTC	European Union
9	Bromination of a styrenic polymer	BCM	United States of America
10	Production of high modulus polyethylene fibre	CFC-113	United States of America

Abbreviations: BCM – bromochloromethane; CFC – chlorofluorocarbon; CTC – carbon tetrachloride.

Table B

Limits for process agent uses

(all figures are in metric tons per year)

<i>Party</i>	<i>Make-up or consumption</i>	<i>Maximum emissions</i>
China	1 103.0	313
European Union	921.0	15
Israel	3.5	0
United States of America	2 300.0	181
Total	4 327.5	509

(UNEP/OzL.Pro.31/9/Add.1, Decision XXXI/6)

Guidelines/broad principles for process agent projects

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) that initial implementation of Decision X/14 could proceed using the parallel approach outlined in document UNEP/OzL.Pro/ExCom/27/40;
- (b) to adopt the draft Framework Guidelines/Broad Principles for Process Agent Projects proposed by the Subcommittee on Project Review, as contained in Annex IX.17 to the present report;
- (c) that, on the basis of the broad principles that have been agreed, Implementing Agencies could submit a limited number of projects conforming to the agreed broad principles, for consideration at the Twenty-eighth Meeting;
- (d) to note, as additional projects were considered and approved, a body of information on cost-effectiveness, emissions limits, and other requirements concerning eligibility and the determination of incremental costs would emerge. This information could form the basis for the Executive Committee to report to the Parties

on emissions limits (for the purposes of administering decision X/14) and for the possible development at a later stage of more detailed guidelines for each of the process agent applications listed in the decision.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/78, para. 109).

(Supporting document: UNEP/OzL.Pro/ExCom/27/40).

CTC use as feedstock and process agents

The Forty-eighth Meeting of the Executive Committee decided to consider the issue of CTC use as feedstock and process agents, and the co-production of CTC in Article 5 countries, at its 51st Meeting, following receipt of the conclusions of the desk study on CTC process agent projects and the study of the Technology and Economic Assessment Panel on global CTC emissions.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/27 para. 130).

The Fifty-first Meeting of the Executive Committee decided:

- (a) to defer consideration of the issue of CTC use as feedstock and process agents, and the co-production of CTC in Article 5 countries until its 52nd Meeting when the study of the Technology and Economic Assessment Panel (TEAP) on global CTC emissions would be available; and
- (b) to request the World Bank to provide all relevant information on the issue to the Fund Secretariat and to the TEAP.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/36 para. 178).

The Fifty-second Meeting of the Executive Committee decided to postpone further discussion of the item until the summer of 2008 when the TEAP progress report and the World Bank's draft report on the global assessment of the CTC phase-out in the chlor-alkali sector would be available.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/44, para. 185).

The Fifty-fifth Meeting of the Executive Committee decided to request the Secretariat to take into account the information to be provided by TEAP in response to decision XVIII/10 of the Eighteenth Meeting of the Parties, as well as any decisions taken at the Twentieth Meeting on additional process agent uses, and to provide a report to the 58th Meeting of the Executive Committee on emission reductions and phase-out of CTC in Article 5 and non-Article 5 countries, in accordance with all relevant decisions of both the Meetings of the Parties and the Executive Committee.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/45, para 219).

The Fifty-eighth Meeting of the Executive Committee decided:

- (a) to note the report on emissions of carbon tetrachloride (CTC) in Article 5 and non Article 5 countries contained in Annex I to document UNEP/OzL.Pro/ExCom/58/50; and
- (b) to request the Secretariat to bring the report to the attention of relevant bodies, in particular the Scientific Assessment Panel and the Technology and Economic Assessment Panel.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/38, para. 175).

(Supporting document: UNEP/OzL.Pro/ExCom/58/50).

Evaluation of CTC process agent projects and phase-out agreements

The Forty-eighth Meeting of the Executive Committee decided to take note of the desk study on the evaluation of CTC projects and phase-out agreements contained in document UNEP/OzL.Pro/ExCom/48/15, including the proposed evaluation issues and work plan for the second phase of the evaluation.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/13, para .88).

(Supporting document: UNEP/OzL.Pro/ExCom/48/15).

The Fifty-first Meeting of the Executive Committee decided:

- (a) to take note of the findings presented in the final report on the evaluation of CTC phase-out projects and agreements (document UNEP/OzL.Pro/ExCom/51/12);
- (b) to request the World Bank to continue to provide a summary of China's CTC consumption data under CTC sector plan, Phase I and II in tentative form to the first Executive Committee meeting of the year, and in a final form to the second meeting of the year;
- (c) to request China, in cooperation with the Ozone Secretariat, the Fund Secretariat, and the World Bank, to clarify the baselines for CTC production and consumption and to report back to the Executive Committee as soon as possible;
- (d) to request implementing agencies to update the information on alternatives to CTC, especially in the solvent sector, avoiding as much as possible the use of trade names and of potentially carcinogenic solvents;

- (e) to request UNEP to organize discussions in regional network meetings about the possibility of voluntary agreements between CTC exporting and importing countries under which CTC exporting enterprises, prior to shipment, would have to request certificates from their importing clients that they had either verified feedstock use or had a valid import licence under the importing country's quota system, bearing in mind that decision VII/30 of the Seventh Meeting of the Parties required importers to provide exporters with a commitment that controlled substances imported for the purpose of being used entirely as feedstock in the manufacture of other chemicals should be used for that purpose only, and that importing Parties report the volumes of controlled ODS imported for that purpose to the Ozone Secretariat;
- (f) to recommend to CTC producers in India that they use a precautionary approach to CTC management by installing destruction facilities, if not yet available, in case the feedstock outlets, essentially for DV acid chloride, should not grow as expected or would be squeezed by increasing CTC imports;
- (g) to take into account in future deliberations on the funding of institutional strengthening projects the need to maintain monitoring and verification of all CTC production and consumption beyond 2010; and
- (h) to request the Fund Secretariat to forward to the Technology and Economic Assessment Panel (TEAP), via the Ozone Secretariat, the final report on the evaluation of CTC phase-out projects and agreements (document UNEP/OzL.Pro/ExCom/51/12) so that it could be taken into account in the TEAP's further deliberations on process agents.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/11 para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/51/12).

Limit of consumption of CTC

The Fifty-fourth Meeting of the Executive Committee decided:

- (b)(i) for those process agent applications approved to date by the Meeting of the Parties to limit the consumption to zero tonnes of CTC, with the exception of an annual consumption of up to 2 ODP tonnes per year up to and including 2013 for the Braskem Maceio Chlorine-Alkali plant for the process agent application "Elimination of NCl₃ in chlor-alkali production", as included as application number 1 in the list approved by the Nineteenth Meeting of the Parties;
- (c) to request the Fund Secretariat to inform the Ozone Secretariat of the present decision and, in particular, its sub-paragraph (b)(i);
- (d) to note that approval of the project would not create a precedent for providing retroactive funding for uses of ODS defined as process agents by the Parties to the Montreal Protocol.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/36(b)(i), c, d, para.160).

(Supporting document: UNEP/OzL.Pro/ExCom/54/24).

Sources of CTC emissions and opportunities for reductions of ODS emissions

The Twenty-first Meeting of the Parties decided that:

1. To encourage Parties having any carbon tetrachloride and other chloromethane production and/or consumption of CTC in pharmaceutical manufacturing processes to review their national data on CTC production, consumption and where possible estimated emissions and to provide any new data to the TEAP via the Ozone Secretariat by September 2010;
2. For the purpose of clarification the reference to "emissions" in paragraph 1 means any release from processes, stockpiles, products, and waste streams, either in the form of vapour or in the form of liquid;
3. To request the TEAP, in its next assessment report in 2011, to investigate chemical alternatives to ODS in exempted feedstock uses and investigate alternatives, including not-in-kind alternatives, to products made with such process agents and feedstocks and provide assessment of the technical and economic feasibility of reducing or eliminating such use and emissions;
4. To request TEAP and the Scientific Assessment Panel (SAP) to review the ozone depletion potential and atmospheric lifetime of CTC with a view to possibly reconciling the large discrepancy between emissions reported and those inferred from atmospheric measurements and to report their findings in the next quadrennial review;
5. To request the TEAP and SAP to coordinate their relevant findings, taking into account the information received in relation to paragraphs 1, 3 and 4, and report in time for the thirty-first meeting of the Open-ended

Working Group for the consideration of the Twenty-third Meeting of the Parties in 2011;

6. To encourage all parties to provide support for atmospheric research in the measurement of emissions of CTC with a particular focus on regions in which there is a need for improved data;

(UNEP/OzL.Pro.21/8, Decision XXI/8).

PRODUCTION SECTOR

The Seventh Meeting of the Parties decided that:

- (1) the determination of the eligible incremental costs for phase-out projects in the production sector should be consistent with paragraph 2 (a) of the indicative list of incremental costs and based on the conclusions of the Executive Committee's guidelines on phase-out of the production sector;
- (2) that the Executive Committee should as a priority agree on modalities to calculate and verify production capacity in Parties operating under Article 5;
- (3) that from 7 December 1995, no Party should install or commission any new capacity for the production of controlled substances listed in Annex A or Annex B of the Montreal Protocol;
- (4) to incorporate appropriately into the Protocol by the Ninth Meeting of the Parties:
 - (a) a licensing system, including a ban on unlicensed imports and exports; and
 - (b) the establishment of a production sector baseline for Parties operating under Article 5 calculated:
 - (i) for Annex A substances, as the average of the annual calculated level of production during the period of 1995 to 1997 inclusive or the calculated level of consumption of 0.3 kg per capita, whichever is lower; and
 - (ii) for Annex B substances, as the average of the annual calculated level of production for 1998 to 2000 inclusive or a calculated level of consumption of 0.2 kg per capita, whichever is lower;
- (5) at the same time, the Parties should consider introducing a mechanism to ensure that imports and exports of controlled substances should only be permitted between Parties to the Montreal Protocol which have reported data and demonstrated their compliance with all relevant provisions of the Protocol. The Parties should also consider whether to extend the terms of the present decision to all other controlled substances covered under the Montreal Protocol.

(UNEP/OzL.Pro.7/12 Decision VII/9 (paras. 5-8).

The Ninth Meeting of the Parties decided to request the Executive Committee to accelerate the formulation of the guidelines for funding the production sector and the subsequent approval of relevant projects in this sector.

(UNEP/OzL.Pro.9/12, Decision IX/15).

Preliminary data on the production sector

The Nineteenth Meeting of the Executive Committee decided:

- (a) that:
 - (i) each Article 5 producer country should complete the Preliminary Data on the Production Sector form in Annex IX.18 to the present report and submit it to the Fund Secretariat by 31 December 1996;
 - (ii) the Article 5 producer country should inform the Executive Committee eight months before it is ready to submit its sector phase-out plan according to the format provided in Annex IX.18. The Executive Committee should commission a technical audit of the production sector of the country concerned in conjunction with the preparation of the sector plan. This will enable the results of the technical audit to be incorporated into the sector plan and serve as a reference point for reviewing the sector plan. The Executive Committee should approve funding for the preparation of the sector plan and the technical audit;
 - (iii) the technical audit should follow the terms of reference provided in Annex IX.18 and include a detailed questionnaire/check-list to be developed prior to the commencement of the audit;
 - (iv) the technical audit should be conducted by a combined team of local and international experts;
 - (v) pending the completion of sector plans, the Executive Committee should focus on closure projects which could be considered according to interim guidelines with the understanding that guidelines on other types of projects, e.g. conversions and erecting ODS substitutes production, should be developed at a

later date;

- (vi) in general, the cost of dismantling the old plant should be offset by the scrap value of the old plant. However, this should be examined on a case-by-basis;
- (vii) the environmental clean-up of the ODS-producing facility should not constitute an incremental cost; however, it should be done in an environmentally responsible manner;
- (b) to approve the formats for preliminary data on the production sector and the form for the sector phase-out plan, included in Annex IX.18;
- (c) to approve the collection of “Quantities of exported CFCs” called for in item 3.3 of Annex IX.18 where countries were willing to provide such data, but not to insist on collection if countries regarded the export data as confidential;
- (d) to approve the collection of data on “Total employees per CFC plant” called for in Annex IX.18 and
- (e) to appoint a subgroup composed of the representatives of Australia, Chile, India, Philippines, the United Kingdom and the United States to study the non-approved parts of the report on the day prior to the next meeting of the Open-ended Working Group in Geneva, and submit a revised document to the Twentieth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/36, para. 64).

Consultant and core group

The Twenty-first Meeting of the Executive Committee, having heard the report of the Subgroup on the Production Sector (UNEP/OzL.Pro/ExCom/21/29 and Corr.1), presented by the representative of Australia, facilitator of the Subgroup, decided :

- (a) to take note of the report;
- (b) to welcome the progress made and to encourage the Subgroup to continue its work;
- (c) to request the Secretariat to undertake the following actions:
 - (i) bring together a consultant and a core group of the following four members of the Expert Group: Messrs. Mike Harris, Tony Vogelsberg, Ravi K. Sinha and Jianan Jiang. The Secretariat will select an appropriate consultant who will work under the supervision of the Secretariat and who will consult, if necessary, with the core group. The consultant working with the core group will prepare a questionnaire based on the report of the 3rd and 4th Meetings of the Expert Group (UNEP/OzL.Pro/ExCom/21/29 and Corr.1). The questionnaire will be designed to enable three volunteer firms to provide data that would allow for an understanding of the approximate financial implications of the methodology recommended by the Expert Group in respect of these firms. The consultant will submit the raw data and its draft report directly to the core group and the Subgroup. The consultant may or may not, at its discretion, modify the draft report in accordance with any written comments that may be received from the core group. The final report of the consultant should be submitted directly to the Subgroup and the core group by the end of April 1997. The comments of the core group on the draft and final reports will be submitted to the Subgroup in a separate document. The consultant will also make a presentation directly to the Subgroup when it meets prior to the Twenty-second Meeting of the Executive Committee;
 - (ii) request the consultant to assist the volunteer firms in understanding the questionnaire so that the data obtained from the three firms would be as reasonable as possible. Such assistance could, if deemed essential, involve a mission to the country concerned by the consultant;
 - (iii) request the consultant to prepare a spreadsheet designed in consultation with the core group incorporating the main parameters included in the recommendations of the 3rd and 4th Meetings of the Expert Group, so that interested parties could test the sensitivity of the overall levels of funding to changes in those parameters. These parameters should include, inter alia, assumed profit margins, discount rates to be used in calculating the net present value of the profits forgone, inflation rates, projected production growth rates, remaining useful life, parameters on prices and costs as included in Recommendation 8, compensation for labour displacement, etc.;
 - (iv) request the consultant to prepare a short paper describing the relative sensitivity of total funding requirements to changes in the different parameters with respect to the three volunteer firms. The analysis should be presented in a manner that varied the assumptions by an equal amount, both positive

and negative.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/34, para. 48).

(Supporting document: UNEP/OzL.Pro/ExCom/21/29 and Corr.1).

The Twenty-second Meeting of the Executive Committee decided:

- (a) to note the report of the Subgroup and its recommendation in paragraph 16 of that report;
- (b) to recognize that there remained a number of complex issues which would merit further discussion by the Subgroup, with a view to resolving those issues as expeditiously as possible;
- (c) to request the Subgroup to meet in September 1997 to discuss remaining issues and to review the consolidated report to be prepared by the Secretariat on the guidelines and recommendations made by the Expert Group and modified by the Subgroup and any relevant decision of the Executive Committee;
- (d) to request the Secretariat to advise the Subgroup, at its meeting in September 1997, whether resources were available to permit the Subgroup to hold an additional meeting prior to December 1997.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/65, para. 87).

(Supporting document: UNEP/OzL.Pro/ExCom/22/68).

Technical audits

Bearing in mind the earlier decision of the Executive Committee (19/36) requiring Article 5 countries to submit data on production capacity by 31 December 1996, the Twenty-fourth Meeting of the Executive Committee decided:

- (a) to approve US \$600,000 to be used by the Secretariat for conducting technical audits;
- (b) that the Secretariat arrange for technical audits to be carried out in accordance with Decision 19/36 in those countries that have submitted satisfactory data on the production sector according to the agreed format and subject to the views of any Subgroup member on these data;
- (c) that funding requests for sectoral plans and project preparation can be submitted for consideration of the Executive Committee once data have been submitted, in accordance with subparagraph (b) above;
- (d) to request the Subgroup to examine further the issues related to timing and funding of production sector related activities at its next meeting.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/61, para. 94).

The Twenty-fifth Meeting of the Executive Committee noted the report of its Subgroup on the Production Sector and decided to adopt the following recommendations of the Subgroup:

- (a) requests for project preparation funds could be forwarded to the Subgroup for submission to the Executive Committee once preliminary production data and the draft sectoral plan for the country had been submitted;
- (b) with regard to the project proposal for which China had received preparation funds, if China was disposed to submit an innovative project proposal prior to the final receipt of the audited data, it could informally submit such a project proposal to the Subgroup Facilitator for circulation to members of the Subgroup for comment and an opinion on whether the project as formulated in a way could possibly be reviewed by the Sub-Committee on Project Review at its next meeting in Cairo in November 1998;
- (c) if the Subgroup Facilitator determined, after examining the comments, that the Sub-Committee on Project Review might review the project, the Facilitator would make the specific comments on the proposal available to the Sub-Committee on Project Review. If the Sub-Committee decided to review and to recommend approval of the project, final approval would probably be subject to confirmation of the figures therein by the technical audit and the presentation of a final sectoral strategy;
- (d) other CFC-producing Article 5 countries wishing to request funds for project preparation must meet the requirements laid down in earlier decisions of the Executive Committee in this regard, submit the data and a draft sectoral strategy according to the approved format so that the procedure outlined for China could be followed in their case as well.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/55, para. 103).

(Supporting document: UNEP/OzL.Pro/ExCom/25/67).

The Thirty-first Meeting of the Executive Committee decided to authorize the Secretariat to commission a technical audit of carbon tetrachloride- and trichloroethane-producing enterprises in China, and CFC-producing enterprises in the Democratic People's Republic of Korea.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/47, para. 75(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/56).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the final report on the technical audit of the CFC production sector in Mexico;
- (b) to request the Secretariat to send to members of the Sub-group the comments of the Government of Mexico on the audit report as well as the response of the consultant to the comments;
- (c) to request UNIDO to take fully into account the findings of the audit report in preparing the CFC closure project.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/73, para. 135).

With regard to the request of the Secretariat for further replenishing the account for the technical audit of the production sector, the Executive Committee decided at its Thirty-eighth Meeting of to approve US \$100,000 to enable the Secretariat to meet the commitments and planned commitment under this account.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/75, para. 137).

Formulation of guidelines for funding the production sector

1. to request the Executive Committee to complete the task of formulation of guidelines for funding the production sector on a priority basis and expeditiously;
2. to further request the Executive Committee to facilitate the formulation of projects for funding the CFC-production sector and their subsequent approval on a priority basis.

(UNEP/OzL.Pro.10/9, Decision X/17).

The Thirtieth Meeting of the Executive Committee decided to defer consideration of project preparation requests for the production sector until technical audits had been undertaken.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/27, para. 52).

In response to a concern raised by one representative that, contrary to current policy, project preparation assistance was needed in advance to facilitate the audit, the Thirty-first Meeting of the Executive Committee decided to request the Secretariat to clarify both past practices and current requirements of production sector project preparation assistance to facilitate further discussion and resolution of the issue at the next meeting of the Subgroup.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/47, para. 75(b)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/56).

The Thirty-first Meeting of the Executive Committee also decided to request the Secretariat:

- (i) in consultation with the World Bank, to develop, for consideration at the Thirty-second meeting of the Executive Committee, guidelines setting out an acceptable format and content for the verification report and a workable time scale for data submission with a view to enabling payment authorization at the first meeting of the Executive Committee each year;
- (ii) to maintain the confidentiality of verification data, while ensuring that Executive Committee members had the necessary information to facilitate review and decision-making.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/47, para. 75(e)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/56).

The Thirty-second Meeting of the Executive Committee decided that the current procedure of approving project preparation funding after the completion of technical audit should continue to be applied.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/78, para. 97).

Requests for compensation in the production sector

The Twenty-seventh Meeting of the Executive Committee decided:

- (c) to request the Subgroup to meet back-to-back with the Twenty-eighth Meeting of the Executive Committee in order to seek agreement on a production sector proposal for India, every effort being made in the interim to facilitate that agreement;
- (d) to request Parties to send their requests for compensation of production sector/enterprises closures to the Secretariat and that the Secretariat advise the subgroup of such requests, as well as advise the requesting Party of the established process and relevant decision of the Executive Committee;
- (e) to note that, with the exception of the meeting referred to in subparagraph (c) above, pursuant to its mandate, the Subgroup had agreed to reconvene on the basis of need and progress achieved on outstanding issues.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/82(c to e), para. 120 (c., d, e)).

The Twenty-eighth Meeting of the Executive Committee decided to convene an informal meeting of the Subgroup to review the revised proposal with regard to the Indian discussion paper to be prepared by Canada, Italy and the United States of America during the week of 26 September 1999 in Washington D.C. An additional meeting was foreseen on the margin of the Twenty-ninth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/51, para. 97(c)).

The Thirtieth Meeting of the Executive Committee decided:

- (a) to endorse the Secretariat's request to proceed with the technical audit of the CFC production sector in Argentina;
- (b) when required, to allow a country which was not a member of the Subgroup but whose project was being considered by it to attend its meetings in order to provide data and answer questions;
- (c) to request the Secretariat to draw up an inventory of the remaining production plants for substances included in Annex A and Annex B to the Montreal Protocol in Article 5 countries and to use that information to reflect on its strategic and work planning and assist it in making future recommendations to the Executive Committee pertaining to priority assignments;
- (d) also to request the Secretariat to explore, within the United Nations financial rules, the feasibility of using the competitive bid process once only to identify a small number of audit contractors who could be used from time to time, with a view to accelerating the audit process;
- (e) further to request all members of the Subgroup to provide the Secretariat with their designated focal points to facilitate future communication between meetings.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/60, para. 94).

Guidelines and standard format for verification of ODS production phase-out

The Thirty-second Meeting of the Executive Committee decided to approve the draft guidelines and standard format for verification of ODS production phase-out (Annex IX.19).

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/70, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/32/33).

The Eighty-second Meeting of the Executive Committee decided to:

- (d) To request the Secretariat to provide a document for the consideration of the Sub-group on the Production Sector in the margins of the 83rd meeting, containing a review of the guidelines and standard format used during the verification of ODS production phase-out, as contained in document UNEP/OzL.Pro/ExCom/32/33, and analysis of aspects of the guidelines and the standard format where further improvements could be made to support compliance through strengthening the monitoring of the ODS production and the associated costs.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/87(d)).

The Eighty-third Meeting of the Executive Committee decided to:

- (a) To note the review and analysis of aspects of the guidelines and the standard format used for ODS production verification (decision 82/87(d)), contained in document UNEP/OzL.Pro/ExCom/83/SGP/2;
- (b) To request the Secretariat to update and submit, for consideration by the Executive Committee at its 84th meeting, the draft guidelines and standard format used during the verification of ODS production phase-out funded by the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/32/33, taking into consideration current practices and making the following changes:
 - (i) Inclusion of procedures reflecting current practices for verification of controlled substances for feedstock and other exempted uses;
 - (ii) Inclusion in the verification report: a description of the mechanism established and implemented by the Government concerned to ensure that plants provided compensation for phase-out of ODS production capacity did not redirect any capacity for feedstock production, if present, towards controlled uses. This shall inter alia include monitoring and enforcement procedures, covering relevant national regulations to deal with cases where provisions of the Agreement had not been adhered by the enterprise and imposition of penalties, where applicable;

- (iii) Clarification that all the production capacity of controlled substances should be included in production verification, irrespective of when the production capacity had been established;
 - (iv) Clarification that, once a production line had been verified to be vertically integrated with downstream production in which the controlled substance was used only as a feedstock, further annual verifications of that line would not be required;
 - (v) Confirmation that, once a vertically integrated line had been identified, the owner would be required to retain the records of that line, including process inputs and outputs and purchase and sales data, for at least three years; and
- (b) To determine, on a case-by-case basis, the additional costs for the verification of additional production lines not established at the time of approval of the production phase-out plan.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/70).

(Supporting document: UNEP/OzL.Pro/ExCom/83/SGP/2).

The Eighty-fourth Meeting of the Executive Committee decided to defer consideration of the draft guidelines and the standard format used for the verification of ODS production phase-out to a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/95).

The Ninety-first Meeting of the Executive Committee agreed to continue its discussions of the draft guidelines and the standard format used for the verification of ODS production phase-out at a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/91/72, para. 293).

Inventory of remaining plants producing ODSs

The Thirty-first Meeting of the Executive Committee decided to request the Secretariat to provide a consolidated inventory of remaining plants producing ozone-depleting substances in Article 5 countries.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/47, para. 75(c)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/56).

The Thirty-third Meeting of the Executive Committee decided to request the Secretariat to submit to the next meeting of the Subgroup an updated inventory of the remaining ODS producers in Article 5 countries.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/57, para. 93(a)).

Report on the intermediate evaluation of CFC production sector phase-out agreements

The Forty-second Meeting of the Executive Committee, after discussing the production sector phase-out results planned and achieved, the measurements in metric and ODP tonnes and gross versus net saleable production, the discrepancies between CFC-production data reported under Article 7 and in the verification reports, capacity development and awareness building, the support extended for the development and production of substitutes for CFCs, prices and supply/demand for CFCs and substitutes, linkages to the illegal trade in CFCs, and the national and international audits and their focus, methods and schedules, decided:

- (a) to take note of the findings and recommendations in document UNEP/OzL.Pro/ExCom/42/12;
- (b) to clarify that, although the phase out agreement defines the maximum allowable CFC production in China in metric tonnes (MT), this production should continue to be planned and verified in ODP tonnes, as calculated in the original sector plan and the subsequent annual work programmes and verification reports;
- (c) to request the Government of India, in cooperation with the World Bank, to plan and verify allowable CFC production in India as so-called gross production, to review the calculations made to establish the baseline for the agreement, and to report to the 43rd Meeting of the Executive Committee on their findings;
- (d) to request the Governments of China and India to clarify, in cooperation with the Ozone Secretariat, the World Bank and the Fund Secretariat, differences in CFC production data reported under Article 7 to the Ozone Secretariat and in the verification reports;
- (e) to request the Secretariat, in cooperation with the World Bank and UNIDO, to review the verification guidelines adopted by the 32nd Meeting of the Executive Committee, with respect to the following:
 - (i) how to include movements of CTC to and from CFC producers and internal transfers of CTC in CFC-

producing companies in the verification reports, annual progress reports and work programmes, in view of the intense pressure on CTC management in the enterprises as a result of the phase-out of CFC-11 and CFC-12;

- (ii) for countries with CFC and CTC production sector phase-out agreements (China and India), the verification missions should be closely coordinated and possibly be merged;
 - (iii) where plants co-produce CFC-11 and CFC-12, it might be necessary to determine whether the practice of counting unit ratios of CTC and AHF and comparing them with previous years was needed;
 - (iv) whether the inspection and verification of the daily log books should continue to serve mainly as a back-up to clarify inconsistencies observed;
 - (v) whether reported measurements of CFC production should be rounded to the nearest 100 kg and then compared to the more accurate financial and sales records;
- (f) to request the World Bank and the Governments of China and India to revise the presentation of technical assistance activities in future annual reports and work programmes for the CFC production sector by:
- (i) showing separately activities to maintain the national administrative infrastructure to manage the process, activities for awareness-building, and technical advice of direct interest to the enterprises (either individually or collectively);
 - (ii) specifying clearly the objectives, related outputs and inputs including planned and actual expenditures;
- (g) to recommend that the Governments of China and India, in cooperation with the World Bank, consider the recommendations presented in paragraphs 14 and 15 of document UNEP/OzL.Pro/ExCom/42/12, amending subparagraph 15(b) to read as follows: “(b) Conducting market research into the evolution of global markets for products made using CTC as feedstock to complement the research efforts and guide the investment of enterprises taking into consideration all environmental effects of manufacturing such end-products, including interlinkages between ozone layer depletion and climate change”.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/12, para. 62).

(Supporting document: UNEP/OzL.Pro/ExCom/42/12).

The Forty-third Meeting of the Executive Committee decided:

- (a) to take note of the report prepared by the Ozone Cell, Ministry of Environment and Forests, Government of India, and the World Bank;
- (b) to clarify that allowable CFC production in India should be verified as net production, apart from the years 2005 and 2007, when it should be gross production; and
- (c) that the foregoing decision, which applied solely to India’s CFC production, would not necessitate any change to the CFC production sector agreement that had been negotiated between the Executive Committee and India.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/5, para. 51).

(Supporting document: UNEP/OzL.Pro/ExCom/43/9).

CFC production agreements with China and India

The Sixtieth Meeting of the Executive Committee decided:

- (a) To note the paper on terms and conditions under which the existing CFC production Agreements with China and India and associated accelerated phase-out Agreements might be modified and the report on possible modifications to the terms of reference for the technical audit adopted at the 32nd Meeting, as appropriate, to meet the audit needs of the production of HCFCs, both contained in document UNEP/OzL.Pro/ExCom/60/49;
- (b) To modify the production sector Agreements for China and India to allow the production for export of pharmaceutical-grade CFCs for 2010, with an annual review, for purposes of meeting essential use requirements of other countries provided that exporting countries had reporting and verification systems in place and that the reporting and verification systems collected and reported on the following information:
 - (i) Documents from metered-dose inhaler (MDI) manufacturers ordering pharmaceutical-grade CFCs;
 - (ii) Approvals from importing country governments for purchasing essential use pharmaceutical-grade CFCs;

- (iii) Approvals received from governments of producing countries that order and the essential production authorized;
 - (iv) Raw materials consumed for production run;
 - (v) Amount of pharmaceutical-grade CFC produced;
 - (vi) Amount of non-pharmaceutical-grade CFC produced;
 - (vii) Documentation (transport, storage, disposal) verifying that the amount of non pharmaceutical CFCs had been destroyed;
 - (viii) Export documentation from producers;
 - (ix) Invoices from MDI manufacturers; and
 - (x) Audit reports verifying all the above;
- (c) To request the World Bank, as the implementing agency for the CFC production phase out plans for China and India, to provide its services in carrying out the verification/audit and to submit reports to the Executive Committee on behalf of China and India on the understanding that:
- (i) The World Bank verified that the producer had access to destroy the excess CFC produced using a destruction technique approved by the Parties;
 - (ii) The cost of verification would be approved in advance of the audit by the Executive Committee;
- (d) That:
- (i) The Fund Secretariat, on behalf of the Executive Committee, would seek confirmation from the importing country of the actual quantities imported by that country;
 - (ii) The producing country agreed to limit the production of non-pharmaceutical specification grade CFCs to the extent possible and pay for their destruction;
 - (iii) The Executive Committee would consider application of the penalty clause to any CFC production determined as being excessive by the verification reports;

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/47, para.204).

(Supporting document: UNEP/OzL.Pro/ExCom/60/49).

The Sixty-fifth Meeting of the Executive Committee decided:

- (a) To request the Secretariat and the World Bank to consult further with respect to the information in the verification report on China's 2010 CFC production, pursuant to decision 60/47, in order to confirm that all the requirements of that decision were fulfilled, and further to request the Secretariat to report on the issue at the 66th meeting of the Executive Committee; and
- (b) To consider at its 66th Meeting whether China's CFC production sector phase-out plan required modification to permit exemptions for the production of CFCs for essential uses approved for other Parties for 2012.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/49, para.192).

The Sixty-sixth Meeting of the Executive Committee decided:

- (b) To modify the CFC production sector Agreement for China to allow the production for export of pharmaceutical-grade CFCs in 2012, with an annual review, for purposes of meeting the 2012 essential use exemption for metered-dose inhalers (MDIs) authorized by the Parties in decision XXIII/2 for the other countries, provided the exporting country had reporting and verification systems in place and that the reporting and verification systems collected and reported on the following information:
 - (i) Documents from MDI manufacturers ordering pharmaceutical-grade CFCs;
 - (ii) Approvals from importing country governments for purchasing essential use pharmaceutical-grade CFCs;
 - (iii) Approvals received from governments of MDI-producing countries that ordered pharmaceutical-grade CFC and the essential production authorized;
 - (iv) Raw materials consumed for production run;
 - (v) Amount of pharmaceutical-grade CFC produced;
 - (vi) Amount of non-pharmaceutical-grade CFC produced;

- (vii) Documentation (transport, storage, disposal) verifying that the amount of non pharmaceutical CFCs had been destroyed;
- (viii) Export documentation from producers;
- (ix) Invoices from MDI manufacturers;
- (x) Audit reports verifying all the above;
- (c) To request the World Bank, as the implementing agency for the CFC production phase out plans for China, to provide its services in carrying out the verification/audit and to submit reports to the Executive Committee on behalf of China on the understanding that:
 - (i) The World Bank verified that the producer had access to destroy the excess CFC produced using a destruction technique approved by the Parties;
 - (ii) The cost of verification would be approved in advance of the audit by the Executive Committee;
- (d) That:
 - (i) The Secretariat, on behalf of the Executive Committee, would seek confirmation from the importing country of the actual quantities imported by that country;
 - (ii) The producing country agreed to limit the production of non-pharmaceutical specification grade CFCs to the extent possible and pay for their destruction; and
 - (iii) The Executive Committee would consider application of the penalty clause to any CFC production determined as being excessive by the verification reports;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/54, para.178(b), (c) and (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/66/53)

The Sixty-eighth Meeting of the Executive Committee decided:

- (b) With respect to the CFC production sector in China, to request the World Bank, to present to the 69th meeting of the Executive Committee a request for funding and justification of the cost components for the 2012 verification/audit foreseen in decision 66/54 of the Executive Committee.

(UNEP/OzL.Pro/ExCom/68/53, Decision 68/47(b) para 200)

(Supporting document: UNEP/OzL.Pro/ExCom/68/52).

REFRIGERATION SECTOR

Terminal phase-out in the refrigeration sector

The Twenty-ninth Meeting of the Executive Committee decided to request the Secretariat, in conjunction with the Implementing Agencies, and consulting relevant bilateral donors, to prepare a paper on prerequisites and guidelines for terminal phase-out projects in the refrigeration sector, including complete CFC phase-out proposals, for submission to a future meeting.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/26, para. 54).

The Thirty-third Meeting of the Executive Committee decided:

- (a) to invite members to provide comments in writing to the Secretariat on the draft prerequisites and guidelines, as contained in document UNEP/OzL.Pro/ExCom/33/25, for compilation and presentation to the Executive Committee at a future meeting;
- (b) to use the current draft prerequisites and guidelines, as contained in Annex IX.21 to the present report, in a flexible manner, on a case-by-case basis, for consideration of terminal phase-out proposals related to pending requests to be submitted to future meetings of the Executive Committee.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/49, para. 75).

(Supporting document: UNEP/OzL.Pro/ExCom/33/25).

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) not to separate phase-out plans for manufacturing and servicing, but to present sector phase-out plans for the complete refrigeration sector or for total CFC phase-out, as appropriate;
- (b) during the preparation of project proposals, clearly to identify the quantities of CFCs used as blowing agents and refrigerants.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/18, para. 46).

Partial conversion for domestic refrigeration projects

The Nineteenth Meeting of the Executive Committee agreed that it was important to have an overall picture of the cost-effectiveness of a project as a whole, even if it was intended to implement it in stages, and accordingly decided to request to the Implementing Agencies to present projects as a whole, which in the refrigeration sector would comprise both a foam component and a refrigerant component.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/9, para. 26).

Operating costs for domestic refrigeration

The Fifteenth Meeting of the Executive Committee agreed to retain the following options for incremental operational cost duration in the domestic refrigeration sector outlined in the paper prepared by the Implementing Agencies so as to enable the Parties concerned to identify the option best suited to their needs.

- (a) ten per cent of incremental cost to be paid up-front, or
- (b) six months of incremental operating costs calculated at current prices and paid up-front, or incremental operating costs for a duration of one year adjusted according to the prevailing costs at the time of disbursement, when the modified plant was operating, whichever was greater.

(UNEP/OzL.Pro/ExCom/15/45, para. 167).

(Supporting document: UNEP/OzL.Pro/ExCom/15/44).

Review of the boundary between domestic and commercial refrigeration sub-sectors

The Twenty-third Meeting of the Executive Committee decided to request the Secretariat, together with the Implementing Agencies:

- (a) to take into account the discussion on the item at the Sub-Committee's twelfth meeting and to produce a document to differentiate between the domestic and commercial refrigeration sub-sectors, as well as between domestic and commercial applications of compressors, for submission to the Executive Committee;
- (b) to agree to a specific methodology for determining what incremental cost will be used for defining the eligible costs, as required by Decision 22/26, paragraph (d) (iv).

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/12, para. 30).

ODS phase-out in the commercial refrigeration end-user sector

The Thirteenth Meeting of the Executive Committee agreed to recommend that countries should be given appropriate advice and training so they could appreciate the implications of a phase-out of ODS in that sector.

(UNEP/OzL.Pro/ExCom/13/47, para. 102).

The Fourteenth Meeting of the Executive Committee decided that projects for the conversion of commercial refrigeration units in Article 5 countries should be assessed on a case-by-case basis taking into consideration the importance of the commercial refrigeration subsector in the economy of the country. Projects which are clearly cost-effective should be considered in their own right.

(UNEP/OzL.Pro/ExCom/14/15, para. 47).

The Twenty-sixth Meeting of the Executive Committee decided in the light of the information contained in the World Bank's report and the views expressed at the current meeting, to request the Secretariat, in conjunction with the Implementing Agencies to prepare a paper on the circumstances under which the Committee could consider projects from Article 5 countries to retrofit commercial refrigeration appliances and on how the incremental costs of such projects should be calculated. The draft paper would be sent to Executive Committee members for review and would subsequently be finalized by the Secretariat with the aim of giving the Sub-Committee information on which to base a recommendation on the subject to the Executive Committee at its next meeting.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/38, para. 66).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to note with appreciation the work carried out by the Secretariat to prepare the proposed initial guidelines;
- (b) to request the Secretariat and the Implementing Agencies to refine the proposed guidelines, taking into account the comments made by the members of the Sub-Committee.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/77, para. 108).

(Supporting document: UNEP/OzL.Pro/ExCom/27/39).

The Twenty-eighth Meeting of the Executive Committee decided to adopt the following guidelines for end-user conversion in the commercial refrigeration sector:

For an initial period of 18 months, the relevant circumstances which must prevail before priority will be accorded to end-user conversion activities are:

- that the country has production and import controls on CFCs and CFC-based equipment in place and effectively enforced, and restricts the deployment of new CFC components;
- that, at the time of seeking compensation in the form of grants for end-user conversions, the country can establish that its major remaining consumption is for the servicing of refrigeration and air-conditioning equipment;
- to establish the above, that comprehensive data on the profile of all remaining consumption has been determined and made available to the Executive Committee;
- that either no other possible activities would allow the country to meet its CFC control obligations, or the comparative consumer price of CFCs, relative to substitute refrigerants, has been high for at least 9 months and is predicted to continue to increase.

The guidelines for the initial period of 18 months are:

- retrofitting of commercial refrigeration equipment should continue to be assessed on a case-by-case basis;
- training of refrigeration technicians should be recognized as part of end-user conversion activity in the refrigeration sector;
- retrofitting of commercial refrigeration equipment would be considered for funding based on the experience gained from implementation of the relevant parts of a refrigerant management plan;
- for the initial period, pending review, priority should be given to projects for the conversion of cold stores in the agricultural, fisheries or other food-chain industries which are important for the economies of the countries concerned;
- for the initial period, the costs associated with replacement of the refrigerant, replacement of the oil and minor capital items where necessary, and labour at the local labour rate, will be eligible as incremental costs. More extensive conversions including reconditioning or replacement of compressors and major overhaul of refrigeration systems will not be considered under the initial guidelines. Incremental operating costs and savings should be calculated as for other commercial refrigeration projects for a two-year period;
- enterprise consumption will be the average annual quantity of CFC refrigerant which can be established as having been added to the refrigeration system as per existing Executive Committee guidelines;
- no cost-effectiveness threshold needs to be established for this initial period but all existing baseline conditions and eligibility criteria will be applied. The funding for the initial period of 18 months will be limited to US \$10 million;
- these guidelines should be reviewed after being in operation for 18 months.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/44, para. 76).

(Supporting document: UNEP/OzL.Pro/ExCom/28/47).

The Thirty-second Meeting of the Executive Committee decided that project proposals for incentive programmes to encourage retrofitting of refrigeration equipment could be submitted within an RMP, on the understanding that, where the project was to make use of the 50 per cent additional funding for an existing RMP available under Decision 31/48:

- (a) the Implementing Agency concerned should consult with the country and all other agencies implementing components of the RMP;
- (b) the country concerned was fully informed about all the investment and non-investment activities which might be available;
- (c) the timing of the proposed activity was appropriate for the country's circumstances.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/28, para. 40).

Desk study on incentive programmes for retrofits

The Fifty-second Meeting of the Executive Committee decided:

- (a) to urge Article 5 countries and respective implementing agencies to intensify their efforts to advance the implementation of approved incentive programmes in order to meet the established targets and phase-out schedules;

- (b) to draw the attention of Article 5 countries for which terminal phase-out management plans had been approved or would be approved in the near future to incentive programmes as a possibility for achieving CFC phase-out in the refrigeration servicing sector, provided the necessary pre-conditions were in place and lessons learned from previous programmes were taken into account;
- (c) to request the implementing and bilateral agencies concerned to disseminate the lessons learned from the implementation of incentive programmes among Article 5 countries, including through the regional network meetings;
- (d) to request all bilateral and implementing agencies that were implementing or considering implementing incentive programmes for retrofits to take into account all the elements contained in paragraph (e) below, as they might apply to their programmes; and
- (e) to request UNDP in cooperation with the Fund Secretariat:
 - (i) to provide, as part of the guidelines, a template for calculating estimated operating savings and efficiency gains resulting from retrofitting or replacing a given refrigeration system, as well as the economic benefits of extending the life time of retrofitted equipment;
 - (ii) to clarify, during the preparation of incentive programmes, the methodology of calculating planned and actual CFC phase-out, taking into account local circumstances;
 - (iii) to include in the guidelines the preparation of country-specific implementation milestones in order to facilitate monitoring and avoid delays;
 - (iv) to foresee in the guidelines the possibility of adapting the scale and sequence of payments to local situations and to increase the maximum limit of US \$10,000 for large-sized end-users in order to motivate them to proceed with the conversion where the total cost might significantly exceed their maximum entitlement; and
 - (v) to incorporate into the guidelines a preference for the use of drop-in alternatives based on natural substances such as hydrocarbons, and to use HCFC ternary blends as drop-in substitutes for CFC-12 only in exceptional circumstances, taking into account safety issues.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/6, para. 52).

(Supporting document: UNEP/OzL.Pro/ExCom/52/8).

Incremental operating costs for compressors

Note: The following methodology has been replaced by the methodology in Decision 26/36 below.

The Twenty-second Meeting of the Executive Committee decided that:

- (a) in countries that do not have compressor manufacturers, or have undertaken not to seek funding for conversion of any compressor manufacturers, incremental operating costs for loaded non-CFC compressors would continue to be eligible for compensation unless such compressors are being procured from firms that the Fund is paying to convert;
- (b) for countries that are seeking funding for conversion of a compressor manufacturer, in order to be eligible for incremental operational costs, they must first submit information on their 1995 production of compressors and downstream user products. If those data show that compressor production was equal to or greater than the production of the downstream equipment producers, no funds shall be provided for incremental operational costs associated with the compressors;
- (c) for countries that are seeking funding for conversion of compressor manufacturers that produced less than the number of units produced by the downstream users, the eligible incremental operational costs associated with compressors for downstream users shall be reduced in accordance with the following example: if a country produced 100 refrigerators, but is seeking compensation for the production of 90 compressors, the eligible incremental costs for the downstream users would be 10 per cent of the level otherwise eligible for funding in a distributive manner;
- (d) if a country has received compensation for the conversion of some of its compressor manufacturers, but for the remainder of its firms would like instead to receive compensation for its downstream users, such compensation for the downstream users for the cost of loaded compressors would be eligible - however, the level of compensation would have to be adjusted using, at the choice of the country, either the example used above, or in a manner (to be proposed by the Secretariat and the Implementing Agencies for the

consideration of the Executive Committee) which would offset funds spent on the earlier conversion projects in a distributive manner;

- (e) the above guidelines were adopted with the following understandings:
- (i) incremental operating costs will no longer be considered for compressor manufacturers;
 - (ii) the guidelines will independently apply to domestic and commercial refrigeration projects;
 - (iii) further work may need to be done to accurately define domestic and commercial refrigeration;
 - (iv) the agencies and the Secretariat need to agree to a specific methodology for determining what incremental cost will be used for defining the eligible costs;
 - (v) further work needs to be done in relation to combined compressor and refrigerator manufacturers;
 - (vi) in considering the availability of domestic compressor production within Article 5 countries, one factor which may be considered by the Secretariat and the Implementing Agencies could be the source of supply used by the downstream users in the baseline;
 - (vii) given the apparent ambiguity that existed prior to this meeting regarding the eligibility of incremental operational costs for domestic refrigerator compressors, projects submitted to the Twentieth and Twenty-first Meeting will be approved with operational costs as agreed between the Implementing Agencies and the Secretariat;
 - (viii) domestic refrigeration compressor projects first submitted to this Meeting, one Meeting after the issue was originally raised, shall be agreed consistent with the above guidelines;
 - (ix) projects submitted to the present Meeting in the commercial refrigeration sector (where this issue was first raised) shall be decided consistent with the manner in which previous projects were approved;
 - (x) after the present Meeting, all compressor projects shall be considered in accordance with the above guidelines.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/26, para. 44).

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the Secretariat, together with the Implementing Agencies, to prepare a document on a methodology for establishing compressor prices, taking into account the views expressed by the members of the Sub-Committee, for submission to its Twenty-fourth Meeting;
- (b) to continue to consider projects involving compressors, with the portions of such projects related to the compressor prices being left pending until the guidelines on the methodology for establishing compressor prices had been agreed.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/13, para. 31).

The Twenty-fifth Meeting of the Executive Committee decided to request the Secretariat to rethink the whole question of incremental operating costs for compressors, and to produce a new document based on a much simpler approach, such as, for example, a percentage of the capital costs.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/49, para. 86).

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) to endorse the following principles:
 - (i) incremental operating costs will not be considered for compressor manufacturers;
 - (ii) in countries that do not have compressor manufacturers or have undertaken not to seek funding for conversion of any compressor manufacturers, incremental operating costs for loaded non-CFC compressors will continue to be eligible for compensation;
 - (iii) in countries that have both compressor manufacturers and downstream manufacturers of refrigerators, double-counting of compensation for the capital cost of conversion of compressor manufacture, and the incremental operating costs associated with compressors for downstream manufacturers of refrigerators, is to be avoided;
 - (iv) in countries which have received or will seek compensation for compressor conversion, any compensation proposed for downstream manufacturers for incremental operating costs associated with compressors will be discounted according to the ratio of the number of compressors in respect of which

- compensation for conversion of ODS-based production capacity has been paid or will be paid by the Fund, to the total number of refrigeration units produced in the country concerned using hermetic compressors;
- (v) in countries in which downstream users have received or will seek compensation for incremental operating costs associated with compressors, any proposed compensation for the capital costs of compressor conversion will be discounted according to the ratio of the number of hermetic compressors for which incremental operating costs have been or will be paid to downstream users through projects approved by the Fund, to the total number of refrigeration units produced in the country concerned using hermetic compressors;
- (b) to request relevant countries provide the necessary basic information on their refrigeration sectors, including:
- (i) relevant enterprise-level data relating to the production levels and capacities of the manufacturers of compressors (hermetic compressors only, since non-hermetic compressors are not used in domestic or small commercial refrigerators), including those manufacturers who have received Multilateral Fund grants as applicable;
 - (ii) relevant enterprise-level data relating to the production level of downstream refrigerator manufacturers (both domestic and commercial, using hermetic compressors), including those manufacturers who received incremental operating costs associated with compressors, as applicable;
 - (iii) relevant enterprise-level data relating to both of the above for enterprises with combined production, including any compensation received for one or the other from the Multilateral Fund;
 - (iv) statement from the country concerned regarding its intention on the remaining enterprises for which it wishes to receive funding for incremental operating cost associated with compressors or incremental capital cost for conversion of compressor manufacture;
- (c) to agree that the boundary between domestic and commercial refrigeration be delineated by compressor power rating and that refrigerators using hermetic compressors of 250 rated watts and below be classified as belonging to the domestic subsector;
- (d) to note that specific arrangements for implementation of the decision will be proposed by relevant Implementing Agencies and the Fund Secretariat on a country-by-country basis in the context of project proposals;
- (e) to decide that the guidelines in subparagraphs (a)–(d) above should be applied for a period of one year after which the issue could be brought again to the attention of the Executive Committee for further guidance, as pertinent.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/36, para. 63).

Desk study on compressor projects

The Thirty-first Meeting of the Executive Committee decided:

- (a) to take note of the information provided in the desk study on compressor projects (UNEP/OzL.Pro/ExCom/31/17);
- (b) to request the Senior Monitoring and Evaluation Officer to consider, during preparation of the 2001 draft work programme for monitoring and evaluation, the possibility and usefulness of a field evaluation of compressor projects, in the context of ODS phase-out in the refrigeration sector of selected countries.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/14, para. 33).

(Supporting document: UNEP/OzL.Pro/ExCom/31/17).

Recovery, reclamation and recycling

The Fourth Meeting of the Parties decided:

1. to annul Decision I/12 H of the First Meeting of the Parties ("Imports and exports of bulk used controlled substances should be treated and recorded in the same manner as virgin controlled substances and included in the calculation of the Party's consumption limits").
2. not to take into account, for calculating consumption, the import and export of recycled and used controlled substances (except when calculating the base year consumption under paragraph 1 of Article 5 of the Protocol), provided that data on such imports and exports are subject to reporting under Article 7.

3. the Parties also agreed on the following clarifications of the terms "recovery", "recycling" and "reclamation":
 - (a) Recovery: The collection and storage of controlled substances from machinery, equipment, containment vessels, etc., during servicing or prior to disposal;
 - (b) Recycling: The re-use of a recovered controlled substance following a basic cleaning process such as filtering and drying. For refrigerants, recycling normally involves recharge back into equipment which it often occurs "on-site";
 - (c) Reclamation: The re-processing and upgrading of a recovered controlled substance through such mechanisms as filtering, drying, distillation and chemical treatment in order to restore the substance to a specified standard of performance. It often involves processing "off-site" at a central facility.
4. urged all the Parties to take all practicable measures to prevent releases of controlled substances into the atmosphere, including, *inter alia*:
 - (a) to recover controlled substances in Annex A, Annex B and Annex C of the Protocol, for purposes of recycling, reclamation or destruction, that are contained in the following equipment during servicing and maintenance as well as prior to equipment dismantling or disposal:
 - (i) stationery commercial and industrial refrigeration and air conditioning equipment;
 - (ii) mobile refrigeration and mobile air-conditioning equipment;
 - (iii) fire protection systems;
 - (iv) cleaning machinery containing solvents;
 - (b) to minimize refrigerant leakage from commercial and industrial air-conditioning and refrigeration systems during manufacture, installation, operation and servicing;
 - (c) to destroy unneeded ozone-depleting substances where economically feasible and environmentally appropriate to do so.

(UNEP/OzL.Pro/4/15 Decision IV/24).

The Fourteenth Meeting of the Parties decided

1. to note that the terms in past Decisions related to "used controlled substances" such as "recovered", "recycled" and "reclaimed" have not been used uniformly and may be misinterpreted;
2. to urge Parties to be precise from now in the terminology related to "used controlled substances" in future Decisions, and when appropriate, refer specifically to the definitions agreed in Decision IV/24.

(UNEP/OzL.Pro.14/9, Decision XIV/3).

The Seventh Meeting of the Parties decided, on the status of recycled CFCs and halons under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, that the international transfers of controlled substances of the Montreal Protocol which are recovered but not purified to usable purity specifications prescribed by appropriate international and/or national organizations, including International Standards Organization (ISO), should only occur if the recipient country has recycling facilities that can process the received controlled substances to these specifications or has destruction facilities incorporating technologies approved for that purpose.

(UNEP/OzL.Pro.7/12 Decision VII/5).

The Eighteenth Meeting of the Executive Committee decided to consider the provision of recovery/recycling equipment to commercial refrigeration companies in projects related to servicing and recovery/recycling in the refrigeration sector in the future.

(UNEP/OzL.Pro/ExCom/18/75, Annex V, para. 8).

The Fourth Meeting of the Parties urged the Parties to adopt appropriate policies for export of the recycled and used substances to Parties operating under paragraph 1 of Article 5 of the Protocol, so as to avoid any adverse impact on the industries of the importing Parties, either through an excessive supply at low prices which might introduce unnecessary new uses or harm the local industries, or through an inadequate supply which might harm the user industries.

(UNEP/OzL.Pro/4/15 Decision IV/24, para. 5).

The Twenty-second Meeting of the Executive Committee decided:

- (a) that future refrigerant recovery and recycling projects should be prepared within the context of the refrigerant

management plan/strategy of the country concerned; but that small demonstration projects designed to inform a larger country could be considered; (Note: as amended by Decision 23/16).

- (b) to urge the Implementing Agencies to work with the countries concerned to ensure that the prerequisites for success were put in place before refrigerant recovery and recycling projects were implemented;
- (c) to request the Implementing Agencies to make available to the consultants responsible for implementation of the proposed Multilateral Fund monitoring and evaluation exercise information on, inter alia, the extent to which refrigerant recovery and recycling projects had succeeded in reducing consumption of ODS and on the lessons learned from their implementation, bearing in mind that the majority of consumption was the result of poor servicing practices;
- (d) to request UNDP to make available to the Executive Committee, when completed, some of the evaluations that were being carried out by the United Nations Office for Project Services (UNOPS) on ongoing refrigerant recovery and recycling projects. Other Implementing Agencies that had completed recycling projects should also be requested to submit information on the results of those projects;
- (e) to take note of the view that it was necessary to take account of the costs involved in undertaking the necessary support measures for refrigerant recovery and recycling projects, such as training and efforts to reduce CFC emissions resulting from leakages;
- (f) to urge the Implementing Agencies to take time at the forthcoming fifteenth meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol to reach out to, and develop appropriate assistance requests for, all Parties that had not yet received Fund assistance and might be in danger of not meeting the freeze;
- (g) to request the Secretariat, the Implementing Agencies, Parties involved in bilateral co-operation activities and other interested members of the Executive Committee to meet before the next meeting of the Committee to elaborate draft guidelines for refrigerant management plan projects for the consideration of the Sub-Committee on Project Review and the Executive Committee at its Twenty-third Meeting.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/23, para. 41).

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/16, para. 17).

Recycling projects in CFC-producing countries

The Twenty-second Meeting of the Executive Committee decided:

- (a) to note the potential usefulness of demonstration projects for refrigeration recovery and recycling in other ODS-producing countries;
- (b) to note that, while in many cases there may be financial benefits in recycling projects, there could be cases in which the operational costs of refrigerant recovery and reclamation projects could exceed their benefits;
- (c) to note that measures needed to support recovery and recycling projects needed to be appropriate to local circumstances and could involve, for example, incentives affecting the operational level or regulatory measures.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/22, para. 40).

Operating savings resulting from recovery and recycling of refrigerants

The Seventeenth Meeting of the Executive Committee decided that there should be an investigation of the practicality and implications of taking operating savings resulting from recovery and recycling into account and adjusting at a subsequent meeting of the Executive Committee institutional-strengthening grants or any other Fund-supported activity related to ozone layer protection for the country concerned on the basis of reported quantities of recovered ozone-depleting substances. This would not apply to small demonstration projects, and requested the Secretariat to prepare a paper on the subject for submission to the Committee at its Eighteenth Meeting.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/12 para. 21).

The Twenty-fifth Meeting of the Executive Committee decided to request the Secretariat to undertake further study on the question of the gains arising from recovered and recycled ozone-depleting refrigerants, which would lead to a renewed discussion within the Sub-Committee on the issue of offsetting benefits in large recycling efforts.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/32, para. 64 (d)).

Expedite provision of the necessary regulatory and legislative

The Twenty-eighth Meeting of the Executive Committee decided to request those Implementing Agencies to report to its Twenty-ninth Meeting on the steps taken at the national level to expedite the provision of the necessary regulatory and legislative measures required for successful recovery and recycling projects.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/10, para. 24).

The Thirty-eighth Meeting of the Executive Committee decided that in future, in proposing for approval any projects that included a CFC recovery and recycling programme, the Implementing Agencies would consistent with previous decisions, not commence the recovery and recycling component of the RMPs until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants were similar.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/38, para. 74(a)(ii)).

Recovery and recycling of HFCs and CFCs

The Thirty-eighth Meeting of the Executive Committee decided that in future, in proposing for approval any projects that included a CFC recovery and recycling programme, the Implementing Agencies would examine the possibility of collaboration for leveraging additional financing, for example from the Global Environment Facility (GEF), to fund the acquisition of machinery which could be used for recovery and recycling of both HFCs and CFCs.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/38, para. 74(a)(i)).

Results of the desk study on recovery and recycling projects

The Thirty-first Meeting of the Executive Committee decided:

- (a) the Implementing Agencies should seek information from governments and/or national ozone units on the status of all the recovery and recycling projects they have implemented so as to ascertain whether they are in operation. The reports should be based on a standardized format for data collection, both at the individual equipment user level and as summarized information at the project level. This format should be developed by the Senior Monitoring and Evaluation Officer in consultation with the Implementing Agencies and interested national ozone units, and should be presented to the Executive Committee at its 32nd meeting;
- (b) an evaluation of recovery and recycling projects should be undertaken, particularly for those projects implemented as a component of a refrigerant management plan, as soon as they had been monitored for a reasonable period and data had been collected by the national ozone units and the Implementing Agencies and forwarded to the Multilateral Fund Secretariat. Depending on the information received from the national ozone units and the Implementing Agencies, as well as that contained in the project completion reports, the evaluation could be undertaken under the 2001 or 2002 work programme for monitoring and evaluation. The terms of reference for the evaluation would be presented to the Executive Committee for consideration. The draft terms of reference would take account of comments made by members of the Sub-Committee on Monitoring, Evaluation and Finance at its 11th meeting;
- (c) the national ozone units together with the Implementing Agencies should also be requested to obtain costing data for recovery and recycling which should include the operating cost of equipment, to arrive at the cost of recovery and recycling, as well as the price trends in refrigerants. The data would permit the conditions for economically viable recycling and recovery operations to be determined, and they should be made available to the Implementing Agency, with a copy to the Multilateral Fund Secretariat.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/15, para. 34).

(Supporting document: UNEP/OzL.Pro/ExCom/31/18).

The Thirty-second Meeting of the Executive Committee decided to request the Senior Monitoring and Evaluation Officer to review the objectives of the evaluation exercise with a view to improving the exercise and lightening the burden on respondents. That did not imply that the same procedures would apply to all recovery and recycling projects in the future.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/16, para. 27).

Development of refrigeration management plans (RMPs).

The Twenty-second Meeting of the Executive Committee decided:

- (a) to request UNEP, in consultation with the Secretariat, the Implementing Agencies and members of the Executive Committee, to review the proposed guidelines for refrigeration management plans and bring forward a revised proposal to the September 1997 meeting of the Sub-Committee on Project Review, with

comments from members of the Executive Committee to be provided by the end of June 1997;

- (b) to authorize low-volume-consuming countries that have approved country programmes and now need to take near-term action in this area to meet the freeze, to submit refrigeration management plans based on the draft guidelines recommended by the Sub-Committee on Project Review (with the input coming from the consultations noted in subparagraph (a) above) along with any associated projects, to the next meeting of the Executive Committee and, in this respect, to approve US \$140,000 for UNDP and US \$60,000 for UNIDO for this purpose;
- (c) to urge the Implementing Agencies not to view this discussion as an opportunity to develop recycling programmes, but rather as an opportunity to help countries think through the measures they need to take to facilitate compliance with the Protocol. In this regard, recycling projects should not be proposed unless there are incentives or regulatory measures that will be in place prior to proposed implementation of any proposed recycling projects to ensure that such projects will be sustainable;
- (d) to request UNEP to adjust country programmes presently under preparation to accommodate the requirements of the draft guidelines for refrigeration management plans as recommended by the Sub-Committee on Project Review and to urgently finish that work;
- (e) in cases where no country programmes for very-low-/low-volume-consuming Parties have yet to be started, to request UNEP to reach out to those countries to develop refrigeration management plan/country programme combination documents based on the draft guidelines, authorizing US \$200,000 for this initial UNEP work and requesting UNEP to report on the status of related activities at the Twenty-third Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/24, para. 42).

The Twenty-third Meeting of the Executive Committee decided that the Guidelines for the Preparation of Refrigerant Management Plans be approved (Annex IX.22).

The Executive Committee also noted that the focus of guidelines for refrigerant management plans was on low-volume consuming countries (LVCs), but that those guidelines were sufficiently flexible to allow them to be used by larger countries.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/15, paras. 35 and 36).

The Twenty-fourth Meeting of the Executive Committee decided that, in the preparation of RMPs, it was not necessary for unduly restrictive conditionalities to be set. However, at the time of approval of an RMP, it was highly important that a clear political commitment be shown by the country concerned and that the RMP be prepared in a high-quality, comprehensive way, containing a strategy, including institutional and legislative aspects, for phasing out CFCs in the entire sector, and including consideration of how to approach the problem of the informal sector.

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/24, para. 47).

The Twenty-fifth Meeting of the Executive Committee decided to request UNEP to organize, in association with the 10th Meeting of the Parties, a workshop involving bilateral donors, the Implementing Agencies and the Secretariat, to review experience to date with RMPs, in order to improve the quality of the preparation and implementation of RMP projects.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/25, para. 54 (b)).

The Twenty-fifth Meeting of the Executive Committee also decided to request that the possibility of carrying out more cost-effective regional training be considered in future refrigerant management plans projects.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/32, para. 64 (c)).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to invite members and Implementing Agencies, including those involved in bilateral co-operation, to communicate their views and field experience to the Secretariat in writing to be used as input for discussions by the contact group (composed of Algeria, Belgium, Burkina Faso, Canada, Italy, Sweden (facilitator) Uganda and the United States) on the occasion of the Twenty-eighth Meeting of the Executive Committee, taking into account document UNEP/OzL.Pro/ExCom/27/Inf.4 and possible links with other policy issues;
- (b) to request the Sub-Committee on Monitoring, Evaluation and Finance to take up the question of performance targets applicable to preparation and implementation of refrigerant management plans.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/85, paras. 129 to 131).

(Supporting document: UNEP/OzL.Pro/ExCom/27/Inf.4).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to commend the contact group and its facilitator for the progress made;
- (b) to reconstitute the contact group from the members of the new Executive Committee; and
- (c) to include refrigerant management plans as an item of the agenda of the Thirtieth Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/70, para. 110).

The Eleventh Meeting of the Parties decided to request the Multilateral Fund Executive Committee to finalize the formulation of guidelines for refrigerant management plans for high volume ozone-depleting-substance-consuming countries as soon as possible and subsequently approve funding in accordance with the guidelines for such projects in the pipeline.

(UNEP/OzL.Pro.11/10, Decision XI/27).

Already approved RMPs for LVCs

The Thirty-first Meeting of the Executive Committee decided:

- (a) to request national ozone officers, with the assistance of the Implementing Agency concerned, to review and assess the content, implementation to date and expected outcomes of their RMPs against their objective to phase-out all consumption in the refrigeration sector according to the Montreal Protocol timetable. In undertaking this review, national ozone officers should:
 - (i) calculate current and forecast future consumption in relation to the freeze, 50% cut in 2005, 85% cut in 2007 and phase-out in 2010 and calculate the size of consumption cuts in the refrigeration sector required to meet these targets;
 - (ii) include forecast cuts in consumption attributable to the activities already approved under the RMP, including training activities and recovery/recycling;
 - (iii) ensure that the current and expected future consumption of all subsectors, including the informal sector, small and medium-sized enterprises and mobile air conditioners, are included in the review;
 - (iv) for each activity identified, consider the cost and means of funding, including national financing;
 - (v) ensure that the RMP and government strategy for delivering phase-out includes adequate provision for monitoring and reporting on progress;
- (b) that LVCs (or groups of LVCs) with already approved RMPs may submit to the Executive Committee requests for funding additional activities necessary to reduce consumption and thereby ensure compliance with the Protocol. Such additional activities should be essential parts of their comprehensive strategy for phase-out in the refrigeration sector. Additional funding shall not exceed 50% of the funds approved for the original RMP or, where relevant, RMP components. With the possible exception of the post-2007 period noted in subparagraph (d) below, no further funding beyond this level, including funding related to retrofits, would be considered for activities in this sector;
- (c) that requests for additional funding consistent with subparagraph (b) above should be accompanied by:
 - (i) a justification for the additional activities to be funded in the context of the country's national phase-out strategy;
 - (ii) a clear explanation of how this funding, together with the initial RMP funding and steps to be taken by the government, will ensure compliance with the Protocol's reduction steps and phase-out;
 - (iii) a commitment to achieve, without further requests for funding for the RMP, at least the 50% reduction step in 2005 and the 85% reduction step in 2007. This shall include a commitment by the country to restrict imports if necessary to achieve compliance with the reduction steps and to support RMP activities;
 - (iv) a commitment to annual reporting of progress in implementing the RMP and meeting the reduction steps;
- (d) that it will review in 2005 whether further assistance is needed for the post-2007 period, and what assistance the Fund might consider at that time to enable full compliance with the Protocol's phase-out requirements.

Preparation and approval of new RMPs for LVCs

- (e) that the project preparation phase for RMPs should, as intended by the existing guidelines, include a full survey of CFC consumption in all subsectors, the development of a comprehensive government phase-out strategy and a commitment by the government to enact regulations and legislation required for the effective implementation of activities to phase-out the use of CFC refrigerants. To enable these preparatory activities, including the development of legislation and regulations, to be completed in full, the funding provided for the project preparation phase should be double the level traditionally provided;
- (f) that the provisions relating to existing RMPs in section A, subparagraphs (a), (c) and (d) above shall also apply to new RMPs submitted pursuant to this decision;
- (g) that in lieu of the ability given to already approved RMPs to request additional funds, the total level of funding for the implementation of new RMPs could be increased by up to 50% compared to the level of RMP funding typically approved to date, with flexibility for the country in selecting and implementing the RMP components which it deems most relevant in order to meet its phase-out commitments. With the exception of the post-2007 phase noted in section A, subparagraph (d) above, no further funding beyond this level, including funding for retrofits, would be considered for activities in this sector;
- (h) that the following text should be added to the RMP guidelines after the last bullet in section 3.1: “The elements and activities proposed for an RMP, whether they are to be funded by the Multilateral Fund or the country itself, should reflect the country’s particular circumstances and address all relevant sectors including the informal sector. They should be sufficient to ensure fulfillment of the countries’ control obligations at least up to and including the 85% reduction in 2007, and should include mechanisms for reporting progress.”

RMPs for higher-volume-consuming countries

- (i) that, taking into account the need for large consuming countries to initiate planning for dealing with this large and complex sector, as well as the related decision of the Meeting of the Parties, it will consider requests for funding the development of long-term strategies for the refrigeration sector for high-volume-consuming countries. High-volume-consuming countries that have not yet undertaken country programme updates should undertake this strategic RMP development in the context of such updates, consistent with any Executive Committee guidance on country programme updates;
- (j) that future Executive Committee decisions on funding the implementation of the elements of such RMP strategies should take into account the relative priority in national government planning of CFC reductions in the refrigeration sector and the availability of other reduction opportunities in meeting the country’s control obligations;
- (k) that, in that context, the Executive Committee may consider whether certain activities often considered to be part of an RMP (such as training of customs officers) could be initiated before an RMP was developed.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/48, para. 78).

(Supporting documents: UNEP/OzL.Pro/ExCom/30/39 and 31/57).

The Thirty-second Meeting of the Executive Committee decided to request UNDP to comply with Decision 31/48 for countries which apply for the 50 per cent increase to their current RMP funding level. Funding requests should be accompanied by a justification for the proposed additional activities based on a full assessment as described in Decision 31/48, para. (a), and a clear explanation of how this funding will ensure compliance with the Montreal Protocol phase-out schedule to January 2007.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/10, para. 21 (b)).

The Thirty-second Meeting of the Executive Committee decided that the Implementing Agency responsible for implementing the RMP be requested to make every effort to assist the country concerned to achieve phase-out targets specified in the RMP.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/26, para. 38).

The Thirty-seventh Meeting of the Executive Committee decided that, for RMPs in large-volume-consuming countries, interim steps should not be used in performance agreements unless the use of CFCs for manufacturing had been completely phased out, and that the agreement should result in complete phase-out as if it were part of a national CFC phase-out plan or a sector plan.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/19, para. 47).

Agency responsibilities in RMP preparation and implementation

The Thirty-ninth Meeting of the Executive Committee decided:

- (a) to request agencies to coordinate their project preparation requests associated with RMPs or RMP updates so that the total funding sought remained within the limits established by the guidelines in Decision 31/48;
- (b) to require, with the first project preparation request, nomination of all the agencies that would be involved in the RMP and the lead agency that would be responsible for overall RMP implementation, including its phase-out objectives, and for reporting on overall progress and on achievement. However, in order to be consistent with the country-driven approach, a country would be entitled to change the agency responsible or request additional support from another agency (within the limits of the approved financing), with the Secretariat then being notified of such changes.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/16, para. 53).

Funding of updates of RMPs

The Thirty-third Meeting of the Executive Committee decided:

- (a) proposals to update refrigerant management plans should be in conformity with decision 31/48 and should be accompanied by:
 - (i) a progress report from Implementing Agencies on the status of work being undertaken in the projects approved as part of the refrigerant management plan; and
 - (ii) a written justification from countries for additional activities, explaining how the additional activities were related to the refrigerant management plan and the country's phase-out commitments.
- (b) the level of funding of such requests could be up to 50 per cent of the level of funding approved prior to the Thirty-first Meeting for the preparation of the original refrigerant management plan;
- (c) approval of the additional funding would be contingent on submission of the progress reports and the written justification referred to above.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/13, para. 31).

The Thirty-seventh Meeting of the Executive Committee decided to request the Secretariat, in collaboration with the Implementing Agencies and interested Executive Committee members to prepare a document on the issue of whether RMP activities included in business plans could be submitted as new terminal phase-out management plans if countries requested agencies to do so, taking account of the content of Decision 31/48, for consideration at the 38th Meeting.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/70, para. 121 (a)).

Final report on the evaluation of the implementation of RMPs

The Forty-first Meeting of the Executive Committee decided to note the information provided in document UNEP/OzL.Pro/ExCom/41/7.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/5, para. 36(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/41/7).

Final report on the intermediate evaluation of RMPs and NPPs in non LVC countries

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to note with appreciation the final report on the intermediate evaluation of refrigerant management plans and national phase out plans in non low volume consuming countries focusing on the refrigeration servicing sector contained in document UNEP/OzL.Pro/ExCom/48/12; and
- (b) to request the Senior Monitoring and Evaluation Officer to develop a comprehensive and categorized compendium of recommendations relevant to that evaluation, distinguishing between new recommendations and those that had already been approved by the Executive Committee, and to present that compendium to the 49th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/10, para. 77).

(Supporting document: UNEP/OzL.Pro/ExCom/48/12).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to recommend that National Ozone Units (NOUs) in planning and implementing refrigerant management plans and national or terminal phase-out plans consider, where feasible and in cooperation with other relevant government ministries/agencies:

- (i) updating and complementing ODS-related legislation where additional legal measures were needed and further specification of enforcement mechanisms had been identified, including, for example:
 - banning the import and export of CFC-based second-hand refrigeration equipment;
 - mandatory certification of technicians performing professional activities in refrigeration servicing;
 - specification of a system of sanctions in cases of violation of legal regulations;
 - improvement of the mechanisms for import and export quota allocations under the licensing system and the monitoring of their actual use;
 - enhancement of cooperation between the NOU and the customs authorities;
 - (ii) upgrading the curriculum for technical training in refrigeration, where needed, and providing all training institutions with the latest relevant information with regard to the general application of good practices to significantly reduce usage of ODS and to promote the use of alternatives;
- (b) to request implementing and bilateral agencies, when implementing ongoing national phase-out plans and when planning new national phase-out plans, to take into consideration decision 41/100 for the recovery and recycling part of national phase-out plans, in particular the following paragraphs:
- (i) “concentrating recovery and reuse of CFCs in large-size commercial and industrial installations and mobile air conditioning sectors, if significant numbers of CFC-12-based systems still existed and the availability of CFC was strongly reduced by the adoption of effective import control measures;
 - (ii) further exploring possibilities for facilitating cost-effective retrofitting and/or use of drop-in substitutes, possibly through incentive programmes;
 - (iii) becoming more selective in providing new recovery, and in particular recycling, equipment by:
 - a. establishing during project preparation a sounder estimate of the likely demand for recovery and recycling equipment;
 - b. delivering equipment to the country only against firm orders and with significant cost participation by the workshops for equipment provided, using locally-assembled machines to the extent possible;
 - c. procuring, delivering and distributing equipment in several stages, after reviewing the utilization of equipment delivered and verifying further demand;
 - d. ensuring that adequate follow-up service and information was available to keep the recovery and recycling equipment in service;
 - (iv) monitoring the use of equipment and knowledge acquired by the beneficiaries, on an ongoing basis, through regular consultations and collection of periodic reports from the workshops, to be carried out by national consultants in cooperation with associations of technicians. Progress reports based on such monitoring should be prepared annually by the consultant and/or the National Ozone Units, in cooperation with the implementing agency, as provided in decision 31/48, and sufficient additional resources should be made available to allow for such follow-up and reporting work” (from decision 41/100);
- (c) to request bilateral and multilateral implementing agencies, in cooperation with the relevant national institutions:
- (i) to base the training of technicians on a strategy combining theoretical training with practical exercises during seminars with limited numbers of participants, and assisting in upgrading the curriculum of technical training institutes for refrigeration servicing in countries where it had not yet been done;
 - (ii) to pay full attention to safety aspects and the necessary modification or replacement of electrical components in countries where training in the use of hydrocarbons and particularly retrofitting was carried out; and
 - (iii) to select carefully the type of refrigerant identifiers to be purchased, taking into account preferences for small portable units, suitable for identifying different types of refrigerants, and including a test phase, where feasible, before buying larger numbers. Moreover, the administrative details of their distribution, usage and storage should be planned in advance in order to avoid delays and to increase the effectiveness of their use;

- (d) to request the Fund Secretariat, in cooperation with bilateral and multilateral implementing agencies, to develop recommendations for indicative lists of appropriate equipment for the main target groups and share information about competitive suppliers, including from Article 5 countries; and
- (e) to request the Fund Secretariat, in cooperation with bilateral and multilateral implementing agencies, to develop an appropriate reporting format for the tracking of cumulative progress achieved in the annual work programmes, summarizing in standardized overview tables the information requested in decision 47/50, with a view to simplifying and rationalizing the overall reporting requirements and to report back to the 51st Meeting of the Executive Committee. Such assessment should contain a “comparison of what had been planned in the previous annual tranche and what had been achieved. The disbursement information should be provided cumulatively and data concerning actual or planned commitments could also be provided, as appropriate. The information should also specify how the relevant flexibility clause in the agreement was implemented and/or how to allocate unused funds from previous tranches” (from decision 47/50, subparagraph (b)(i)).

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/6, para. 54).

(Supporting document: UNEP/OzL.Pro/ExCom/49/7).

Evaluation of management, monitoring and verification of NPPs in non-LVC countries

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to encourage Article 5 countries implementing phase-out plans to consider:
 - (i) issuing decrees (orders usually emanating at the ministerial level), to the extent possible, so as to introduce the needed policies, bans and restrictions, given the complexity and time required to create or amend legislation;
 - (ii) undertaking a comprehensive needs analysis for the further training of customs officers, and developing a training plan utilizing the train the trainer approach and integrating ODS issues into the regular curriculum in order to create sustainable training capacities;
 - (iii) the possibility of eventually charging participants or their employers fees for technician training so as to increase their sense of ownership and generate funds for additional training activities;
 - (iv) using voucher systems to enable workshops to select the recovery and recycling (R&R) equipment that they wanted and needed, while paying for part of the cost both to increase the likelihood of that equipment being used and to allow a greater amount of equipment to be purchased;
 - (v) when developing business plans for reclamation centres, demonstrating how such centres could be made self-sustainable;
 - (vi) undertaking a needs analysis, where not yet done, or at the least an estimate based on best available information or surveys, and developing comprehensive training plans for the remaining numbers of refrigeration technicians to be trained;
 - (vii) routinely monitoring local market-place conditions as prices for CFCs, and their substitutes tended to be good indicators of the potential risk for illegal trade;
- (b) to request UNEP’s Compliance Assistance Programme regional offices to disseminate to all interested Article 5 countries the on-line interactive customs training module and the manual for customs officers developed in Argentina;
- (c) to request the implementing agencies:
 - (i) to carefully complete the new multi-year agreement (MYA) overview tables for all additional tranches requested, in cooperation with the National Ozone Units (NOUs) and project management units concerned;
 - (ii) to improve the content and clarity of annual implementation reports (AIPs) by reflecting the data in the MYA overview tables and explaining the difference between planned and actual results for both the reporting year and in cumulative terms for the whole national phase-out plan;
 - (iii) to indicate the cost of the verification reports in the AIPs and annual work plans and ensure that all the verification guidelines were followed;
 - (iv) to find other means of cross-checking customs data to provide the Executive Committee with the required

assurances in countries where individual company data were not accessible; and

- (c) to explore options for working with government auditors in those countries where that would result in better access to data.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/11, para.79).

(Supporting document: UNEP/OzL.Pro/ExCom/54/12 and Corr.1).

Reorient the approach to RMPs to facilitate compliance

The Fortieth Meeting of the Executive Committee decided to set up an open ended working group to discuss, in the margins of the 41st Meeting of the Executive Committee, ways to reorient the approach to RMPs to better facilitate compliance, with members chosen from both the Sub Committee on Project Review and the Sub-Committee on Monitoring, Evaluation and Finance as well as representatives of the Implementing Agencies.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/20, para. 60).

The Forty-first Meeting of the Executive Committee, in recognition of the fact that in certain cases Article 5 countries needed flexibility in implementing refrigerant management plans in order to reflect changing circumstances, decided:

- (a) to recommend that bilateral and Implementing Agencies, in collaboration with Article 5 countries preparing and implementing refrigerant management plans, be given flexibility, within historically agreed funding levels, to implement refrigerant management plan components that are adapted to meet the specific needs of relevant Article 5 countries, and that planned changes to project activities be clearly documented and available for future monitoring and evaluation in accordance with Fund rules; and
- (b) that in developing appropriate interventions, Article 5 countries and bilateral and Implementing Agencies should give consideration to:
 - (i) concentrating support on the development of legislation and coordination mechanisms with industry, where these are not yet in place, and on further training programmes for refrigeration technicians and customs officers, using existing national capacities and providing expert support and resources such as equipment and tools required; this should also include efforts to raise awareness of the value of skilled technicians for end users and for stakeholders;
 - (ii) also concentrating recovery and reuse of CFC on large-size commercial and industrial installations and mobile air conditioner (MAC) sectors, if significant numbers of CFC-12 based systems still exist and the availability of CFC is strongly reduced by the adoption of effective import control measures;
 - (iii) further exploring possibilities for facilitating cost-effective retrofitting and/or use of drop-in substitutes, possibly through incentive programmes;
 - (iv) becoming more selective in providing new recovery and in particular recycling equipment by:
 - a. establishing during project preparation a sounder estimate of the likely demand for recovery and recycling equipment;
 - b. delivering equipment to the country only against firm orders and with significant cost participation by the workshops for equipment provided, using locally-assembled machines to the extent possible;
 - c. procuring, delivering and distributing equipment in several stages, after reviewing the utilization of equipment delivered and verifying further demand; and
 - d. ensuring that adequate follow-up service and information are available to keep the recovery and recycling equipment in service; and
 - (v) monitoring the use of equipment and knowledge acquired by the beneficiaries, on an ongoing basis, through regular consultations and collection of periodic reports from the workshops, to be carried out by national consultants in cooperation with associations of technicians. Progress reports based on such monitoring should be prepared annually by the consultant and/or the National Ozone Units, in cooperation with the Implementing Agency, as provided for in Decision 31/48, and sufficient additional resources should be made available to allow for such follow-up and reporting work.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/100, para. 162).

RMPs and TPMPs

The Thirty-eighth Meeting of the Executive Committee decided that specific requests for funding of terminal CFC phase-out plans for LVC countries might be considered on a case by case basis, provided that:

- (a) the country concerned has a licensing system in operation and has enacted or improved legislation to phase-out ODS consumption;
- (b) the Government concerned is committed to achieve, without further request for funding from the Multilateral Fund, the complete phase-out of CFCs in accordance with its obligation under the Montreal Protocol;
- (c) the Government is committed to annual reporting of progress in implementing the activities proposed and meeting the reduction steps; and
- (d) implementing and/or bilateral agency(ies) responsible for implementing the terminal phase-out plan be requested to advise the Government concerned on the financial implications to the country for submitting a terminal phase-out plan, and make every effort to assist the Government concerned to achieve phase-out targets specified in the plan.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/64, para. 102).

(Supporting document: UNEP/OzL.Pro/ExCom/38/56).

The Fortieth Meeting of the Executive Committee decided:

- (a) to urge low-volume-consuming countries to consider carefully whether it was in their interests at this stage to request final funding to achieve total phase-out of CFCs;
- (b) to request implementing and bilateral agencies to give priority to assisting countries with implementation of the approved refrigeration management plan to meet their 2005 and 2007 CFC control targets;
- (c) to urge all Article 5 Parties concerned to ensure that all the provisions of Decision 38/64 were applied before submitting projects for terminal phase-out management plans; and that the acceleration of phase-out implied by the terminal phase-out management plan had met the criteria established by the Executive Committee for prioritizing accelerated phase-out; and
- (d) to give urgent consideration to the adoption of criteria for project funding to accelerate phase-out and/or to maintain momentum.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/21, para. 61).

Further assistance for the post-2007 period in LVC countries

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to urge bilateral and/or Implementing Agencies on behalf of low volume consuming countries without an approved terminal phase out management plan (TPMP) to submit TPMP proposals, on the understanding that:
 - (i) TPMP project proposals should be in conformity with all relevant decisions taken by the Executive Committee;
 - (ii) TPMP project proposals should contain, as a minimum, a commitment by the government concerned to the phased reduction and complete phase-out of the consumption of CFCs in the country according to a specific phase out schedule, which was at a minimum consistent with the Montreal Protocol's control measures;
 - (iii) no additional resources would be requested from the Multilateral Fund or bilateral and/or Implementing Agencies for activities related to the phase out of CFCs and other ODS where applicable;
 - (iv) the government concerned would have flexibility in utilizing the resources available to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of ODS;
 - (v) annual reporting on the implementation of the activities undertaken in the previous year, as well as a thorough and comprehensive work plan for the implementation of the following year's activities, would be mandatory; and
 - (vi) the roles and responsibilities of the major national stakeholders, as well as the lead implementing agency and the cooperating agencies when applicable, must be defined;
- (b) that additional funding of up to US \$30,000 could be requested for the preparation of a TPMP proposal on the understanding that up to US \$10,000 of this funding could be earmarked for the bilateral and/or Implementing Agencies to report on the implementation and impact of the approved recovery and recycling programme, where applicable, and that this report should be integrated within the resulting TPMP proposal;

- (c) that future TPMP proposals for the post-2007 period might include requests for funding up to the levels indicated in the table below, on the understanding that individual project proposals would still need to demonstrate that the funding level was necessary to achieve complete phase-out of CFCs. Up to 20 per cent of approved funds should be used by the bilateral or implementing agency and/or country concerned to ensure comprehensive annual monitoring and reporting of the TPMP, including the recovery and recycling programme:

CFC baseline (ODP tonnes)	Funding level (US \$)
<15	205,000
15 to 30	295,000
30 to 60	345,000
60 to 120	520,000
>120	565,000

- (d) to require, on an annual basis, verification of a randomly selected sample of approved TPMPs for low-volume-consuming countries under implementation (i.e., 10 per cent of approved TPMPs). The costs associated with verification would be added to the relevant work programme of the lead implementing agency; and
- (e) to approve, on a case-by-case basis, up to US \$30,000 for the preparation of a transitional strategy for CFC-MDIs in low-volume-consuming countries where the need for a strategy had been fully demonstrated and documented.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/54, para. 173).

(Supporting document: UNEP/OzL.Pro/ExCom/45/46 and Corr.1).

The Forty-sixth Meeting of the Executive Committee decided to request Bilateral and Implementing Agencies preparing reports under decision 45/54 to prepare the reports in a format similar to the reports currently prepared under decision 31/48 for refrigerant management plan (RMP) updates and to provide a similar comprehensive overview of the implementation of the RMP.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/18, para. 90 (b)).

Submission of TPMPs for blanket approval

The Forty-eighth Meeting of the Executive Committee decided:

- (a) they were in accordance with the relevant policies and decisions of the Multilateral Fund;
- (b) they contained no policy issues; and
- (c) all technical and cost issues had been agreed between the Secretariat and relevant bilateral and/or implementing agencies.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/17, para. 100).

Chillers

The Twelfth Meeting of the Executive Committee adopted the following recommendations on chiller project proposals:

- (a) that consideration be given to the Total Equivalent Warming Impact (TEWI) in selecting alternative technology in the chiller sector, which would include both direct effects (refrigerant global warming potential) and indirect effects (system energy efficiency), and to human health and safety aspects.
- (b) that the Executive Committee approves refrigerant containment and better operation and maintenance practices, including recovery/recycling/reclamation as a strategic option in ODS phase-out in the chiller sector in Article 5 countries. Article 5 countries should be encouraged to pursue a more aggressive refrigerant containment programme, including recovery/recycling/reclamation. The Implementing Agencies should be requested to intensify their efforts in formulation of new investment projects in this area.
- (c) that the Executive Committee approves conversion of CFC-based chiller manufacturing facilities as a strategic option of ODS phase-out in the chiller sector. The Implementing Agencies should be requested to increase their activities in identifying and preparing project proposals in this area.
- (d) that the Executive Committee approves the replacement of CFC chillers as a first priority of strategic options in ODS phase-out in the chiller sector. Implementing agencies should be requested to focus their activities on the replacement options in addressing ODS phase-out in the chiller sector. Energy savings should be taken into

consideration when calculating the incremental costs of replacement.

- (e) that the Executive Committee defer consideration of projects to retrofit chillers, except in special cases and when definite substitutes are used.
- (f) that the Executive Committee encourages the governments in Article 5 countries to give full consideration to appropriate regulatory and legislative action facilitating the implementation of CFC phase-out projects in the chiller sector. These should include an immediate cessation in the installation of new CFC chillers.

(UNEP/OzL.Pro/ExCom/12/37 (paras. 159-160).

(Supporting document: UNEP/OzL.Pro/ExCom/12/33).

Reductions in consumption in the chiller sub-sector

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to re-examine the issues raised in the chiller sub-sector, taking into account the views expressed by the Executive Committee at the 37th Meeting; and
- (b) to report to a future meeting of the Executive Committee on:
 - (i) a possible update of policy guidance;
 - (ii) clarification of the nature of savings that could be envisaged as a result of increased energy efficiency;
 - (iii) how soon those energy savings might be realized.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/21, para. 49).

Development of policies governing the service sector and final use of chillers

The Fourteenth Meeting of the Parties decided to request the Technology and Economic Assessment Panel to collect data and assess the portion of the refrigeration service sector made up by chillers and identify incentives and impediments to the transition to non-CFC equipment and prepare a report; and to request the Technology and Economic Assessment Panel to submit the report to the 2003 Open-ended Working Group meeting for their consideration.

(UNEP/OzL.Pro.14/9, Decision XIV/9).

Portion of the refrigeration service sector made up by chillers

The Sixteenth Meeting of the Parties decided to request the Executive Committee of the Multilateral Fund to consider:

- (a) funding of additional demonstration projects to help demonstrate the value of replacement of CFC-based chillers, pursuant to relevant decisions of the Executive Committee;
- (b) funding actions to increase awareness of users in countries operating under paragraph 1 of Article 5 of the impending phase out and options that may be available for dealing with their chillers and to assist Governments and decision makers;
- (c) requesting those countries preparing or implementing refrigerant management plans to consider developing measures for the effective use of the ozone depleting substances recovered from the chillers to meet servicing needs in the sector.

(UNEP/OzL.Pro.16/17, Decision XVI/13).

Criteria and modalities for chiller demonstration projects

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to note with appreciation the study on criteria and modalities for chiller demonstration projects, contained in document UNEP/OzL.Pro/ExCom/46/37;
- (b) to utilize the funding window of US \$15.2 million for additional demonstration projects in the chiller sub-sector, with an understanding that no further funding for chiller replacement would be approved by the Executive Committee, as follows:
 - (i) to request UNDP, UNIDO and the World Bank, as well as interested bilateral agencies, to submit to the 47th Meeting of the Executive Committee project proposals that could be replicated in other countries to demonstrate the feasibility of and modalities for replacing centrifugal chillers in the future through use of resources external to the Multilateral Fund. To the extent that funds from the Multilateral Fund would be able to initiate an activity that leveraged other sources of long term sustainable financing, the scope of the project might be expanded to address all types of chillers. The agencies were encouraged

- to submit such projects on a regional basis to allow as many countries as possible to be included;
- (ii) to agree the following conditions for such investment demonstration projects that:
1. the relevant countries should have enacted and were enforcing legislation to phase out ODS;
 2. the project is intended to use financial resources outside the Multilateral Fund, such as national programmes, Global Environment Facility (GEF) funding or other sources. Accordingly, the credibility of those financial resources should be indicated when the project is submitted for approval under the Multilateral Fund. Such financial resources should be secured before disbursement of funds approved under the Multilateral Fund commences;
 3. the total funding per investment will be determined using an accessible mathematical and/or business model, taking into account relevant decisions of the Executive Committee;
 4. the maximum Multilateral Fund grant for a particular country is US \$1,000,000; for regional projects, approval of additional funding on a revolving fund basis could be decided on a case by case basis; and
 5. the project proposal includes a general strategy for managing the entire CFC chiller sub-sector including the cost-effective use and/or disposal of CFCs recovered from chillers in the countries concerned;
- (iii) to request the Secretariat, in order to ensure a coordinated process, to hold coordination meetings with all agencies to evaluate and, if necessary, prioritize demonstration project proposals for subsequent decision by the Executive Committee using the following criteria:
1. fulfilment of the requirements under sub-paragraph (b) (ii) above;
 2. cost justification;
 3. interlinkage with the existing phase-out plan (where relevant);
 4. regional balance of projects according to the main regions: East Asia and South Asia, West Asia and Central Asia and Eastern Europe, Africa, as well as Latin America and the Caribbean;
 5. the total funding per chiller, taking into account relevant national and local conditions, could be determined by an accessible mathematical and business model and the annual return on investment;
 6. CFC consumption for the servicing of chillers as a share of total 2004 CFC consumption in the country; and
 7. the level and source of probable financial resources outside the Multilateral Fund to be utilized for the project;
- (iv) to request UNEP to submit a project proposal regarding implementation of relevant information, dissemination and awareness activities at a global level with the objective of disseminating the experience gained in the demonstration projects globally. At the same time, the project preparation funding should be used to make information rapidly available to CAP teams for distribution at network meetings;
- (v) to approve the following funding for project preparation, including participation in coordination meetings with the Secretariat and, where relevant, development of suitable methodologies for the preparation of projects referred to in sub-paragraph (i) above:
1. UNDP: US \$122,000, plus agency support costs of US \$9,150;
 2. UNEP: US \$40,000, plus agency support costs of US \$5,200;
 3. UNIDO: US \$119,000, plus agency support costs of US \$8,925;
 4. World Bank: US \$155,000, plus agency support costs of US \$11,625, and an additional US \$40,000, plus agency support costs of US \$3,000, to undertake the organization of a workshop in September 2005 for important stakeholders in order to facilitate compatibility of related project proposals from all agencies with stakeholders expectations, in particular relating to potential co funding entities. Participation in the workshop would include all implementing agencies, representatives of potential national and multilateral co-funding institutions for chiller projects, manufacturers of equipment, as well as other stakeholders and experts;

(vi) to request the Secretariat to report to the 47th Meeting of the Executive Committee on the experiences gained during project preparation and any need for changes in or amendments to the criteria and modalities proposed above; and

(vii) that resources remaining unspent after approval of the proposals submitted to the 47th Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/33, para. 132).

(Supporting document: UNEP/OzL.Pro/ExCom/46/37).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to note with appreciation the work performed by the agencies and the Secretariat between the 46th and 47th Meetings for the preparation and evaluation of chiller demonstration project proposals;
- (b) to approve the following chiller demonstration projects, on the understanding that the external resources associated with the proposal were to be used only for activities considered to be part of the project costs as indicated in document UNEP/OzL.Pro/ExCom/47/21:
- (i) for Brazil, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$252,000, to replace at least 12 chillers in the country;
 - (ii) for the Caribbean Region, specifically the Dominican Republic, Jamaica and Trinidad and Tobago, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$690,000, to replace at least 14 chillers in the region;
 - (iii) for Colombia, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$705,000, to replace at least 13 chillers in the country;
 - (iv) for Cuba, with UNDP as lead agency, at the amount of US \$787,482 plus support costs of US \$59,061 and US \$196,871, and support costs of US \$25,593 for the Government of Canada, with external resources of US \$410,125, to replace at least seven chillers in the country and to convert a further five chillers;
 - (v) for the East European region, specifically Croatia, The former Yugoslav Republic of Macedonia, Romania as well as Serbia and Montenegro, at the amount of US \$1,069,074 plus support costs of US \$80,181 for UNIDO, with external resources of US \$416,175, to replace at least 12 chillers in the region;
 - (vi) for the Syrian Arab Republic, at the amount of US \$585,961 plus support costs of US \$43,947 for UNIDO, with external resources of US \$27,195, to replace at least three chillers in the country and to convert at least a further four chillers; and
 - (vii) for the global chiller replacement project, at a level of US \$6,884,612 plus support costs of US \$516,346 for the World Bank, on the condition that implementation of the programme would include activities in China, India, Indonesia, Jordan, Malaysia, Philippines and Tunisia, with external resources of US \$13,769,224, to replace at least 150 chillers;
- (c) to set aside for future projects in the region of Africa a total of US \$2,000,000 plus support costs to be recorded as uncommitted obligations from the 2005 business plan, on the understanding that:
- (i) the non-investment component would be capped at a level of 10 per cent of the project costs for projects relating to one country and at a level of 15 per cent for regional projects;
 - (ii) the submission of project proposals for the funding of chiller retrofits was allowed, provided that the existing compressor was being replaced with a compressor of greater efficiency and the chiller to be retrofitted was less than 15 years old, the total investment including counterpart funding remained below US \$45,000 per retrofit, and the savings were calculated on the basis of the application of the established discount rate for 2.5 years;
 - (iii) the project proposals should make use of external resources such as national programmes, Global Environment Facility funding or other sources to the extent possible and should as a minimum provide external resources for 5 per cent of the project costs; and
 - (iv) any funds remaining in the funding window after approval of projects for Africa at the 48th Meeting would be rolled into the World Bank's global chiller replacement project, on the understanding that those additional resources would be used with priority for projects in Africa;

- (d) to request UNEP, in line with decision 46/33, to prepare an amended project proposal to disseminate experience gained in the chiller demonstration projects on a global level, in particular for the benefit of those countries not participating in the demonstration projects, in collaboration with the implementing and bilateral agencies involved. The proposal was not to exceed the total of US \$200,000 plus support costs and should be submitted to the Secretariat at the latest eight weeks prior to the 48th Meeting of the Executive Committee;
- (e) that disbursement of the amounts approved under sub-paragraphs (b)(i) to (vii) above was dependent upon the availability of external resources as specified in the respective sub-paragraphs, to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Multilateral Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources as indicated in the respective sub-paragraphs;
- (f) to request all implementing and bilateral agencies involved to inform the Secretariat on an annual basis, in time for the last Meeting of the Executive Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed; and
- (g) that no further funding for chiller replacement would be approved by the Executive Committee.
(UNEP/OzL.Pro/ExCom/47/61, Decision 47/26, para. 104).
(Supporting document: UNEP/OzL.Pro/ExCom/47/20 and Add.1, UNEP/OzL.Pro/ExCom/47/2. Add.1 and Add.1/Corr.1).

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to approve the chiller demonstration project for the African Region in Cameroon, Egypt, Namibia, Nigeria and Sudan, to replace at least 19 chillers in the region, at the amount of US \$2,000,000 plus support costs of US \$218,887 for France, Germany, Japan and UNIDO, with external resources of US \$477,876, as indicated in Annex IX to the present report, on the understanding that:
 - (i) the external resources associated with the proposal were to be used only for activities considered to be part of the project costs, as indicated in document UNEP/OzL.Pro/ExCom/48/25;
 - (ii) disbursement of the amounts approved would be dependent upon the availability of external resources, as specified, to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Multilateral Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources as indicated;
 - (iii) additional countries in Africa could receive support for phase-out in the chiller sector under the project, provided that funding under the project was available, and that all other conditions established by the Executive Committee in its respective decisions regarding chiller demonstration projects were being met; and
 - (iv) UNIDO and the bilateral agencies involved would inform the Secretariat on an annual basis, and in time for the last Meeting of the Executive Committee, for every year of project implementation as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed;
- (b) to approve the global technical assistance programme in the chiller sub-sector for UNEP.
(UNEP/OzL.Pro/ExCom/48/45, Decision 48/24, para. 119).
(Supporting document: UNEP/OzL.Pro/ExCom/48/25)

The Fifty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the desk study on the evaluation of chiller projects as presented in document UNEP/OzL.Pro/ExCom/58/9;
- (b) to urge the bilateral and implementing agencies to accelerate implementation of the current chiller projects with co-funding modalities and to provide a progress report to the 59th Meeting of the Executive Committee, as requested by decision 47/26(f);
- (c) to encourage bilateral and implementing agencies to continue in their efforts to explore the applicability of carbon market instruments and other forms of co-financing, as appropriate, for the replacement of HCFC

equipment, particularly chiller equipment; and

- (d) to urge the bilateral and implementing agencies, for any activities related to chiller conversions they might undertake in the context of HCFC phase-out management plans, to complete a thorough analysis of the technical, economic, financial, co-funding and environmental issues associated with the replacement, and to demonstrate the economic viability and long-term sustainability prior to submitting a request for approval.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/7, para. 52).

(Supporting document: UNEP/OzL.Pro/ExCom/58/9)

The Fifty-ninth Meeting of the Executive Committee decided:

- (i) (i) To note the report on progress made in all chiller projects provided in document UNEP/OzL.Pro/ExCom/59/10;
- (ii) To commend UNDP and the World Bank for their successful and ongoing efforts to secure co-financing at levels significantly greater than the funding originally provided by the Multilateral Fund;
- (iii) To commend the Governments of Canada, France, Germany and Japan, and UNDP, UNIDO and the World Bank, for broadening the implementation activities beyond the issue of ozone protection and into climate change by addressing energy efficiency in their programmes and for using significant external funds for achieving both objectives in one activity; and
- (iii) To request the Secretariat to submit another report on progress achieved in chiller projects to the Executive Committee at its 62nd Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51(i)).

(Supporting document: UNEP/OzL.Pro/ExCom/59/10)

The Sixty-second Meeting of the Executive Committee decided:

- (i) To note the report on the progress made in all chiller projects provided in document UNEP/OzL.Pro/ExCom/62/9; and
- (ii) To request the Fund Secretariat to submit a further report on progress achieved in chiller projects to the 65th meeting.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/7, para. 34(e)).

(Supporting document: UNEP/OzL.Pro/ExCom/62/9)

MAC

The Twelfth Meeting of the Executive Committee adopted the following recommendations on mobile air conditioners (MAC) project proposals:

- (a) that Article 5 countries be encouraged to pursue a more aggressive recycling and reclamation programme in the MAC sector, and to convert their CFC-12 MAC production plants to HFC-134a technology for new vehicles. Implementing agencies should be requested to intensify their efforts in the implementation of investment projects and technical assistance activities already approved by the Executive Committee and to prepare new investment projects in those areas.
- (b) that Article 5 countries be encouraged to develop and adopt regulatory measures for better containment and recycling and conversion of MAC manufacturing to HFC-134a technology. Implementing agencies should provide the necessary assistance in transferring the available knowledge and experience for this particular area within their technical assistance activities.
- (c) that approval of projects in MAC retrofitting be delayed until the retrofitting technology is proven cost-effective and is adequately mature to be transferred to Article 5 countries. The Executive Committee may wish to request the Secretariat to follow closely the progress in the development of retrofitting technology in the developed countries and to report to the Executive Committee on the state-of-the-art situation.
- (d) that the Executive Committee should encourage Article 5 countries to adopt necessary measures to regulate import of vehicles with CFC-12 based MACs.

The Executive Committee further recommended that in countries where specific data were not available, appropriate pilot studies should be supported by the Fund when presented to facilitate making a cost-effective choice. Such studies should only be undertaken if they were cost-effective.

(UNEP/OzL.Pro/ExCom/12/37 (paras. 159-160).

(Supporting document: UNEP/OzL.Pro/ExCom/12/33).

The Executive Committee requested any Party or Implementing Agency to provide an explanation of the methodology used for calculating incremental costs when submitting project proposals for MAC conversions to HFC-134a refrigerant, including a description of any technological advances provided to meet customers' new technical requirements.

(UNEP/OzL.Pro/ExCom/14/15, para. 63).

The Seventeenth Meeting of the Executive Committee, noting that the Secretariat had received a project proposal for the conversion of specific components or sub-components that formed part of an overall system for automotive air-conditioners and that the conversion did not phase-out any ODS by itself, but might be a necessary part of system conversion, decided that project proposals in the MAC sub-sector should emanate from the manufacturers of MAC units themselves, not the manufacturers of component parts.

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/6 para. 14 and 14b).

Evaluation of MAC projects

The Thirty-fourth Meeting of the Executive Committee decided to request the Senior Monitoring and Evaluation Officer to undertake an evaluation of mobile air-conditioning projects in the 2002 monitoring and evaluation work programme.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/13, para. 31(f)).

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to take note of the desk study on the evaluation of MAC projects presented in document UNEP/OzL.Pro/ExCom/36/6;
- (b) to urge countries with MAC projects to collect data on production figures of CFC-12 MAC systems and their use for installation in new cars and for servicing old ones, and to report such data to the Fund Secretariat upon request;
- (c) to request the Senior Monitoring and Evaluation Officer to report to the 37th Meeting of the Executive Committee on whether and how, in light of the information collected, to proceed with a full evaluation of the MAC sector.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/3, para. 36).

(Supporting document: UNEP/OzL.Pro/ExCom/36/6).

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the report on information collected concerning the status of implementation of MAC projects as follow-up to Decision 36/3 (UNEP/OzL.Pro/ExCom/37/7, Corr.1 and Corr.2);
- (b) to request the Senior Monitoring and Evaluation Officer to prepare an update of the present report in two years when most of the regulations under preparation by the countries concerned should be operational and the production of CFC-12 MAC systems will likely have ended, except for some limited quantities for the after sales market, and in that context to provide also an estimate of the increased use of HFC-134a as a consequence of conversion projects as well as information about filling HFC-134a MAC systems with CFC-12;
- (c) to limit the field evaluation to India, the only country which reported that significant numbers of CFC-MAC systems were still being installed by car manufacturers.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/5, para. 31).

(Supporting document: UNEP/OzL.Pro/ExCom/37/7, Corr.1 and Corr.2).

Transportation refrigeration

The Twenty-fifth Meeting of the Executive Committee decided to request the Secretariat to examine methods to initiate a study on whether transportation refrigeration could be considered a new sub-sector, and what, if any, costs might be eligible.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/17, para. 42).

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) activities characterized by the assembly, installation and charging of refrigeration systems may be treated as a new subsector distinct from the already established domestic and commercial refrigeration sectors, which primarily deal with manufacture;
- (b) this new subsector has yet to be fully defined and the activities of enterprises within it can overlap with the commercial refrigeration subsector;

(c) where the activities are consistent with those found in typical commercial refrigeration projects approved by the Executive Committee, the projects may continue to be considered as part of the commercial refrigeration subsector;

(d) incremental costs for capital equipment should continue to be eligible for funding on the same basis as the commercial refrigeration subsector, provided that the ODS-based equipment is destroyed.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/74, para. 104).

(Supporting document: UNEP/OzL.Pro/ExCom/27/37).

The Executive Committee noted that the Secretariat and the Implementing Agencies had been unable to resolve the issues of quantifying the consumption in the subsector and subsequently defining the incremental operating costs or savings. The Executive Committee requested the Fund Secretariat and the Implementing Agencies to provide more information on the impact on the Multilateral Fund of this new subsector for transportation refrigeration.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/75 (paras. 105 and 106)).

The Thirtieth Meeting of the Executive Committee decided that the draft guidelines for the transportation refrigeration sector should be prepared as soon as possible.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/45, para. 71).

New subsector for the assembly, installation and servicing of refrigeration equipment

The Thirty-first Meeting of the Executive Committee decided:

(a) to adopt, for a period of 18 months, the guidelines for the subsector for assembly, installation and charging of refrigeration equipment contained in Annex IX.23;

(b) to pay attention to projects submitted under guidelines 3 and 4, in particular to determine whether there is any eligible incremental cost;

(c) to consider projects on a case-by-case basis in order to gain experience.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/45, para. 70).

(Supporting document: UNEP/OzL.Pro/ExCom/31/54).

Evaluation of TPMPs

The Fifty-eighth Meeting of the Executive Committee decided:

(a) to take note of the final report on the evaluation of terminal phase-out management plans (TPMPs) as presented in document UNEP/OzL.Pro/ExCom/58/8;

(b) to request:

(i) bilateral and implementing agencies assisting Article 5 countries in implementing TPMPs to provide the National Ozone Units regularly with updated financial reports on fund disbursement and commitments associated with the activities in the TPMP projects so that they would be in a position to account to their respective governments;

(ii) Article 5 countries to give due consideration to enhancing their data collection and monitoring systems for control of ODS trade in order to improve the quality and reliability of the import/export data from customs authorities, companies and servicing workshops, where applicable;

(iii) bilateral and implementing agencies, when implementing the last tranche(s) of the TPMPs, to advise and assist Article 5 countries in reviewing current ODS regulations, including licensing systems, and in incorporating import/export regulations on HCFCs;

(iv) bilateral and implementing agencies and Article 5 countries to consider establishing effective and targeted monitoring and reporting mechanisms, which could include establishment of programme management units if countries chose to do so, in order to ensure adequate assessment, monitoring and reporting of the results of TPMPs, in particular regarding recovery and recycling and end-user projects;

(v) bilateral and implementing agencies assisting Article 5 countries to provide information on technical feasibility and economic viability when considering the establishment of new ODS reclamation and recycling centres in future requests for TPMP tranches;

(vi) Article 5 countries, when developing and/or designing training programmes for technicians, to include specific modalities for assisting the refrigeration service technicians who had not received formal training; and

- (c) to encourage Article 5 countries to establish and/or strengthen refrigeration technicians' associations in order to promote good practices in the refrigeration sector through recovery, recycling, leak detection and prevention of unnecessary use of ODS.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/6, para. 47).

(Supporting document: UNEP/OzL.Pro/ExCom/58/8).

Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and service sectors

The Sixty-second Meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies, when submitting projects related to the installation, assembly and charging sub-sector, to demonstrate that each of those enterprises participating in the project had invested in equipment, development of products, or training of personnel specific to HCFC technology significantly exceeding the level of such investments prevalent in the service sector; and
- (b) That the activities foreseen for those enterprises represented incremental costs.

(UNEP/OzL.Pro/ExCom/62/62, decision 62/14, para. 53)

TOBACCO SECTOR

The Eighteenth Meeting of the Executive Committee decided that there was a need for the establishment of guidelines in the tobacco sector, and requested the Secretariat to prepare draft guidelines for consideration at the Twentieth Meeting of the Executive Committee. Suggestions for the preparation of such guidelines should be transmitted to the Secretariat by the end of January 1996.

(UNEP/OzL.Pro/ExCom/18/75, Decision 18/15, para. 28).

Guidelines for calculating incremental costs in the tobacco sector

The Twentieth Meeting of the Executive Committee decided to invite the World Bank to submit the Indonesian project at the Committee's next meeting, using the draft guidelines for the calculation of incremental costs (Annex IX.24) and, for the purposes of comparison, calculating royalty fees as a technology transfer fee in terms of both capital and operating costs.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/44, para. 66).

(Supporting document: UNEP/OzL.Pro/ExCom/20/64).

The Twenty-first Meeting of the Executive Committee, having considered the recommendations of the Sub-Committee on Project Review on cost-effectiveness thresholds in the tobacco sector and royalty fees, decided:

- (a) to request the Secretariat and the Implementing Agencies to consider new guidelines for cost-effectiveness thresholds in the tobacco sector, taking into account the requirement of Action 6 under decision VII/22 of the Seventh Meeting of the Parties (UNEP/OzL.Pro.7/12, Annex V) and the need to give priority to projects with the highest cost-effectiveness, for submission to the Executive Committee at its Twenty-second Meeting;
- (b) that the paper should also consider the issue of royalty fees.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/8, para. 8).

The Twenty-third Meeting of the Executive Committee decided to request the Sub-Committee on Project Review to reconsider, during 1999, the question of guidelines for the tobacco sector as a whole, with a view to determining whether the circumstances then prevailing with regard to cost-effectiveness thresholds would allow further work to be done in that sector.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/19, para. 40).

SOLVENT SECTOR

Countries with little or no current consumption of CTC and/or TCA

The Forty-fifth Meeting of the Executive Committee decided:

- (a) countries that have a Montreal Protocol baseline for CTC and/or TCA but for which the latest reported consumption is less than 2 ODP tonnes may submit proposals for technical assistance, or assistance with preparation of legislative measures to complete their phase-out in the relevant sectors, or to ensure the sustainability of the phase-out already achieved;
- (b) countries must have reported some consumption of CTC and/or TCA at least once over the three year period

preceding requests for funding;

- (c) the proposals must comply with the rules and policies of the Multilateral Fund and must be accompanied by an undertaking not to seek additional assistance from the Multilateral Fund in respect of phase-out of these substances. Countries must be made fully aware of this undertaking and a letter to this effect from the government concerned must be submitted with the proposal;
- (d) other than for training purposes, additional capital items such as recycling machines or service tools will not normally be eligible. Where a need for limited numbers of such equipment can be demonstrated through comprehensive reports and/or surveys, proposals may, in exceptional circumstances, be submitted for consideration on a case-by-case basis;
- (e) depending on the level of consumption, funding for technical assistance would range between US \$20,000 and US \$40,000, to be determined on a case-by-case basis; and
- (f) to the extent possible, the phase-out of small volumes of CTC and/or TCA should be integrated within terminal phase-out management plans and national phase-out plans.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/14, para. 79).

(Supporting document: UNEP/OzL.Pro/ExCom/45/15).

Report on the evaluation of solvent sector projects

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the report contained in document UNEP/OzL.Pro/ExCom/35/12;
- (b) to request that, as far as possible, invoices for the purchase of ODS solvents by beneficiary enterprises be certified by the Implementing Agencies, with the co-operation of the National Ozone Units, for future verification;
- (c) also to request the Implementing Agencies to include a list of all baseline equipment model and serial numbers or other means of identification in project documents and project completion reports;
- (d) further to request Implementing Agencies to report in project completion reports on savings arising from the purchase of less costly equipment and/or lower incremental operating costs and/or higher incremental operating savings than anticipated and approved, providing assurance to the companies that the data would be used solely for Multilateral Fund purposes. In cases where enterprises did not receive full funding for conversion, they should be expected to quantify, in consultation with the relevant Implementing Agency, their commitment to provide counterpart funding, and confirm that figure after project approval. In case of savings, Agencies should return to the Multilateral Fund a pro-rata amount corresponding to the share of grant funding in the total eligible incremental cost;
- (e) that HCFC 141b should no longer be proposed as the alternative technology to TCA in solvent-sector projects;
- (f) to request Implementing Agencies to foresee the necessary measures in project documents and to provide information in project completion reports on safety, health and environmental requirements to ensure that the conversion was achieved while respecting appropriate safety, health and environmental protection standards.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/10, para. 38).

(Supporting document: UNEP/OzL.Pro/ExCom/35/12).

n-propyl bromide (nPB).

The Thirteenth Meeting of the Parties decided:

1. to request Parties to inform industry and users about the concerns surrounding the use and emissions of nPB and the potential threat that these might pose to the ozone layer;
2. to request Parties to urge industry and users to consider limiting the use of nPB to applications where more economically feasible and environmentally friendly alternatives are not available, and to urge them also to take care to minimize exposure and emissions during use and disposal;
3. to request the Technology and Economic Assessment Panel to report annually on nPB use and emissions.

(UNEP/OzL.Pro/13/10, Decision XIII/7).

The Eighteenth Meeting of the Parties decided:

1. to request the Scientific Assessment Panel to update existing information on the ozone depletion potential

of n-propyl bromide, including ozone depleting potential depending on the location of the emissions and the season in the hemisphere at that location;

2. to request the Technology and Economic Assessment Panel to continue its assessment of global emissions of n-propyl bromide, as set out in decision XIII/7, paying particular attention to:
 - (a) obtaining more complete data on production and uses of n-propyl bromide as well as emissions of n-propyl bromide from those sources;
 - (b) providing further information on the technological and economical availability of alternatives for the different use categories of n-propyl bromide and information on the toxicity of and regulations on the substitutes for n-propyl bromide;
 - (c) presenting information on the ozone depletion potential of the substances for which n propyl bromide is used as a replacement;
3. to request that the Technology and Economic Assessment Panel prepare a report on the assessment referred to in paragraph 1 in time for the twenty-seventh meeting of the Open-ended Working Group for the consideration of the Nineteenth Meeting of the Parties.

(UNEP/OzL.Pro.18/10, Decision XVIII/11).

Polyfluorohexane (PFC).

The Fifteenth Meeting of the Executive Committee recommended that Implementing Agencies strive during project preparation in the solvent sector to consider alternative technologies to the use of polyfluorohexane (PFCs).

(UNEP/OzL.Pro/ExCom/15/45, para. 108).

STERILANT SECTOR

The Twenty-seventh Meeting of the Executive Committee decided to request the Secretariat, in coordination with the Implementing Agencies and other experts, to develop guidelines on the approach to be applied in the consideration of projects for approval under the sterilants subsector.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/12(b), para. 34(b)).

The Twenty-eighth Meeting of the Executive Committee decided to adopt the following initial guidelines for projects in the sterilants sector:

- (a) project proposals should be consistent with all the policies and decisions of the Executive Committee, especially those relating to facilities established after 25 July 1995, and to exports.
- (b) to avoid confusion between the sterilants and solvents sectors, a sector profile should be prepared when a country has more than one enterprise involved in sterilization activities.
- (c) the choice of technology should be fully explained. In particular, noting the requirement for cost-effective solutions consistent with national industrial strategies, an outline cost comparison between the principal technological options should be provided. Where a solution involving the use of HCFCs is proposed, it should be fully consistent with all decisions relating to the use of HCFCs.
- (d) standards for safety. The project should be designed to appropriate norms consistent with industry-recognized national or international standards, for instance the US National Fire Protection Association standard NFPA 560 “Standard for the Storage, Handling and Use of Ethylene Oxide for Sterilization and Fumigation” and the electrical installation standard “NEC Class 1, Division 2, Group B or C” or the equivalent classification in the international IEC codes.
- (e) technological upgrade and non-eligible costs. Noting the changes to plant layout likely in some of these projects and the installation of computer-operated equipment, proposals should include detailed description of the baseline, and separate costs directly associated with phase-out of ozone-depleting substances from those related to factory improvements, which are not eligible for funding. Incremental costs proposed should be fully consistent with relevant Executive Committee decisions concerning technological upgrade.
- (f) to facilitate the establishment of consumption data, information on the level of business of the enterprise and of annual consumption of ozone-depleting substances should, wherever possible, be provided for a minimum of three years prior to the preparation of the project. Where such data were not provided, an explanation should be given of why data for a three-year period could not be made available.
- (g) the operating costs should be calculated for a duration of three years. The operating costs for each of the alternative sterilants EO/HCFC, EO/CO₂ and 100% EO should be considered in the choice of technology

for each project. An outline calculation of comparative IOC/savings should be included in the project document in support of the choice of technology.

(h) these initial guidelines will be considered for review after sufficient projects in this sector have been considered, to enable general conclusions on costs to be drawn. The review will include consideration of a cost-effectiveness threshold.

(i) pending a review, the cost-effectiveness of project proposals will be considered on a case-by-case basis.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/45, para. 77).

(Supporting document: UNEP/OzL.Pro/ExCom/28/48).

SEVERAL SECTOR

Regional workshops for data collection

The Executive Committee agreed that, given the opportunities provided through the regional networks, other regional and national training workshops, the process of country programme preparation and institutional strengthening activities, there should normally not be a need for regional workshops specifically on data collection and reporting. It further agreed that, on the understanding that there were no financial implications for the Fund in such a project, UNEP should be invited to proceed with the preparation of a manual on data collection.

(UNEP/OzL.Pro/ExCom/13/47, para. 180).

Evaluation of regional networks

The Thirty-third Meeting of the Executive Committee decided:

(a) to note the report (UNEP/OzL.Pro/ExCom/33/7 and Corr.1), in particular, the general conclusion that the administrative and technical capacities of National Ozone Units had considerably improved through the networks' impact;

(b) to request UNEP:

(i) to continue the formulation and refinement of objectives, sub-objectives, related results and indicators for the networks as a whole and for each region which clearly indicated their relationship to Article 5 countries' obligations under the Montreal Protocol, from a short- and medium-term perspective, and reflected those objectives in its annual work programmes;

(ii) to ensure that follow-up meetings focused on a limited number of priority tasks and issues by combining them whenever possible with complementary meetings and workshops addressing the targeted tasks and issues;

(iii) to hold network meetings back-to-back with, for instance, meetings of environment ministers and senior officials in the regions, in order to raise political awareness concerning ozone issues in the region and to promote policy discussions and regional approaches;

(iv) to encourage and facilitate more intensive contacts and information exchange between different networks. Regional Network Coordinators should also be urged to use the e-mail forum set up for consultation between Regional Network Coordinators when preparing for network meetings;

(v) to identify facilitators to chair or facilitate the discussion on substantive issues at sessions of the meeting. To increase member States' sense of ownership, such facilitators should be selected from within the network, for example, by electing member State representatives as Chair for one year to assist the Network Manager and Regional Network Coordinator;

(vi) to take the other recommendations in Section VIII of the report into account in its efforts to improve the effectiveness of the networks; and

(vii) to report on the results achieved, in relation to the objectives defined in the work programmes, in its annual progress report.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/3, para. 20).

(Supporting documents: UNEP/OzL.Pro/ExCom/33/7 and 33/7/Corr.1).

Clearing-house evaluation

The Thirty-sixth Meeting of the Executive Committee decided:

(a) to take note of the findings and recommendations provided in the report as contained in UNEP/OzL.Pro/ExCom/36/5, Corrs.1 and 2;

- (b) to request UNEP to include a strategic outlook on future clearing-house activities in the Compliance Assistance Programme (CAP) context in its 2003 business plan, including performance indicators, taking into account the recommendations of the extended desk study (UNEP/OzL.Pro/ExCom/36/5) and the comments made by members of the Sub-Committee.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/2, para. 35).

(Supporting document: UNEP/OzL.Pro/ExCom/36/5, Corrs.1 and 2).

Communication Strategy for Global Compliance with the Montreal Protocol

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the Communication Strategy for Global Compliance with the Montreal Protocol (UNEP/OzL.Pro/ExCom/37/Inf.2) presented by UNEP;
- (b) to encourage UNEP to continue its work, taking into account the comments made during the meeting, and submit a revised version of the Communication Strategy for consideration at the 38th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/72, para. 134).

(Supporting document: UNEP/OzL.Pro/ExCom/37/Inf.2).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to take note of document UNEP/OzL.Pro/ExCom/38/69 with appreciation;
- (b) to request UNEP to use the strategy described in the document, taking cognizance of the suggestions made by the Executive Committee in the discussion, as part of the implementation of the Compliance Assistance Programme;
- (c) to report to the 41st Meeting of the Executive Committee in preliminary results and progress made in implementing the communication strategy.

(UNEP/OzL.Pro/ExCom/38/70, Decision 38/77, para. 164).

(Supporting document: UNEP/OzL.Pro/ExCom/38/69).

The Forty-first Meeting of the Executive Committee decided:

- (a) to note with appreciation the report by UNEP on the preliminary results and the progress made in the implementation of the Communication Strategy as contained in document UNEP/OzL.Pro/ExCom/41/86;
- (b) to request UNEP, in implementing the Communication Strategy, to take into consideration:
- (i) opportunities for coordination with subregional economic organizations and on a regional basis;
 - (ii) the need for small and micro enterprises to be kept informed of technological developments; and
 - (iii) the interaction between trade in ODS and the objectives of the Multilateral Fund at the subregional level;
- also to note that UNEP will provide its next annual progress report on the Communication Strategy at the 44th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/99, para. 160).

(Supporting document: UNEP/OzL.Pro/ExCom/41/86).

HYDROCHLOROFLUOROCARBONS

The Fifth Meeting of the Parties decided that each Party is requested, as far as possible and as appropriate, to give consideration in selecting alternatives and substitutes, bearing in mind, *inter alia*, Article 2F, paragraph 7, of the Copenhagen Amendment regarding hydrochlorofluorocarbons, to:

- (a) environmental aspects;
- (b) human health and safety aspects;
- (c) the technical feasibility, the commercial availability and performance;
- (d) economic aspects, including cost comparisons among different technology options taking into account:
- (i) all interim steps leading to final ODS elimination;
 - (ii) social costs;
 - (iii) dislocation costs, etc.; and
- (e) country-specific circumstances and due local expertise.

(UNEP/OzL.Pro/5/12 Decision V/8 (section 1)).

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

The Twelfth Meeting of the Executive Committee adopted the following recommendations on the use of transitional substances as substitutes for ozone depleting substances:

- (a) in view of the ongoing review requested of the Technology and Economic Assessment Panel by the Parties to the Montreal Protocol, the paper on The Use of Transitional Substances as Substitutes for Ozone Depleting Substances (UNEP/OzL.Pro/ExCom/12/34) may not be considered as a policy guideline but as a possible input to the work of the Open-ended Working Group of the Parties to the Montreal Protocol.
- (b) meanwhile, consideration of the use of HCFC in the Multilateral Fund projects should be sector-specific and approved for use only in areas where more environment-friendly and viable alternative technologies are not available.

(UNEP/OzL.Pro/ExCom/12/37, para. 168).

(Supporting document: UNEP/OzL.Pro/ExCom/12/34).

The Fifteenth Meeting of the Executive Committee stated that, whenever possible, HCFCs should not be used. It further requested that the applicability of HCFCs in commercial refrigeration projects should be examined by an expert group, possibly the OORG, which should prepare a report for submission to the Executive Committee.

(UNEP/OzL.Pro/ExCom/15/45, para. 90).

The Executive Committee requested Implementing Agencies to take the following issue into consideration when preparing projects for domestic refrigerator insulation foam conversion:

- (a) as HCFCs were not controlled substances for Article 5 countries, incremental costs for conversion of HCFC-141b plants were not eligible for funding;
- (b) Implementing Agencies should note a presumption against HCFCs when preparing projects; and
- (c) where HCFC projects were proposed, the choice of this technology should be fully justified and include an estimate of the potential future costs of second-stage conversion.

(UNEP/OzL.Pro/ExCom/15/45, para. 129).

(UNEP/OzL.Pro/ExCom/17/60, Decision 17/17 para. 26).

The Executive Committee, noting the recommendation of the Sub-Committee (UNEP/OzL.Pro/ExCom/19/5, para. 12), decided:

- (a) to take note of decision VII/3 of the Seventh Meeting of the Parties to control HCFCs and to note further that projects involving conversion to HCFCs should be considered in the light of that decision, as well as other relevant factors;
- (b) that in the future, in cases where conversion to HCFCs was recommended, the Implementing Agencies should be requested to provide a full explanation of the reasons why such conversion was recommended, together with supporting documentation that the criteria laid down by the Executive Committee for transitional substances had been met, and should make it clear that the enterprises concerned had agreed to bear the cost of subsequent conversion to non-HCFC substances; and
- (c) to request the Secretariat to prepare for examination by the Executive Committee at its Twentieth Meeting a paper on:
 - (i) the historical background to HCFC conversion projects;
 - (ii) what information on alternatives to HCFCs had been provided by the Implementing Agencies to the applicant countries, and how that information had been received and acted upon; and
 - (iii) the justifications given for the choice of one technology over another.

(UNEP/OzL.Pro/ExCom/19/64, Decision 19/2, para. 17).

The Twentieth Meeting of the Executive Committee, decided:

- (b) to request the Implementing Agencies to ensure that adequate information on all alternative technologies was provided to enterprises converting from CFCs;
- (c) to reaffirm paragraph (b) of its decision 19/2 which stated that, in cases where conversion to HCFCs was recommended, the Implementing Agencies should be requested to provide a full explanation of the reasons why such conversion was recommended, together with supporting documentation that the criteria laid down by the Executive Committee for transitional substances had been met, and should make it clear that the enterprises concerned had agreed to bear the cost of subsequent conversion to non-HCFC substances.

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/48, para. 72 (b, c)).

The Twenty-sixth Meeting of the Executive Committee decided:

- (a) that the full information provided in the project document should be included in the project evaluation sheet;
- (b) that where, upon review by the Fund Secretariat, a project proposal requesting HCFC technology was considered to provide inadequate information justifying the choice of that technology, the project should be submitted for individual consideration by the Sub-Committee on Project Review.

(UNEP/OzL.Pro/ExCom/26/70, Decision 26/26, para. 50).

Uses and possible applications of HCFCs

The Eighth Meeting of the Parties decided:

1. that UNEP distribute to the Parties of the Montreal Protocol a list containing the HCFCs applications which have been identified by the Technology and Economic Assessment Panel, after having taken into account the following:
 - (a) the heading should read "Possible Applications of HCFCs";
 - (b) the list should include a chapeau stating that the list is intended to facilitate collection of data on HCFC consumption, and does not imply that HCFCs are needed for the listed applications;
 - (c) the use as fire extinguishers should be added to the list;
 - (d) the use as aerosols, as propellant, solvent or main component, should be included, following the same structure as for other applications;
2. that the Technology and Economic Assessment Panel and its Technical Options Committee be requested to prepare, for the Ninth Meeting of the Parties, a list of available alternatives to each of the HCFC applications which are mentioned in the now available list.

(UNEP/OzL.Pro.8/12, Decision VIII/13).

Supply of HCFCs to Article 5 Parties

The Eleventh Meeting of the Parties decided to request the Technology and Economic Assessment Panel to study and report by 30 April 2003 at the latest on the problems and options of Article 5 Parties in obtaining HCFCs in the light of the freeze on the production of HCFCs in non-Article 5 Parties in the year 2004. This report should analyze whether HCFCs are available to Article 5 Parties in sufficient quantity and quality and at affordable prices, taking into account the 15 per cent allowance to meet the basic domestic needs of the Article 5 Parties and the surplus quantities available from the consumption limit allowed to the non-Article 5 Parties. The Parties, at their Fifteenth Meeting in the year 2003, shall consider this report for the purpose of addressing problems, if any, brought out by the report of the Technology and Economic Assessment Panel.

(UNEP/OzL.Pro.11/10, Decision XI/28).

Obligations of Parties to the Beijing Amendment with respect to HCFCs

The Fifteenth Meeting of the Parties decided:

1. that the Parties to the Beijing Amendment will determine their obligations to ban the import and export of controlled substances in group I of Annex C (hydrochlorofluorocarbons) with respect to States and regional economic organizations that are not parties to the Beijing Amendment by January 1 2004 in accordance with the following:
 - (a) the term "State not party to this Protocol" in Article 4, paragraph 9 does not apply to those States operating under Article 5, paragraph 1, of the Protocol until January 1, 2016 when, in accordance with the Copenhagen and Beijing Amendments, hydrochlorofluorocarbon production and consumption control measures will be in effect for States that operate under Article 5, paragraph 1, of the Protocol;
 - (b) the term "State not party to this Protocol" includes all other States and regional economic integration organizations that have not agreed to be bound by the Copenhagen and Beijing Amendments;
 - (c) recognizing, however, the practical difficulties imposed by the timing associated with the adoption of the foregoing interpretation of the term "State not party to this Protocol," paragraph 1 (b) shall apply unless such a State has by 31 March 2004:
 - (i) notified the Secretariat that it intends to ratify, accede or accept the Beijing Amendment as soon as possible;
 - (ii) certified that it is in full compliance with Articles 2, 2A to 2G and Article 4 of the Protocol, as

amended by the Copenhagen Amendment;

- (iii) submitted data on (i) and (ii) above to the Secretariat, to be updated on 31 March 2005, in which case that State shall fall outside the definition of “State not party to this Protocol” until the conclusion of the Seventeenth Meeting of the Parties;
2. that the Secretariat shall transmit data received under paragraph 1 (c) above to the Implementation Committee and the Parties;
3. that the Parties shall consider the implementation and operation of the foregoing decision at the Sixteenth Meeting of the Parties, in particular taking into account any comments on the data submitted by States by 31 March 2004 under paragraph 1 (c) above that the Implementation Committee may make.

(UNEP/OzL.Pro.15/9, Decision XV/3).

The Twentieth Meeting of the Parties decided:

1. to annul paragraph 1 (a) of decision XV/3, which reads
the term “State not party to this Protocol” in Article 4, paragraph 9 does not apply to those States operating under Article 5, paragraph 1, of the Protocol until 1 January 2016 when, in accordance with the Copenhagen and Beijing Amendments, hydrochlorofluorocarbon production and consumption control measures will be in effect for States that operate under Article 5, paragraph 1, of the Protocol;
and replace it with:
the term “State not party to this Protocol” in Article 4, paragraph 9, does not apply to those States operating under Article 5, paragraph 1, of the Protocol until 1 January 2013 when, in accordance with the Copenhagen and Beijing Amendments, hydrochlorofluorocarbon production and consumption control measures will be in effect for States that operate under Article 5, paragraph 1, of the Protocol.

(UNEP/OzL.Pro.20/9, Decision XX/9).

Adjustments to the Montreal Protocol with regard to HCFCs

The Nineteenth Meeting of the Parties agree to accelerate the phase out of production and consumption of hydrochlorofluorocarbons (HCFCs), by way of an adjustment in accordance with paragraph 9 of Article 2 of the Montreal Protocol and as contained in annex III to the report of the Nineteenth Meeting of the Parties, on the basis of the following:

1. for Parties operating under paragraph 1 of Article 5 of the Protocol (Article 5 Parties), to choose as the baseline the average of the 2009 and 2010 levels of, respectively, consumption and production; and
2. to freeze, at that baseline level, consumption and production in 2013;
3. for Parties operating under Article 2 of the Protocol (Article 2 Parties) to have completed the accelerated phase out of production and consumption in 2020, on the basis of the following reduction steps:
 - (a) by 2010 of 75 per cent;
 - (b) by 2015 of 90 per cent;
 - (c) while allowing 0.5 per cent for servicing the period 2020–2030;
4. for Article 5 Parties to have completed the accelerated phase out of production and consumption in 2030, on the basis of the following reduction steps:
 - (a) by 2015 of 10 per cent;
 - (b) by 2020 of 35 per cent;
 - (c) by 2025 of 67.5 per cent;
 - (d) while allowing for servicing an annual average of 2.5 per cent during the period 2030–2040;
5. to agree that the funding available through the Multilateral Fund for the Implementation of the Montreal Protocol in the upcoming replenishments shall be stable and sufficient to meet all agreed incremental costs to enable Article 5 Parties to comply with the accelerated phase out schedule both for production and consumption sectors as set out above, and based on that understanding, to also direct the Executive Committee of the Multilateral Fund to make the necessary changes to the eligibility criteria related to the post-1995 facilities and second conversions;

6. to direct the Executive Committee, in providing technical and financial assistance, to pay particular attention to Article 5 Parties with low volume and very low volume consumption of HCFCs;
7. to direct the Executive Committee to assist Parties in preparing their phase-out management plans for an accelerated HCFC phase-out;
8. to direct the Executive Committee, as a matter of priority, to assist Article 5 Parties in conducting surveys to improve reliability in establishing their baseline data on HCFCs;
9. to encourage Parties to promote the selection of alternatives to HCFCs that minimize environmental impacts, in particular impacts on climate, as well as meeting other health, safety and economic considerations;
10. to request Parties to report regularly on their implementation of paragraph 7 of Article 2F of the Protocol;
11. to agree that the Executive Committee, when developing and applying funding criteria for projects and programmes, and taking into account paragraph 6, give priority to cost-effective projects and programmes which focus on, inter alia:
 - (a) phasing-out first those HCFCs with higher ozone-depleting potential, taking into account national circumstances;
 - (b) substitutes and alternatives that minimize other impacts on the environment, including on the climate, taking into account global-warming potential, energy use and other relevant factors;
 - (c) small and medium size enterprises;
12. to agree to address the possibilities or need for essential use exemptions, no later than 2015 where this relates to Article 2 Parties, and no later than 2020 where this relates to Article 5 Parties;
13. to agree to review in 2015 the need for the 0.5 per cent for servicing provided for in paragraph 3, and to review in 2025 the need for the annual average of 2.5 per cent for servicing provided for in paragraph 4 (d);
14. in order to satisfy basic domestic needs, to agree to allow for up to 10% of baseline levels until 2020, and, for the period after that, to consider no later than 2015 further reductions of production for basic domestic needs;
15. in accelerating the HCFC phase out, to agree that Parties are to take every practicable step consistent with Multilateral Fund programmes, to ensure that the best available and environmentally-safe substitutes and related technologies are transferred from Article 2 Parties to Article 5 Parties under fair and most favourable conditions.

(UNEP/OzL.Pro.19/7, Decision XIX/6).

The Thirtieth Meeting of the Parties decided:

1. To adopt, in accordance with the procedure set out in paragraph 9 of Article 2 of the Montreal Protocol, the adjustments of production and consumption of the controlled substances listed in Annex C, Group I to the Protocol as set out in annex I to the report of the Thirtieth Meeting of the Parties;
2. To encourage the development and use of alternatives to Annex C, Group I substances in the non-servicing applications set out in Article 2F, paragraphs 6 (a) (iii) and 6 (a) (iv) and 6 (b) (iii) and 6 (b) (iv) with a view to reducing and ceasing the use of Annex C, Group I substances in those applications;
3. To urge the recovery, recycling and reclamation of Annex C, Group I substances as well as the use of stocks and alternatives, where available and appropriate, in order to reduce the production and consumption of Annex C, Group I substances;
4. To request the Technology and Economic Assessment Panel to provide in its quadrennial reports to be presented to the Thirty-Fifth Meeting of the Parties in 2023 and to the Thirty-Ninth Meeting of the Parties in 2027 information on the availability of Annex C, Group I substances, including amounts available from recovery, recycling and reclamation, and best available information on country-level and total known stocks, as well as availability of alternative options for the applications described in Article 2F paragraphs 6 (a) and 6 (b);
5. To examine the flexibility of the HCFC schedule adjustment in line with the Kigali Amendment.

(UNEP/OzL.Pro.30/11, Decision XXX/2).

Additional work on HCFCs

The Nineteenth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to conduct a scoping study addressing the prospects for the promotion and acceptance of alternatives to HCFCs in the refrigeration and air-conditioning sectors in Article 5 Parties, with specific reference to specific climatic conditions and unique operating conditions, such as those as in mines that are not open pit mines, in some Article 5 Parties;
2. to request the Technology and Economic Assessment Panel to provide a summary of the outcome of the study referred to in the preceding paragraph in its 2008 progress report with a view to identifying areas requiring more detailed study of the alternatives available and their applicability.

(UNEP/OzL.Pro.19/7, Decision XIX/8).

HCFCs and environmentally sound alternatives

The Twenty-first Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel (TEAP), in its May 2010 Progress Report and subsequently in its 2010 full assessment, to provide the latest technical and economic assessment of available and emerging alternatives and substitutes to HCFCs; and the Scientific Assessment Panel (SAP) in its 2010 assessment to assess, using a comprehensive methodology, the impact of alternatives to HCFCs on the environment, including on the climate; and both the SAP and the TEAP to integrate the findings in their assessments into a synthesis report;
2. To request the Technology and Economic Assessment Panel in its 2010 progress report:
 - (a) To list all sub-sectors using HCFCs, with concrete examples of technologies where low-GWP alternatives are used, indicating what substances are used, conditions of application, their costs, relative energy efficiency of the applications and, to the extent possible, available markets and percentage share in those markets and collecting concrete information from various sources including information voluntarily provided by Parties and industries. To further ask TEAP to compare these alternatives with other existing technologies, in particular, high-GWP technologies that are in use in the same sectors;
 - (b) To identify and characterize the implemented measures for ensuring safe application of low-GWP alternative technologies and products as well as barriers to their phase-in, in the different sub-sectors, collecting concrete information from various sources including information voluntarily provided by Parties and industries;
 - (c) To provide a categorization and reorganization of the information previously provided in accordance with decision XX/8 as appropriate, updated to the extent practical, to inform the Parties of the uses for which low- or no-GWP and/or other suitable technologies are or will soon be commercialized, including to the extent possible the predicted amount of high-GWP alternatives to ozone-depleting substances uses that can potentially be replaced;
3. To request the Ozone Secretariat to provide the UNFCCC Secretariat with the report of the workshop on high global-warming-potential alternatives for ozone-depleting substances;
4. To encourage Parties to promote policies and measures aimed at avoiding the selection of high-GWP alternatives to HCFCs and other ozone-depleting substances in those applications where other market-available, proven and sustainable alternatives exist that minimise impacts on the environment, including on climate, as well as meeting other health, safety and economic considerations in accordance with decision XIX/6;
5. To encourage Parties to promote the further development and availability of low-GWP alternatives to HCFCs and other ozone-depleting substances that minimise environmental impacts particularly for those specific applications where such alternatives are not presently available and applicable;
6. To request the Executive Committee as a matter of urgency to expedite the finalisation of its guidelines on HCFCs in accordance with Decision XIX/6;
7. To request the Executive Committee, when developing and applying funding criteria for projects and programmes regarding in particular the phase-out of HCFCs:
 - (a) to take into consideration paragraph 11 of decision XIX/6;

- (b) to consider providing additional funding and/or incentives for additional climate benefits where appropriate;
 - (c) to take into account, when considering the cost-effectiveness of projects and programmes, the need for climate benefits; and
 - (d) to consider in accordance with decision XIX/6, further demonstrating the effectiveness of low-GWP alternatives to HCFCs, including in air-conditioning and refrigeration sectors in high ambient temperature areas in Article 5 countries and to consider demonstration and pilot projects in air-conditioning and refrigeration sectors which apply environmentally sound alternatives to HCFCs;
8. To encourage Parties to consider reviewing and amending as appropriate, policies and standards which constitute barriers to or limit the use and application of products with low- or zero GWP alternatives to ozone-depleting substances, particularly when phasing out HCFCs.

(UNEP/OzL.Pro.21/8, Decision XXI/9).

Options for assessing and defining eligible incremental costs for HCFC consumption and production phase-out activities

The Fifty-third Meeting of the Executive Committee decided:

- (a) that ratification of or accession to the Copenhagen Amendment was the prerequisite for an Article 5 Party to access Multilateral Fund funding for phasing out the consumption of HCFCs;
- (b) that ratification of or accession to the Beijing Amendment was the prerequisite for an Article 5 Party to access Multilateral Fund funding for phasing out the production of HCFCs;
- (c) that, in the case of a non-signatory country, the Executive Committee might consider providing funding for conducting an HCFC survey and the preparation of an accelerated HCFC phase-out management plan, with the commitment of the government to ratify or accede to the necessary Amendment and on the understanding that no further funding would be available until the Ozone Secretariat had confirmed that the government had ratified or acceded to that Amendment, through the deposit of its instrument in the Office of the United Nations Headquarters in New York;
- (d) that the existing policies and guidelines of the Multilateral Fund for funding the phase-out of ODS other than HCFCs would be applicable to the funding of HCFC phase-out unless otherwise decided by the Executive Committee in light of, in particular, decision XIX/6 of the Nineteenth Meeting of the Parties;
- (e) that institutions and capacities in Article 5 countries developed through Multilateral Fund assistance for the phase-out of ODS other than HCFCs should be used to economize the phase-out of HCFCs, as appropriate;
- (f) that stable and sufficient assistance from the Multilateral Fund would be provided to guarantee the sustainability of such institutions and capacities when deemed necessary for the phase-out of HCFCs;
- (g) that the production sector sub-group would be reconvened at the 55th Meeting to consider issues pertaining to the phase-out of HCFC production, taking into account decision XIX/6 of the Nineteenth Meeting of the Parties and the following issues, as well as further elaboration and analysis of those issues to be prepared by the Secretariat in consultation with technical experts:
 - (i) the continued applicability of the current approach to funding HCFC production phase-out being based on the assumption of plant closures;
 - (ii) the timing of funding HCFC production phase-out in view of the long duration between the HCFC freeze in 2013 and the final phase-out in 2030, taking into consideration that production and consumption phase-out could take place simultaneously;
 - (iii) the eligibility of the CFC/HCFC-22 swing plants in view of the commitment in the CFC production phase-out agreement not to seek funding again from the Multilateral Fund for closing down HCFC facilities that use the existing CFC infrastructure;
 - (iv) the cut-off date for funding eligibility of HCFC production phase-out;
 - (v) other measures that could facilitate management of HCFC production phase-out; and
 - (vi) other issues related to the HCFC production sector, taking in account subparagraph (g)(ii) above.
- (h) that the Secretariat would work with the implementing agencies to examine the existing guidelines for

country programmes and sector plans (decision taken at the 3rd Meeting of the Executive Committee and decision 38/65), and propose draft guidelines to the 54th Meeting for the preparation of HCFC phase-out management plans incorporating HCFC surveys, taking into consideration comments and views relating to such guidelines expressed by Executive Committee members at the 53rd Meeting and the submissions to the 54th Meeting referred to in paragraph (l) below, and that the Executive Committee would do its utmost to approve the guidelines at its 54th Meeting;

- (i) that the Secretariat, in consultation with technical experts with knowledge of experiences in Article 5 countries with different levels of development and non-Article 5 countries, would prepare by 25 March 2008 a preliminary discussion document providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out, taking into account the views expressed by Executive Committee Members in the submissions referred to in paragraph (l) below, and including:
 - (i) information on the cost benchmarks/ranges and applicability of HCFC substitute technologies; and
 - (ii) consideration of substitute technologies, financial incentives and opportunities for co-financing which could be relevant for ensuring that the HCFC phase-out resulted in benefits in accordance with paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties;
- (j) that the current classifications of low-volume-consuming (LVC) countries and small and medium-sized enterprises (SMEs) should be maintained until the cost-effectiveness thresholds of HCFC phase-out had been developed and the potential impact of those thresholds on LVC countries and SMEs had become better known. It would then be possible to review those classifications including a classification for very low-volume consuming countries, and current policies and funding arrangements targeting those countries and enterprises;
- (k) to note that the following cut-off dates for funding HCFC phase-out had been proposed:
 - (i) 2000 (Cap of HCFC production/consumption in one major country);
 - (ii) 2003 (Clean Development Mechanism);
 - (iii) 2005 (proposal for accelerated phase-out of HCFCs);
 - (iv) 2007 (Nineteenth Meeting of the Parties);
 - (v) 2010 (end of the baseline for HCFCs);
 - (vi) Availability of substitutes;
- (l) as a matter of priority, and taking into account paragraphs 5 and 8 of decision XIX/6 of the Nineteenth Meeting of the Parties, to invite Executive Committee Members to submit their views on the following issues to the Secretariat, by 15 January 2008, with the understanding that the Secretariat would make the submissions available to the 54th Meeting:
 - (i) elements the Secretariat should consider in the draft guidelines for the preparation of national HCFC phase-out management plans;
 - (ii) cost considerations to be taken into account by the Secretariat in preparing the discussion document referred to in paragraph (i) above;
 - (iii) cut-off date for funding eligibility; and
 - (iv) second-stage conversions;
- (m) to approve 2008 expenditure of up to US \$150,000 to cover the costs of consultations with technical experts and other stakeholders required for the preparation of the documents referred to in the present decision.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/37, para. 201).

(Supporting document: UNEP/OzL.Pro/ExCom/53/60).

Cost considerations surrounding the financing of HCFC phase-out

After hearing a statement from the facilitator of the contact group, the Executive Committee decided to consider at its 55th Meeting a revised version of document UNEP/OzL.Pro/ExCom/54/54 which would take into account any comments that Members had submitted to the Fund Secretariat by the end of April 2008.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/40, para.177).

(Supporting document: UNEP/OzL.Pro/ExCom/54/54, Corr.1 and Add.1).

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the discussion paper providing an analysis of relevant cost considerations surrounding the financing of HCFC phase-out contained in document UNEP/OzL.Pro/ExCom/55/47;
- (b) to invite bilateral and implementing agencies to prepare and submit project proposals to the Secretariat for those HCFC uses addressed in paragraphs (c), (d), (e) and (f) below so that the Executive Committee could choose those projects that best demonstrated alternative technologies and facilitated the collection of accurate data on incremental capital cost and incremental operating costs or savings, as well as other data relevant to the application of the technologies, on the understanding that the quantity of HCFC to be phased out under those projects needed to be deducted from the starting point for sustained aggregate reductions in eligible consumption as set by the HCFC phase-out management plan (HPMP);
- (c) to note the limited introduction of several of the HCFC alternative technologies available to date in Article 5 countries, the need to validate them and optimize their use in the light of the local conditions prevailing in Article 5 countries, and the wide variation in costs of replacement equipment and raw materials and, accordingly:
 - (i) to request the Secretariat to gather technical information related to HCFC phase out in the aerosols, fire extinguishers and solvents sectors on an ongoing basis, to review any project in those sectors when submitted and to refer it, as appropriate, for individual consideration by the Executive Committee;
 - (ii) to consider deferring to its first meeting in 2010 any decision it might wish to take on policies for the calculation of incremental operating costs or savings from HCFC conversion projects, as well as the establishment of cost-effectiveness thresholds, in order to benefit from the experience gained through review of HCFC phase-out projects as stand-alone projects and/or as components of HPMPs prior to that Meeting;
- (d) to agree that the technical information contained in document UNEP/OzL.Pro/ExCom/55/47, was sufficient to enable preparation, review and submission on a case-by-case basis of a number of stand-alone projects for HCFC phase out in the foam, refrigeration and air conditioning sectors;
- (e) to invite bilateral and implementing agencies, as a matter of urgency, to prepare and submit a limited number of time-specific project proposals involving interested systems houses and/or chemical suppliers for the development, optimization and validation of chemical systems for use with non-HCFC blowing agents on the following basis:
 - (i) as part of the projects, following the development and validation process, the collaborating systems houses would provide technology transfer and training to a selected number of downstream foam enterprises to complete the phase-out of HCFCs in those enterprises;
 - (ii) agencies would collect and report accurate project cost data as well as other data relevant to the application of the technologies;
 - (iii) in order to be of benefit for the preparation and implementation of the HPMPs, as well as any stand-alone projects, these specific projects would be completed within a period not exceeding 18 months and a progress report on each of the two implementation phases as outlined in paragraphs (i) and (ii) above, would be made available to the Executive Committee;
 - (iv) bilateral and implementing agencies and relevant collaborating systems houses were encouraged to address the technological issues surrounding preparation and distribution of premixed polyols containing hydrocarbon blowing agents;
- (f) to invite bilateral and implementing agencies to submit a limited number of demonstration projects for the conversion of HCFCs in the refrigeration and air conditioning sub-sectors to low-global warming potential (GWP) technologies to identify all the steps required and to assess their associated costs;
- (g) to continue its deliberations on policy relating to second-stage conversions and determination of the cut-off date for installation of HCFC-based manufacturing equipment, after which incremental costs for the conversion of such equipment would not be eligible for funding, with a view to concluding its considerations prior to submission of stand-alone projects;
- (h) to further analyse if an approach of the type outlined in document UNEP/OzL.Pro/ExCom/55/47 provided a satisfactory and transparent basis for the prioritization of HCFC phase-out technologies to minimize other impacts on the environment, including on the climate as originally envisaged in decision XIX/6 of the

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Nineteenth Meeting of the Parties, and to request the Secretariat to continue with its evaluation in order to report in a more detailed fashion at a subsequent Executive Committee Meeting;

- (i) to request the Secretariat to approach other institutions with the objective of identifying individual, regional or multilateral funding mechanisms that might be suitable and compatible as sources for timely co-financing to top up Multilateral Fund ozone funding in order to achieve additional climate benefits and to provide a further report to a future Meeting; and
- (j) to consider, at a future Meeting, issues relating to whether or not to retire, prematurely, functioning equipment once the 2013 and 2015 compliance targets had been addressed.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/43, para. 206).

(Supporting document: UNEP/OzL.Pro/ExCom/55/47).

The Fifty-sixth Meeting of the Executive Committee decided to continue its deliberations on the issue of second conversions and cut-off dates at its 57th Meeting, in light of the mandate provided by the Nineteenth Meeting of the Parties, and the information provided in document UNEP/OzL.Pro/ExCom/56/58 and annexes thereto.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/65 para 234)

(Supporting document: UNEP/OzL.Pro/ExCom/56/58).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to note document UNEP/OzL.Pro/ExCom/56/13 regarding a cost structure for determining funding levels for preparation of HCFC investment and associated activities (decision 55/13(d));
- (b) to define the elements of a cost structure for funding the preparation of an overall HCFC phase-out management plan (HPMP) in line with decision 54/39 and comprising several components as follows:
 - (i) assistance for policy and legislation, e.g. to develop new or extend existing legislation regarding HCFC, products containing HCFCs, quotas, and licences;
 - (ii) survey of HCFC use and analysis of data;
 - (iii) development and finalization of the HPMP including its stage one to address the 2013 and 2015 control measures, the latter being akin to a terminal phase-out management plan (TPMP) or a refrigeration service sector plan;
 - (iv) development of investment activities for the HCFC-consuming manufacturing sectors for stage one of an HPMP, if such activities were necessary;
- (c) to provide funding for elements (b)(i) to (iii) above as specified in the table below, based on the countries' HCFC consumption for 2007, while applying decision 55/13(a), (b) and (c):

Group according to consumption pattern	Funding for above components (b)(i) to (iii)
Countries with zero consumption of HCFC	US \$30,000
Countries with consumption only of HCFC-22, or consumption below 6 ODP tonnes/year	US \$85,000
Countries with medium consumption, between 6 ODP tonnes/year and 100 ODP tonnes/year	US \$150,000
Countries with consumption higher than 100 ODP tonnes/year	US \$195,000

Group according to consumption pattern	Funding for above components (b)(i) to (iii)
Countries with zero consumption of HCFC	US \$30,000
Countries with consumption only of HCFC-22, or consumption below 6 ODP tonnes/year	US \$85,000
Countries with medium consumption, between 6 ODP tonnes/year and 100 ODP tonnes/year	US \$150,000
Countries with consumption higher than 100 ODP tonnes/year	US \$195,000

- (d) To limit the maximum funding provided for the element (b)(iv) of the HPMP for any country with a manufacturing sector using HCFCs as per the following table based on the countries' HCFC consumption for

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2007, on the understanding that those limits represented maximum amounts and requests for project preparation would have to justify the level of funding up to that amount, and on the understanding that preparation costs for demonstration projects according to decision 55/43 paragraphs (b) to (f) were not taken into account when calculating that level of funding;

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

- (e) to define five manufacturing sub-sectors as follows: air-to-air air conditioning systems; refrigeration (including all refrigeration, heat pumps and air conditioning sub-sectors except air-to-air air conditioning systems); polyurethane foam; extruded polyurethane (XPS) foam; and solvent uses in manufacturing;
- (f) to provide funding for the element (b)(iv) of the HPMP for countries with manufacturing capacity up to a maximum specified below, to be determined by the total number of enterprises to be converted under HPMP stage one in the relevant sub-sector as defined under paragraph (e) above, excluding those enterprises with demonstration projects that might be chosen by the Executive Committee according to decision 55/43, paragraphs (b) to (f):
 - (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;
- (g) that in the case where Parties wish to submit requests for preparation of sub-sector plans in the approved sectors, the total funding available for all sub-sector plans in each sector should not exceed US \$150,000;
- (h) not to apply the provisions in subparagraphs (c), (e) and (f) above to China;
- (i) to request that for demonstration projects, according to decision 55/43 paragraphs (b) to (f), the request for preparation funds should include specification of country, sector, brief description of the project, approximate ODP tonnes phase-out to be achieved, the enterprise(s) to be addressed, if relevant, and the date when they began operation, reference to the relevant sub-paragraph of decision 55/43, and a description of compelling reasons as to why the Executive Committee should choose this project as described in decision 55/43 (b). Funding could be provided up to the following levels:
 - (i) stand-alone demonstration projects (55/43) in a manufacturing sector, per project: US \$30,000;
 - (ii) umbrella demonstration projects (55/43) with three to 14 beneficiaries in one manufacturing sector, per umbrella project: US \$80,000;
 - (iii) Projects addressing 15 or more beneficiaries could not receive preparation funding for demonstration projects related to decision 55/43; and
- (j) to request the Secretariat to apply this cost structure when assessing the eligibility for funding of the different elements of the HPMP preparation, and to propose adjustments to the structure, in particular with regard to investment and associated activities, to the Executive Committee when necessary.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/16 para 92)

(Supporting document: UNEP/OzL.Pro/ExCom/56/13/).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the status report on the further analysis of the “functional unit approach” contained in document UNEP/OzL.Pro/ExCom/57/59;
- (b) to request the Secretariat to prepare a document presenting four concrete examples of the application of the methodology to two technologies in the foam sector and two in the refrigeration sector for submission to the 58th Meeting of the Executive Committee for further consideration of the methodology; and
- (c) to discuss issues related to the type of incentives to be associated with the indicators being developed, and other relevant questions relating to the indicators, no later than the 58th Meeting.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/33 para 173)

(Supporting document: UNEP/OzL.Pro/ExCom/57/59).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) that the two Members proposing new approaches should submit information regarding their proposals to the Secretariat as soon as possible;
- (b) to request the Secretariat to post the minutes of the informal meeting on HCFC phase out policy issues, and institutional strengthening, including the approaches proposed by the two members, on the Multilateral Fund Intranet by 10 April 2009, for comment by Executive Committee Members;
- (c) to request Members to submit their comments on the posted document to the Secretariat, no later than 24 April 2009; and
- (d) to further request the Secretariat to prepare a document compiling and analysing the new approaches proposed, and the intersessional comments from Members, for consideration by the Executive Committee at its 58th Meeting.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/34 para 180)

(Supporting document: UNEP/OzL.Pro/ExCom/57/60).

The Fifty-ninth Meeting of the Executive Committee decided to defer discussion of the outstanding HCFC issues, namely those related to the cut-off date, the level of incremental operating costs, funding provided to the servicing sector, and incremental capital costs to the 60th Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/46 para 231)

The Sixtieth Meeting of the Executive Committee decided:

In determining criteria for funding HCFC phase-out in the consumption sector in Article 5 countries:

Cut-off date

- (a) Not to consider any projects to convert HCFC-based manufacturing capacity installed after 21 September 2007;

Second-stage conversion

- (b) To apply the following principles in regard to second-stage conversion projects for the first stage of HCFC phase-out management plan (HPMP) implementation to achieve the 2013 and 2015 HCFC phase-out compliance targets, to be reviewed by the Executive Committee no earlier than the last Meeting in 2013:
 - (i) Full funding of eligible incremental costs of second-stage conversion projects will be considered in those cases where an Article 5 Party clearly demonstrates in its HPMP that such projects are necessary to comply with the Montreal Protocol HCFC targets up to and including the 35 per cent reduction step by 1 January 2020 and/or are the most cost-effective projects measured in ODP tonnes that the Party concerned can undertake in the manufacturing sector in order to comply with these targets;
 - (ii) Funding for all other second-stage conversion projects not covered under paragraph (b)(i) above will be limited to funding for installation, trials, and training associated with those projects;

Starting points for aggregate reductions in HCFC consumption

- (c) To establish the starting points for aggregate reductions in HCFC consumption, for those Article 5 countries that submit projects in advance of their assessed baseline, at the time of submission of either the HCFC investment project or the HPMP, whichever is first submitted for the consideration of the Executive Committee;
- (d) To allow Article 5 countries to choose between the most recent reported HCFC consumption under Article 7 of the Montreal Protocol at the time of the submission of the HPMP and/or the investment project, and the average of consumption forecast for 2009 and 2010, in calculating starting points for aggregate reductions in HCFC consumption;
- (e) To adjust the agreed starting points for aggregate reductions in HCFC consumption in cases where calculated HCFC baselines based on reported Article 7 data are different from the calculated starting point based on the average consumption forecast for 2009-2010;

Eligible incremental costs of HCFC phase-out projects

- (f) To apply the following principles in regard to eligible incremental costs of HCFC phase-out projects for the

first stage of HPMP implementation to achieve the 2013 and 2015 HCFC phase-out compliance targets, subject to a review in 2013:

- (i) When preparing HCFC phase-out projects in the foam, refrigeration and air-conditioning sectors, bilateral and implementing agencies shall use the technical information contained in document UNEP/OzL.Pro/ExCom/55/47 as a guide;
- (ii) The current cost-effectiveness threshold values used for CFC phase-out projects in paragraph 32 of the final report of the 16th Meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/16/20), to be measured in metric kilogrammes, shall be used as guidelines during the development and implementation of the first stage of HPMPs;
- (iii) That countries will have the flexibility to allocate the approved funding from incremental operating costs to incremental capital costs and to allocate up to 20 per cent of the approved funding for incremental capital costs to incremental operating costs, as long as the use of the flexibility does not change the intent of the project. Any reallocation should be reported to the Executive Committee;
- (iv) Funding of up to a maximum of 25 per cent above the cost effectiveness threshold will be provided for projects when needed for the introduction of low global warming potential (GWP) alternatives;

HCFC phase-out in the foam sector

- (v) Incremental operating costs for projects in the foam sector will be considered at US \$1.60/metric kg for HCFC-141b and US \$1.40/metric kg for HCFC-142b consumption to be phased out at the manufacturing enterprise;
- (vi) For group projects linked to systems houses, incremental operating costs will be calculated on the basis of the total HCFC consumption to be phased out for all downstream foam enterprises;
- (vii) The Executive Committee will consider, on a case-by-case basis, funding higher levels of incremental operating costs than indicated in paragraph (f)(v) above when required for the introduction of low- GWP water-blown technology;

HCFC phase-out in the refrigeration and air-conditioning manufacturing sector

- (viii) Incremental operating costs for projects in the air conditioning sub-sector will be considered at US \$6.30/metric kg of HCFC consumption to be phased out at the manufacturing enterprise;
- (ix) Incremental operating costs for projects in the commercial refrigeration sub-sector will be considered at US \$3.80/metric kg of HCFC consumption to be phased out at the manufacturing enterprise;
- (x) Consistent with decision 31/45 of the Executive Committee, incremental operating costs will not be considered for enterprises categorized under the refrigeration equipment assembly, installation and charging sub-sector;

HCFC phase-out in the refrigeration servicing sector

- (xi) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes must include in their HPMP, as a minimum:
 - a. A commitment to meeting, without further requests for funding, at least the freeze in 2013 and the 10 per cent reduction step in 2015, and if the country so decides, the 35 per cent reduction step in 2020. This shall include a commitment by the country to restrict imports of HCFC-based equipment if necessary to achieve compliance with the reduction steps and to support relevant phase-out activities;
 - b. Mandatory reporting, by the time funding tranches for the HPMP are requested, on the implementation of activities undertaken in the refrigeration servicing sector and in the manufacturing sector when applicable, in the previous year, as well as a thorough and comprehensive annual work plan for the implementation of the following activities associated with the next tranche;
 - c. A description of the roles and responsibilities of major stakeholders, as well as the lead implementing agency and the cooperating agencies, where applicable;
- (xii) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes will be provided funding consistent with the level of consumption in the refrigeration servicing sector as shown in the

table below, on the understanding that project proposals will still need to demonstrate that the funding level is necessary to achieve the 2013 and 2015 phase-out targets, and if the country so decides, the 2020 phase-out targets:

Consumption (metric tonnes)*	Funding up to 2015 (US\$)	Funding up to 2020 (US\$)
>0 <15	51,700	164,500
15 <40	66,000	210,000
40 <80	88,000	280,000
80 <120	99,000	315,000
120 <160	104,500	332,500
160 <200	110,000	350,000
200 <320	176,000	560,000
320 <360	198,000	630,000

(*) Level of baseline HCFC consumption in the refrigeration servicing sector

- (xiii) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes and that receive funding consistent with the above table, will have flexibility in utilizing the resources available to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of HCFCs;
- (xiv) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes, used in both the manufacturing and refrigeration servicing sectors, could submit HCFC phase-out investment projects in accordance with prevailing policies and decisions of the Multilateral Fund, in addition to funding for addressing HCFC consumption in the servicing sector;
- (xv) Article 5 countries that have total HCFC consumption above 360 metric tonnes should first address consumption in the manufacturing sector to meet the reduction steps in 2013 and 2015. However, if such countries clearly demonstrate that they require assistance in the refrigeration servicing sector to comply with these targets, funding for these activities, such as training, will be calculated at US\$4.50/metric kg, which will be deducted from their starting point for aggregate reductions in HCFC consumption.

HCFC phase-out in the aerosol, fire extinguisher and solvent sectors

- (xvi) The eligibility of incremental capital and operating costs for HCFC phase-out projects in the aerosol, fire extinguisher and solvent sectors will be considered on a case-by-case basis.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/44 para 198).

(Supporting document: UNEP/OzL.Pro/ExCom/60/46).

Preparation of HCFC phase-out management plans

The Fifty-fifth Meeting of the Executive Committee decided:

- that a discount of 25 per cent should be applied to the survey component of the funding for preparation of the HCFC phase-out management plan (HPMP) to be approved for countries that had received funding for the HCFC surveys, on the understanding that the countries had flexibility in utilizing the agreed project preparation funding;
- that countries that had reported zero HCFC consumption should receive US \$30,000 for the preparation of HPMPs;
- that countries that had reported zero HCFC consumption could submit requests for additional funding for HPMP preparation if levels of HCFC consumption greater than zero were identified during preparation and reported under Article 7;
- to request the Secretariat to prepare for the 56th Meeting a cost structure for determining funding levels for the preparation of HCFC investment and associated activities, seeking input from the bilateral and implementing agencies on their experience with CFC sector plans and national phase-out plans;

- (e) to request the Secretariat to apply the cost structure to any submissions for the preparation of HCFC investment and associated activities to the 56th Meeting from the bilateral and implementing agencies; and
- (f) that the provisions in subparagraphs (b), (c), (d) and (e) above did not apply to China.
(UNEP/OzL.Pro/ExCom/55/53, Decision 55/13).

HCFC phase-out projects with a requested level of funding of over US \$5 million

The Sixtieth Meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies submitting HCFC projects in the consumption sector with a level of funding of more than US \$5 million to submit only one project proposal covering all the enterprises in the relevant sector or sub-sector; and
- (b) That the project proposal should be submitted 12 weeks in advance of the Meeting at which it was to be considered.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/12).

HCFC phase-out projects in domestic and commercial refrigeration enterprises

The Sixtieth Meeting of the Executive Committee decided:

- (a) That projects for the phase-out of HCFCs used by domestic refrigeration enterprises should be considered under the foam sector as rigid insulation refrigeration foam; and
- (b) To establish the cost-effectiveness threshold for the rigid insulation refrigeration foam sub-sector at a future Meeting once sufficient information had been gathered from the review of HCFC phase-out projects as stand alone projects and/or as components of HCFC phase-out management plans.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/13).

HCFC phase-out projects with accelerated phase-out

The Sixtieth Meeting of the Executive Committee decided that projects which accelerated the phase-out of consumption of HCFCs could be considered on a case-by-case basis for low-volume-consuming countries that had a strong national level of commitment in place to support accelerated phase-out

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/15).

The Sixty-second Meeting of the Executive Committee decided that, for the HCFC phase-out management plans which addressed phase-out of HCFCs ahead of the Montreal Protocol schedule and had been submitted in line with decision 60/15, the total funding available for achieving 100 per cent phase-out would be extrapolated from that available for meeting the 35 per cent reduction in consumption as prescribed in the table in subparagraph f(xii) of decision 60/44.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/10, para 47).

Last funding tranche of multiyear HCFC phase-out plans

The Sixty-second Meeting of the Executive Committee decided to request the bilateral and implementing agencies, when preparing multi-year HCFC phase-out management plans, to ensure that the last tranche comprised 10 per cent of the total funding for the refrigeration servicing sector in the agreement and was scheduled for the last year of the plan.

(UNEP/OzL.Pro/ExCom/62/62, decision 62/17, para 60).

Revised template for draft agreements for HPMPs

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies preparing HCFC phase-out management plans (HPMPs) to use the preliminary template contained in Annex IV to the present report as a guideline when advising countries on preparing a draft agreement for HPMPs for consideration by the Executive Committee; and
- (b) To request Executive Committee Members and bilateral and implementing agencies to submit comments on the preliminary template to the Secretariat so as to enable it to prepare a revised version of the preliminary template for consideration by the Committee at its 60th Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/16 para 92)

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

At the same Fifty-ninth Meeting, one Member asked that, when preparing multi-year HPMPs, bilateral and

implementing agencies make every effort to ensure that the last tranche comprised at least 10 per cent of the total funding.

The Sixtieth Meeting of the Executive Committee decided to defer a decision on adopting the revised template for draft agreements for HCFC phase-out management plans (document UNEP/OzL.Pro/ExCom/60/48) to its 61st Meeting, noting that implementing agencies and Members should be provided with a final opportunity to submit comments on the revised template, to be reflected in the documentation for the 61st Meeting.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/46 para 201)

(Supporting document: UNEP/OzL.Pro/ExCom/60/48).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To approve the revised template, as amended, attached as Annex XVI to the present report, as a reference for the drafting of an Agreement between a country and the Executive Committee regarding HCFC phase-out management plans (HPMPs); for countries that decided to submit sector plans, those would be considered on a case by case basis;
- (b) To request that future draft agreements schedule the submission of final tranches so that consumption would be reported under Article 7 of the Montreal Protocol for 2013 before approval of the last tranche of the agreement;
- (c) To request the Secretariat to provide to the Executive Committee at the first Meeting of each year, starting in 2012, a list of all countries with a HCFC consumption baseline of 360 metric tonnes and below that had an approved HPMP and an indication of a sample of 20 per cent of countries from that list to enable the Executive Committee to approve such a sample for the purposes of verification of that country's compliance with the HPMP agreement for that year;
- (d) Not to require verification under the HPMP agreement for countries on that list other than those included in the sample; and
- (e) To request bilateral and implementing agencies acting as lead agency for the respective agreements to include the related costs of verification in their work programme amendments in the same year, and to submit the related verification in conjunction with a tranche request in the following year.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/46 para 111)

(Supporting document: UNEP/OzL.Pro/ExCom/61/52).

Another concern raised was that some countries, in their submissions, appeared to be indicating that efforts to achieve compliance with the 2013 HCFC consumption freeze were limited to selected sectors. To ensure that adequate measures would be undertaken at the national level, the Executive Committee decided to add a paragraph both to the template for draft agreements approved in decision 61/46 and to the draft agreements between Article 5 countries and the Executive Committee submitted to the Committee for consideration at its 63rd meeting. The paragraph read as follows:

“That, for all submissions from the 68th Meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this agreement.”

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/17 para 71)

The Ninety-second Meeting of the Executive Committee decided:

- (c) To request the Secretariat, in line with decision 61/46, to select, from the 92nd meeting onwards, in consultation with the bilateral and implementing agencies, a sample of 20 per cent of the low-volume-consuming countries with ongoing HPMPs for the purpose of verifying those countries' compliance with their HPMP Agreements between the country's Government and the Executive Committee, and to request the bilateral and implementing agencies acting as lead agencies for the respective Agreements to include the related costs of verification in their work programmes submitted at the same meeting.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/21).

(Supporting document: UNEP/OzL.Pro/ExCom/92/13).

Template for draft Agreements For Stage II of HCFC phase-out management plans

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the draft Agreement prepared for stage II of the HCFC phase-out management plan (HPMP) for Mexico as contained in document UNEP/OzL.Pro/ExCom/73/43;
- (b) To request bilateral and implementing agencies to use the Agreement for stage II of the HPMP for Mexico, approved in decision 73/58, as a template for stage II of HPMPs, noting that the Agreement had been prepared prior to the conclusion of the ongoing discussions on the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs and the precondition of reaching the 20 per cent disbursement threshold before the release of the subsequent tranche; and
- (c) To request the Secretariat to review the template Agreement for stage II of HPMPs referred to in sub-paragraph (b) above, once discussions on criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs and the 20 per cent disbursement threshold had been completed.

(UNEP/OzL.Pro/ExCom/73/62, Decision 73/33 para 114).

(Supporting document: UNEP/OzL.Pro/ExCom/72/24).

The Seventy-fifth Meeting of the Executive Committee decided to request the Secretariat to resubmit the draft template Agreement for stage II of HCFC phase-out management plans for consideration at the 76th meeting, taking into account the discussion at the 75th meeting and comments received from Executive Committee members no later than 31 December 2015 and including the specific sources of the language included in the draft agreement.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/66, para 269)

(Supporting document: UNEP/OzL.Pro/ExCom/75/76).

The Seventy-sixth meeting of the Executive Committee decided:

- (a) To approve the template for draft Agreements for stage II of HCFC phase out management plans contained in Annex XIX to the present report; and
- (b) To allow flexibility to modify the Agreement between a Government and the Executive Committee in cases where a country was proposing total HCFC phase out.

UNEP/OzL.Pro/ExCom/76/66, Decision 76/52, para 184)

(Supporting document: Annex XIX, UNEP/OzL.Pro/ExCom/76/66).

Cost for conversion of component manufacturing vs. incremental operating cost

Following a discussion on the appropriateness and feasibility of cost for conversion of component manufacturing vs. incremental operating cost being referred to one or other of the contact groups, the Executive Committee decided to defer it for consideration at its 60th Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/14 para 84)

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

The Sixtieth Meeting of the Executive Committee decided to defer consideration of the cost for conversion of component manufacturing vs. incremental operating cost to its 61st Meeting.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/45 para 200)

(Supporting document: UNEP/OzL.Pro/ExCom/60/47).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To consider funding the conversion of component manufacturers only when the funding requests were submitted as part of an HCFC phase-out management plan (HPMP) or a sector plan under an HPMP, except for those projects originally submitted to the 61st or earlier meetings of the Executive Committee;
- (b) That in cases where countries decided to include component manufacturers in their phase-out plans, to request bilateral and implementing agencies to provide, as part of their submission, information on the incremental operating costs of all refrigeration or air-conditioning equipment manufacturers included in the plan, as well as production and export data for compressors for the three years prior to the submissions; and
- (c) To request the Secretariat to prepare a document, based on the relevant sections of document UNEP/OzL.Pro/ExCom/61/51, on the level of incremental costs related to retooling for manufacturing of tube-and-fin heat exchangers to be considered by the Executive Committee at its 62nd Meeting.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/45 para 108)

(Supporting document: UNEP/OzL.Pro/ExCom/61/51).

The Sixty-second Meeting of the Executive Committee decided to request the Fund Secretariat to prepare a new document on the incremental costs related to retooling for manufacturing heat exchangers to assist it in its deliberations, incorporating any views it might receive from experts, implementing agencies and members of the Executive Committee.

(UNEP/OzL.Pro/ExCom/62/62, decision 62/61, para 157)

The Executive Committee agreed at its Sixty-fifth meeting to defer consideration of the incremental costs related to retooling for manufacturing heat exchangers to the 66th meeting.

(UNEP/OzL.Pro/ExCom/65/60, para 186).

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) That in cases where the conversion of a manufacturer of HCFC air conditioning products to an alternative non flammable substance with substantially higher working pressure was undertaken, and where that manufacturer had its own heat exchanger manufacturing facility, expenditures related to dynamic testing of heat exchangers were to be part of the conversion cost in order to ensure that they were sufficiently pressure-resistant;
- (b) To request the Secretariat to use, for those cases, the technical information provided in document UNEP/OzL.Pro/ExCom/66/51 and the related technical study, as well as any other relevant information available to determine the extent to which those costs were eligible and incremental;
- (c) For the project “Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co.” (Jordan), to approve additional funding of US \$126,500, plus agency support costs of US \$9,488 for UNIDO, to cover the costs associated with changes in the heat exchanger production and testing, in line with decision 60/41, and to request the Secretariat to update the Agreement with Jordan accordingly when introducing any changes related to the determination of the baseline consumption for Jordan; and
- (d) For stage I of the HPMP for Indonesia (air-conditioning sector plan), to approve additional funding of US \$52,800, plus agency support costs of US \$3,960 for UNDP, to cover the costs associated with changes in heat exchanger production and testing, in line with decision 64/42, and to request the Secretariat to update the Agreement with Indonesia accordingly when introducing any changes related to the determination of the baseline consumption for Indonesia.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/52 para 173).

(Supporting document: UNEP/OzL.Pro/ExCom/66/51).

Criteria for funding HCFC phase-out in the consumption sector

The Sixty-ninth Meeting of the Executive Committee decided:

- (b) To request the Secretariat to prepare an information document for the 70th meeting to assist the Executive Committee in reviewing the criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44, including an analysis of the cost effectiveness of projects approved so far, as well as the division of costs between incremental operating costs and incremental capital costs.

(UNEP/OzL.Pro/ExCom/69/40, decision 69/22(b), para.107(b)).

The Sixty-ninth Meeting of the Executive Committee decided:

- (d) To encourage the Secretariat to consider, in the context of the information document referred to in decision 69/22(b), options to ensure that:
 - (i) The level of funding for the first year of stage II would meet the 20 per cent disbursement threshold; and
 - (ii) Subsequent tranches were considered in light of the need for cash and the likelihood of reaching the disbursement threshold.

(UNEP/OzL.Pro/ExCom/69/40, decision 69/24(d), para.119(d)).

The Seventieth Meeting of the Executive Committee decided:

- (a) To 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)), as contained in document UNEP/OzL.Pro/ExCom/70/52;
- (b) To request relevant bilateral and implementing agencies to submit to the Secretariat, where available, information regarding incremental capital and operating costs incurred under stage I of HCFC phase-out management plans (HPMPs);

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- (c) To request the Secretariat to include the information contained in paragraph (b) above in a revised document to be submitted to the Executive Committee at its 71st meeting;
- (d) To defer discussion of the criteria for funding HCFC phase-out in the consumption sector for stage II HPMPs to the 72nd meeting of the Executive Committee, with the goal of reaching agreement on such criteria at that meeting;
- I For those Article 5 countries that wished to do so, to allow the submission of stage II HPMPs in the absence of agreement on guidelines and provisions on funding for preparation of stage II, and prior to a decision by the Executive Committee on criteria for funding HCFC phase-out in the consumption sector for stage II, on the understanding that:
 - (i) Any such proposals for stage II HPMPs would be considered on the basis of the existing guidelines for stage I HPMPs; and
 - (ii) The funding level approved for stage II would not be modified on the basis of the criteria to be adopted for funding HCFC phase-out in the consumption sector for stage II HPMPs.

(UNEP/OzL.Pro/ExCom/70/59, Decision 70/21, para 115)

(Supporting document: UNEP/OzL.Pro/ExCom/70/52).

At its Seventy-first Meeting, the Executive Committee took note of the document on the criteria for funding HCFC phase-out in the consumption sector adopted by decision 60/44, contained in document UNEP/OzL.Pro/ExCom/71/57.

(UNEP/OzL.Pro/ExCom/71/64, paragraph 165)

At its Seventy-second Meeting, the Executive Committee decided:

- (a) To take note of the criteria for funding HCFC phase-out in the consumption sector for stage II of HCFC phase-out management plans, as contained in document UNEP/OzL.Pro/ExCom/72/39;
- (b) To invite Executive Committee members to submit to the Secretariat, by 30 June 2014, any additional information they considered necessary to complete the information already contained in document UNEP/OzL.Pro/ExCom/72/39; and
- (c) To request the Secretariat to prepare a document that contained the additional information submitted under subparagraph (b) above for the consideration of the Executive Committee at its 73rd meeting.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/39, para 164)

(Supporting document: UNEP/OzL.Pro/ExCom/72/39).

At its Seventy-third Meeting, the Executive Committee decided to continue its consideration of the draft criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs at its 74th meeting.

(UNEP/OzL.Pro/ExCom/73/62, Decision 73/64, para 210)

(Supporting document: UNEP/OzL.Pro/ExCom/73/53).

At its Seventy-fourth meeting, the Executive Committee decided, in determining criteria for funding HCFC phase-out in the consumption sector for stage II of the HCFC phase out management plans (HPMPs) in Article 5 countries:

Cut-off date

- (a) Not to consider any projects to convert HCFC-based manufacturing capacity installed after 21 September 2007;

Second-stage conversion

- (b) To apply the following principles in respect of second-stage conversion projects:
 - (i) Full funding of eligible incremental costs of second-stage conversion projects would be considered in those cases where an Article 5 Party clearly demonstrated in its HPMP that such projects:
 - a. Were necessary to comply with the Montreal Protocol HCFC targets up to and including the 35 per cent reduction step by 1 January 2020; and/or
 - b. Were the most cost-effective projects measured in ODP tonnes that the Party concerned could undertake in the manufacturing sector in order to comply with those targets; and/or
 - c. Would make the transition to low global-warming potential (GWP) alternatives;
 - (ii) Funding for all other second-stage conversion projects not covered under sub paragraph (b)(i) above would be limited to funding for installation, trials, and training associated with those projects;

Eligible incremental costs of HCFC phase-out projects

- (c) To apply the following principles in respect of eligible incremental costs of HCFC phase out projects for stage II of HPMPs, subject to a review in 2020:
- (i) The current cost-effectiveness threshold values used for CFC phase-out projects in paragraph 32 of the final report of the 16th meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/16/20), to be measured in metric kilograms, and a cost-effectiveness threshold of US \$7.83/metric kilogram for rigid insulation refrigeration foam, should be used as guidelines during the development and implementation of the second and subsequent stages of HPMPs;
 - (ii) Article 5 countries would have the flexibility to allocate the approved funding from incremental operating costs to incremental capital costs and to allocate up to 20 per cent of the approved funding for incremental capital costs to incremental operating costs, as long as the use of the flexibility did not change the intent of the project. Any reallocation should be reported to the Executive Committee;
 - (iii) Funding of up to a maximum of 25 per cent above the cost-effectiveness threshold would be provided for projects when needed for the introduction of low-GWP alternatives; however, for small and medium-sized enterprises (SMEs) in the foam sector with consumption of less than 20 metric tonnes, the maximum would be up to 40 per cent above the cost-effectiveness threshold;

HCFC phase-out in the foam sector

- (iv) Incremental operating costs for projects in the polyurethane foam sector would be considered at US \$1.60/metric kilogram for HCFC-141b; however, for projects that make the transition to low-GWP alternatives, incremental operating costs would be considered at up to US \$5.00/metric kilogram;
- (v) Incremental operating costs for projects in the extruded polystyrene foam sector would be considered at US \$1.40/metric kilogram for HCFC-142b, HCFC 142b/HCFC-22, or HCFC-22 consumption to be phased out at the manufacturing enterprise;
- (vi) For group projects linked to systems houses, incremental operating costs would be calculated on the basis of the total HCFC consumption to be phased out for all downstream foam enterprises;
- (vii) When it was clearly demonstrated that low-GWP alternatives with incremental operating costs as indicated in sub-paragraph (c)(iv) above were not feasible, the Executive Committee would fund higher levels of incremental operating costs when needed for the introduction of low-GWP alternatives by SMEs;

HCFC phase-out in the refrigeration and air-conditioning manufacturing sector

- (viii) Incremental operating costs for projects in the air conditioning sub-sector would be considered at US \$6.30/metric kilogram of HCFC consumption to be phased out at the manufacturing enterprise;
- (ix) Incremental operating costs for projects in the commercial refrigeration subsector would be considered at US \$3.80/metric kilogram of HCFC consumption to be phased out at the manufacturing enterprise;
- (x) Consistent with decision 31/45 of the Executive Committee, incremental operating costs would not be considered for enterprises in the refrigeration equipment assembly, installation and charging subsector category;

HCFC phase-out in the refrigeration servicing sector, including servicing for all the relevant refrigeration and air conditioning subsectors

- (xi) Article 5 countries with total HCFC consumption of up to 360 metric tonnes, and former low-volume consuming (LVC) Article 5 countries with HCFC consumption in the refrigeration servicing sector only above 360 metric tonnes, must include in their HPMPs, as a minimum:
 - a. A commitment to meeting, without further requests for funding at least the 35 per cent reduction step in 2020, and, if the country so decided, the 67.5 per cent reduction step in 2025 or the complete phase-out of HCFCs in line or ahead of the Montreal Protocol schedule. This should include a commitment by the country to restrict imports of HCFC-based equipment if necessary to achieve compliance with the reduction steps and to support relevant phase-out activities;
 - b. Mandatory reporting, by the time funding tranches for the HPMP were requested, on the implementation of activities undertaken in the refrigeration servicing sector and in the manufacturing sector when applicable, in the previous year, as well as a thorough and comprehensive annual work plan for the implementation of the activities associated with the next

tranche;

- c. A description of the roles and responsibilities of major stakeholders, as well as the lead implementing agency and the cooperating agencies, where applicable;
- (xii) Article 5 countries with total HCFC consumption of up to 360 metric tonnes would be provided with funding consistent with the level of consumption in the refrigeration servicing sector, as shown in the table below, on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve the 2020 and 2025 phase-out targets, or if the country so decided, later reduction targets:

Consumption (mt)*	Funding (US \$)(**)		
	Up to 2020	Up to 2025	Total phase-out
>0 <15	205,625	396,500	587,500
15 <40	262,500	506,250	750,000
40 <80	280,000	540,000	800,000
80 <120	315,000	607,500	900,000
120 <160	332,500	641,250	950,000
160 <200	350,000	675,000	1,000,000
200 <320	560,000	1,080,000	1,600,000
320 <360	630,000	1,215,000	1,800,000

(*) Level of HCFC baseline consumption in the refrigeration servicing sector

(**) This represents the maximum funding eligible, including funding already provided

- (xiii) Article 5 countries with HCFC consumption in the refrigeration servicing sector only above 360 metric tonnes would be provided with funding for phase-out activities at US \$4.80/metric kilogram;
- (xiv) Article 5 countries with total HCFC consumption in the servicing sector only of up to 360 metric tonnes would have flexibility in utilizing the resources available to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of HCFCs, consistent with Executive Committee decisions;
- (xv) Article 5 countries with total HCFC consumption of up to 360 metric tonnes, used in both the manufacturing and refrigeration servicing sectors, could submit HCFC phase-out investment projects in accordance with the policies and decisions of the Executive Committee, in addition to funding for addressing HCFC consumption in the servicing sector;
- (xvi) Article 5 countries with total HCFC consumption above 360 metric tonnes used in both the manufacturing and refrigeration servicing sectors should prioritize consumption in the manufacturing sector to meet the reduction steps in 2020, where possible. Activities in the refrigeration servicing sector for such countries would be calculated at US \$4.8/metric kilogram, to be deducted from their starting point for aggregate reductions in HCFC consumption;

HCFC phase-out in the aerosol, fire extinguisher and solvent sectors

- (xvii) The eligibility of incremental capital and operating costs for HCFC phase out projects in the aerosol, fire extinguisher, and solvent sectors would be considered on a case-by-case basis; and
- (d) The Executive Committee would be open to considering projects to promote transition to not-in-kind technologies in relevant sectors.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/50, para 162)

(Supporting document: UNEP/OzL.Pro/ExCom/74/50).

Incremental costs in the foam sector

The Seventy-fifth Meeting of the Executive Committee decided to request the Secretariat to prepare a document for consideration at the 76th meeting on the calculation of the incremental capital costs and incremental operating costs for foam sector alternatives, providing transparency and consistency in comparing the quality of foam produced for different applications and transparency on the sources of information, taking into account prices in different regions and the size of enterprises.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/28, para 146)

(Supporting document: UNEP/OzL.Pro/ExCom/75/27).

The Seventy-sixth meeting of the Executive Committee decided:

The Executive Committee decided to take note of document UNEP/OzL.Pro/ExCom/76/58 on the calculation of the incremental capital costs and incremental operating costs for foam sector alternatives (decision 75/28).

(UNEP/OzL.Pro/ExCom/76/66, Decision 76/50, para 177)

(Supporting document: UNEP/OzL.Pro/ExCom/76/58).

Assessing incremental costs for the conversion of heat exchanger lines of air-conditioning equipment

The Seventy-fifth Meeting of the Executive Committee decided:

(f) To request the Secretariat to undertake additional work on the level of incremental costs for the conversion of heat exchangers manufacturing lines in enterprises converting to R 290 technology, to report to the Executive Committee at the 76th meeting, and to adjust the cost of stage II of the HPMP for Brazil, as appropriate, upon receipt of the submission of the request for the second tranche.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/43(f), para 187(f))

(Supporting document: UNEP/OzL.Pro/ExCom/75/40 & Add.1).

The Seventy-sixth Meeting of the Executive Committee decided:

(a) To take note of document UNEP/OzL.Pro/ExCom/76/59 on the calculation of the level of incremental costs for the conversion of heat exchanger manufacturing lines in enterprises converting to HC-290 technology (decision 75/43(f));

(b) To request the Secretariat:

(i) To further consider, with regard to the HC-290 technology, the technical and cost implications of reducing the tube diameter of the condenser from 7 mm to 5 mm while maintaining the same evaporator;

(ii) To provide further information on the estimated number of units required for each tool/equipment type when reducing the tube diameter, on the basis of a typical level of production by an enterprise in an Article 5 country; and

(iii) To submit to the 77th meeting a revised document that addressed the issues referred to in sub-paragraphs (b)(i) and (ii) above.

UNEP/OzL.Pro/ExCom/76/66, Decision 76/51, para 180)

(Supporting document: UNEP/OzL.Pro/ExCom/76/59).

The Seventy-seventh Meeting of the Executive Committee decided:

(a) To take note of the document UNEP/OzL.Pro/ExCom/77/69 on the calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology (decision 76/51);

(b) To request the Secretariat to adjust the cost of stage II of the HCFC phase-out management plan for Brazil, as appropriate, upon receipt of the request for the second tranche, in accordance with decision 75/43(f), on the basis of the technical information contained in document UNEP/OzL.Pro/ExCom/77/69; and

(c) To request the Secretariat and the bilateral and implementing agencies to use the technical information contained in the annex to document UNEP/OzL.Pro/ExCom/77/69 as a reference when assessing the incremental costs of converting heat-exchanger lines during the conversion of HCFC 22-based air-conditioners to the use of HC 290, HFC-32 and R-452B refrigerants.

UNEP/OzL.Pro/ExCom/77/76, Decision 77/58, para 204)

(Supporting document: UNEP/OzL.Pro/ExCom/77/69).

Countries that had total HCFC consumption above 360 metric tonnes and should address consumption in the manufacturing sector first to meet the 2013 and 2015 control measures

Following the report of a contact group, the Executive Committee agreed to continue discussion of the matter at its 64th meeting.

(UNEP/OzL.Pro/ExCom/63/60, para 72)

At its Sixty-fourth Meeting, the Executive Committee decided to consider, on a case-by-case basis, project proposals from countries with total HCFC consumption above 360 metric tonnes that included funding requests for refrigeration servicing sector activities instead of the manufacturing sector.

(UNEP/OzL.Pro/ExCom/64/53, Decision 64/14, para 67)

Funding for countries with HCFC consumption between 361 and 400 metric tonnes in the servicing sector

At its Sixty-fourth Meeting, the Executive Committee agreed to continue to consider, on a case-by-case basis, the need for equitable treatment of those countries with HCFC consumption between 361 and 400 metric tonnes in the refrigeration servicing sector whose maximum level of funding would be lower than that for countries with consumption of between 300 and 360 metric tonnes.

(UNEP/OzL.Pro/ExCom/64/53, para 65)

Second-stage conversion

The Sixty-second Meeting of the Executive Committee decided:

- (a) The proportion of HCFCs consumed by enterprises that received assistance under the Multilateral Fund for CFC phase-out, as a percentage of:
 - (i) Total HCFC consumption;
 - (ii) Total HCFC consumption in the manufacturing sector;
 - (iii) Total consumption of HCFC-141b in the foam sector; and
- (b) The estimated cost-effectiveness value, in ODP and metric tonnes, of the proposed second-stage conversion projects as compared with the estimated cost-effectiveness of phasing out HCFC consumption in other manufacturing enterprises in all sectors.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/16 para 58)

After hearing the report of the contact group, the Sixty-fifth Meeting of the Executive Committee decided to request the Secretariat to prepare^c for the 66th meeting:

- (a) A document containing information on previous conversions funded by the Multilateral Fund, and describing the conditions under which agreements were signed with Article 5 countries on the phase-out of CFCs; and
- (b) A document on options for a tracking system to correlate, by country, the amounts of HCFC 141b-based pre-blended polyols exported by systems houses with the amounts used by foam enterprises in importing Article 5 countries that had been approved for phase-out, which could be updated on a periodic basis.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/12 para 68)

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/66/49 containing information on previous conversions funded by the Multilateral Fund and describing the conditions under which agreements had been signed with Article 5 countries for the phase-out of CFCs;
- (b) That conversion of new HCFC foam production lines in second-stage conversion enterprises established after the enterprises had been converted to a non-CFC alternative were entitled to full funding of eligible incremental costs provided that the new lines were established prior to the cut-off date of 21 September 2007, and on the understanding that the cost of replacement or retrofit of any equipment item installed after the cut-off date would not be eligible for flling; and
- (c) To consider approving full funding of eligible incremental costs for second-stage conversion projects to phase out HCFC-141b contained in imported polyols on a case by case basis, on the understanding that the governments concerned agreed to make commitments to ban imports of HCFC-141b, both in bulk and in pre-blended polyols, by a specific date to be included within the time-frame of the relevant stage of the HCFC phase-out management plan agreement.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/50 para 165)

(Supporting document: UNEP/OzL.Pro/ExCom/66/49)

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/66/50 containing information on options for a tracking system to correlate, by country, the amounts of HCFC-141b-based pre-blended polyols exported by systems houses, with the amounts used by foam enterprises in importing Article 5 countries that had been approved for

phase-out, which could be updated on a periodic basis;

- (b) To consider discounting from a country's starting point for aggregate reductions in HCFC consumption the amount or average amount of HCFC-141b contained in pre-blended polyols exported for the year or years on which the starting point has been based;
- (c) To invite bilateral and implementing agencies, in collaboration with the Governments of Chile, China and Colombia, to provide the Secretariat with the best available data on the amount of HCFC-141b in pre-blended polyols exported in 2009 and 2010;
- (d) To request the Secretariat to update the information on the amounts of exports and imports of HCFC-141b contained in pre-blended polyols specified in Table 1 and Annex I, respectively, of document UNEP/OzL.Pro/ExCom/66/50, based on information invited in subparagraph (c) above and on additional or updated information reported in the context of HCFC phase-out management plans to be submitted, and to report back to the Executive Committee at its 68th meeting; and
- (e) To consider, at the 68th meeting, when to deduct the amounts of HCFC-141b exported in pre-blended polyols from the starting points for aggregate reductions in HCFC consumption of the countries concerned.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/51 para 169).

(Supporting document: UNEP/OzL.Pro/ExCom/66/50).

The Sixty-eighth Meeting of the Executive Committee decided:

- (a) To note documents UNEP/OzL.Pro/ExCom/68/46 and Corr.1 containing information on the amounts of HCFC-141b-based pre-blended polyols exported by Article 5 countries;
- (b) When stage II of the countries' HPMPs were submitted, to deduct the following amounts of HCFC-141b exported in pre-blended polyols from the starting point for aggregate reduction in HCFC consumption: 2.42 ODP tonnes for Chile; 137.83 ODP tonnes for China; 12.30 ODP tonnes for Colombia and 28.60 ODP tonnes for Mexico; and
- (c) To encourage relevant Article 5 countries to consider establishing a national system for recording the amounts of HCFC-141b contained in pre-blended polyols imported and/or exported (where applicable) to support the ban on imports of pure HCFC-141b, as well as that contained in pre-blended polyols, to be issued once all the foam enterprises had been converted, and to facilitate monitoring of these enterprises to sustain the phase-out of HCFC-141b.

(UNEP/OzL.Pro/ExCom/68/53, Decision 68/42 para 171).

(Supporting documents: UNEP/OzL.Pro/ExCom/68/46 and Corr.1).

Discrepancies between data reported under Article 7 and in HPMPs

Following the discussion, the Executive Committee decided that the calculation of the starting points for aggregate reductions in HCFC consumption for HCFC phase-out management plans should be based on the latest accepted HCFC consumption data reported under Article 7, consistent with decision 60/44 of the Executive Committee.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/14 para 62).

Decimal places to be used in analyzing and presenting HCFC data for 2011 and later years

The Twenty-third Meeting of the Parties decided to direct the [Ozone] Secretariat to use two decimal places when presenting and analysing for compliance hydrochlorofluorocarbon baselines established after the Twenty-Third Meeting of the Parties and annual hydrochlorofluorocarbon data reported under Article 7 for 2011 and later years; .

(UNEP/OzL.Pro.23/11, Decision XXIII/30).

Verification reports of national consumption targets together with tranches of HPMPs to the first meeting of the year

At its Seventy-second Meeting, the Executive Committee decided:

- (a) To encourage lead bilateral and implementing agencies submitting HCFC phase-out management plan tranche requests to the first meeting of the year to include a verification report of national consumption targets for the year immediately preceding the year during which the tranche was submitted; and
- (b) That, should the verification reports mentioned in sub paragraph (a) above not be ready in time for the first meeting of the year, transfer of any approved funds for tranches to the bilateral and implementing agencies would occur only after receipt by the Secretariat of the verification reports confirming that, in the year immediately preceding the tranche request, the country had been in compliance with the Montreal Protocol and the Agreement between its Government and the Executive Committee.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/19 para 87).

(Supporting document: UNEP/OzL.Pro/ExCom/72/12).

Progress and verification reports of a country's compliance with the HPMP agreement after the approval of the last tranche of HPMPs

The Seventy-fourth meeting of the Executive Committee decided for HCFC phase-out management plans (HPMPs) for which the last funding tranche was requested one or more years prior to the last year for which a consumption target had been established, to request the lead implementing agency and relevant cooperating agencies to submit annual tranche implementation reports and, where applicable, verification reports on the current stage of the HPMPs until all activities foreseen had been completed and HCFC consumption targets had been met, on the understanding that, when consecutive stages of HPMPs were implemented concurrently, the verification reports should be based on the lower HCFC consumption target committed to by the country concerned

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/19, para 86).

(Supporting document: UNEP/OzL.Pro/ExCom/74/13).

Years to be included in verifications of HCFC consumption in LVC countries under HPMPs

The Eighty-second Meeting of the Executive Committee decided to request relevant bilateral and implementing agencies, when submitting as part of a tranche request reports on the verification of compliance of low-volume consuming countries with HCFC phase-out management plan agreements, to ensure that the verification reports covered all the years since the approval of the previous tranche, including the year of the approval of that tranche.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/51).

Baseline established for Article 5 countries

At its Sixty-fourth Meeting, the Executive Committee agreed to continue the established practice of considering HPMPs containing estimated baselines that would be revised by the Secretariat once the actual baseline data were known, in line with the relevant paragraphs in the approved HPMPs and related agreements.

(UNEP/OzL.Pro/ExCom/64/53, para 71).

Additional funding requests for HCFC phase-out outside approved HPMPs

Following the discussion, the Executive Committee decided that Article 5 countries with HCFC consumption reported under Article 7 solely in the refrigeration servicing sector and with foam enterprises relying exclusively on imported HCFC-141b pre-blended polyol systems not reported as consumption could, on an exceptional and case-by-case basis, and consistent with decision 61/47, submit a funding request for the conversion of those enterprises during implementation of stage I of the HCFC phase-out management plan (HPMP), on the understanding that:

- (a) There were no systems houses in the country concerned, and funding for the conversion of any of the foam enterprises was not requested but fully described in the submission of stage I of the HPMP;
- (b) All foam enterprises and the annual amount of HCFC-141b contained in imported pre blended polyol, to be calculated based on the 2007-2009 average consumption excluding those years in which no production was reported, Ild be included therein;
- (c) The eligibility of the foam enterprises would be determined at the time of the submission of the project, and the funding level would be based on the amount of HCFC-141b contained in imported pre-blended polyol systems as defined under subparagraph (b) above; and
- (d) The project proposal would completely phase out the use of HCFC-141b in imported pre blended polyol systems and would include a commitment from the country to put in place, by the time the last foam manufacturing plant had been converted to a non-HCFC technology, regulations or policies banning the import and/or the use of HCFC-141b pre blended polyol systems.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/15 para 64)

Reports on HCFC phase-out demonstration and investment projects outside approved HPMPs

The Sixty-fourth Meeting of the Executive Committee decided:

- (h) To urge the relevant bilateral and implementing agencies to submit to the Fund Secretariat reports on the HCFC demonstration and investment projects that had previously been approved separately from the HCFC phase-out management plans of the relevant Article 5 countries, addressing the issues pertaining to the collection of accurate data on incremental capital cost, the incremental operating cost or savings, and data

relevant to the application of the technologies, in line with the objectives of decision 55/43(b), and as requested in the relevant approval decision for each project, as reflected in Annex IV to the present report [UNEP/OzL.Pro/ExCom/64/53].

(UNEP/OzL.Pro/ExCom/64/53, Decision 64/13 para 59(h))

Funding for conversion of eligible enterprises with very little or no current consumption of HCFCs

After some consultation, the Executive Committee noted the issue of funding for conversion of eligible enterprises with very little or no current consumption of HCFCs, and confirmed its decision, taken at the 16th meeting, that eligible ODS consumption at the enterprise level should be calculated on the basis of either the year, or an average of the three years, immediately preceding project preparation.

(UNEP/OzL.Pro/ExCom/63/60, para 66)

Applicability of HCFC cost-effectiveness thresholds for low-volume-consuming countries

The Executive Committee agreed that the issue of applicability of HCFC cost-effectiveness thresholds for LVC countries was already covered by previous decisions taken by the Executive Committee and by existing procedures.

(UNEP/OzL.Pro/ExCom/63/60, para 68)

Flexibility provision under HCFC phase-out management plans

The Executive Committee decided to request the Secretariat to include, under the item dealing with the Overview of issues identified during project review in the agenda of the 64th meeting of the Executive Committee, the matter of the flexibility provision under HCFC phase-out management plans in relation to technology changes and funding reallocation among sectors, and to provide relevant background information for the consideration of that matter as needed.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/16, para 70)

At its Sixty-fourth Meeting, the Executive Committee agreed to consider technology changes and funding reallocation among sectors on a case-by-case basis for HPMPs submitted to the meeting, and to defer consideration of the policy issue to the 65th meeting.

(UNEP/OzL.Pro/ExCom/64/53, para 69)

At its Sixty-fifth Meeting, the Executive Committee decided to consider the matter of the flexibility provision under stage I HPMPs in relation to technology changes and funding reallocation among sectors on a case-by-case basis and to reconsider the issue at a later stage.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/11, para 62)

HPMPs that propose to address more than 10 per cent of the baseline by 2015

The Executive Committee considered at its 62nd Meeting the issue of several requests to phase out more than 10 per cent of a country's estimated HCF baseline for compliance that had been submitted and that Article 5 countries were seeking the equivalent of more than 10 per cent of their funding eligibility or order to address the expected growth in HCFC consumption until the freeze level stipulated by the control measures of the Protocol. The Executive Committee agreed to consider requests for funding for the reduction in HCFC consumption beyond the 10 per cent baseline level on a case-by-case basis

(UNEP/OzL.Pro/ExCom/62/62, para 45).

Following the report of a contact group, the Executive Committee agreed to note in the respective decision for each such HPMP that the amount of HCFC consumption to be phased out in stage I should assist the country in making progress towards meeting the control measures beyond 2015 accordingly, on the understanding that Article 5 countries would still be able to submit stage II proposals when the Executive Committee approved the last tranche of stage I and that the approach was without prejudice to the tonnage of HCFCs that could be put forward for phase-out in stage II proposals. The Executive Committee further agreed to continue discussion of how HCFC phase-out in addition to the 10 per cent required for 2015 could be addressed at its 64th meeting.

(UNEP/OzL.Pro/ExCom/63/60, para 74)

The Executive Committee, at its Sixty-fourth Meeting, agreed to continue to consider, on a case-by-case basis, those HPMPs that proposed to address more than 10 per cent of the baseline by 2015, and that it could, if need be, continue its discussion on establishing a policy on that issue at a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/64/53, para 63).

Basis for calculation of export to non-Article 5 countries

- (a) By applying the related decision in document UNEP/OzL.Pro/ExCom/15/45, paragraphs 146 and 147, on an enterprise basis, by:
- (i) Using the amount of ODS contained in units that had already been charged when shipped; and
 - (ii) Using the design ODS charge for units designed to be filled with an ODS but shipped empty;
- or
- (b) By determining the share of exports on a sectoral basis, if the sector size was sufficient to warrant such a sectoral approach.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/15 para 87)

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

Environmental impact

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To consider the issue of eligibility of measures to improve the climate impact of the conversion from HCFCs at its 60th Meeting; and
- (b) To request the Secretariat to prepare a document for the 60th Meeting providing information regarding the relevant aspects of component upgrade in HCFC conversion projects.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/13 para. 80)

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note the paper prepared by the Secretariat on prioritization of HCFC phase-out technologies to minimize other impacts on the environment (UNEP/OzL.Pro/ExCom/59/51 and Add.1);
- (b) To discuss the type of incentives to be associated with the Multilateral Fund climate impact indicator (MCII), and other relevant questions relating to it, at the 60th Meeting;
- (c) To demonstrate the application of the MCII to a subset of project submissions, from the 60th Meeting onwards, that will inform agencies and countries about the climate impact of technology choices and to request the Secretariat to collect further data on the use of the MCII for the Executive Committee's consideration;
- (d) To request the Secretariat to finalize the development of the MCII, as outlined in the Secretariat's paper, using the examples provided by the Secretariat in the Annex of document UNEP/OzL.Pro/ExCom/59/51/Add.1 as a base for the output to be provided;
- (e) To request the Secretariat to make the underlying data, the methodology used, and preliminary working models of the software available on the intranet to bilateral and implementing agencies and to Members of the Executive Committee;
- (f) To approve the related work, including programming of software, at a budget of US \$50,000; and
- (g) To request a report from the Secretariat on the experience gained in implementing subparagraphs (c) and (d) above to be submitted not later than the 62nd Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/45 para. 227)

(Supporting document: UNEP/OzL.Pro/ExCom/59/51 and Add.1).

The Sixty-second Meeting of the Executive Committee decided to defer consideration of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII) to its 63rd meeting

(UNEP/OzL.Pro/ExCom/62/62, decision 62/62, para 159)

The Sixty-third Meeting of the Executive Committee decided:

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII), as presented in document UNEP/OzL.Pro/ExCom/63/58; and
- (b) To continue discussion of the MCII at its 64th meeting.

(UNEP/OzL.Pro/ExCom/63/60, decision 63/62, para 186)

(Supporting document: UNEP/OzL.Pro/ExCom/63/58).

At its Sixty-fourth Meeting, the Executive Committee decided:

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact

Indicator (MCII); and

- (b) To continue discussion of the MCII at its 65th meeting.

(UNEP/OzL.Pro/ExCom/64/53, decision 64/51, para 178)

(Supporting document: UNEP/OzL.Pro/ExCom/64/50).

At its Sixty-fifth Meeting, the Executive Committee decided:

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII); and

- (b) To continue the discussion of the MCII at its 66th meeting, based on intersessional discussions.

(UNEP/OzL.Pro/ExCom/65/60, decision 65/48, para 189).

(Supporting document: UNEP/OzL.Pro/ExCom/65/54).

The Executive Committee decided to defer consideration of the report on the Multilateral Fund Climate Impact Indicator to the 67th meeting.:

(UNEP/OzL.Pro/ExCom/66/54, decision 66/53, para 176).

(Supporting document: UNEP/OzL.Pro/ExCom/66/52).

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII);

- (b) To request the Secretariat to finalize the development of the MCII for the different sectors as outlined in document UNEP/OzL.Pro/ExCom/67/34 and in light of the comments received prior to and during the 67th meeting of the Executive Committee;

- (c) To request the Secretariat to present a fully-developed version of the MCII to the Executive Committee no later than its 69th meeting, and to propose options for its further implementation; and

- (d) To request the Secretariat to inform the Executive Committee of the progress made and experience gained in applying the MCII to project submissions no later than its 70th meeting.

(UNEP/OzL.Pro/ExCom/67/39, decision 67/32, para 112).

(Supporting document: UNEP/OzL.Pro/ExCom/67/34).

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To note the report on the Multilateral Fund Climate Impact Indicator (MCII) contained in document UNEP/OzL.Pro/ExCom/69/34;

- (b) To request the Secretariat to maintain a discussion forum on the MCII to enable continued and transparent exchanges among Executive Committee members, implementing agencies and the Secretariat on the matter;

- (c) To further request the Secretariat to provide the next report to the last meeting of the Executive Committee in 2014 on progress made and experience gained in applying the MCII to project submissions, as well as the results of an independent review to be undertaken and to provide a progress report to the 72nd meeting; and

- (d) To include in the report of the Executive Committee to the Meeting of the Parties information on the MCII, its envisioned link to climate change, and the need for that information to be consistent with information used in climate-related bodies of the United Nations.

(UNEP/OzL.Pro/ExCom/69/40, decision 69/23, para 114).

(Supporting document: UNEP/OzL.Pro/ExCom/69/34).

The Seventy-second Meeting of the Executive Committee took note of the progress report on the use of the Multilateral Fund Climate Impact Indicator contained in document UNEP/OzL.Pro/ExCom/72/43.

(UNEP/OzL.Pro/ExCom/72/47, para 195).

(Supporting document: UNEP/OzL.Pro/ExCom/72/43).

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the report on the fully developed Multilateral Fund Climate Impact Indicator (MCII) (decision 69/23) contained in documents UNEP/OzL.Pro/ExCom/73/54 and Add.1;

- (b) To request the Secretariat:

(i) To take into consideration, in finalizing the MCII, the recommendations provided by the technical experts who had undertaken independent reviews of the MCII in line with decision 69/23(c);

(ii) To take into account, as appropriate, the fifth assessment report of the Intergovernmental Panel on Climate

Change (IPCC) in the refinement of the MCII tool;

(iii) To share the MCII tool with the IPCC and to invite feedback on the tool from the World Bank in the context of its work with other Multilateral Development Banks to harmonize greenhouse gas accounting across their investment portfolios, and its work on energy subsidy reform;

(iv) To report to the Executive Committee, no later than the 75th meeting, on the outcome of the above undertakings; and

- (c) To note that the Secretariat would calculate the impact on the climate of investment projects in the refrigeration and air-conditioning manufacturing sectors, applying the revised MCII model resulting from the work referred to in sub-paragraph (b) above, and that, for investment projects in all other manufacturing sectors, it would apply the methodologies described in paragraph 14 of document UNEP/OzL.Pro/ExCom/73/54.

UNEP/OzL.Pro/ExCom/73/62, decision 73/65, para 214).

(Supporting document: UNEP/OzL.Pro/ExCom/73/54).

The Seventy-fifth Meeting of the Executive Committee decided:

- (a) The report on the fully developed Multilateral Fund Climate Impact Indicator (MCII) (decision 73/65(b)) contained in document UNEP/OzL.Pro/ExCom/75/78;

(b) With appreciation the response from the Intergovernmental Panel on Climate Change and the feedback on the tool from the World Bank in the context of its work with other multilateral development banks to harmonize greenhouse gas accounting across their investment portfolios and its work on energy subsidy reform; and

- (c) That the Secretariat would continue to calculate the impact on the climate of investment projects in the refrigeration and air-conditioning manufacturing sectors using the MCII model, and would apply the methodologies described in paragraph 14 of document UNEP/OzL.Pro/ExCom/73/54 for investment projects in all other manufacturing sectors.

UNEP/OzL.Pro/ExCom/75/85, decision 75/68, para 282).

(Supporting document: UNEP/OzL.Pro/ExCom/75/78).

Relevant aspects of component upgrade in HCFC conversion projects

The Sixtieth Meeting of the Executive Committee decided:

- (a) To defer consideration of the issue of component upgrade in HCFC conversion projects until its 61st Meeting; and

(b) To request the Secretariat to supplement the document on relevant aspects of component upgrade in HCFC conversion projects (document UNEP/OzL.Pro/ExCom/60/45) with examples of the possible consequences of each option, drawing on the experiences of the implementing agencies.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/43 para.189)

(Supporting document: UNEP/OzL.Pro/ExCom/60/45).

The Sixty-first Meeting of the Executive Committee decided to request the Secretariat to maintain the established practice when evaluating component upgrades in HCFC conversion projects for the refrigeration and air conditioning sectors, such that after conversion the defining characteristics of the components would remain largely unchanged or, when no similar component was available, would only be improved to the extent necessary to allow the conversion to take place, and to keep the Executive Committee informed of any deviation from this practice.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/44 para.106)

(Supporting document: UNEP/OzL.Pro/ExCom/61/50).

Retrofit of existing HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigeration

The Seventy-second Meeting of the Executive Committee decided to include in the approval of HCFC phase out management plans, tranches, projects or activities that proposed the retrofit of HCFC based refrigeration and air conditioning equipment to flammable or toxic refrigerants that the Executive Committee notes that, if the country engages in retrofitting HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing, it does so on the understanding that they assume all associated responsibilities and risks.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/17 para.78)

(Supporting document: UNEP/OzL.Pro/ExCom/72/12).

The Seventy-third Meeting of the Executive Committee decided that, if a country were to decide, after taking into account decision 72/17, to proceed with retrofits that used flammable substances in equipment originally designed for non flammable substances, it should be done only in accordance with the relevant standards and protocols.

(UNEP/OzL.Pro/ExCom/73/62, Decision 73/34 para.117)

(Supporting document: UNEP/OzL.Pro/ExCom/73/24).

Relationship between efforts to protect the ozone layer and to safeguard the global climate system

The Fourteenth Meeting of the Parties, noting that the Intergovernmental Panel on Climate Change and the Technology and Economic Assessment Panel are invited by the Convention on Climate Change to develop a balanced scientific, technical and policy-relevant special report as outlined in their responses to a request by the Subsidiary Body for Scientific and Technological Advice of the Convention on Climate Change (UNFCCC/SBSTA/2002/MISC.23), decided to request the Technology and Economic Assessment Panel to work with the Intergovernmental Panel on Climate Change in preparing the report mentioned above and to address all areas in one single integrated report to be finalized by early 2005. The report should be completed in time to be submitted to the Open-ended Working Group for consideration in so far as it relates to actions to address ozone depletion and the Subsidiary Body for Scientific and Technological Advice of the Convention on Climate Change simultaneously.

(UNEP/OzL.Pro.14/9, Decision XIV/10).

The Twentieth Meeting of the Parties decided:

1. to request the Technology and Economic Assessment Panel to update the data contained within the Panel's 2005 Supplement to the IPCC/TEAP Special Report and to report on the status of alternatives to hydrochlorofluorocarbons and hydrofluorocarbons, including a description of the various use patterns, costs, and potential market penetration of alternatives no later than 15 May 2009;
2. to request the Ozone Secretariat to prepare a report that compiles current control measures, limits and information reporting requirements for compounds that are alternatives to ozone depleting substances and that are addressed under international agreements relevant to climate change;
3. to request the Ozone Secretariat with input, where appropriate, from the secretariat of the United Nations Framework Convention on Climate Change and its Kyoto Protocol to convene an open ended dialogue on high-global warming potential alternatives for ozone depleting substances among Parties, including participation by the assessment panels and the Multilateral Fund Secretariat, and inviting the Fund's implementing agencies, other relevant multilateral environmental agreement secretariats and non-governmental organizations to discuss technical and policy issues related to alternatives for ozone-depleting substances, with a particular focus on exchanging views of the best ways of how the experience from the Montreal Protocol can be used to address the impact of hydrofluorocarbons, and also with a view to maximizing the ozone and climate benefits of the hydrochlorofluorocarbon early phase-out under the Montreal Protocol;
4. to encourage Parties to include their climate experts as participants in the workshop;
5. that the above-mentioned dialogue on high-global warming potential alternatives to ozone-depleting substances should be held just before the twenty-ninth meeting of the Open-Ended Working Group and that interpretation will be provided in the six official languages of the United Nations;
6. to request the co-chairs of the workshop, in cooperation with the Ozone Secretariat, to prepare a summary report of the discussions that take place during the dialogue and to report on the proceedings to the Open-ended Working Group at its twenty-ninth meeting;
7. to invite one representative of a Party operating under paragraph 1 of Article 5 and one representative of a Party not so operating to serve as co-chairs of the workshop;
8. to request the Ozone Secretariat to communicate the present decision to the secretariat of the United Nations Framework Convention on Climate Change and its Kyoto Protocol and to encourage that secretariat to make the decision available at the fourteenth meeting of the Conference of the Parties to that Convention for possible consideration of participation in the workshop.

(UNEP/OzL.Pro.20/9, Decision XX/8).

Maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector

At its Sixty-sixth meeting, the Executive Committee decided to defer further consideration of maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector until its 67th meeting.

(UNEP/OzL.Pro/ExCom/67/54, decision 66/20, paragraph 87)

The Sixty-seventh Meeting of the Executive Committee decided:

- (a) To note the revised proposal by the Convenor of the contact group on maximizing climate benefits from the phase-out of HCFCs in the refrigeration servicing sector, attached as Annex VI to the present report;
- (b) To invite Executive Committee members to submit written comments on the revised proposal to the Secretariat no later than 14 September 2012; and
- (c) To request the Secretariat to compile the comments received from Executive Committee members and to submit them, together with the revised proposal by the Convenor, in the document on overview of issues identified under project review^w for consideration by the Executive Committee at its 68th meeting.

(UNEP/OzL.Pro/ExCom/67/39, decision 67/16, paragraph 63)

The Sixty-eighth Meeting of the Executive Committee decided to request the Secretariat, in consultation with the bilateral and implementing agencies, to prepare a discussion paper for the 70th meeting outlining key issues and considerations involved in further promoting strategies, approaches and technologies to minimize any adverse climate impacts of HCFC phase-out in the refrigeration servicing sector in the context of decision XIX/6 of the Nineteenth Meeting of the Parties.:

(UNEP/OzL.Pro/ExCom/68/53, decision 68/11, paragraph 69)

The Seventieth Meeting of the Executive Committee agreed to defer consideration of the discussion paper on minimizing the adverse climate impact of HCFC phase-out in the refrigeration servicing sector to its 71st meeting.

(UNEP/OzL.Pro/ExCom/70/59, paragraph 120).

The Seventy-first Meeting of the Executive Committee, following informal discussions, decided to defer consideration of the document on minimizing the adverse climate impact of HCFC phase-out in the servicing sector (UNEP/OzL.Pro/ExCom/71/56) until its 72nd meeting, on the understanding that sufficient time would be made available to the Executive Committee to discuss the document.

(UNEP/OzL.Pro/ExCom/71/64, decision 71/43, paragraph 161).

The Seventy-second Meeting of the Executive Committee decided:

- (a) To take note of documents UNEP/OzL.Pro/ExCom/70/53/Rev.1 and UNEP/OzL.Pro/ExCom/72/42 on minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector;
- (b) To invite relevant bilateral and implementing agencies to consider the information contained in documents UNEP/OzL.Pro/ExCom/70/53/Rev.1 and UNEP/OzL.Pro/ExCom/72/42 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); and
- (c) To encourage Article 5 countries, when implementing their HPMPs, to consider, as needed and feasible:
 - (i) The development of regulations and codes of practice, and the adoption of standards for the safe introduction of flammable and toxic refrigerants given the potential risk of accidents and negative effects on health associated with their use;
 - (ii) Measures to limit the import of HCFC-based equipment and to facilitate the introduction of energy-efficient and climate-friendly alternatives; and
 - (iii) Focusing activities in the refrigeration servicing sector on training of technicians, good practices, the safe handling of refrigerants, containment, recovery and recycling and reuse of recovered refrigerants rather than retrofitting.

(UNEP/OzL.Pro/ExCom/72/47, decision 72/41, paragraph 188)

(Supporting document: UNEP/OzL.Pro/ExCom/72/53/Rev.1)

Analysis of projects using HCFC technologies

The Twenty-third Meeting of the Executive Committee decided:

- (a) to request the Fund Secretariat to produce a paper containing figures on an analysis of what projects were being submitted for funding using HCFC technologies, to see whether there existed any trend towards or away from HCFC use in specific sectors, particularly the foam sector;
- (b) to request the Secretariat to incorporate the following elements in the project evaluation sheets and, in the case of (i) below, in the list of projects and activities presented to the Committee for approval:
 - (i) information on the conversion technology to be used;
 - (ii) a comprehensive outline of the reasons for selection of the HCFC technology, if used; and, where possible,
 - (iii) an indication of how long an enterprise intended to use a transitional HCFC technology.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/20, para. 42).

The Executive Committee at its Twenty-seventh Meeting expressed its appreciation for the increased information/justification provided for the selection of HCFCs and noted that that was the level of information originally expected, and that at least that level was expected in the future; stressed to the Implementing Agencies that it considered this to be more than a paper exercise, and urged the Agencies to take seriously the obligations related to providing information on alternatives available; and decided, in recognition of Article 2F of the Montreal Protocol, to request that Implementing Agencies provide, for all future projects or groups of projects for HCFCs from any country, a letter from the Government concerned. In the letter, the country should:

- (a) verify that it had reviewed the specific situations involved with the project(s) as well as its HCFC commitments under Article 2F;
- (b) state if it had nonetheless determined that, at the present time the projects needed to use HCFCs for an interim period;

(c) state that it understood that no funding would be available for the future conversion from HCFCs for these companies. (UNEP/OzL.Pro/ExCom/27/48, Decision 27/13, para. 35).

The Twenty-eighth Meeting of the Executive Committee decided that information on a possible study comparing costs of alternative technologies and the impact on their choice of support from the Multilateral Fund should be the subject of a separate agenda item for its Twenty-ninth Meeting, for consideration by the Executive Committee itself. (UNEP/OzL.Pro/ExCom/28/57, Decision 28/28, para. 54).

The Thirtieth Meeting of the Executive Committee decided to establish an open-ended contact group, with Sweden as convener, in order to consider the question of policy on HCFC use as an interim technology and that the outcome of the group's work would be discussed under "Other matters".

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/1, para. 5).

The Thirty-fourth Meeting of the Executive Committee decided to request the Secretariat, in relation to all future projects which involved conversion to HCFC-141b, to include in the meeting documentation the letter from the Government concerned, explaining the reasons for the choice of the technology, as per Decisions 24/20 and 27/13. (UNEP/OzL.Pro/ExCom/34/58, Decision 34/51, para. 71).

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to take note with appreciation of the paper submitted by France;
- (b) to request the Multilateral Fund Secretariat to update document UNEP/OzL.Pro/ExCom/36/34 with new costs for various options and to investigate the availability of non-ODS pre-blended polyol, and to submit the updated document and its findings for the consideration of the 39th Meeting;
- (c) to request Implementing Agencies to amplify the relevant enterprise information pursuant to Decision 20/48 with data concerning import restrictions into non-Article 5 countries and the cost situation for alternatives, and to inform the enterprises that they should acknowledge having received that information. The corresponding documentation should accompany the project proposal;
- (d) to request the Secretariat to send to the National Ozone Unit of the recipient country, a letter recalling that HCFC-141b projects would be excluded from funding in the future (no second conversion), with copies to the Ministries of the Environment and Foreign Affairs;
- (e) that the annual Executive Committee report to the Meeting of the Parties should state by country the amount of HCFC-141b consumption phased in through projects using HCFC as replacements, a consumption which would - in application of Decision 27/13 - be excluded from funding at future stages.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/56, para. 122).

(Supporting document: UNEP/OzL.Pro/ExCom/36/35).

The Thirty-eighth Meeting of the Executive Committee decided for projects to phase-out CFCs by conversion to HCFC technologies, Governments had officially endorsed the choice of technology and it had been clearly explained to them that no further resources could be requested from the Multilateral Fund for funding any future replacement for the transitional HCFC technology that had “been selected.” *(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/38, para. 74 (b)).*

The Fifty-sixth Meeting of the Executive Committee decided:

- (c) to request agencies to discuss with relevant countries the possibility of avoiding the use of HCFCs as replacement technology in conversion activities under phase-out plans where possible; and
- (d) to request agencies to report in their annual implementation reports for multi-year agreements those cases in which HCFC technology was used to replace CFC technology, including the name and location of the relevant beneficiaries, capacity converted or previous CFC consumption, the reason for the technology selection, and whether the equipment selected could also be used with non-ODS technology to lessen the need for further assistance from the Multilateral Fund.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/11 para 67(c) and (d))

(Supporting document: UNEP/OzL.Pro/ExCom/56/11/Add.2).

Eligibility of funding HCFC studies

The Forty-second Meeting of the Executive Committee decided:

- (a) to request the Government of Germany to take into account the views expressed on the eligibility of funding HCFC phase-out management studies by the Multilateral Fund at the 42nd Meeting of the Executive Committee, in the informal group meeting and, in addition, further submissions of additional ideas and opinions sent by e-mail to GTZ-Proklima, as the German bilateral Implementing Agency, provided that they were received 10 weeks prior to the 43rd Meeting of the Executive Committee; and
- (b) also to request the Government of Germany to circulate to the Executive Committee, through the United Kingdom delegation, a policy paper on the issues of the responsibility of the Multilateral Fund and potential eligibility requirements for such a study and to reformulate the project proposal for submission and consideration at the 43rd Meeting of the Executive Committee on that basis.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/7, para. 47).

The Forty-third Meeting of the Executive Committee decided:

- (a) to note that:
 - (i) the May 2003 Technology and Economic Assessment Panel’s HCFC Task Force Report predicted a dramatic increase in HCFC consumption in China in the foreseeable future;
 - (ii) the intent of the proposed project was also to allow utilization of its results for all Article 5 countries; and
 - (iii) established Executive Committee policies did not support conversion of capacity installed after July 1995 nor a second conversion and the study was therefore not aiming at preparing or initiating any conversion projects;
- (b) to approve the project “Development of a suitable strategy for the long-term management of HCFCs, in particular HCFC-22, in China”, addressed in documents UNEP/OzL.Pro/ExCom/43/21 and UNEP/OzL.Pro/ExCom/43/51, at the level of funding of US \$300,300 plus support costs for the Government of Germany of US \$39,039 on an exceptional basis on the condition that, as one of the outcomes, a study would look into the effect of management of HCFCs in China and in other Article 5 countries; and
- (c) to further note that:
 - (i) a schedule for the study, indicating a project duration of 21 months, had been submitted to the Fund Secretariat. Both the Government of Germany and the Government of China would strive to adhere to that schedule;
 - (ii) the Government of China intended to use relevant outcomes of the study as a basis for subsequent national action by the Government and expected that such action would take place within three years after finalization of the study; and
 - (iii) interested Executive Committee members and Implementing Agencies would be invited to participate in

an informal advisory group, which might discuss survey methodologies, the evaluation of information gathered, and policies.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/19, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/43/21).

Guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys

The Fifty-fourth Meeting of the Executive Committee decided to adopt the following guidelines:

- (a) countries should adopt a staged approach to the implementation of an HCFC phase-out management plan (HPMP), within the framework of their overarching strategy;
- (b) as soon as possible and depending on the availability of resources, countries should employ the guidelines herein to develop, in detail, stage one of the HPMPs, which would address how countries would meet the freeze in 2013 and the 10 per cent reduction in 2015, with an estimate of related considerations and applying cost guidelines as they were developed;
- (c) the elaboration of stage one of the HPMP and subsequent stages should be developed as follows:
 - (i) for countries with consumption in the servicing sector only:
 - a. to be consistent with existing guidelines for the preparation of RMPs/RMP updates pursuant to decisions 31/48 and 35/57; and, if applicable, with the preparation of TPMPs pursuant to decision 45/54;
 - b. to contain commitments to achieve the 2013 and 2015 HCFC control measures and include a performance-based system for HPMPs based on the completion of activities in the HPMP to enable the annual release of funding for the HPMP;
 - (ii) for countries with manufacturing sectors using HCFCs, HPMPs should contain a national performance-based phase-out plan (NPP) with one or several substance or sector-based phase-out plans (SPP) consistent with decision 38/65 addressing consumption reduction levels sufficient to achieve the 2013 and 2015 HCFC control measures and provide starting points for aggregate reductions, together with annual reduction targets;
- (d) for countries that chose to implement investment projects in advance of completion of the HPMP:
 - (i) the approval of each project should result in a phase-out of HCFCs to count against the consumption identified in the HPMP and no such projects could be approved after 2010 unless they were part of the HPMP;
 - (ii) if the individual project approach was used, the submission of the first project should provide an indication of how the demonstration project related to the HPMP and an indication of when the HPMP would be submitted;
- (e) consideration should be given to providing funding for assistance to include HCFC control measures in legislation, regulations and licensing systems as part of the funding of HPMP preparation as necessary and confirmation of the implementation of the same should be required as a prerequisite for funding implementation of the HPMP;
- (f) in cases where there were multiple implementing agencies in one country, a lead agency should be designated to coordinate the overall development of stage one of the HPMP;
- (g) HPMPs should contain cost information at the time of their submission based on and addressing:
 - (i) the most current HCFC cost guidelines at the time of submission;
 - (ii) alternative cost scenarios based on different potential cut-off dates for new capacity if a specific cut-off date had not yet been decided, for funding eligibility of manufacturing facilities as specified in decision 53/37(k), as well as the current policy for a 25 July 1995 cut-off date;
 - (iii) alternative cost scenarios for the operational and capital costs for second conversions;
 - (iv) the incremental costs of regulating import and supply to the market of HCFC dependent equipment once proven alternatives were commercially available in the country and describing the benefits to the servicing sector of associated reduced demand;
 - (v) cost and benefit information based on the full range of alternatives considered, and associated ODP and

other impacts on the environment including on the climate, taking into account global-warming potential, energy use and other relevant factors;

- (h) countries and agencies were encouraged to explore potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties;
- (i) HPMPs should address:
 - (i) the use of institutional arrangements mentioned in decision 53/37(e) and (f);
 - (ii) the roles and responsibilities of associations of refrigeration technicians and other industry associations and how they could contribute to HCFC phase-out; and
- (j) HPMPs should, as a minimum, fulfil the data and information requirements, as applicable, listed in the indicative outline for the development of HPMPs, as set out “in Annex XIX t” the present report.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/39, para.170).

(Supporting document: UNEP/OzL.Pro/ExCom/54/53).

Confidentiality of HCFC data reported under Article 7

Noting that the Ozone Secretariat would advise the Twenty-ninth Meeting of the Open-ended Working Group that it would provide disaggregated ODS data reported without a claim of confidentiality by Article 5 Parties under Article 7 of the Protocol, the Executive Committee decided at its Fifty-eighth Meeting to request the Fund Secretariat to report back to the 59th Meeting of the Executive Committee on any discussions on the issue that might take place at the Twenty-ninth Meeting of the Open-ended Working Group.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/17, para.86).

(Supporting document: UNEP/OzL.Pro/ExCom/58/18).

At the Fifty-ninth Meeting, the representative of the Secretariat said that the policy issue was the confidentiality of HCFC data under Article 7, but that the issue had been resolved with the assistance of the Executive Secretary of the Ozone Secretariat. Subsequently, the Executive Committee noted that the Ozone Secretariat would share with the Fund Secretariat the disaggregated HCFC data that Parties had submitted to the Ozone Secretariat without confidentiality requirements for its unrestricted use as needed.

(UNEP/OzL.Pro/ExCom/59/59, paras.53 and 54).

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

Prioritization in the phase-out of HCFCs

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies to submit, as a priority, HCFC 141b phase-out projects to enable compliance with the reductions in consumption for the years 2013 and 2015, in accordance with decision XIX/6, paragraph 11(a), of the Nineteenth Meeting of the Parties; and
- (b) To consider HCFC consumption phase-out projects for HCFCs with ODP lower than HCFC-141b, where national circumstances and priorities required their submission, in order to comply with the 2013 and 2015 control measures.

(UNEP/OzL.Pro/ExCom/59/59, decision 59/11, para.67).

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

The Seventy-second Meeting of the Executive Committee decided to remind bilateral and implementing agencies and Article 5 countries to prioritize the phase-out of HCFC-141b and compliance with the 2020 target when requesting and using project preparation funds for projects in non-low-volume-consuming countries.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/18 para 82).

Consumption arising from HCFC-141b contained in pre-blended foam chemicals (polyols)

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To request the Fund Secretariat, in consultation with the Ozone Secretariat, to prepare for the 61st Meeting a brief discussion paper outlining the implications for Article 5 Parties and the Multilateral Fund associated with the import and export of HCFC-based pre blended polyols, taking into account all relevant decisions by Meetings of the Parties and the Executive Committee, and outlining the policy issues and their related technical and economic implications requiring consideration by the Committee;

- (b) To request bilateral and implementing agencies to provide the Secretariat, before 31 March 2010, with any information collected during the preparation of HPMPs or otherwise related to the production, export, import, and/or use of pre-blended polyols containing HCFCs; and
- (c) To request bilateral and implementing agencies not to submit additional projects for the phase-out of HCFCs contained in imported pre-blended polyols beyond those submitted to the present Meeting until the eligibility of such projects had been decided by the Executive Committee.

(UNEP/OzL.Pro/ExCom/59/59, decision 59/12, para.74).

(Supporting document: UNEP/OzL.Pro/ExCom/59/11).

The Sixtieth Meeting of the Executive Committee decided to defer consideration of consumption arising from HCFC-141b contained in pre-blended foam chemicals to the 61st Meeting.

(UNEP/OzL.Pro/ExCom/60/50, decision 60/50, para.221).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/61/53 on consumption arising from HCFC-141b contained in pre-blended foam chemicals (polyols) (decisions 59/12 and 60/50);
- (b) To confirm that the phase-out of HCFC-141b contained in pre-blended polyol systems that were imported and/or manufactured domestically, and counted as consumption under Article 7, was eligible for assistance according to existing guidelines;
- (c) With regard to the import of HCFC-141b contained in pre-blended polyols, which had not been counted as consumption under Article 7, to request Article 5 countries that wished to seek assistance for the phase-out of such imports:
 - (i) To include in the overarching strategy for their HCFC phase-out management plans (HPMPs) an indicative list of all the foam enterprises established prior to 21 September 2007 that used imported polyol systems, including the amount of HCFC-141b contained therein;
 - (ii) To include in the starting point for aggregate reduction in HCFC consumption the annual amount of HCFC-141b contained in imported polyol systems during the 2007-2009 period;
 - (iii) Also to include in their HPMPs a sector plan for the complete phase-out of the use of HCFC-141b in imported pre-blended polyol systems, covering the cost and funding schedule, taking into account that the share of imported polyol within the HPMP might need support under a schedule beyond 2015, and on the understanding that quantities of HCFC-141b in imported pre-blended polyol systems that had not been included in the overarching strategy for the HPMP would not be eligible for funding;
 - (iv) To include in the sector plan a commitment from the country to put in place, by the time the last foam manufacturing plant had been converted to a non-HCFC technology, regulations or policies banning the import and or the use of HCFC 141b pre-blended polyol systems;
- (d) That Article 5 Parties with eligible enterprises manufacturing HCFC-141b pre-blended polyol systems would be provided with assistance calculated on the basis of consumption of HCFC-141b sold domestically, on the understanding that the full consumption of HCFC-141b by those enterprises manufacturing pre-blended polyol systems would be deducted from the starting point.

(UNEP/OzL.Pro/ExCom/61/58, decision 61/47, para.113).

(Supporting document: UNEP/OzL.Pro/ExCom/61/53).

The Twenty-second Meeting of the Parties decided:

1. To note with appreciation the cooperative manner in which the members of the Executive Committee of the Multilateral Fund addressed this issue at the Committee's sixty-first meeting through decision 61/47, by agreeing on a framework on eligible incremental costs for parties operating under paragraph 1 of Article 5 of the Montreal Protocol in their transition from the use of hydrochlorofluorocarbons in preblended polyols;
2. To affirm that the issue of the use of hydrochlorofluorocarbons in preblended polyols has been addressed to the satisfaction of the parties;

(UNEP/OzL.Pro.22/9, Decision XXII/9).

High levels of recorded HCFC consumption in submitted HPMPs for LVC countries

The Sixty-second Meeting of the Executive Committee decided to allow the submission of stage I of the HCFC phase-out management plans to assist former low-volume-consuming countries with HCFC consumption in the

refrigeration servicing sector only, that was above 360 metric tonnes, to meet control measures up to 2020 on the understanding that the level of funding provided would be considered on a case-by-case basis until otherwise decided.

(UNEP/OzL.Pro/ExCom/62/62, decision 62/11, para.49).

Prioritization of HCFCs

The Sixty-second Meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the manufacture of refrigeration and air conditioning equipment, to estimate the total future amount of HCFC-22 that could potentially be required until 2020 for servicing such equipment;
- (b) To request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the refrigeration servicing sector, to clearly demonstrate how the proposed activities would reduce the growth rate in the servicing sector and contribute to meeting the reduction steps in 2013 and 2015; and
- (c) To consider projects for the phase-out of HCFC-22/HCFC-142b used for the manufacture of extruded polystyrene (XPS) foam when it was clearly demonstrated that they would be required by national circumstances and priorities to comply with the 2013 and 2015 control measures, and to consider all other XPS foam projects after 2014.

(UNEP/OzL.Pro/ExCom/62/62, decision 62/12, para.51).

How to record disbursement for stage I of HPMPs

The Sixty-ninth Meeting of the Executive Committee decided:

- (c) To urge 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 balances used 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 to report back to the 70th meeting;

(UNEP/OzL.Pro/ExCom/69/40, decision 69/24(c), para.119(c)).

The Seventieth Meeting of the Executive Committee decided:

- (a) To note:
 - (i) The report on how to record disbursement for stage I of HCFC phase-out management plans (HPMPs) as per decision 69/24(c), as contained in document UNEP/OzL.Pro/ExCom/70/50;
 - (ii) That the World Bank had already established practices to enable it to reflect disbursements from the Foreign Economic Cooperation Office/Ministry of the Environment (FECO/MEP) to final beneficiaries, under the definition used in the annual progress and financial report for stage I of the HPMP for China;
- (b) To request UNDP and UNIDO, in the case of stage I of the HPMP for China:
 - (i) To designate in their annual progress and financial reports, as per decision 69/24(c), the implementation modality whereby disbursements were made to final beneficiaries from FECO/MEP under stage I of the HPMP;
 - (ii) To provide an extra column in their annual progress and financial reports for disbursements made from FECO/MEP to final beneficiaries, on the understanding that the reconciliation of the accounts of the Fund would not take into account this additional column;
- (c) To request the implementing agencies, in the light of decision 68/22(b), in the case of stage I of the HPMP for China, to submit to the Treasurer an annual audited financial statement to be provided by FECO/MEP eight weeks prior to an Executive Committee meeting or earlier. The financial statement should show clearly the income received from the implementing agencies, the disbursements by FECO/MEP to final beneficiaries, and the interest amount earned by FECO/MEP on the balances held by FECO/MEP under stage I of the HPMP for China; and
- (d) To request the Treasurer to record in the accounts of the Fund interest earned from balances held by FECO/MEP under stage I of the HPMP for China.

(UNEP/OzL.Pro/ExCom/70/59, decision 70/20, para.101).

(Supporting document: UNEP/OzL.Pro/ExCom/70/50).

The Seventy-first Meeting of the Executive Committee decided:

- (a) To note the document on disbursement of funds for the HCFC phase-out management plan for China (decision 69/24(b)(i)) (UNEP/OzL.Pro/ExCom/71/58); and
- (b) To request the Secretariat, in cooperation with the implementing agencies, to continue work pursuant to decision 69/24(b)(i) and to report any additional information to the Executive Committee at its 72nd meeting.

(UNEP/OzL.Pro/ExCom/71/64, decision 71/44, para.170).

(Supporting document: UNEP/OzL.Pro/ExCom/71/58).

The Seventy-second Meeting of the Executive Committee decided:

- (a) To note the report on disbursement of funds for the HCFC phase-out management plan (HPMP) for China, as contained in document UNEP/OzL.Pro/ExCom/72/38;
- (b) To request the Secretariat, in collaboration with the implementing agencies and the Treasurer:
 - (i) To consider the options on the timing of the disbursement of funds under stage II of the HPMP for China; and
 - (ii) To provide a report on the matter to the 73rd meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/72/47, decision 72/38, para.158).

(Supporting document: UNEP/OzL.Pro/ExCom/72/38).

The Seventy-third Meeting of the Executive Committee decided:

- (a) To note the report on disbursement of funds for the HCFC phase-out management plan (HPMP) for China (decision 72/38) contained in document UNEP/OzL.Pro/ExCom/73/52;
- (b) To request implementing agencies:
 - (i) To continue monitoring the disbursement of the approved funds during stage I of the HPMP for China; and
 - (ii) To include, when submitting stage II of the HPMP for China to the Executive Committee for consideration, the respective disbursement modality agreed on with the Government of China, along with the specific milestones that would allow for the disbursement of funds to the Government of China closer to the time when they were needed.

(UNEP/OzL.Pro/ExCom/73/62, decision 73/63, para.200).

(Supporting document: UNEP/OzL.Pro/ExCom/73/52).

Fund disbursement threshold for tranches of HCFC phase-out management plans

The Seventy-first Meeting of the Executive Committee decided:

- (a) To confirm that achievement of the 20 per cent disbursement threshold provision should be determined in terms of the level of disbursement to final beneficiaries, where applicable; and
- (b) To request the Secretariat to review the application of the 20 per cent disbursement threshold provision for the 72nd meeting with a view to clarifying and ensuring its consistent application, and to enable consideration of alternative options for defining pre conditions for submission of multi-year tranches.

(UNEP/OzL.Pro/ExCom/71/64, decision 71/29, para.110).

The Seventy-second Meeting of the Executive Committee decided:

- (a) Assessing different modalities for the fund disbursement threshold for HCFC phase out management plan (HPMPs) and to inform the Executive Committee of the results of this analysis no later than the first meeting in 2015; and
- (b) Using the 20 per cent disbursement threshold as a requirement for the approval of tranches of HPMPs and, on an exceptional basis, to allow the bilateral and implementing agencies to submit information on disbursements related to tranches submitted to the 73rd and 74th meetings up to six weeks prior to these meetings.

(UNEP/OzL.Pro/ExCom/72/47, decision 72/24, para.103).

(Supporting document: UNEP/OzL.Pro/ExCom/72/12).

The Seventy-fourth meeting of the Executive Committee decided:

- (a) To maintain the 20 per cent disbursement threshold in line with decision 72/24(b), noting that it was applied

in a flexible manner, taking into account other circumstances with respect to implementation of the project, including the compliance status of the country and aggregated fund disbursement; and

- (b) To request bilateral and implementing agencies, when assisting Article 5 countries to prepare future stages of their HCFC phase-out management plans, to carefully design the schedule of submission of tranches and their completion according to the activities to be implemented in the following one to three years and their associated costs, and to commence all preparatory work, such as legal agreements or memorandums of understanding as required, in advance of the submission of funding tranches.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/18 para 86).

(Supporting document: UNEP/OzL.Pro/ExCom/74/13).

Guidelines for funding preparation of Stage II of HPMPs

The Sixty-sixth Meeting of the Executive Committee, in the context of the agenda item of the consolidated business plan, decided:

- (b) To request the Fund Secretariat, in cooperation with the implementing agencies, to prepare guidelines for stage II of HCFC phase-out management plan preparation in the light of any comments raised during the meeting, including options for phase-out up to the 2020 control target and for total phase-outⁱⁿ accordance with the Montreal Protocol schedule, and to present a first draft[©] such guidelines to the 69th meeting of the Executive Committee;

(UNEP/OzL.Pro/ExCom/66/54, decision 66/5(c), para.37(c)).

The Sixty-ninth Meeting of the Executive Committee decided:

- (a) To defer consideration of the draft guidelines for funding the preparation of stage II of the HCFC phase out management plans, as amended at the 69th meeting of the Executive Committee, to the 70th meeting ; and

(UNEP/OzL.Pro/ExCom/69/40, decision 69/22(a), para.107(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/69/33)

The Seventieth Meeting of the Executive Committee agreed to continue discussion of the draft guidelines for funding the preparation of stage II of HCFC phase-out management plans at its 71st meeting.

(UNEP/OzL.Pro/ExCom/70/59, paragraph 105).

The Seventy-first Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/71/55 on the draft guidelines for funding the preparation of stage II of HCFC phase-out management plans (HPMPs);

- (b) That, guided by the need to ensure compliance with the control measures of the Montreal Protocol for HCFC phase-out, in particular the 2020 reduction step, and the need to facilitate continuity of implementation of HPMP activities between stages, requests for project preparation funding for stage II of a country's HPMP could be submitted no earlier than two years before the end date of the approved stage I of its HPMP as contained in paragraph 1 of its Agreement with the Executive Committee, unless otherwise indicated in the decision of the Executive Committee approving stage I of its HPMP;

- (c) To request bilateral and implementing agencies, when submitting a request for project preparation for stage II of an HPMP, to demonstrate that substantial progress in the implementation of stage I of the HPMP had been achieved, and to provide:

- (i) For the overall stage II strategy:

- a. An indication of the activities that needed to be undertaken for project preparation, with specific costs clearly identified (i.e. surveys, consultation meetings, etc.);
- b. A description of the information that needed to be gathered and updated and an explanation of why it had not been included in stage I;

- (ii) For investment projects in line with decision 56/16:

- a. The number of enterprises for which funding was being sought;
- b. If the request was for a sector where project preparation had been approved for stage I but had not been included in the HPMP already submitted, an explanation of why additional funding was

- required and a list of activities with corresponding costs to support the request;
- (d) To provide project preparation funding for stage II of HPMPs for individual countries up to the following levels:
- (i) US \$30,000 for Article 5 countries with remaining HCFC consumption eligible for funding of 0 to 5 ODP tonnes;
 - (ii) US \$40,000 for Article 5 countries with remaining HCFC consumption eligible for funding of 5.1 to 10 ODP tonnes;
 - (iii) US \$60,000 for Article 5 countries with remaining HCFC consumption eligible for funding of 10.1 to 50 ODP tonnes;
 - (iv) US \$70,000 for Article 5 countries with remaining HCFC consumption eligible for funding of 50.1 to 100 ODP tonnes;
 - (v) US \$90,000 for Article 5 countries with remaining HCFC consumption eligible for funding of 100.1 to 1,500 ODP tonnes;
 - (vi) To be decided on a case-by-case basis for countries with remaining eligible consumption above 1,500 ODP tonnes.
- (e) To determine and provide funding for the preparation of stage II of any regional HPMPs on a case-by-case basis;
- (f) To provide funding for any Article 5 country with a manufacturing sector using HCFCs that had 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) To request Article 5 countries to include in the development and finalization of the strategic plan for stage II of the HPMPs, as a minimum, the control target of the Montreal Protocol subsequent to that committed to in stage I of their HPMPs;
- (h) To request bilateral and implementing agencies to ensure that the following information was included in project proposals for stage II of HPMPs, in addition to the information required by decision 54/39 and by the guidelines for the preparation of HPMPs, consistent with decision XIX/6:
- (i) A description of how the HPMP strategy had considered the range of non ODS, technically proven, and commercially available alternatives, including climate friendly alternatives to HCFCs;
 - (ii) A qualitative description of how the strategy for the servicing sector had taken into account climate aspects;
 - (iii) The proportion of foreign ownership and exports to non-Article 5 countries in the manufacturing sector;

- (iv) An indication of the project disbursement modality that would be used to implement the HPMP;
- (v) Date of establishment of enterprises, taking into account decision 60/44(a) on the cut-off date, including enterprise names and consumption data, where available; and
- (i) To request bilateral and implementing agencies to return any balances from project preparation funding provided for stage I of HPMPs to the Multilateral Fund before a request for stage II project preparation funding might be considered.

(UNEP/OzL.Pro/ExCom/71/64, decision 71/42, para.155).

(Supporting document: UNEP/OzL.Pro/ExCom/71/55).

Administrative cost regime for HPMPs approved at the 66th meeting

The Seventy-second Meeting of the Executive Committee decided to apply the new support cost regime in line with decision 67/15 for the second and subsequent tranches of HCFC phase-out management plans approved at the 66th meeting..

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/20 para 90).

(Supporting document: UNEP/OzL.Pro/ExCom/72/12).

Submission of stage II of an HPMP with stage I currently ongoing

The Seventy-second Meeting of the Executive Committee decided to request the Secretariat to further consider the issue of how to formulate a stage II agreement for an HCFC phase out management plan when there was an overlap with stage I, based on the views expressed by the Executive Committee, and to submit a recommendation to the 73rd meeting under the agenda item on Overview of issues identified during project review.

(UNEP/OzL.Pro/ExCom/72/47, Decision 72/23 para 100).

(Supporting document: UNEP/OzL.Pro/ExCom/72/12).

Final report on the evaluation of HCFC phase-out projects in the foam sector

The Seventy-fourth Meeting of the Executive Committee decided:

- (a) To take note of the final report on the evaluation of the HCFC phase-out projects in the foam sector contained in documents UNEP/OzL.Pro/ExCom/74/9 and Corr.1; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the evaluation of the HCFC phase-out projects in the foam sector when implementing projects in this sector.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/7 para 52).

(Supporting document: UNEP/OzL.Pro/ExCom/77/9 & Corr.1).

Evaluation of HCFC phase-out projects in the foam sector

The Seventy-fourth Meeting of the Executive Committee decided:

- (a) To take note of the final report on the evaluation of the HCFC phase-out projects in the foam sector contained in documents UNEP/OzL.Pro/ExCom/74/9 and Corr.1; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the evaluation of the HCFC phase-out projects in the foam sector when implementing projects in this sector.

(UNEP/OzL.Pro/ExCom/74/56, Decision 74/7 para 52).

(Supporting document: UNEP/OzL.Pro/ExCom/74/9 & Corr.1).

Evaluation of HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector

The Seventy-fifth Meeting of the Executive Committee decided:

- (a) To note the desk study on the evaluation of HCFC phase-out projects in the refrigeration and air-conditioning (RAC) manufacturing sector, contained in document UNEP/OzL.Pro/ExCom/75/9, as a work in progress;
- (b) To invite the bilateral and implementing agencies to take into account, when appropriate, the findings and recommendations of the desk study on the evaluation of HCFC phase out projects in the RAC manufacturing sector in the design and implementation of projects in that sector; and
- (c) To request the Secretariat, in cooperation with bilateral and implementing agencies, to make available, through the Secretariat's website, the outcome of the demonstration projects implemented to date, as well as key lessons learned from relevant completed projects.

*(UNEP/OzL.Pro/ExCom/75/85, Decision 75/7 para 67).
(Supporting document: UNEP/OzL.Pro/ExCom/75/9).*

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the desk study for the evaluation of the HCFC phase-out in the refrigeration servicing sector contained in documents UNEP/OzL.Pro/ExCom/80/10 and Corr.1; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the desk study on the evaluation of HCFC phase-out in the refrigeration servicing sector, in the implementation of projects in stage II of HCFC phase out management plans and in the phasing down of HFCs.

*(UNEP/OzL.Pro/ExCom/80/59, Decision 80/8, para 51)
(Supporting document: UNEP/OzL.Pro/ExCom/80/10 & Corr.1)*

Evaluation of the refrigeration servicing sector HCFC phase-out projects in the refrigeration servicing sector

The Seventy-seventh Meeting of the Executive Committee decided:

- (a) To take note of the final report on the evaluation of the HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector contained in documents UNEP/OzL.Pro/ExCom/77/9, Corr.1 and Corr.2; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the evaluation of the HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector in the design and implementation of projects under stage II of the HCFC phase-out management plans.

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/6, para 40(a)-(b))
(Supporting document: UNEP/OzL.Pro/ExCom/77/9, Corr.1 and Corr.2).*

Temporary use of a high-GWP technology by enterprises that had been converted to a low-GWP technology

The Seventy-fourth meeting of the Executive Committee decided:

- (a) To request bilateral and implementing agencies:
 - (i) To continue assisting Article 5 countries, during implementation of their HCFC phase-out management plans (HPMPs), in securing the supply of the alternative technologies selected;
 - (ii) To report to the Executive Committee on the status of use of the interim technology selected by an Article 5 country at each meeting up until the original technology selected or another technology with a low global-warming potential (GWP) had been fully introduced;
 - (iii) To include in the submission of any future stage of an HPMP for which a low GWP alternative to HCFCs had been selected detailed information from the suppliers on how and when an adequate supply of the technology would be made available to the country; and
- (b) To note that any change in the final technology other than that proposed in the approved project would require approval by the Executive Committee, in line with paragraph 7 of each country's Agreement with the Executive Committee, where applicable, and with relevant Executive Committee decisions relating to changes of technology.

*(UNEP/OzL.Pro/ExCom/74/56, Decision 74/20, para 91).
(Supporting document: UNEP/OzL.Pro/ExCom/74/13).*

Temporary manufacturing of high GWP-based refrigeration and air conditioning equipment at enterprises that received funding to convert to low-GWP alternatives

The Seventy-seventh Meeting of the Executive Committee decided:

- (a) To request the relevant bilateral and implementing agencies:
 - (i) To continue making best efforts to ensure that conversions were consistent with agreed alternatives as approved by the Executive Committee;
 - (ii) To report to the Executive Committee, as soon as they became known, exceptional cases where enterprises

that had received funding from the Multilateral Fund to manufacture products and equipment using substances with low global-warming potential (GWP) were temporarily manufacturing products and/or equipment using high-GWP substances, and to identify the reasons for the use, the steps to be taken to enable the enterprises to start manufacturing using the technology for which the funding had been approved, and a timeline for when such manufacturing was expected to commence;

(iii) To continue reporting the status of manufacturing at the enterprises identified in sub-paragraph (ii) above to each meeting of the Executive Committee until those converted manufacturing lines used only the low-GWP technology for which funding had been approved, or another alternative technology with a lower GWP;

(iv) To request the enterprises identified in sub-paragraph (ii) above to provide a letter stating their commitment that the manufacturing lines funded by the Multilateral Fund would manufacture products and/or equipment using only the technology for which funding had been approved;

(v) To assess, during project preparation, the availability of the chosen technology in the country, including the necessary components, refrigerants, oils, blowing agents, etc.;

(vi) Not to pay any incremental operating costs that had been approved for the manufacturing enterprises until it had been verified that the enterprises were manufacturing products and/or equipment using the approved technology;

(vii) To ensure that verification reports submitted in line with sub paragraph 5(b) of the Agreements between the Governments of the Article 5 countries concerned and the Executive Committee included verification of conversion of the manufacturing enterprises covered under the Agreement and confirmation of the technology adopted, in a representative sample of enterprises; and

(b) To encourage Governments of the Article 5 countries concerned, with the assistance of relevant bilateral and implementing agencies, to consider taking measures, if possible, to aid the introduction of low-GWP technology in applications covered under the respective sector and/or sub-sector.

(UNEP/OzL.Pro/ExCom/77/76, Decision 77/35, para 121)

(Supporting document: UNEP/OzL.Pro/ExCom/77/26 and Add.1).

Enterprises approved to receive funding for conversion under an HPMP that cease to be involved I that HPMP

The Eightieth Meeting of the Executive Committee decided:

(b) To reiterate that, in cases where an enterprise in an Article 5 country approved to receive funding for conversion under an HPMP ceased to be involved in that HPMP, for any reason, any unspent balances allocated to that enterprise should be returned to the Multilateral Fund in line with previous Executive Committee decisions, unless otherwise agreed by the Committee;

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/21 para 81(b))

(Supporting document: UNEP/OzL.Pro/ExCom/80/12).

Outstanding project completion reports for stage I of an HPMP with a stage II ongoing

The Eighty-first Meeting of the Executive Committee decided: that funding requests for the second or subsequent tranches of stage II or for subsequent stages of the HCFC phase-out management plan submitted for consideration by the Committee would not be considered if there was an outstanding project completion report from the previously completed stage that had not been submitted to the Secretariat at least six weeks in advance of the meeting to which the tranche request was being submitted.

(UNEP/OzL.Pro/ExCom/81/58, Decision 81/29, para 105)

(Supporting document: UNEP/OzL.Pro/ExCom/81/14).

End-user incentive schemes

The Eighty-second Meeting of the Executive Committee decided to request the Secretariat:

(a) To compile information on end-user incentive schemes (also referred, inter alia, to as demonstrations, pilot projects, and incentive programmes) funded under approved HCFC phase-out management plans (HPMPs); and

(b) To submit, at the 84th meeting, a report including:

- (i) Information on approved activities, such as tonnes to be phased out, funding, co-funding to be provided, number of beneficiaries, sector, and associated technical assistance;
- (ii) Status of schemes, including information on delays, if relevant; and
- (iii) Decisions of the Executive Committee relevant to end-user conversions as they pertained to the end-user incentive schemes approved under HPMPs.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/54)

The Eighty-fourth Meeting of the Executive Committee decided:

To note the report on end-user incentive schemes funded under approved HCFC phase-out management plans (HPMPs) (decision 82/54) contained in document UNEP/OzL.Pro/ExCom/84/63;

To consider time-limited and one-off demonstration and pilot projects directed to end-users to transition to zero- or low global-warming-potential alternatives and/or reduce use of controlled substances under existing or future stages of HPMPs, prioritizing those activities in low-volume-consuming countries, on a case-by-case basis, taking into consideration that the following circumstances had to prevail before demonstration and pilot projects could be directed to end-users, in line with the guidelines for end-user conversion in the commercial refrigeration sector adopted in decision 28/44:

Production and import control on HCFC and HCFC-based equipment had to be in place and effectively enforced, and the deployment of new HCFC components restricted;

The country's major remaining consumption had to be for the servicing of refrigeration and air-conditioning equipment;

Comprehensive data on the profile of all remaining consumption had to have been determined and made available to the Executive Committee;

There had to be no other possible activities that would allow the country to meet its HCFC control obligations, or the comparative consumer price of HCFCs, relative to substitute refrigerants had to have been high for at least nine months and predicted to continue to increase;

To request bilateral and implementing agencies, when designing and submitting demonstration and pilot projects directed to end-users as indicated in sub-paragraph (b), above:

To provide information on how the country would implement the domestic policy framework to support and sustain introduction and the scaling up of the new technology and/or practice;

To provide information on the number of enterprises in that country or region that could be interested in transition as a result of the programme being undertaken, and on the phase-out of controlled substances and the phase-in of alternative refrigerants;

To illustrate and provide the methodology for estimating the expected scalability of the alternative technology or practice being proposed in light of local market conditions;

To include a plan for communicating the results of the project to relevant stakeholders to assist in their uptake without using Multilateral Fund resources;

To prioritize refrigeration and air-conditioning applications where the project could contribute to acceleration of the phase-out of the controlled substance;

To follow a stepwise approach to ensure early implementation of enabling conditions that would leverage the benefits of such projects;

To explain how the projects would be implemented and linked with other HPMP activities such as training, capacity-building and technical assistance for adoption of the proposed alternative technology in a cost-effective manner;

To provide information on the estimated level of co-financing by all the beneficiary end-users participating in the incentive scheme and to describe the actions they would undertake to promote the adoption of the proposed technology;

To ensure that, if the country engaged in the retrofitting of HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing, it did so on the understanding that they

would assume all associated responsibilities and risks, and that the retrofit of equipment would be done only in accordance with the relevant standards and protocols, in line with decisions 72/17 and 73/34;

To request bilateral and implementing agencies to submit detailed reports on the results of existing and future end-user projects once they have been completed, to allow the Secretariat to develop fact sheets to inform future projects; and

To request the Secretariat to provide an update to the report contained in document UNEP/OzL.Pro/ExCom/84/63 at the first meeting of 2023 to reassess the effectiveness of demonstration and pilot projects directed to end-users, including updated results from the projects, analysis of cost-effectiveness, discussion of how the present decision had affected such projects, and other observations.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/84)

(Supporting document: UNEP/OzL.Pro/ExCom/84/63).

The Ninety-second Meeting of the Executive Committee decided:

- (b) To continue to apply decision 84/84 in the consideration of end-user incentive schemes submitted for funding under the HPMPs;
- (c) Not to apply decision 84/84 to technology demonstration projects involving a limited number of end users or to end-user leakage-reduction programmes when they were submitted for funding under the HPMPs;
- (d) To consider end-user-related projects submitted for funding under Kigali HFC implementation plans on a case-by-case basis, taking into account the considerations set out in paragraph 46 of document UNEP/OzL.Pro/ExCom/92/43;
- (e) To request Article 5 countries and bilateral and implementing agencies, when designing end-user incentive schemes, to consider factors that would contribute to the sustainability and scalability of the adoption of low-global-warming-potential alternatives by end users, such as potential energy-efficiency gains and opportunities for additional modalities and sources of funding, whenever possible and on a voluntary basis;
- (f) To request the Secretariat to provide the Executive Committee, at its first meeting in 2028, with an updated version of the report contained in document UNEP/OzL.Pro/ExCom/92/43, including updated project results, the cost-effectiveness analysis, a discussion of the impact of the decision on such projects and other observations so as to allow the Executive Committee to reassess the effectiveness and sustainability of end-user incentive schemes and demonstration projects directed at end users; and
- (g) To request the Secretariat to develop, in collaboration with the bilateral and implementing agencies, a system to record and report consistently on the phase-out/phase-down achieved through end-user projects and on energy-efficiency gains, where applicable, on the understanding that the approach would be applied to any end-user projects approved from the 93rd meeting onward.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/36)

(Supporting document: UNEP/OzL.Pro/ExCom/92/43).

HCFC PRODUCTION SECTOR

Further elaboration and analysis of issues pertaining to the phase-out of HCFC production sector

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to defer the issue of cut-off dates for the production sector to a future meeting, taking into account any further discussions on a cut-off date for HCFC consumption;
- (b) to further consider the issue of swing plants at the 57th Meeting of the Executive Committee;
- (c) to request the Fund Secretariat to provide a summary of information publicly available on relevant elements of the operation of the clean development mechanism and the amounts of HCFC-22 production available for credits as a first step;
- (d) to constitute and convene the production sector sub-group at the 57th Meeting to finalize the work of the contact group on elements of a future decision with respect to the HCFC production sector, including:
 - (i) adopting the practices and procedures laid out in paragraphs (a)(i)-(a)(vii) to (d) of decision 19/36 of the Executive Committee for the HCFC production sector or excluding paragraph (a)(vii) which states that “the environmental clean up of the ODS producing facility should not constitute an incremental cost;

however, it should be done in an environmentally responsible manner”;

- (ii) continuing to calculate production costs on the basis of closure taking into account foreign ownership and export to non-Article 5 components of facilities being closed or calculating production costs on the basis of closure, conversion, and/or redirection to feedstock taking into account foreign ownership and export to non-Article 5 components of facilities being closed;
- (iii) encouraging a synchronized production/consumption phase-out as part of the first HPMP;
- (iv) considering, as appropriate, providing incentives for early phase-out of HCFC production and/or providing disincentives for HCFC production that would be phased out later;
- (v) requiring a robust monitoring system, similar to that used for the verification of the CTC phase-out, to monitor facilities that received funding but continued to produce HCFCs for feedstock uses;
- (vi) continuing the discussion on other issues including but not limited to:
 - a. technical audits for production sector in China under its HPMP; and
 - b. an analysis of costs for production closure versus conversion to HFC-32 versus feedstock..

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/64 para 231)

(Supporting document: UNEP/OzL.Pro/ExCom/56/57).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to note that, when preparing any production sector projects, it was understood that, in accordance with usual practice, preparation of production sector phase-out activities would start after the Executive Committee had decided to initiate a technical audit of relevant production facilities;
- (b) to request the Secretariat:
 - (i) to undertake an analysis of the technical feasibility of redirecting HCFC-22 production from controlled uses to feedstock uses;
 - (ii) if such redirection was found technically feasible, to consider in the analysis options for ensuring that any redirection to feedstock uses was sustained;
 - (iii) to consider in the analysis any costs for downstream facilities (for example those that produced polytetrafluoroethylene) associated with the redirected HCFC feedstock use; and
 - (iv) to make the analysis available in time for the 59th Meeting of the Executive Committee;
- (c) to note the information provided by the Secretariat on the Clean Development Mechanism and the amounts of HCFC-22 production available for credits; and
- (d) to consider, at its 59th Meeting, the following issues in particular, but not limited to:
 - (i) decision XIX/6 (paragraph 15) of the Nineteenth Meeting of the Parties;
 - (ii) HCFC-141b production;
 - (iii) cut-off dates;
 - (iv) swing plants.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/35, para 183)

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) To note that the Sub-group on the Production Sector had considered the “Analysis of the technical feasibility of redirecting HCFC-22 production from controlled uses to feedstock uses” prepared by the Fund Secretariat;
- (b) Also to note that the impact on costs of downstream facilities as a result of possible conversion were not addressed in the analysis but could be addressed in the context of technical audits;
- (c) To request:
 - (i) Eligible countries ready to phase out the production of HCFCs to submit a draft sector phase-out strategy (that should include an industrial rationalization strategy, as appropriate) and preliminary data on its HCFC plants, using the forms adopted at the 19th Meeting of the Executive Committee (decision 19/36);
 - (ii) Eligible countries ready to proceed with the phase-out of HCFC production to submit a request for auditing of their HCFC plants;

- (iii) The Secretariat to modify the terms of reference for the technical audit adopted at the 32nd Meeting, as appropriate, to meet the audit needs of the production of HCFCs and to submit them to the Executive Committee for consideration as soon as possible but no later than the 61st Meeting;
- (d) To acknowledge the importance of assuring the supply of pharmaceutical-grade CFCs for Parties with essential use exemptions in accordance with decision XXI/4 of the Twenty First Meeting of the Parties;
- (e) To request the Secretariat to report to the 60th Meeting on the terms and conditions under which the existing CFC production agreements with China and India and associated accelerated phase-out agreements might be modified, taking into account the discussion at the Sub-group in accordance with decision XXI/4, paragraph 6, of the Twenty-First Meeting of the Parties.
- (f) That the Sub-group on the Production Sector should review decision XXI/4, paragraph 6, at its next meeting;
- (g) To consider, within the Sub-group on the Production Sector, giving priority to phasing out production of HCFCs with larger ODP values first, taking into account national circumstances, and the requirements for parallel reductions in the consumption sector, consistent with decision XIX/6 of the Nineteenth Meeting of the Parties;
- (h) To defer the issue of a cut-off date until the Executive Committee had addressed the matter with respect to HCFC consumption;
- (i) To note that the Twenty-First Meeting of the Parties had:
 - (i) Encouraged Parties with essential use exemptions in 2010 to consider sourcing required pharmaceutical-grade CFCs initially from stockpiles where they were available and accessible;
 - (ii) Encouraged Parties with stockpiles of pharmaceutical-grade CFCs potentially available for export to Parties with essential use exemptions in 2010 to notify the Ozone Secretariat of such quantities and a contact point by 31 December 2009;
 - (iii) Decided that the Parties listed with authorized essential use exemptions should have full flexibility in sourcing the quantity of pharmaceutical-grade CFCs to the extent required for manufacturing metered-dose inhalers, either from imports or from domestic producers or from existing stockpiles;
- (j) To encourage Parties to take every practicable step consistent with Multilateral Fund programmes to ensure that the best available and environmentally safe substitutes and related technologies were transferred from Article 2 Parties to Article 5 Parties under fair and most favourable conditions; and
- (k) To promote substitutes, alternatives and practices in Multilateral Fund programmes to minimize other impacts on the environment, including on the climate, taking into account global-warming potential, energy use and other relevant factors whenever possible.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/44, para.218).

(Supporting document: UNEP/OzL.Pro/ExCom/59/50 and Corr.1).

The Sixty-ninth Meeting of the Executive Committee decided:

- (d) That the text informing the Meeting of the Parties of the issue of the eligibility of swing plants for any additional support for HCFC production phase-out should be considered in the context of the discussion on the report of the Executive Committee to the Meeting of the Parties, which would be considered by the Executive Committee at its 70th meeting;

(UNEP/OzL.Pro/ExCom/69/40, Decision 69/28, para.(d)).

HCFC technical audit

The Sixtieth Meeting of the Executive Committee decided to adopt the terms of reference for the technical audit of HCFC production in Article 5 countries contained in Annex IX.20.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/47 para 204)

(Supporting document: UNEP/OzL.Pro/ExCom/60/49).

The Sixty-second Meeting of the Executive Committee decided:

- (a) To note the preliminary data on HCFC-producing plants, submitted by the World Bank on behalf of the Government of China;
- (b) Also to note the Sub-group's agreement in principle to adopting for the HCFC production sector the same

practices and procedures as those prescribed in paragraphs (a) and (d) of decision 19/36 of the Executive Committee, with the suggestion that paragraph (a)(vii) of the decision be replaced by the words: “the environmental clean-up of the ODS producing facility should not be included in calculating the funding of HCFC production sector phase-out; however, it should be done in an environmentally responsible manner”;

- (c) To replenish the sub-account for technical audits to cover technical audits of the HCFC production sector on the understanding that any funds not used for technical audits would be returned to the Multilateral Fund; and
- (d) To authorize the Fund Secretariat to initiate the contracting process for the technical audit of the HCFC production sector in China, bearing in mind that detailed technical audits might not be required for all plants.

(UNEP/OzL.Pro/ExCom/62/62, Decision 62/63 para 162)

(Supporting document: UNEP/OzL.Pro/ExCom/62/57)

The Sixty-third Meeting of the Executive Committee decided:

- (a) To note the status report on the bidding process for the technical audit of the HCFC production sector in China; and
- (b) To request the Secretariat to investigate the possibility of the contractor for the technical audits in China submitting an interim report, including audits of HCFC-141b-producing plants and, to the extent possible, HCFC-22- and HCFC-142b-producing plants, and providing a final report of a comprehensive audit of all HCFC-producing plants, without prejudice to which HCFC-producing plants would be addressed first for phase-out.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/63 para 188)

(Supporting document: UNEP/OzL.Pro/ExCom/63/59).

The Sixty-sixth Meeting of the Executive Committee decided:

- (e) To note that the Fund Secretariat intended to:
 - (i) Request the United Nations Office at Nairobi to end the contract with the consultant contracted for the technical audit of the HCFC production sector in China, by mutual agreement, ensuring payment for the work done to date, on the understanding that the consultant would provide to the Secretariat all of the data collected as part of the contract and satisfactorily answer all outstanding questions on the draft final report;
 - (ii) Pursue completion of the technical audit with the next lowest price bidder, enabling the new consultant to submit the final technical audit to the Committee at its 67th meeting;
- (f) To note that the delayed submission of the final technical audit report would not prevent the Executive Committee from considering the project proposal for HCFC phase-out plan for the production sector for China;
- (g) To request the members of the Production Sector Sub-group to submit comments relating to the final report to the Secretariat by 30 April 2012, on the understanding that any further work on the technical audit would, to the extent possible, address issues raised in their written or oral comments, as well as those made by the Secretariat, the peer reviewer and the World Bank, at the level of individual plants;
- (h) Through the Government of China, to invite the HCFC production plants to provide data that they had not provided to the original consultant, including on:
 - (i) The book value for the facility relating directly to production of HCFCs for use in assessing residual plant value;
 - (ii) Trading price data for carbon emission reductions;
 - (iii) Incinerator costs; and
- (i) To request the Secretariat to review, for consideration at the 67th meeting, the project proposal for HCFC phase-out in the production sector in China, taking into account any available information from the technical audit, as well as any other relevant sources of information;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/54 para 178(e) to (i)).

(Supporting document: UNEP/OzL.Pro/ExCom/66/53).

The Seventy-ninth meeting decided:

To postpone consideration of the submission of the preliminary data and request to carry out the technical audit of the HCFC production sector in the Democratic People’s Republic of Korea until it could be confirmed that the project did not conflict with United Nations Security Council Resolution 2321 or any other

resolutions the Security Council might adopt with respect to the Democratic People's Republic of Korea.

UNEP/OzL.Pro/ExCom/79/51, Decision 79/49, para. 166)
(Supporting document: UNEP/OzL.Pro/ExCom/79/50)

HCFC production sector guidelines

The Sixty-sixth Meeting of the Executive Committee decided:

- (j) To request the Sub-group to continue its discussions on the HCFC production sector guidelines at the 67th meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/54 para 178(j))

The Seventy-sixth Meeting of the Executive Committee decided to continue discussion of the eligibility of swing plants producing HCFC-22 at the next meeting of the Sub-group on the Production Sector and consider that issue in the context of its discussions of by-product controls of HFC-23 arising from the Kigali Amendment.

(UNEP/OzL.Pro/ExCom/77/76, Decision 77/64 para 227)

The Eighty-third Meeting of the Executive Committee decided to defer consideration of the HCFC production sector guidelines to a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/73).

The Eighty-fourth Meeting of the Executive Committee decided to defer consideration of the HCFC production sector guidelines to a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/97).

The Ninetieth Meeting of the Executive Committee decided to defer consideration of the HCFC production sector guidelines to a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/90/40, Decision 90/53).

The Ninety-first Meeting of the Executive Committee decided to defer consideration of the HCFC production sector guidelines to a future meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/72).

Climate benefits in the HCFC production sector

At its 71st meeting, the Executive Committee decided:

- (b) To consider at the 72nd meeting issues related to the additional activities to maximize climate benefits in the HCFC production sector.

(UNEP/OzL.Pro/ExCom/71/64, Decision 71/51, para.196).

At its 72nd meeting, the Executive Committee took note of document UNEP/OzL.Pro/ExCom/72/41 on additional activities to maximize climate benefits in the HCFC production sector.

(UNEP/OzL.Pro/ExCom/72/47, para.182).

Format for submission of annual implementation plans and progress reports for an HCFC production phase-out management planAt its 73rd meeting, the Executive Committee decided:

- (a) To note the draft format for progress reports and annual implementation plans regarding HCFC production phase-out management plans (HPPMP) contained in Annex XXI to the present document [UNEP/OzL.Pro/ExCom/73/62];
- (b) To further note that the World Bank would use the draft format on an interim basis when preparing 2015 tranche of funding related to the HPPMP for China to be submitted to the 74th meeting; and
- (c) To request the Secretariat to present an updated format for progress reports and annual implementation plans for the HPPMP for consideration at the 74th meeting, ensuring that it took into consideration the lessons learned by the World Bank when using it on an interim basis.

(UNEP/OzL.Pro/ExCom/73/62, decision 73/74, para.238).

ODS DESTRUCTION**Evaluation of the pilot demonstration projects on ODS disposal and destruction**

The Seventy-fifth Meeting of the Executive Committee decided:

- (a) To take note of the desk study on the evaluation of the pilot demonstration projects on ODS disposal and destruction contained in document UNEP/OzL.Pro/ExCom/75/10;
- (b) To invite the bilateral and implementing agencies to take into account, when appropriate, the findings and recommendations of the desk study on the evaluation of the pilot demonstration projects on ODS disposal and destruction;

*(UNEP/OzL.Pro/ExCom/75/85, decision 75/8, para.74(a) and (b)).
(Supporting document: UNEP/OzL.Pro/ExCom/75/10).*

The Seventy-ninth Meeting of the Executive Committee decided:

- (a) To note, with appreciation, the final reports on the pilot ODS waste management and disposal projects for Georgia and Ghana, submitted by UNDP, and for Nepal, submitted by UNEP;
- (b) To invite bilateral and implementing agencies to take into account, when appropriate, the lessons learned from the pilot ODS waste disposal demonstration projects mentioned in sub paragraph (a) above, in the design and implementation of similar projects in future;
- (c) To request UNDP:
 - (i) To complete the pilot ODS waste disposal project in Brazil by December 2022, to submit the final report of the project to the first meeting of 2023 and a project completion report no later than July 2023, and to return fund balances no later than December 2023, on the understanding that no further extensions of the completion date of the project would be considered by the Executive Committee;
 - (ii) To complete the pilot ODS waste disposal project in Colombia by June 2019, to submit the final report of the project to the last meeting of 2019 and a project completion report no later than June 2020, and to return fund balances no later than December 2020, on the understanding that no further extensions of the completion date of the project would be considered by the Executive Committee;
 - (iii) To submit annual progress reports for the pilot ODS disposal projects in Brazil and Colombia as “projects with specific reporting requirements” until the projects had been completed;
- (d) To request bilateral and implementing agencies to submit final reports on outstanding ODS disposal pilot projects other than those in sub-paragraph (c) above, and to return to the 82nd meeting the remaining balances for projects for which reports had not been submitted to the 80th or 81st meeting; and
 - (d) To request the Secretariat to submit to the 82nd meeting a synthesis report on the pilot ODS disposal projects completed thus far, collating lessons learned, and including issues related to project design, synergy with other projects, opportunities for resource mobilization, and the cost-effectiveness of the projects.

*(UNEP/OzL.Pro/ExCom/79/51, Decision 79/18, para 70)
(Supporting document: UNEP/OzL.Pro/ExCom/79/51).*

The Eightieth Meeting of the Executive Committee decided:

- (a) To note, with appreciation, the final reports on the pilot ODS waste management and disposal projects for Mexico, submitted by UNIDO and the Government of France, and for the Europe and Central Asia region, submitted by UNEP and UNIDO;
- (b) To invite bilateral and implementing agencies to take into account, when appropriate, the lessons learned from the pilot ODS disposal demonstration projects mentioned in sub paragraph (a) above, in the design and implementation of similar projects in future;
- (c) To note the detailed progress reports on the pilot ODS waste management and disposal projects for China, submitted by the Government of Japan and UNIDO, and for Nigeria, submitted by UNIDO; and
- (d) To reiterate decision 79/18(d), requesting bilateral and implementing agencies to submit to the 81st meeting final reports of outstanding ODS disposal pilot projects in China, Cuba, Lebanon, Nigeria and Turkey, and to return to the 82nd meeting unspent balances for projects where final reports had not been submitted.

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/28, para 99)

(Supporting document: UNEP/OzL.Pro/ExCom/80/--).

The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the synthesis report on the pilot ODS disposal projects, as contained in document UNEP/OzL.Pro/ExCom/82/21;
- (b) To request bilateral and implementing agencies to apply, where appropriate, the findings and recommendations of the synthesis report on the pilot ODS disposal projects;
- (c) To urge UNIDO to return remaining balances for the regional project for ODS waste management and disposal in Europe and Central Asia at the 83rd meeting, in line with decision 79/18(d); and
- (d) To urge UNDP:
 - (i) To return balances for the demonstration project on end-of-life ODS management and destruction for Colombia at the 85th meeting; and
 - (ii) To submit the final report for the demonstration project on ODS waste management and disposal in Cuba, which had been completed in 2015, as soon as possible and no later than the 83rd meeting.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/41)

(Supporting document: UNEP/OzL.Pro/ExCom/82/21).

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note the final report of the pilot demonstration project on ODS waste management and disposal in Cuba, submitted by UNDP and contained in document UNEP/OzL.Pro/ExCom/83/11;
- (b) To request bilateral and implementing agencies to apply, where appropriate, the findings and recommendations of the pilot demonstration project referred to in sub-paragraph (a) above; and
- (c) To request UNDP to provide, at the 86th meeting, an update regarding any additional amounts of ODS waste destroyed as a result of the demonstration project referred to in sub-paragraph (a) above.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/11)

(Supporting document: UNEP/OzL.Pro/ExCom/83/11).

HYDROFLUOROCARBONS

Further Amendment of the Montreal Protocol

The Twenty-eight Meeting of the Parties adopted, in accordance with the procedure laid down in paragraph 4 of Article 9 of the Vienna Convention for the Protection of the Ozone Layer, the Amendment to the Montreal Protocol set out in annex I to the report of the Twenty-Eighth Meeting of the Parties.

(UNEP/OzL.Pro/28/12 Decision XXVIII/1)

Decision related to the amendment phasing down hydrofluorocarbons

The Twenty-eighth Meeting of the Parties decided:

1. That paragraphs 2 and 4 of Article 2J in Article I of the Amendment are applicable to Belarus, Kazakhstan, the Russian Federation, Tajikistan and Uzbekistan;
2. That subparagraphs (b), (d) and (f) of paragraph 8 qua of Article 5 in Article I of the Amendment are applicable to Bahrain, India, the Islamic Republic of Iran, Iraq, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (hereinafter referred to as Article 5, group 2, parties);

Elements in paragraph 1 (a) of decision XXVI/9, including intellectual property rights issues in considering the feasibility and ways of managing hydrofluorocarbons

3. To recognize the importance of timely updating international standards for flammable low-global-warming potential (GWP) refrigerants, including IEC60335-2-40, and to support promoting actions that allow safe market introduction, as well as manufacturing, operation, maintenance and handling, of zero GWP or low-GWP refrigerant alternatives to hydrochlorofluorocarbons and hydrofluorocarbons;
4. To request the Technology and Economic Assessment Panel to conduct periodic reviews of alternatives, using the criteria set out in paragraph 1 (a) of decision XXVI/9, in 2022 and every five years thereafter, and to provide technological and economic assessments of the latest available and emerging alternatives to hydrofluorocarbons;

5. To request the Technology and Economic Assessment Panel to conduct a technology review four or five years before 2028 to consider a compliance deferral of two years from the freeze date of 2028 for Article 5, group 2, parties to address growth above a certain threshold in relevant sectors;

Relationship with the HCFC phase-out

6. To acknowledge the linkage between the hydrofluorocarbon and hydrochlorofluorocarbon reduction schedules relevant to sectors and the preference to avoid transitions from hydrochlorofluorocarbons to high-GWP hydrofluorocarbons and to provide flexibility if no other technically proven and economically viable alternatives are available;

7. To also acknowledge these linkages with respect to certain sectors, in particular industrial process refrigeration, and the preference to avoid transitions from hydrochlorofluorocarbons to high-GWP hydrofluorocarbons and to be willing to provide flexibility, if no other alternatives are available, in cases where:

(a) hydrochlorofluorocarbon supply may be unavailable from existing allowable consumption, stocks as well as recovered/recycled material, and

(b) it would allow for a direct transition at a later date from hydrochlorofluorocarbons to low-GWP or zero-GWP alternatives;

8. To provide, prior to the commencement of the Article 5 hydrofluorocarbon freeze and in the light of the acknowledgement in paragraph 7 above, flexibility measures in relation to the hydrochlorofluorocarbon phase-out relevant to certain sectors, in particular the industrial process refrigeration subsector, in order to avoid double conversions;

Financial issues***Overarching principles and timelines***

9. To recognize that the Amendment maintains the Multilateral Fund for the Implementation of the Montreal Protocol as the financial mechanism and that sufficient additional financial resources will be provided by parties not operating under paragraph 1 of Article 5 to offset costs arising out of hydrofluorocarbon obligations for parties operating under paragraph 1 of Article 5 under the Amendment;

10. To request the Executive Committee to develop, within two years of the adoption of the Amendment, guidelines for financing the phase-down of hydrofluorocarbon consumption and production, including cost-effectiveness thresholds, and to present those guidelines to the Meeting of the Parties for the parties' views and inputs before their finalization by the Executive Committee;

11. To request the Chair of the Executive Committee to report back to the Meeting of the Parties on the progress made in accordance with this decision, including on cases where Executive Committee deliberations have resulted in a change in a national strategy or a national technology choice submitted to the Executive Committee;

12. To request the Executive Committee to revise the rules of procedure of the Executive Committee with a view to building in more flexibility for parties operating under paragraph 1 of Article 5;

Flexibility in implementation that enables parties to select their own strategies and priorities in sectors and technologies

13. That parties operating under paragraph 1 of Article 5 will have flexibility to prioritize hydrofluorocarbons, define sectors, select technologies and alternatives and elaborate and implement their strategies to meet agreed hydrofluorocarbon obligations, based on their specific needs and national circumstances, following a country-driven approach;

14. To request the Executive Committee of the Multilateral Fund to incorporate the principle referred to in paragraph 13 above into relevant funding guidelines for the phase down of hydrofluorocarbons and in its decision-making process;

Guidance to the Executive Committee of the Multilateral Fund with respect to the consumption, production and servicing sectors

15. To request the Executive Committee, in developing new guidelines on methodologies and cost calculations, to make the following categories of costs eligible and to include them in the cost calculation:

(a) For the consumption manufacturing sector:

- (i) Incremental capital costs;
 - (ii) Incremental operating costs for a duration to be determined by the Executive Committee;
 - (iii) Technical assistance activities;
 - (iv) Research and development, when required to adapt and optimize low-GWP or zero-GWP alternatives to hydrofluorocarbons;
 - (v) Costs of patents and designs, and incremental costs of royalties, when necessary and cost-effective;
 - (vi) Costs of the safe introduction of flammable and toxic alternatives;
- (b) For the production sector:
- (i) Lost profit due to the shutdown/closure of production facilities as well as production reduction;
 - (ii) Compensation to displaced workers;
 - (iii) Dismantling of production facilities;
 - (iv) Technical assistance activities;
 - (v) Research and development related to the production of low-GWP or zero-GWP alternatives to hydrofluorocarbons with a view to lowering the costs of alternatives;
 - (vi) Costs of patents and designs or incremental costs of royalties;
 - (vii) Costs of converting facilities to produce low-GWP or zero-GWP alternatives to hydrofluorocarbons when technically feasible and cost-effective;
 - (viii) Costs of reducing emissions of HFC-23, a by-product from the production process of HCFC-22, by reducing its emission rate in the process, destroying it from the off-gas, or by collecting and converting it to other environmentally safe chemicals. Such costs should be funded by the Multilateral Fund to meet the obligations of Parties operating under paragraph 1 of Article 5 specified under the Amendment;
- (c) For the servicing sector:
- (i) Public-awareness activities;
 - (ii) Policy development and implementation;
 - (iii) Certification programmes and training of technicians on safe handling, good practice and safety in respect of alternatives, including training equipment;
 - (iv) Training of customs officers;
 - (v) Prevention of illegal trade of hydrofluorocarbons;
 - (vi) Servicing tools;
 - (vii) Refrigerant testing equipment for the refrigeration and air-conditioning sector;
 - (viii) Recycling and recovery of hydrofluorocarbons;
16. To request the Executive Committee to increase in relation to the servicing sector the funding available under Executive Committee Decision 74/50 above the amounts listed in that decision for parties with total hydrochlorofluorocarbon baseline consumption up to 360 metric tonnes when needed for the introduction of alternatives to hydrochlorofluorocarbons with low-GWP and zero-GWP alternatives to hydrofluorocarbons and maintaining energy efficiency also in the servicing/end-user sector;

Cut-off date for eligible capacity

17. That the cut-off date for eligible capacity is 1 January 2020 for those parties with baseline years from 2020 to 2022 and 1 January 2024 for those parties with baseline years from 2024 to 2026;

Second and third conversions

18. To request the Executive Committee to incorporate the following principles relating to second and third conversions into funding guidelines:
- (a) First conversions, in the context of a phase-down of hydrofluorocarbons, are defined as conversions

- to low-GWP or zero-GWP alternatives of enterprises that have never received any direct or indirect support, in part or in full, from the Multilateral Fund, including enterprises that converted to hydrofluorocarbons with their own resources;
- (b) Enterprises that have already converted to hydrofluorocarbons in phasing out chlorofluorocarbons and/or hydrochlorofluorocarbons will be eligible to receive funding from the Multilateral Fund to meet agreed incremental costs in the same manner as enterprises eligible for first conversions;
 - (c) Enterprises that convert from hydrochlorofluorocarbons to high-GWP hydrofluorocarbons, after the date of adoption of the Amendment, under hydrochlorofluorocarbon phase-out management plans already approved by the Executive Committee will be eligible to receive funding from the Multilateral Fund for a subsequent conversion to low-GWP or zero-GWP alternatives to meet agreed incremental costs in the same manner as enterprises eligible for first conversions;
 - (d) Enterprises that convert from hydrochlorofluorocarbons to high-GWP hydrofluorocarbons with their own resources before 2025 under the Amendment will be eligible to receive funding from the Multilateral Fund to meet agreed incremental costs in the same manner as enterprises eligible for first conversions;
 - (e) Enterprises that convert from hydrofluorocarbons to lower-GWP hydrofluorocarbons with Multilateral Fund support when no other alternatives are available will be eligible to receive funding from the Multilateral Fund for a subsequent conversion to low-GWP or zero-GWP alternatives if necessary to meet the final hydrofluorocarbon phase-down step;

Sustained aggregate reductions

19. To request the Executive Committee to incorporate the following principle related to sustained aggregate reductions into Multilateral Fund policies: remaining eligible consumption for funding in tonnage will be determined on the basis of the starting point of national aggregate consumption less the amount funded by previously approved projects in future multi-year agreement templates for hydrofluorocarbon phase-down plans, consistent with Executive Committee decision 35/57;

Enabling activities

20. To request the Executive Committee to include the following enabling activities to be funded in relation to the hydrofluorocarbon phase-down under the Amendment:
- (a) Capacity-building and training for the handling of hydrofluorocarbon alternatives in the servicing, manufacturing and production sectors;
 - (b) Institutional strengthening;
 - (c) Article 4B licensing;
 - (d) Reporting;
 - (e) Demonstration projects; and
 - (f) Development of national strategies;

Institutional strengthening

21. To direct the Executive Committee to increase institutional strengthening support in light of the new commitments related to hydrofluorocarbons under the Amendment;

Energy efficiency

22. To request the Executive Committee to develop cost guidance associated with maintaining and/or enhancing the energy efficiency of low-GWP or zero-GWP replacement technologies and equipment, when phasing down hydrofluorocarbons, while taking note of the role of other institutions addressing energy efficiency, when appropriate;

Capacity-building to address safety

23. To request the Executive Committee to prioritize technical assistance and capacity building to address safety issues associated with low-GWP or zero-GWP alternatives;

Disposal

24. To request the Executive Committee to consider funding the cost-effective management of stockpiles of used or unwanted controlled substances, including destruction;

Other costs

25. That the parties may identify other cost items to be added to the indicative list of incremental costs emanating as a result of the conversion to low-GWP alternatives;

Exemption for high-ambient-temperature parties

26. To make available an exemption for parties with high ambient temperature conditions where suitable alternatives do not exist for the specific sub-sector of use, as described below;
27. To distinguish and separate this exemption from the essential-use and critical-use exemptions under the Montreal Protocol;
28. To make this exemption effective and available as of the hydrofluorocarbon freeze date, with an initial duration of four years;
29. To apply this exemption for sub-sectors, contained in Appendix I of this decision, in parties with an average of at least two months per year over ten consecutive years with a peak monthly average temperature above 35 degrees Celsius, where the party listed in Appendix II has formally notified the Secretariat of its intent to use this exemption no later than one year before the hydrofluorocarbon freeze date, and every four years thereafter should it wish to extend the exemption; ,
30. That any party operating under this high-ambient-temperature exemption will report separately its production and consumption data for the sub-sectors to which the exemption applies;
31. That any transfer of production and consumption allowances for this high-ambient-temperature exemption will be reported to the Secretariat under Article 7 of the Protocol by each of the parties concerned;
32. That the Technology and Economic Assessment Panel and a subsidiary body of the Panel that includes outside experts on high ambient temperatures will assess the suitability of hydrofluorocarbon alternatives for use where suitable alternatives do not exist based on criteria agreed by the parties that will include, but not be limited to, the criteria listed in paragraph 1 (a) of decision XXVI/9, and recommend sub-sectors to be added to or removed from appendix I to the present decision and report this information to the Meeting of the Parties;
33. That the assessment referred to in paragraph 32 above will take place periodically starting four years from the hydrofluorocarbon freeze date and every four years thereafter;
34. To review, no later than the year following receipt of the first report of the Technology and Economic Assessment Panel on the suitability of alternatives, the need for an extension of the high ambient-temperature exemption for a further period of up to four years, and periodically thereafter, for specific sub-sectors in parties that meet the criteria set out in paragraph 29 above, and that parties will develop an expedited process for ensuring the renewal of the exemption in a timely manner where there are no feasible alternatives, taking into account the recommendation of the Panel and its subsidiary body;
35. That amounts of Annex F substances that are subject to the high-ambient-temperature exemption are not eligible for funding under the Multilateral Fund while they are exempted for that party;
36. That the Implementation Committee under the Non-Compliance Procedure of the Montreal Protocol and the Meeting of the Parties should, for 2025 and 2026, defer consideration of the hydrochlorofluorocarbon compliance status of any party operating under a high-ambient-temperature exemption in cases where it has exceeded its allowable consumption or production levels due to its HCFC-22 consumption or production for the sub-sectors listed in appendix I to the present decision, on the condition that the party concerned is following the phase-out schedule for consumption and production of hydrochlorofluorocarbons for other sectors and has formally requested a deferral through the Secretariat;
37. To consider, no later than 2026, whether to extend the compliance deferral referred to in paragraph 36 for an additional period of two years and, if appropriate, to consider further deferrals thereafter, for parties operating under the high-ambient-temperature exemption;

Other exemptions

38. To allow for other exemptions, such as for essential uses and critical uses, for production or consumption that is necessary to satisfy uses agreed by the parties to be exempted uses;

39. To consider mechanisms for such exemptions in 2029, including multi-year exemption mechanisms;
40. To provide information and guidance to the Technology and Economic Assessment Panel for its periodic review of sectors where exemptions may be required;

Appendix I: List of exempted equipment for high ambient temperatures

- (a) Multi-split air conditioners (commercial and residential)
- (b) Split ducted air conditioners (commercial and residential)
- (c) Ducted commercial packaged (self-contained) air-conditioners

Appendix II: List of countries operating under the high-ambient-temperature exemption

Algeria, Bahrain, Benin, Burkina Faso, Central African Republic, Chad, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea, Guinea-Bissau, Iran (Islamic Republic of), Iraq, Jordan, Kuwait, Libya, Mali, Mauritania, Niger, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Senegal, Sudan, Syrian Arab Republic, Togo, Tunisia, Turkmenistan, United Arab Emirates.

(UNEP/OzL.Pro/28/12 Decision XXVIII/2)

Energy efficiency

2016 The Twenty-eighth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to review energy efficiency opportunities in the refrigeration and air-conditioning and heat-pump sectors related to a transition to climate-friendly alternatives, including not-in-kind options;
2. To invite parties to submit to the Ozone Secretariat by May 2017, on a voluntary basis, relevant information on energy efficiency innovations in the refrigeration, air-conditioning and heat-pump sectors;
3. To request the Technology and Economic Assessment Panel to assess the information submitted by parties on energy efficiency opportunities in the refrigeration and air-conditioning sectors during the transition to low-global-warming-potential and zero-global-warming-potential alternatives and to report thereon to the Twenty-Ninth Meeting of the Parties, in 2017.

(UNEP/OzL.Pro/28/12 Decision XXVIII/3)

2017 The Twenty-ninth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel in relation to maintaining and/or enhancing energy efficiency in the refrigeration, air-conditioning and heat-pump sectors, including in high-ambient-temperature conditions, while phasing down hydrofluorocarbons under the Kigali Amendment to the Montreal Protocol in parties operating under paragraph 1 of Article 5, to assess the following items:
 - (a) Technology options and requirements including:
 - (i) Challenges to their uptake;
 - (ii) Their long-term sustainable performance and viability;
 - (iii) Their environmental benefits in terms of carbon dioxide equivalents;
 - (b) Capacity-building and servicing sector requirements in the refrigeration and air-conditioning and heat-pump sectors;
 - (c) Related costs including capital and operating costs;
2. Also to request the Technology and Economic Assessment Panel to provide an overview of the activities and funding provided by other relevant institutions, as well as definitions, criteria and methodologies used in addressing energy efficiency in the refrigeration, air-conditioning and heat-pump sectors in relation to maintaining and/or enhancing energy efficiency in the refrigeration, air-conditioning and heat-pump sectors while phasing down hydrofluorocarbons under the Kigali Amendment to the Montreal Protocol, as well as those related to low-GWP and zero-GWP hydrofluorocarbon alternatives including on different financing modalities;
3. To request the Technology and Economic Assessment Panel to prepare a final report for consideration by the Open-ended Working Group at its fortieth meeting, and thereafter an updated final report to be

submitted to the Thirtieth Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer taking into consideration the outcome of the workshop described in paragraph 4 below;

4. To request the Secretariat to organize a workshop on energy efficiency opportunities while phasing down hydrofluorocarbons at the fortieth meeting of the Open-ended Working Group;

(UNEP/OzL.Pro.29/8, Decision XXIX/10)

2018 The Thirtieth Meeting of the Parties decided:

1. To request the Executive Committee of the Multilateral Fund to consider flexibility within the financial support provided through enabling activities for HFCs to enable parties operating under paragraph 1 of Article 5 of the Protocol who wish to do so, to use part of that support for energy efficiency policy and training support as it relates to the phase-down of controlled substances, such as:
 - (a) Developing and enforcing policies and regulations to avoid the market penetration of energy-inefficient refrigeration, air-conditioning and heat-pump equipment;
 - (b) Promoting access to energy-efficient technologies in those sectors;
 - (c) Targeted training on certification, safety and standards, awareness-raising and capacity-building aimed at maintaining and enhancing energy efficiency;
2. To request the Executive Committee of the Multilateral Fund to consider, within the context of paragraph 16 of decision XXVIII/2, increasing the funding provided to low-volume consuming countries to assist them in implementing the activities outlined in paragraph 1 of the present decision;
3. To request the Technology and Economic Assessment Panel to prepare a report on the cost and availability of low-global-warming-potential technologies and equipment that maintain or enhance energy efficiency, inter alia, covering various refrigeration, air-conditioning and heat-pump sectors, in particular domestic air-conditioning and commercial refrigeration, taking into account geographical regions, including countries with high ambient temperature conditions;
4. To continue supporting stand-alone projects in parties operating under paragraph 1 of Article 5 in accordance with Executive Committee decision 79/45;
5. To request the Executive Committee of the Multilateral Fund to build on its ongoing work of reviewing servicing projects to identify best practices, lessons learned and additional opportunities for maintaining energy efficiency in the servicing sector, and related costs;
6. Also to request the Executive Committee of the Multilateral Fund to take into account the information provided by demonstration and stand-alone projects in order to develop cost guidance related to maintaining or enhancing the energy efficiency of replacement technologies and equipment when phasing-down hydrofluorocarbons;
7. Further to request the Executive Committee of the Multilateral Fund, in dialogue with the Ozone Secretariat, to liaise with other funds and financial institutions to explore mobilizing additional resources and, as appropriate, set up modalities for cooperation, such as co-funding arrangements, to maintain or enhance energy efficiency when phasing down HFCs, acknowledging that activities to assist parties operating under paragraph 1 of Article 5 in complying with their obligations under the Montreal Protocol will continue to be funded under the Multilateral Fund in accordance with its guidelines and decisions.

(UNEP/OzL.Pro.30/11, Decision XXX/5)

2018 The Eighty-second Meeting of the Executive Committee decided:

- (a) To note the summary of the Parties' deliberations at the 40th Meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol and the Thirtieth Meeting of the Parties to the Montreal Protocol in relation to the report by the Technology and Economic Assessment Panel on issues related to energy efficiency (decision 81/67(b)), contained in documents UNEP/OzL.Pro/ExCom/82/65 and Add.1;
- (b) To provide flexibility for the Parties operating under Article 5 engaged in enabling activities in relation to implementation of the Kigali Amendment, should they so wish, to undertake the following activities using the funding already approved:

- (i) Development and enforcement of policies and regulations to avoid market penetration of energy-inefficient refrigeration, air-conditioning and heat-pump equipment;
 - (ii) Promotion of access to energy-efficient technologies in those sectors;
 - (iii) Targeted training on certification, safety and standards, awareness-raising and capacity-building aimed at maintaining and enhancing the energy efficiency;
- (c) To request the Secretariat to prepare a paper for consideration by the Executive Committee at its 83rd meeting, describing ways to operationalize paragraph 16 of decision XXVIII/2, and paragraph 2 of decision XXX/5, taking into account the criteria, performance indicators, and associated funding mechanisms of servicing sector plans in existing or new HCFC phase-out management plans for low-volume-consuming countries;
- (d) Further to request the Secretariat to prepare a paper for consideration by the Executive Committee at its 83rd meeting, providing, as a first step, information on relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs under the Multilateral Fund, including the modalities used by those institutions to provide such resources to developing countries and the feasibility of implementing agencies implementing the co-funding requests of those institutions;
- (e) To discuss, at its 83rd meeting, ways to operationalize paragraph 22 of decision XXVIII/2, and paragraph 5 and 6 of decision XXX/5, including:
- (i) Initiatives associated with maintaining and/or enhancing the energy efficiency of replacement technologies with low or zero global-warming potential in the refrigeration, air-conditioning and heat-pump sector, such as:
 - a. Methodologies to quantify changes in energy efficiency; and
 - b. Technical interventions associated with maintaining and/or enhancing energy efficiency;
 - (ii) Cost-related issues such as associated incremental costs, payback opportunities and costs of monitoring and verification;
 - (iii) Possible environmental benefits, particularly those associated with climate; and
- (f) To request the Secretariat to prepare, for consideration by the Executive Committee at its 83rd meeting, a summary of the report by the Technology and Economic Assessment Panel on matters related to energy efficiency with regard to the issues identified in sub-paragraph (e) above.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/83)

(Supporting document: UNEP/OzL.Pro/ExCom/82/65 and Add.1)

HFC phase-down in advance of the Kigali Amendment targets

The Ninety-third Meeting of the Executive Committee decided that proposals for projects that reduced HFC consumption in advance of Montreal Protocol targets could be considered on a case-by-case basis for countries that had a strong national level of commitment in place to support such reductions.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/44)

Guidelines on methodologies and cost calculations with respect to the consumption production and servicing sectors

The Eighty-third Meeting of the Executive Committee decided to continue discussing ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 82/83(c)) at its 84th meeting and to use the text contained in Annex XII to the present report as the basis for that discussion.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/62)

(Supporting document: UNEP/OzL.Pro/ExCom/83/40)

The Eighty-third Meeting of the Executive Committee decided to defer to the 84th meeting consideration of the issues raised by the paper on information on relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs (decision 82/83 (d)), contained in document UNEP/OzL.Pro/ExCom/83/41.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/63)

(Supporting document: UNEP/OzL.Pro/ExCom/83/41)

The Eighty-third Meeting of the Executive Committee decided to defer to the 84th meeting consideration of the summary of the report by the Technology and Economic Assessment Panel on matters related to energy efficiency

with regard to the issues identified in decision 82/83(e) (decision 82/83(f)), contained in document UNEP/OzL.Pro/ExCom/83/42.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/64)

(Supporting document: UNEP/OzL.Pro/ExCom/83/42)

The Thirty-first Meeting of the Parties decided to request the Technology and Economic Assessment Panel to prepare a report for consideration by the Thirty-Second Meeting of the Parties addressing any new developments with respect to best practices, availability, accessibility and cost of energy-efficient technologies in the refrigeration, air-conditioning and heat-pump sectors as regards the implementation of the Kigali Amendment to the Montreal Protocol.

(UNEP/OzL.Pro.31/9/Add.1, Decision XXXI/7)

The Eighty-fourth Meeting of the Executive Committee decided to defer and continue discussing ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 83/62) at its 85th meeting and to use the text contained in Annex XXIX to the present report as the basis for that discussion.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/88)

(Supporting document: UNEP/OzL.Pro/ExCom/84/67)

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) To note the information on relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs, contained in document UNEP/OzL.Pro/ExCom/84/68;
- (b) To request the Secretariat:
 - (i) To prepare, in consultation with implementing agencies, a document for the 85th meeting that could provide a framework for consultations with relevant funds and financial institutions to explore, at both the governing and operational levels, the mobilization of financial resources, additional to those provided by the Multilateral Fund, for maintaining or enhancing energy efficiency when replacing HFCs with low global-warming-potential refrigerants in the refrigeration and air-conditioning sector; and
 - (ii) To continue the informal exchange of information with relevant funds and financial institutions, including for the preparation of the document referred to in sub-paragraph (b)(i) above.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/89)

(Supporting document: UNEP/OzL.Pro/ExCom/84/68)

The Eighty-sixth Meeting of the Executive Committee decided to continue, at its 87th meeting, consideration of the framework for consultations with relevant funds and financial institutions to explore the mobilization of additional financial resources for maintaining or enhancing energy efficiency when replacing HFCs with low-global-warming-potential refrigerants in the refrigeration and air-conditioning sector, on the basis of the working document produced by the contact group formed at the formal online 86th meeting, as contained in Annex XLVIII, to the present report.

(UNEP/OzL.Pro/ExCom/86/100, Decision 86/94)

(Supporting document: UNEP/OzL.Pro/ExCom/86/93)

The Eighty-seventh Meeting of the Executive Committee decided:

- (a) To note the framework for consultations with relevant funds and financial institutions to explore the mobilization of additional financial resources for maintaining or enhancing energy efficiency when replacing HFCs with low-global-warming-potential refrigerants in the refrigeration and air-conditioning sector (decision 86/94), contained in document UNEP/OzL.Pro/ExCom/87/51;
- (b) To request the Secretariat to prepare, for the first meeting of the Executive Committee in 2022, a report identifying options, within the Multilateral Fund and by working with other financial institutions that financed energy efficiency and whose procedures could be compatible with those of the Multilateral Fund,

for mobilizing financial resources for maintaining and/or enhancing energy efficiency when replacing HFCs with low-global-warming-potential alternatives in the relevant foam manufacturing sub-sectors and the refrigeration, air-conditioning and heat pump sectors; and

- (c) To request the Secretariat as part of the report referred to in sub-paragraph (b) above to identify the relevant procedures and conditions relating to the provision of grants and other funding options by the other financial institutions for maintaining and/or enhancing energy efficiency.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/51)

(Supporting document: UNEP/OzL.Pro/ExCom/87/51)

The Thirty-third Meeting of the Parties decided to request the Technology and Economic Assessment Panel to prepare a report on energy-efficient and lower-global-warming-potential technologies and on measures to enhance and maintain energy efficiency during hydrofluorocarbon transition in equipment for consideration by the Open-ended Working Group at its forty-fourth meeting.

(UNEP/OzL.Pro.33/8/Add.1, Decision XXXIII/5)

The Eighty-ninth Meeting of the Executive Committee decided:

- (a) To note the paper on ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 82/83(c)), contained in document UNEP/OzL.Pro/ExCom/83/40;
- (b) To consider the following additional activities for inclusion in existing and future HCFC phase-out management plans (HPMPs) for low-volume-consuming (LVC) countries, when needed for the introduction of alternatives to HCFCs with low or zero global-warming potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector:
- (i) Pilot projects designed for and targeted towards end users, relating primarily to energy efficient small-capacity refrigeration, air-conditioning and heat-pump (RACHP) equipment using alternative low-GWP technologies to address challenges related to market acceptance;
 - (ii) Updating of training material to strengthen components related to good practices and energy efficiency during assessment, installation, maintenance and servicing of RACHP equipment, including safety considerations when addressing refrigerants with differing operating characteristics with regard to flammability, toxicity and pressure;
 - (iii) Coordination and collaboration between the national ozone units and relevant authorities and bodies to include appropriate consideration of low-GWP refrigerants during the development of cooling and energy efficiency plans, which among others include minimum energy performance standards (MEPS) and, as appropriate, labelling and testing programmes, and standards for RACHP equipment;
 - (iv) Development and implementation of competency-based certification schemes for technicians and the strengthening of national institutions for such systems including for energy efficiency and safety; and
 - (v) Awareness and outreach programmes to promote the introduction of MEPS and labelling systems; the mandatory certification of technicians; and the introduction of energy-efficient RACHP equipment operating with low- or zero-GWP refrigerants;
- (c) To provide the following funding, when needed, for the activities identified in subparagraph (b) above, on the understanding that Article 5 countries would have flexibility in using the additional funding to address specific needs that might arise during project implementation relating to introduction of alternatives to HCFCs with low- or zero-GWP refrigerants and for maintaining energy efficiency in the refrigeration servicing sector:

Consumption (mt)*	Additional funding (US \$)
Less than 120	100,000
120-360	120,000

* Level of HCFC baseline consumption in the refrigeration servicing sector

- (d) To request bilateral and implementing agencies, when submitting an HPMP tranche request, to include in the tranche implementation plan, the specific actions, performance indicators and funding associated with

the activities referred to in sub-paragraph (b) above; a progress report on implementation of those activities under the previous funding tranche; and a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee.

(UNEP/OzL.Pro/ExCom89/16, Decision 89/6)

(Supporting document: UNEP/OzL.Pro/ExCom/83/40)

The Ninetieth Meeting of the Executive Committee decided:

(a) To note:

- (i) The report identifying options, including the relevant procedures and conditions, for mobilizing financial resources to maintain and/or enhance energy efficiency when replacing HFCs with low-global-warming-potential alternatives (decision 87/51) contained in document UNEP/OzL.Pro/ExCom/89/12;
- (ii) With appreciation the participation of the funding and financial institutions that had provided information to the Secretariat as part of its data collection exercise for the report identified in sub-paragraph (a)(i), above;

(b) To request the Secretariat:

- (i) To develop, for consideration by the Executive Committee at its 91st meeting, criteria for pilot projects to maintain and/or enhance energy efficiency of replacement technologies and equipment in the context of the HFC phase-down;
- (ii) To prepare, for consideration by the Executive Committee at its 91st meeting, an operational framework to further elaborate on institutional aspects and projects and activities that could be undertaken by the Multilateral Fund for maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the manufacturing and servicing sector when phasing down HFCs in the categories set out in document UNEP/OzL.Pro/ExCom/89/12 in the context of implementing options 1 and 2 in table 3 of the document, taking into consideration the comments made by the Executive Committee during its 89th and 90th meetings; and
- (iii) To continue its consultations with the secretariats of the Global Environment Facility and the Green Climate Fund and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs, and to report back to the Executive Committee at its 91st meeting.

(UNEP/OzL.Pro/ExCom90/40, Decision 90/50)

(Supporting document: UNEP/OzL.Pro/ExCom/89/12)

The Thirty-fourth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to:

(a) Include in its 2023 progress report:

- (i) Information on enhancements in energy efficiency associated with improvements in appliance foams;
- (ii) Updates relating to the availability, accessibility, electrical compatibility, and cost of energy efficient products and equipment containing low- or zero global warming-potential refrigerants in the refrigeration, air-conditioning and heat pump sectors;
- (iii) Information on testing equipment and procedures for validation of energy efficiency claims to enforce minimum energy efficiency standards and labels, and information on voluntary labelling programmes;
- (iv) Information on barriers to consumer and business acceptance of the adoption of more energy-efficient products and equipment containing low- or zero global warming-potential refrigerants, including barriers related to electrical compatibility of such products and equipment, and possible solutions for sustainable transition to such products and equipment;

- (v) Analysis of the potential benefits of introducing more energy-efficient refrigeration, air-conditioning and heat pump equipment, including costs and related climate benefits while phasing down HFCs;
 - (vi) Information on the range of, and trends, in global warming potential and energy efficiency of refrigeration, air-conditioning and heat pump equipment, for which there are available data;
 - (b) Integrate updates on energy efficiency while phasing down HFCs in the refrigeration, air-conditioning and heat pump sectors in its progress and quadrennial assessment reports from 2023 onwards;
2. To request the Executive Committee to take into consideration the information prepared by the Technology and Economic Assessment Panel in the preparation and finalization of the energy efficiency cost guidance in the context of the Kigali Amendment (decision XXVIII/2, para. 22), and to report on its progress in the context of the annual report of the chair of the Executive Committee to the Meeting of the Parties;
 3. To request the Executive Committee to continue to support activities to maintain and enhance energy efficiency while phasing down HFCs in countries wishing to do so;
 4. To request the Secretariat to:
 - (a) Organize a one-day workshop in 2023, back to back with the Meeting of the Parties, to share information, experiences and lessons learned, and assess challenges related to ways of improving availability and accessibility of energy-efficient equipment and equipment using low- or zero-global-warming-potential alternatives during the implementation of the Kigali Amendment;
 - (b) Prepare a report of existing policies addressing the interlinkages between phasing down HFCs and enhancing energy efficiency;
 5. To encourage parties to:
 - (a) Enhance coordination between domestic energy and ozone officials to enhance energy efficiency while phasing down HFCs;
 - (b) Support upgrading domestic servicing, including related certification programmes and technician training to maintain and/or to enhance energy efficiency, reduce refrigerant leaks, and ensure proper installation and maintenance of refrigeration, air-conditioning and heat-pump equipment;
 - (c) When phasing down HFCs, to take into account, as appropriate, the information contained in volume 3 of the Technology and Economic Assessment Panel 2022 report responding to decision XXXIII/5

(UNEP/OzL.Pro.34/9/Add.1, Decision XXXIV/3 (paras. 2 & 3))

The Ninety-first Meeting of the Executive Committee agreed to pursue, at its 92nd meeting, consideration of the report on consultations with the secretariats of the Global Environment Facility and the Green Climate Fund and other relevant funding institutions on opportunities for sharing information on policies, projects and relevant funding modalities relating to maintaining and/or enhancing energy efficiency while phasing down HFCs (decision 90/50(b)(iii)).

(UNEP/OzL.Pro/ExCom/91/72, para. 261)

(Supporting documents: UNEP/OzL.Pro/ExCom/91/65)

The Ninety-first Meeting of the Executive Committee decided:

- (a) That decision 89/6 applied to low-volume-consuming countries that had already completed their HCFC phase-out management plans.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/37(a))

(Supporting document: UNEP/OzL.Pro/ExCom/91/28 paras.8-11)

The Ninety-first Meeting of the Executive Committee decided:

- (a) To note the information provided in the criteria for pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (decision 90/50(b)(i)) contained in document UNEP/OzL.Pro/ExCom/91/63;

(b) To consider the following criteria when selecting pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down:

(i) Support would be provided only for projects related to the following activities, as included in document UNEP/OzL.Pro/ExCom/91/63, specifically:

Manufacturing activities

- a. Conversion projects to maintain and/or enhance energy efficiency while converting from HFCs in the manufacture of domestic refrigeration, stand-alone commercial refrigeration, residential and commercial air-conditioning and heat-pumps would be considered in priority;
- b. Conversion projects in other sectors, such as mobile air-conditioning and transport refrigeration, would be considered on a case-by-case basis;

Assembly and installation activities of large commercial and industrial refrigeration, air-conditioning and heat-pump equipment

- c. Projects involving technical assistance for the assembly and installation of equipment that would result in the adoption of technologies to maintain and/or enhance energy efficiency while converting from HFCs and demonstrate replicability and scalability in the country or region would be considered in priority;

Servicing activities

- d. Projects in the servicing sector including, but not be limited to, activities identified in decision 89/6(b) would be considered in priority in the context of Kigali HFC implementation plans (KIPs), except for those activities that had already been funded under decision 89/6(b) in the context of the HCFC phase-out management plan for the country in question;

Technical assistance for small and medium-sized enterprises (SMEs) in manufacturing and assembly/installation

- e. Projects involving technical assistance for SMEs to support the adoption of energy-efficient technologies and alternatives while phasing down HFCs would be considered on a case-by-case basis, provided that such technical assistance projects assisted beneficiaries in maintaining and/or enhancing energy efficiency while phasing down HFCs;
- (ii) Pilot projects were to be submitted in the context of HFC phase-down, as part of a KIP and/or as an investment project or sector plan in the manufacturing, assembly/installation and servicing sectors;
- (iii) Energy-efficiency activities should consider incentivizing opportunities to avoid the continued growth in use of controlled substances, where feasible;
- (iv) Projects submitted for consideration should include confirmation from the Government concerned:
- a. That, for projects in the manufacturing sector, the country had in place minimum energy performance standards (MEPS) and a mechanism to monitor and assess their implementation;
 - b. That the national ozone unit would coordinate with relevant energy-efficiency authorities and national standards bodies to facilitate consideration of refrigerant transition when developing energy-efficiency standards in the relevant sectors/applications;
 - c. That, if recipient Article 5 countries had mobilized or were to mobilize funding from sources other than the Multilateral Fund for energy-efficiency components when phasing down HFCs, the project would not result in the duplication of activities among those funded by the Multilateral Fund and those funded from other sources;
 - d. That the information on project progress, results and key learning would be made available, as appropriate;
 - e. That the date of completion of the project would be set as no more than 36 months after the date of approval by the Executive Committee and a detailed project report would be submitted to the Executive Committee within six months of the date of completion of the project;

- (v) Projects should be submitted as of the 93rd meeting up to and including the 96th meeting; would be considered on a case-by-case basis; should aim to have broad replicability within the country, region or sector; and should take into account regional and geographic distribution;
- (vi) The country proposing the pilot project should have, or prioritize the development of, national and/or regional MEPS, including a process or mechanism to monitor and assess their implementation in relation to the relevant sector/application, and, if no MEPS exist, countries should consider priority projects in the servicing sector or that support the development of MEPS and initial awareness and capacity-building initiatives for their enforcement on the understanding that the conditions referred to in subparagraphs (b)(iv)b. to (b)(iv)e. above would apply;
- (viii) The project should include consultation with relevant stakeholders; and
- (c) To establish a funding window for pilot projects in the amount of US \$20 million with the possibility of augmenting that funding window at a future meeting to maintain and/or enhance energy efficiency in the context of HFC phase-down as specified in decision XXVIII/2, following the criteria identified in subparagraph (b) above.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/65)

(Supporting document: UNEP/OzL.Pro/ExCom/91/63)

The Ninety-first Meeting of the Executive Committee agreed to pursue, at its 92nd meeting, consideration of the operational framework to further elaborate on institutional aspects and projects and activities that could be undertaken by the Multilateral Fund for maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the manufacturing and servicing sectors when phasing down HFCs in the categories set out in document UNEP/OzL.Pro/ExCom/89/12 in the context of implementing options 1 and 2 in table 3 of the document (decision 90/50(b)(ii)) and to take into consideration the relevant items referred to in paragraph 243 and to also use, inter alia, the working text provided at the 91st meeting by the Governments of Brazil and India, contained in Annex XXXIII to the present report, for subsequent discussions.

(UNEP/OzL.Pro/ExCom/91/72, para. 254)

(Supporting documents: UNEP/OzL.Pro/ExCom/91/64)

The Ninety-second Meeting of the Executive Committee decided to allow the bilateral and implementing agencies to submit requests for activities referred to in decision 89/6(b) separately from HCFC phase-out management plan tranche requests, including a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee, on the understanding that those activities were integrated into the ongoing tranche implementation plans and submitted 10 weeks in advance of the relevant Executive Committee meeting and that a progress report on the implementation of the activities would be included in the tranche progress reports associated with the requests for future tranches.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/22)

(Supporting document: UNEP/OzL.Pro/ExCom/92/13, Section III.1)

The Ninety-second Meeting of the Executive Committee decided:

- (a) To request the Secretariat to develop a report for consideration of the Executive Committee at its 93rd meeting containing the following:
 - (i) Any additional activities to maintain and/or enhance energy efficiency while phasing down HFCs beyond those listed in paragraph (b)(i) of decision 91/65;
 - (ii) Information on additional costs and savings while implementing activities, including those identified in subparagraph (a)(i) above, taking into account the payback associated with use of energy-efficient equipment and other benefits to the consumer;
 - (iii) Options for funding modalities in the Multilateral Fund as well as possible implications of their operation, including with respect to the information in subparagraph (a)(ii) above, for maintaining

and/or enhancing energy efficiency when phasing down HFCs, taking into account the parameters in paragraph 21 of document UNEP/OzL.Pro/ExCom/91/64;

- (iv) Updated information on the role of other institutions addressing energy efficiency, where appropriate;
- (v) A proposed methodology for monitoring and reporting on the progress of projects to maintain and/or enhance energy efficiency of replacement equipment in the HFC phase-down, taking note of relevant methodologies, where appropriate; and

- (b) To support action through the Multilateral Fund to maintain and/or enhance energy efficiency when phasing down HFCs, without prejudice to funding levels.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/38).

(Supporting documents: UNEP/OzL.Pro/ExCom/92/47 and UNEP/OzL.Pro/ExCom/91/64).

The Ninety-second Meeting of the Executive Committee decided:

- (b) To request the Secretariat to prepare, for consideration by the Executive Committee at its 94th meeting, a paper on how HCFC phase-out and HFC phase-down activities supported by the Multilateral Fund might contribute to sustainable cooling.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/1).

(Supporting document: UNEP/OzL.Pro/ExCom/92/2).

The Ninety-third Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/93/98 on an operational framework to further elaborate on institutional aspects and projects and activities that could be undertaken by the Multilateral Fund for maintaining and/or enhancing the energy efficiency of replacement technologies and equipment in the manufacturing and servicing sectors when phasing down HFCs;
- (b) To continue to advance efforts at the 94th meeting towards adopting an operational framework to support maintaining or enhancing energy efficiency, taking into account the information presented in document UNEP/OzL.Pro/ExCom/93/98 and other information requested in the present decision;
- (c) In the framework of decision 91/65, to invite countries that wish to do so to submit projects for maintaining and/or enhancing energy efficiency while phasing down HFCs as part of Kigali HFC implementation plans, noting that the Executive Committee was holding consultations on the funding modalities explained in document UNEP/OzL.Pro/ExCom/93/98;
- (d) To request the Secretariat to prepare a document for consideration at the 94th meeting that would further elaborate on the operational framework to support maintaining and/or enhancing energy efficiency described in document UNEP/OzL.Pro/ExCom/93/98 and would include the following:
 - (i) A methodology for quantifying energy-efficiency gains;
 - (ii) The specific roles of national ozone units and of bodies regulating energy efficiency;
 - (iii) Potential modalities for funding both investment and non-investment activities, including those listed in part III and part IV of document UNEP/OzL.Pro/ExCom/93/98, taking into the consideration in subparagraph (d)(i) above, the principles listed in paragraphs 10–12 of document UNEP/OzL.Pro/ExCom/93/98 and the framework to define each funding modality to support enterprises in various stages of project implementation;
 - (iv) The further refining and expansion of the information provided in part III of document UNEP/OzL.Pro/ExCom/93/98 on the five equipment types to

- incorporate any relevant updates and to make estimates of the kilowatt hours saved and on the climate benefits in carbon dioxide equivalent for each of the manufacturing conversions, to the extent feasible;
- (v) Potential modalities for monitoring and reporting on progress and the outcomes of the projects for maintaining and/or enhancing energy efficiency; and
 - (vi) The further development of information on a revolving fund, taking into account existing models implemented by other funds and financial institutions, including the potential implications for the Multilateral Fund and its implementing agencies.

(UNEP/OzL.Pro/ExCom/93/105, Decision 93/93).

(Supporting document: UNEP/OzL.Pro/ExCom/93/98).

Safety standards

The Twenty-eighth Meeting of the Parties decided:

1. To request the Technology and Economic Assessment Panel to establish a task force that includes outside experts, as needed:
 - (a) To liaise and coordinate with standards organizations, including IEC, to support the timely revision of IEC standard 60335-2-40 and ensure that the requirements for the A2, A2L and A3 categories are revised synchronously using a fair, inclusive and scientifically sound approach;
 - (b) To submit to the Open-ended Working Group at its thirty-ninth meeting a report on safety standards relevant for low-GWP alternatives, including on the following:
 - (i) Progress in the revision of international safety standards by the IEC, the International Organization for Standardization (ISO) and other international standards bodies;
 - (ii) Information concerning tests and/or risk assessments and their results relevant to safety standards;
 - (iii) Assessment of the implications of international standards for the implementation of the decisions of the Meeting of the Parties to the Montreal Protocol on the accelerated phase-out of HCFCs and HFC control measures, and recommendations to the parties;
 - (c) To provide relevant findings to the standards bodies;
2. To request the Ozone Secretariat to organize a workshop on safety standards relevant to the safe use of low-GWP alternatives back to back with the thirty-ninth meeting of the Open-ended Working Group, within existing resources;
3. To urge parties to consult and work with their industries and standards bodies to support the timely completion of the processes for developing new standards, harmonizing existing standards and revising current standards that would facilitate the adoption of additional environmentally friendly alternatives to HCFCs and HFCs and the broader deployment of existing such alternatives and allow for their use with a goal of completing such efforts by the end of 2018;
4. To invite parties to submit to the Ozone Secretariat by the end of 2016 information on their domestic safety standards relevant to the use of low-GWP flammable refrigerants;
5. To encourage parties to strengthen connections and cooperation between national and regional standards committees and national ozone units;
6. To request the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol to consider maintaining or, if required, increasing the Fund's technical and capacity-building assistance, in particular through the United Nations Environment Programme's Compliance Assistance Programme, with a view to improving cooperation between national authorities in charge of implementation of the Montreal Protocol and national and regional standards committees;
7. To consider holding regular consultations on international safety standards with the Ozone Secretariat and relevant international standards bodies, including IEC and ISO, and regional standards bodies, including the European Committee for Standardization, the European Committee for Electrotechnical Standardization, UL (formerly known as Underwriters Laboratories), the American National Standards Institute, the American Society

of Heating, Refrigerating and Air-Conditioning Engineers and others, taking into account the outcomes of the processes mentioned in the present decision.

(UNEP/OzL.Pro.28/12 Decision XXVIII/4)

The Twenty-ninth Meeting of the Parties decided:

1. To request the Secretariat to hold regular consultations with the relevant standards bodies referred to in paragraph 7 of decision XXVIII/4 with a view to providing, with regard to standards for flammable low-GWP refrigerants, a tabular overview of relevant safety standards, drawing on the 2017 report of the task force on decision XXVIII/4 and the outcome of the consultations. The tabular overview should also include any relevant information submitted on a voluntary basis to the Secretariat by parties or by national and regional standards bodies,
2. That the overview shall provide concise information on the:
 - (a) Scope of activities, appliances or products covered;
 - (b) Content, namely the safety and relevant technical aspects addressed;
 - (c) Responsible standards body and its subsidiary body in charge of the standard, including hyperlinks to publicly accessible contact details as well as to information on content and review process;
 - (d) Status of the review (process and content under review);
3. To invite parties to update information submitted pursuant to decision XXVIII/4 by 1 January 2020;
4. To request the Secretariat to make the information referred to in paragraphs 1 and 2 of the present decision accessible on its website and to ensure an update of the tabular overview at least prior to each meeting of the parties up until the Thirty-Fourth Meeting of the Parties, when parties should consider whether to renew that request to the Secretariat;

(UNEP/OzL.Pro.29/8, Decision XXIX/11)

The Thirty-fourth Meeting of the Parties decided:

1. To request the Secretariat to continue providing information on relevant safety standards, as requested in decision XXIX/11, at least prior to each Meeting of the Parties up until the Forty-First Meeting of the Parties, when parties should consider whether to renew that request to the Secretariat;
2. To request the Secretariat to include further relevant safety standards when notified by a party or a group of parties of the adoption of a standard.

(UNEP/OzL.Pro.34/9/Add.1, Decision XXXIV/12).

Issues relevant to the Executive Committee arising from the Twenty-eighth meeting of the Parties to the Montreal Protocol

The Seventy-seventh meeting of the Executive Committee decided:

- (a) To hold a four-day special meeting early in 2017 to address matters related to the Kigali Amendment to the Montreal Protocol arising from decision XXVIII/2 of the Meeting of the Parties, and potential additional contributions to the Multilateral Fund;
- (b) To request the Secretariat to prepare a document containing preliminary information in response to the elements in decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties that requested the Executive Committee to take action, and addressing the following issues:
 - (i) Available information on HFC consumption and production, as well as on HFC 23 by-product, including from surveys of ODS alternatives funded by the Multilateral Fund and other sources;
 - (ii) The enabling activities required to assist Article 5 countries in commencing their reporting and regulatory activities in relation to the HFC-control measures;
 - (iii) Key aspects related to HFC-23 by product-control technologies;
 - (iv) Identification of the issues that the Executive Committee might want to consider in relation to existing HCFC phase-out activities;
 - (v) Information relevant to the development of the cost guidelines requested from the Executive Committee;

- (c) To invite Executive Committee members of the 77th meeting to share relevant information with the Secretariat on, but not limited to, the elements listed in sub paragraphs (b)(i) to (v) above, no later than 31 January 2017 on an exceptional basis owing to the limited time until the end of 2016;
- (d) With respect to the intended US \$27 million fast-start contributions in 2017 from some of the non-Article 5 Parties:
- (i) To accept, with appreciation, the additional contributions announced by a number of non-Article 5 Parties to provide fast-start support for implementation of the Kigali Amendment, noting that such funding was one-time in nature and would not displace donor contributions;
 - (ii) That the additional contributions mentioned in sub-paragraph (d)(i) above should be made available for Article 5 countries that had an HFC consumption baseline year between 2020 and 2022 and that had formally indicated their intent to ratify the Kigali Amendment and take on early HFC phase-down obligations in order to support their enabling activities, such as capacity building and training in handling HFC alternatives, Article 4B licensing, reporting, and project preparation activities, taking into account, but not restricted to, relevant guidelines and decisions of the Executive Committee;
 - (iii) To request the Secretariat to develop a document describing possible procedures for countries identified in sub-paragraph (d)(ii) above in accessing the additional fast-start contributions for enabling activities;
 - (iv) That the Treasurer would communicate with contributing non-Article 5 countries on procedures for making the additional contributions available to the Multilateral Fund for the purpose of early action in respect of the Kigali Amendment;
 - (v) That the Secretariat would report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund; and
- (e) To request the Secretariat to prepare an agenda for the special meeting referred to in sub paragraph (a) above based on the issues identified in sub-paragraphs (b) to (d) above.

*(UNEP/OzL.Pro/ExCom/77/76, Decision 77/59, para 213
(Supporting document: UNEP/OzL.Pro/ExCom/77/70/Rev.1).*

The Seventy-eighth meeting of the Executive Committee decided:

- (a) To note the report on the available information on HFC consumption and production in Article 5 countries contained in documents UNEP/OzL.Pro/ExCom/78/4 and Corr.1;

*(UNEP/OzL.Pro/ExCom/78/11, Decision 78/3, para.25(a)
(Supporting document: UNEP/OzL.Pro/ExCom/78/4 and Corr.1).*

Development of the cost guidelines for the phase-down of HFCs in Article 5 countries

The Seventy-eighth meeting of the Executive Committee decided:

- (a) To take note of the information relevant to the development of the cost guidelines for the phase-down of HCFCs in Article 5 countries: draft criteria for funding contained in documents UNEP/OzL.Pro/ExCom/78/5 and Corr.1;

In relation to flexibility in implementation that enables Parties to select their own strategies and priorities in sectors and technologies

- (b) To include paragraph 13 of decision XXVIII/2 in the relevant section of the draft template of the cost guidelines for the phase-down of HFCs contained in Annex I to the present report;

In relation to the cut-off date for eligible capacity

- (c) To include paragraph 17 of decision XXVIII/2 in the relevant section of the draft template of the cost guidelines for the phase-down of HFCs contained in Annex I to the present report;

In relation to second and third conversions

- (d) To include paragraph 18 of decision XXVIII/2 in the relevant section of the draft template of the cost guidelines for the phase-down of HFCs contained in Annex I to the present report;

In relation to sustained aggregate reductions in HFC consumption and production

- (e) To continue discussions on:
- (i) The methodology for determining the starting point, including whether it would be expressed in CO₂ equivalents, metric tonnes, or both;
 - (ii) The inclusion of paragraph 19 of decision XXVIII/2 in the relevant section of the draft template of the cost guidelines for the phase-down of HFCs;

In relation to eligible incremental costs

For the consumption manufacturing sector

- (f) In accordance with paragraph 15(a) of decision XXVIII/2, to make the following categories of costs eligible and to include them in the cost calculation associated with the phase-down of HFCs in the consumption manufacturing sector contained in Annex I to the present report:
- (i) Incremental capital costs (ICCs);
 - (ii) Incremental operating costs (IOCs) for a duration to be determined by the Executive Committee;
 - (iii) Technical assistance activities;
 - (iv) Research and development, when required to adapt and optimize alternatives to HFCs with low- or zero-global warming potential;
 - (v) Costs of patents and designs, and incremental costs of royalties, when necessary and cost effective;
 - (vi) Costs of the safe introduction of flammable and toxic alternatives;
- (g) To consider approving a limited number of HFC-related projects in the manufacturing sector only, without prejudice to different kinds of technology, no later than at the first meeting of 2019, to allow the Committee to gain experience in the ICCs and IOCs that might be associated with phasing down HFCs in Article 5 countries, on the understanding: that any Article 5 country that submitted a project should have ratified the Kigali Amendment or submitted a formal letter indicating the government's intention to ratify the Amendment; that no further funding would be available until the instrument of ratification had been received by the depositary at the Headquarters of the United Nations in New York; and that any amount of HFC reduced as a result of the project would be deducted from the starting point;
- (h) To consider costs and savings related to opportunities for further avoiding HFCs in HCFC phase-out activities and how they could be addressed; and

For the other matters discussed in relation to documents UNEP/OzL.Pro/ExCom/78/5 and Corr.1

- (i) To request the Secretariat to prepare a document containing the elements of decision XXVIII/2 presented by the Chair of the Executive Committee in his written summary of discussions on agenda item 6(a), Information relevant to the development of the cost guidelines for the phase-down of HFCs in Article 5 countries, at the 78th meeting, for further consideration by the Executive Committee at its 79th meeting, including a summary of the issues pending, such as eligible incremental costs (consumption manufacturing, production sector, refrigeration servicing sector, and other costs), energy efficiency, capacity building to address safety, disposal and eligibility of Annex F substances subject to high-ambient-temperature exemptions.

*(UNEP/OzL.Pro/ExCom/78/11, Decision 78/3, para. 99
(Supporting document: UNEP/OzL.Pro/ExCom/78/5 and Corr.1).*

The Seventy-ninth meeting decided:

- (a) To note the development of the cost guidelines for the phase-down of HFCs in Article 5 countries: draft criteria for funding (decision 78/3) contained in document UNEP/OzL.Pro/ExCom/79/46;
- (b) To develop guidelines for funding the phase-down of HFC consumption and production for submission to the Thirtieth Meeting of the Parties in 2018, and to finalize the guidelines as soon as possible thereafter, taking into account the views and input provided by the Parties;
- (c) To agree that, in line with paragraph 11 of decision XXVIII/2 on overarching principles and timelines, the Chair of the Executive Committee would report in relation to the HFC phase-down:

- (i) To the Twenty-Ninth Meeting of the Parties on the progress of the Executive Committee in developing cost guidelines for funding HFC phase-down; and
- (ii) To future Meetings of the Parties on progress made, including on cases where Executive Committee deliberations had resulted in a change in a national strategy or a national technology choice submitted to the Executive Committee.

UNEP/OzL.Pro/ExCom/79/51, Decision 79/44, para. 142)
(Supporting document: UNEP/OzL.Pro/ExCom/79/46)

The Eightieth Meeting of the Executive Committee decided:

- (a) To include in the draft template of the cost guidelines for the phase-down of HFCs contained in Annex XXVIII to the present report:
 - (i) Text related to sustained aggregate reductions in line with paragraph 19 of decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties;
 - (ii) Text related to the eligibility of Annex F substances subject to high ambient temperature exemptions, in line with paragraph 35 of decision XXVIII/2;
 - (iii) For the production sector, the categories of costs in sub-paragraph 15(b) of decision XXVIII/2; and
 - (iv) For the refrigeration servicing sector, the categories of costs in sub-paragraph 15(c) of decision XXVIII/2;
- (b) To continue to use the draft template of the cost guidelines for the phase-down of HFCs and the list of outstanding elements for further discussion, contained in Annexes XXVIII and XXIX, respectively, to the present report, as the working documents for discussions at the 81st meeting and future meetings on the development of the cost guidelines for the phase down of HFCs in Article 5 countries, noting that additional elements could be added as required;
- (c) To request the Secretariat to prepare a preliminary document for the 82nd meeting, in cooperation with bilateral and implementing agencies, on all aspects related to the refrigeration servicing sector that support the HFC phase-down, taking into account:
 - (i) Previous policy documents, case studies, monitoring and evaluation reviews, and the work undertaken by bilateral and implementing agencies in developing and implementing training and technical assistance programmes, in particular the partnership that the Compliance Assistance Programme had established with world recognized training and certification institutes;
 - (ii) Analysis of the existing capacities in Article 5 countries with the funding approved thus far for the refrigeration servicing sector and how those could be utilized for HFC phase-down, in relation to:
 - a. The results of funded recovery, recycling and reclamation activities and the provision of servicing tools, and their potential to reduce refrigerant emissions;
 - b. The extent of the involvement of the private and/or public sector (e.g. equipment, components and refrigerant suppliers) in introducing and adopting alternatives in the servicing sector;
 - c. Health and safety standards, protocols and equipment (including protective equipment) available for alternatives;
 - d. Training and certification programmes;
 - e. If and how energy efficiency was addressed in the servicing/end-user sector; and
 - (iii) The minimum information needed for the development of training and competency-based certification programmes and modules for service technicians and customs officers for the transition to alternatives.

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/76, para 243)
(Supporting document: UNEP/OzL.Pro/ExCom/80/55/).

The Eighty-first Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/81/53 on development of the cost guidelines for the phase-down of HFCs in Article 5 countries: draft criteria for funding;

- (b) To request the Secretariat to provide to the 82nd meeting the summary of the Parties' deliberations at the 40th Meeting of the Open-Ended Working Group of Parties to the Montreal Protocol and the Thirtieth Meeting of the Parties to the Montreal Protocol in relation to the report by the Technology and Economic Assessment Panel on issues related to energy efficiency in response to decision XXIX/10 of the Meeting of the Parties;
- (c) To consider, at the 82nd meeting, the matter of prioritization of technical assistance and capacity building to address safety issues associated with alternatives with low and zero global-warming potential (GWP) for all sectors, in light of the paper being prepared by the Secretariat in response to decision 80/76 regarding aspects of refrigeration servicing sector that supported HFC phase-down;
- (d) To consider, at the 82nd meeting, issues related to funding the cost-effective management of stockpiles of used or unwanted controlled substances, including through destruction, in light of the paper on ODS disposal being prepared by the Secretariat for that meeting in response to decision 79/18(e);
- (e) To request the Secretariat to prepare for the 82nd meeting a preliminary information document containing key considerations that could assist the Executive Committee in developing a methodology for establishing the starting point for sustained aggregate reductions under the Kigali Amendment for the consumption and production sectors, taking into account the discussions that had taken place at the 81st meeting;
- (f) To continue to use the draft template of the cost guidelines for the phase-down of HFCs and the list of outstanding elements for further discussion, contained in Annex XII and Annex XIII, respectively, to the present report, as the working documents for discussions at the 82nd and future meetings on the development of cost guidelines for the phase-down of HFCs in Article 5 countries, noting that additional elements could be added as required.

(UNEP/OzL.Pro/ExCom/81/58, Decision 81/67, para 209)

(Supporting document: UNEP/OzL.Pro/ExCom/81/53).

The Thirtieth Meeting of the Parties decided:

1. To request the Executive Committee of the Multilateral Fund to continue its work on developing guidelines for financing the phase-down of hydrofluorocarbon consumption and production, and provide an update on progress on the elements as part of the annual report of the Executive Committee to the meeting of the parties;
2. Also to request the Executive Committee of the Multilateral Fund to present the draft guidelines developed to the meeting of the parties for the parties' views and input before their finalization by the Executive Committee.

(UNEP/OzL.Pro.30/11, Decision XXX/4).

The Eighty-second meeting of the Executive Committee decided to consider, during the development of cost guidelines for the phase-down of HFCs in Article 5 countries, how an enterprise's interim use of technology with high global-warming potential (GWP) that was not the approved low-GWP technology should be treated in relation to a country's starting point for sustained aggregate reductions in HFC consumption.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/55).

The Eighty-second Meeting of the Executive Committee took note of the key considerations for developing a methodology for establishing the starting point for sustained aggregate reductions for the consumption and production sectors under the Kigali Amendment (decision 81/67(e)) contained in document UNEP/OzL.Pro/ExCom/82/66.

(UNEP/OzL.Pro/ExCom/82/72, para 304).

(Supporting document: UNEP/OzL.Pro/ExCom/82/66).

The Eighty-second Meeting of the Executive Committee decided to continue discussing the cost guidelines for the phase-down of HFCs in Article 5 countries: draft criteria for funding at the 83rd meeting.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/84).

(Supporting document: UNEP/OzL.Pro/ExCom/82/67 and Add.1).

The Eighty-second Meeting of the Executive Committee took note of the preliminary document on all aspects related to the refrigeration servicing sector that support the HFC phase-down (decision 80/76(c)) contained in document UNEP/OzL.Pro/ExCom/82/64.

(UNEP/OzL.Pro/ExCom/82/72, para 290).

(Supporting document: UNEP/OzL.Pro/ExCom/82/64).

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/83/43 on the development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding;
- (b) To request the Secretariat to prepare, for the 85th meeting, a document providing analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector, in light of the information provided in document UNEP/OzL.Pro/ExCom/82/64 and guidance provided by the Executive Committee, including the flexibility that Article 5 countries had in implementing their servicing sector activities in line with their national circumstances and the planned and ongoing activities in their HCFC phase-out management plans;
- (c) To consider, at the 84th meeting, the matter of disposal of controlled substances, in light of the final report on the evaluation of pilot demonstration projects on ODS disposal and destruction to be submitted by the Senior Monitoring and Evaluation Officer; and
- (d) To continue to use the draft template for the cost guidelines for the phase-down of HFCs and the list of outstanding elements for further discussion, contained in Annex XIII and Annex XIV, respectively, to the present report, as working documents for discussions, at the 84th and future meetings, on the development of cost guidelines for the phase-down of HFCs in Article 5 countries, noting that additional elements could be added as required.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/65).

(Supporting document: UNEP/OzL.Pro/ExCom/83/43).

The Eighty-fourth Meeting of the Executive Committee decided:

- (a) With regard to eligible incremental costs for the consumption manufacturing sector, to request the Secretariat to prepare, for the 86th meeting, a document providing analysis of and information, including aggregated information, in tabular form, on the incremental capital costs and incremental operating costs and their duration, and the cost-effectiveness of all approved investment projects in the relevant manufacturing sectors and sub-sectors, including the controlled substances that had been phased out and the alternative substances that had been phased in;
- (b) With regard to disposal, to request the Secretariat to prepare for the 85th meeting a synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2, taking into account:
 - (i) The final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction contained in document UNEP/OzL.Pro/ExCom/84/11, and the synthesis report on pilot ODS disposal projects contained in document UNEP/OzL.Pro/ExCom/82/21;
 - (ii) Other relevant projects implemented in HCFC phase-out management plans;
 - (iii) Lessons learned from existing infrastructure and policies that could be used to establish the cost-effective management of stockpiles of used or unwanted controlled substances; and
 - (iv) External funding opportunities and existing disposal programmes and partnerships.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/87).

(Supporting document: UNEP/OzL.Pro/ExCom/84/66).

The Eighty-seventh Meeting of the Executive Committee decided:

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

- (a) To note the draft guidelines for the preparation of HFC phase-down plans for Article 5 countries, contained in document UNEP/OzL.Pro/ExCom/87/46;
- (b) To include, in the funding for the preparation of an overarching strategy for stage I of the HFC phase-down plan, henceforth referred to as the Kigali HFC implementation plan (KIP), assistance for:
- (i) Extending existing or developing new legislation, policies and regulations as required for the import/export licensing and quota systems for controlled substances under Annex F (HFCs) of the Montreal Protocol;
- (ii) The conduct of a survey of HFC consumption and its sectoral distribution, surveys of enterprises in the manufacturing and servicing sectors, with analysis of the data to estimate the HFC baselines for compliance, and taking into account any HFC surveys conducted;
- (iii) The development of the overarching strategy for the phase-down of HFCs and a plan of action that would include the refrigeration servicing sector for stage I of the KIPs to address the freeze and 10 per cent reduction in HFC consumption;
- (iv) For those countries that wished to do so, consideration of integrating HFC phase-down activities with HCFC phase-out management plan activities;
- (v) For those countries that wished to do so, a description of relevant national initiatives, policies, regulations, and standards associated with maintaining and/or enhancing energy efficiency;
- (c) To provide funding for the elements described in sub-paragraphs (b)(i) to (v) above, as specified in the table below, based on the country's HCFC consumption baseline:

HCFC baseline (ODP tonnes)	Funding for preparation of stage I of the KIPs (US \$)
Below 1	100,000
1 and up to 6	130,000
Above 6 and up to 20	170,000
Above 20 and up to 100	190,000
Above 100 and up to 1,000	220,000
Above 1,000 and up to 2,000	230,000
Above 2,000	case-by-case

- (d) To determine and provide funding for, on a case-by-case basis, the preparation of stage I of any regional KIPs and those countries with an HCFC baseline consumption above 2,000 ODP tonnes;
- (e) That, for countries that chose to implement individual HFC investment projects or sector plans in advance of submission of stage I of the KIPs, the approval of each project should result in a phase-out of HFCs to count against the eligible consumption identified in the KIPs and should indicate how the investment project would relate to meeting the overarching strategy for the country and when the KIPs would be submitted;
- (f) To provide funding for any Article 5 country with a manufacturing sector using HFCs according to the number of manufacturing enterprises to be converted in line with decision 56/16(d) and (f), 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;
- (v) To limit the maximum funding provided for the preparation of the investment component for any country according to the table below:

HCFC baseline (ODP tonnes)	Funding 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) To request bilateral and implementing agencies, when submitting stage I of the KIPs on behalf of Article 5 countries, to include:
- (i) Confirmation that the country had an established and enforceable national system of licensing and quotas for monitoring HFC imports/exports in place, consistent with decision 63/17;
 - (ii) The Government's commitment and actions to ensure that funded HFC phase-out would be sustained over time;
 - (iii) An overview of any early actions to control HFC consumption;
- (h) To agree that institutions and capacities in Article 5 countries developed through Multilateral Fund assistance for the phase-out of ODS should be used to the extent practicable for the phase-down of HFCs, as appropriate; and
- (i) To request the Secretariat to prepare, with the assistance of the bilateral and implementing agencies, a guide for preparation of stage I of KIPs that could be used by Article 5 countries.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/50).

(Supporting document: UNEP/OzL.Pro/ExCom/87/46).

The Ninety-first Meeting of the Executive Committee decided:

- (a) In the absence of the cost guidelines for HFC phase-down, to consider HFC individual investment projects and stage I of the Kigali HFC implementation plans (KIPs) on a case by case basis and without setting a precedent for the cost guidelines or any future HFC individual investment projects and stage I of KIPs;

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/38(a)).

(Supporting document: UNEP/OzL.Pro/ExCom/91/28 paras. 15-21)

The Ninety-first Meeting of the Executive Committee decided:

- (a) To encourage Article 5 countries and implementing agencies, in the context of HFC surveys conducted during preparation of Kigali HFC implementation plans, to collect information on and provide estimates of any HFC consumption in the local installation and assembly subsector, when it was possible to do so and on a voluntary basis; and
- (b) To request the Secretariat to prepare a document, for consideration at the 92nd meeting, that provided a description of the local installation and assembly subsector, identifying to the extent possible the types of equipment and refrigerants that characterized that subsector and the challenges in transitioning to low-global-warming-potential alternatives. *Move????*

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/39).

The Ninetieth Meeting of the Executive Committee agreed to pursue consideration of the non-resolved issues relating to the development of the cost guidelines for the phase-down of HFCs in Article 5 countries on the basis of inter alia the working documents on the cost-effectiveness thresholds and the starting point for sustained aggregate reductions in HFC consumption and production, contained in Annex XXIII and Annex XXIV, respectively, to the present report, at its 91st meeting.

(UNEP/OzL.Pro/ExCom/90/40, para. 176).

(Supporting document: UNEP/OzL.Pro/ExCom/91/40).

The Ninety-first Meeting of the Executive Committee decided to request the Secretariat to prepare for the 92nd meeting:

- (a) A paper on the starting point for sustained aggregate reductions based on the discussions that took place at the 91st meeting in the contact group on the cost guidelines for the phase-down of HFCs; and

(b) Information to assist the Executive Committee in defining what was to be considered “small and medium-sized enterprises” in the commercial air-conditioning manufacturing and commercial refrigeration manufacturing sectors.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/64)

(Supporting document: UNEP/OzL.Pro/ExCom/91/62)

The Ninety-second Meeting of the Executive Committee decided:

- (a) To note the analysis of the level and modalities of funding for HFC phase-down in the refrigeration servicing sector, contained in documents UNEP/OzL.Pro/ExCom/91/61 and UNEP/OzL.Pro/ExCom/92/44;
- (b) To apply the following principles with regard to the eligible incremental costs in the refrigeration servicing sector for stage I of the Kigali HFC implementation plans (KIPs), on the understanding that the funding levels specified below would be revised for activities submitted for future KIP stages when activities under HCFC phase-out management plans (HPMPs) had been completed:
- (i) Article 5 countries must include in their KIPs, at a minimum:
- a. A commitment to meeting, without further requests for funding, at least the 10 per cent reduction target in HFC consumption in line with the compliance schedule of the Montreal Protocol, and to restricting imports of HFC-based equipment, if feasible, and if necessary to achieve the compliance schedule and support relevant phase-down activities;
 - b. Mandatory reporting, by the time funding tranches for the KIPs were requested, on the implementation of activities undertaken in the refrigeration servicing sector and in the manufacturing sector, when applicable, in the previous tranche, as well as a comprehensive annual work plan for the implementation of the activities associated with the next tranche;
 - c. A description of the roles and responsibilities of major stakeholders and the lead implementing agency and the cooperating agencies, where applicable;
 - d. A description of how activities in the servicing sector under KIPs and HPMPs would be coordinated in their implementation;
- (ii) Article 5 countries that had an average HFC consumption in the servicing sector during the baseline years of up to 360 metric tonnes would be provided funding consistent with the level of consumption in the refrigeration servicing sector, as shown in the table below, on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve at least the 10 per cent of the Montreal Protocol HFC reduction target;

Average HFC consumption in servicing in baseline years (metric tonnes)	Funding for meeting the 10 per cent Montreal Protocol HFC reduction target (US\$)*
>0 <15	135,000
15 <40	145,000
40 <80	158,000
80 <120	170,000
120 <160	180,000
160 <200	190,000
200 <300	325,000
300 <360	360,000

*Plus 20 per cent funding for countries committing to reduce consumption by 10 per cent of the average HFC consumption in the baseline years

- (iii) Article 5 countries with average HFC consumption above 360 metric tonnes and below 25,000 metric tonnes in the servicing sector in the baseline years would be provided funding, which would be deducted from their starting point for aggregate reductions in HFC consumption, at a level up to US \$5.10/kg on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve at least the 10 per cent HFC reduction target;
- (iv) Funding for Article 5 countries that had an average HFC consumption in servicing in baseline years above 25,000 metric tonnes would be considered on a case-by-case basis;
- (c) That Article 5 countries referred to in subparagraph (b)(iii) above that could achieve the 10 per cent reduction step in HFC consumption in line with the compliance schedule of the Montreal Protocol could receive funding up to the level determined for low-volume-consuming countries with average HFC consumption in servicing in the baseline years between 300 and 360 metric tonnes as specified in subparagraph (b)(ii) above, on the understanding that they must include in their HFC phase-down plans, as a minimum, the requirements described in subparagraph (b)(i) above; and
- (d) To include the principles referred to in subparagraphs (b) and (c) in the draft cost guidelines for the phase-down of HFCs and revisit the principles in 2028 for the funding of future stages of the KIPs.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/37)

(Supporting documents: UNEP/OzL.Pro/ExCom/91/61 and UNEP/OzL.Pro/ExCom/92/44).

The Ninety-second Meeting of the Executive Committee agreed to continue, at its 93rd meeting, discussion of the agenda item on draft guidelines for funding the phase-down of HFCs, including consideration of operationalizing paragraph 24 of decision XXVIII/2, including the working text on the cost-effectiveness thresholds contained in annex XX to the present report.

(UNEP/OzL.Pro/ExCom/92/56, para. 189; see Annex XX)

(Supporting documents: UNEP/OzL.Pro/ExCom/92/45 and UNEP/OzL.Pro/ExCom/92/46)

The Ninety-second Meeting of the Executive Committee decided:

- (a) To note the report on the local installation and assembly subsector, including types of equipment manufactured and refrigerants used and challenges in transitioning to low-global warming potential alternatives contained in documents UNEP/OzL.Pro/ExCom/92/49 and Corr.1;
- (b) To invite Article 5 countries, through the bilateral and implementing agencies, to provide to the Secretariat, on a voluntary basis, by 20 September 2023, information on the local installation and assembly subsector;
- (c) To request the Secretariat, taking into account the information provided by the Article 5 countries referred to in subparagraph (b) above, to prepare for consideration by the Executive Committee at its 93rd meeting a paper containing information on the types of activities that Article 5 countries could undertake, on the nature of the assistance required and on supply chain issues that needed to be resolved to address consumption in the local installation and assembly subsector in their Kigali HFC implementation plans (KIPs); and
- (d) To consider projects in the local installation and assembly subsector in the context of KIPs on a case-by-case basis.

(UNEP/OzL.Pro/ExCom/92/56, Decision 92/39)

(Supporting documents: UNEP/OzL.Pro/ExCom/92/49 and Corr.1).

The Ninety-third Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/93/99 on the types of activities that Article 5 countries could undertake, on the nature of the assistance required and on supply chain issues that needed to be resolved to address consumption in the local installation and assembly subsector in their Kigali HFC implementation plans (KIPs);
- (b) To take into consideration the information provided in the document referred to in subparagraph (a) above when discussing issues related to the local installation and assembly subsector and in deciding further steps on the matter;

- (c) To invite Article 5 countries, through the bilateral and implementing agencies or their KIPs, to continue providing to the Secretariat, on a voluntary basis, information on the local installation and assembly subsector;
- (d) To request the Secretariat to provide, at the 95th meeting, an update to the document referred to in subparagraph (a) above, taking into account additional information provided by Article 5 countries on the local installation and assembly subsector; and
- (e) To encourage bilateral and implementing agencies and Article 5 countries, when developing projects in the local installation and assembly subsector under stage I of their KIPs, to ensure that such projects take a strategic approach to facilitate the sustained phase down of HFCs in the applications being targeted by the project, taking into account the suggestions and activities proposed in document UNEP/OzL.Pro/ExCom/93/99.

(UNEP/OzL.Pro/ExCom/93/105, Decision 93/94)
(Supporting documents: UNEP/OzL.Pro/ExCom/93/99).

The Ninety-third Meeting of the Executive Committee agreed to continue, at the 94th meeting, consideration of the agenda item on draft guidelines for funding the phase-down of HFCs, including consideration of operationalizing paragraph 24 of decision XXVIII/2, using the working documents set out in annex LXII to the present report.

(UNEP/OzL.Pro/ExCom/93/105, para 351).
(Supporting document: UNEP/OzL.Pro/ExCom/93/96).

Requests for preparatory funding for HFC phase-down plans and demonstration pilot projects

The Eighty-fourth Meeting of the Executive Committee decided to request the Secretariat to prepare, for the 85th meeting:

- (a) Draft guidelines for the preparation of HFC phase-down plans for Article 5 countries that would include an overarching strategy and a stage I to meet the freeze in consumption and the 10 per cent reduction, taking into account lessons learned during the preparation of guidelines for project preparation for HCFC phase-out management plans, including the sectors as defined in decision 56/16, on the understanding that:
 - (i) The draft guidelines would address the need for policies and commitments on the part of Article 5 Parties to ensure limits on growth or reductions in HFC consumption that were sustained over time;
 - (ii) The draft guidelines would include the proposed levels of funding for the preparation of stage I of HFC phase-down plans;
 - (iii) Requests for funding for the preparation of stage I of HFC phase-down plans would be considered once the draft guidelines referred to in sub-paragraph (a), above, had been agreed by the Executive Committee; and
- (b) A document discussing potential strategies, policy measures and commitments, as well as projects and activities that could be integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and reductions in HFC consumption that were sustained over time, taking into account the parallel or integrated implementation of HCFC phase-out and HFC phase-down activities, where appropriate.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/54).
(Supporting document: UNEP/OzL.Pro/ExCom/84/32, paras. 16-20).

The Eighty-sixth Meeting of the Executive Committee decided to continue consideration of the draft guidelines for the preparation of HFC phase-down plans for Article 5 countries at its 87th meeting, on the basis of the working document produced by the contact group formed at the 86th meeting, as contained in Annex XLVII to the present report.

(UNEP/OzL.Pro/ExCom/86/100, Decision 86/93).
(Supporting document: UNEP/OzL.Pro/ExCom/86/88).

The Eighty-seventh Meeting of the Executive Committee decided to defer to its 88th meeting consideration of the potential strategies, policy measures and commitments, as well as projects and activities that could be

integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and sustainable reductions in HFC consumption (decision 84/54(b)), contained in document UNEP/OzL.Pro/ExCom/87/45.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/49).

The Eighty-ninth Meeting of the Executive Committee to encourage bilateral and implementing agencies and Article 5 countries, in accordance with their national circumstances, to take into account, where appropriate and feasible, the ideas and suggestions contained in document UNEP/OzL.Pro/ExCom/88/71, while designing HFC phase-down strategies, including developing Kigali HFC implementation plans, taking into account the compliance obligations as per the agreed HFC phase-down schedule for Article 5 Parties.

(UNEP/OzL.Pro/ExCom/89/16, Decision 89/5).

HFC investment projects

The Seventy-ninth meeting of the Executive Committee decided:

- (a) To reiterate decision 78/3(g) and to consider proposals for HFC-related stand-alone investment projects based on the following criteria:
 - (i) That the submitted projects would be considered on a case-by-case basis, should be in individual enterprises deciding to convert to mature technologies, should have broad replicability to the country or region or sector, and should take into account geographic distribution;
 - (ii) That projects must be fully implemented by no more than two years from the time of their approval, that the relevant project completion reports should be comprehensive with detailed information on the eligible incremental capital costs, incremental operating costs, any possible savings incurred during the conversion and relevant factors that facilitated implementation, and that any remaining funds would be returned to the Multilateral Fund no later than one year after the date of project completion as per the project proposals;
- (b) That potential projects should be included in the bilateral and implementing agencies' 2018 to 2020 business plans for submission at the 80th meeting or subsequent business plans, as appropriate;
- (c) To consider further stand-alone investment projects on a rolling basis after the first meeting in 2019; and
- (d) That any proposal submitted and approved for funding at the 80th meeting would be funded, to the extent possible, from additional voluntary contributions provided by non Article 5 Parties, after giving priority to enabling activities.

UNEP/OzL.Pro/ExCom/79/51, Decision 79/45, para. 143
(Supporting document: UNEP/OzL.Pro/ExCom/79/46)

The Eighty-fourth meeting of the Executive Committee decided to consider proposals for HFC-related stand-alone investment projects up to the 87th meeting, in accordance with the criteria set out in decisions 78/3(g), 79/45 and 81/53, and prioritizing projects in the stationary air-conditioning, commercial refrigeration and mobile air-conditioning sectors.

UNEP/OzL.Pro/ExCom/84/75, Decision 84/53)

Enabling activities

The Seventy-eighth meeting of the Executive Committee decided:

- (a) To request the Secretariat to prepare a document providing draft guidelines on enabling activities for consideration by the Executive Committee at its 79th meeting, taking into account the discussions on the matter at the 78th meeting;

(UNEP/OzL.Pro/ExCom/78/11, Decision 78/4, para. 108(a)
(Supporting document: UNEP/OzL.Pro/ExCom/77/9 and Corr.1).

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

The Seventy-ninth meeting of the Executive Committee decided:

- (a) To note the development of the cost guidelines for the phase-down of HFCs in Article 5 countries: draft guidelines on enabling activities (decision 78/4(a)) contained in document UNEP/OzL.Pro/ExCom/79/47;
- (b) To approve enabling activities for Article 5 Parties on the following basis:
 - (i) Countries would be allowed the flexibility to undertake a range of enabling activities to help their national ozone units to fulfil their initial obligations with regard to HFC phase-down in line with the Kigali Amendment;
 - (ii) Enabling activities could consist of, but were not limited to:
 - a. Activities to facilitate and support the early ratification of the Kigali Amendment;
 - b. Initial activities identified in paragraph 20 of decision XXVIII/2, including country-specific activities aimed at initiating supporting institutional arrangements, the review of licensing systems, data reporting on HFC consumption and production, and demonstration of non-investment activities, and excluding institutional strengthening, as addressed in decision 78/4(b);
 - c. National strategies that contained the activities in sub-paragraphs a. and b. above;
 - (iii) Funding for the preparation of national implementation plans to meet initial reduction obligations for the phase-down of HFCs could be provided, at the earliest, five years prior to those obligations, after a country had ratified the Kigali Amendment and on the basis of guidelines to be approved in the future;
 - (iv) Funding for stand-alone initial investment projects could be provided in accordance with the provisions of decision 79/45;
- (c) To provide funding for enabling activities referred to in paragraph (a)(ii) above prior to the preparation of the national implementation plan as specified in the table below, based on the country's HCFC baseline consumption, on the understanding that no further funding for enabling activities, including for HFC-23 activities, would be provided prior to the preparation of national implementation plans:

HCFC baseline (ODP tonnes)	Maximum funding for enabling activities (US \$)
Below 1	50,000
Between 1 and 6	95,000
Above 6 and up to 100	150,000
Above 100	250,000

- (d) That funding requests for enabling activities should meet the following requirements:
 - (i) Ratification of the Kigali Amendment by the government submitting the request or a receipt of letter from the government concerned indicating its intent to make best efforts to ratify the Kigali Amendment as early as possible;
 - (ii) The inclusion of detailed descriptions, in project proposals, of each of the enabling activities that would be undertaken, including institutional arrangements, the cost breakdown and the schedule for implementation, consistent with Executive Committee guidelines;
 - (iii) The duration of a project should be no more than 18 months, starting from the time of its approval, and balances should be returned to the Multilateral Fund within 12 months of that end date;
 - (iv) Bilateral and implementing agencies should include any funding requests for enabling activities in their business plans, which could be submitted to the 80th or subsequent meetings, and subsequently in their work programmes or work programme amendments;
 - (v) Any submission should also include a statement by both the country concerned and the relevant bilateral/implementing agency that implementation of the enabling activities would not delay implementation of HCFC phase-out projects; and
- (e) To invite bilateral and implementing agencies to submit, by the 80th meeting, funding requests for enabling activities for countries that wanted to take early action on HFCs, with any proposal

considered for funding at that meeting to be funded to the extent possible from additional voluntary contributions provided by non-Article 5 Parties.

UNEP/OzL.Pro/ExCom/79/51, Decision 79/46, para. 152)
(Supporting document: UNEP/OzL.Pro/ExCom/79/47)

Environmentally sound management of used or unwanted controlled substances

The Ninetieth Meeting of the Executive Committee decided:

- (a) To note the synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2, contained in document UNEP/OzL.Pro/ExCom/89/9;
- (b) To provide flexibility for Article 5 countries to include, in the following plans, activities related to the environmentally sound management of used or unwanted controlled substances, including disposal, taking into account paragraphs 19 to 24 of document UNEP/OzL.Pro/ExCom/89/9 and lessons learned from previous ODS disposal projects, including in relation to the integration with hazardous waste rules and regulations:
 - (i) Refrigeration servicing sector plans under HCFC phase-out management plans (HPMPs), on the understanding that proposals for undertaking such activities would be submitted to the Executive Committee, either as part of new stages of HPMPs or subsequent tranches of approved stages of HPMPs;
 - (ii) Stage I of Kigali HFC implementation plans;
- (c) To request the Secretariat to develop, for consideration by the Executive Committee at its 91st meeting, criteria for a funding window to provide Article 5 countries with assistance to prepare an inventory of banks of used or unwanted controlled substances and to develop a plan for the collection, transport and disposal (including consideration of recycling, reclamation and cost-effective destruction) of such substances; and
- (d) To continue its deliberations on operationalizing paragraph 24 of decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties, including implementation of sub-paragraph (c) above, in the context of the discussion of the cost guidelines for the phase-down of HFCs in Article 5 countries.

(UNEP/OzL.Pro/ExCom/90/40, Decision 90/49)

(Supporting documents: UNEP/OzL.Pro/ExCom/89/6, UNEP/OzL.Pro/ExCom/89/9 and UNEP/OzL.Pro/ExCom/89/10 and Add.1).

The Ninety-first Meeting of the Executive Committee decided:

- (a) To note the criteria for a funding window for an inventory of banks of used or unwanted controlled substances and a plan for the collection, transport and disposal of such substances contained in document UNEP/OzL.Pro/ExCom/91/66;
- (b) To establish a funding window for the preparation of national inventories of banks of used or unwanted controlled substances and a plan for the collection, transport and disposal of such substances, including consideration of recycling, reclamation and cost-effective destruction;
- (c) To agree to the following criteria for the preparation of national inventories of banks of used or unwanted controlled substances and a plan for the collection, transport and disposal of such substances, including consideration of recycling, reclamation and cost-effective destruction:
 - (i) That the development of national inventories and plans would take into account the guidance provided in paragraphs 16 to 32 of document UNEP/OzL.Pro/ExCom/91/66;
 - (ii) That those Article 5 countries that made use of the flexibility provided under decision 90/49(b) to include the preparation of an inventory and plan in their refrigeration servicing sector plans under their HCFC phase-out management plans (HPMPs) or Kigali HFC implementation plans (KIPs) would not receive funding for such activities under the funding window referred to in subparagraph (b) above;
 - (iii) That projects under the funding window referred to in subparagraph (b) above would be submitted for the consideration of the Executive Committee as of the 93rd meeting up to and including the

97th meeting, on the understanding that they would be included in the relevant business plans before their approval;

- (iv) That the national inventories and resulting action plan should be completed within 24 months of the date of approval by the Executive Committee;
- (v) That the preparation of the national inventories and plans would ensure the following:
 - a. That the national inventory and plan would be coordinated with the development and/or implementation of national plans to phase out/down controlled substances and would take into account existing national legislation and policies related to the environmentally sound management of chemical and unwanted controlled substances;
 - b. That the concept, methodology and approach to be taken for the preparation of the national inventory/action plan, including consultations with relevant stakeholders to help verify data collection, would be clearly described;
 - c. That national plans that might include, in addition to approaches for the collection, transport storage and disposal, specifically the destruction of waste-controlled substances, would contain a description of a potential business model detailing the arrangements with the various stakeholders and the private sector commitment and involvement in those activities, from waste collection to eventual destruction;
 - d. That the final plan would also contain a description of the policies and regulations describing the roles and obligations of manufacturers and distributors, including any recovery, recycling and reclamation programmes;
 - e. That, where the national plans identified export for destruction as the most cost-effective disposal option, they would contain an indication that national legislation and policies that were consistent with the requirements of the relevant conventions, particularly in relation to the transboundary movement of those wastes, needed to be in place;
 - f. That the national plan would include consideration of the development of regulations under national phase-out/phase-down plans (i.e., HPMPs or KIPs) on refrigerant recovery, recycling and reclamation that would support the actions identified for the collection, transport, storage and disposal of those used and unwanted waste-controlled substances;
- (d) To agree on funding for the preparation of national inventories of banks of used or unwanted controlled substances, including consideration of recycling, reclamation and cost-effective destruction within the framework described in paragraphs 16 to 32 document UNEP/OzL.Pro/ExCom/91/66, as indicated in the table below:

HCFC baseline (ODP tonnes)	Funding for the preparation of national inventories of banks of waste-controlled substances and national action plan (US \$)
Below 1	70,000
Between 1 and 6	80,000
Above 6 and up to 100	90,000
Above 100	100,000

- (e) To request bilateral and implementing agencies:
 - (i) To include in their relevant business plans requests for funding for the preparation of national inventories of used and unwanted substances and the subsequent action plans for Article 5 countries that wished to undertake such actions;
 - (ii) To report in detail on the progress of the preparation of national inventories of used and unwanted substances and subsequent action plans on an annual basis as part of the annual financial and progress reports; and

(iii) To submit a final report and a copy of the resulting national inventories and the national action plans no later than six months after the completion of the project, highlighting the difficulties and lessons learned.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/66)

(Supporting documents: UNEP/OzL.Pro/ExCom/91/66)

Draft template for an Agreement for stage I of the Kigali HFC implementation plans

The Ninety-first Meeting of the Executive Committee decided:

- (c) To request the Secretariat to prepare a draft template for an Agreement for stage I of Kigali HFC implementation plans (KIPs) for consideration by the Executive Committee at the 92nd meeting; and
- (d) To agree that the template Agreement would be reviewed once discussions on the criteria for funding HFC phase-down had been completed.

(UNEP/OzL.Pro/ExCom/91/72, Decision 91/38(c) and (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/91/28 paras. 15-21)

The Ninety-second Meeting of the Executive Committee agreed to pursue, at its 93rd meeting, consideration of the draft template for an Agreement for stage I of Kigali HFC implementation plans and to use, inter alia, the working text contained in annex XXI to the present report as the basis for subsequent discussions.

(UNEP/OzL.Pro/ExCom/92/56, para. 219).

(Supporting document: UNEP/OzL.Pro/ExCom/92/50).

The Ninety-third Meeting of the Executive Committee started to continue, at the 94th meeting, consideration of the draft template for an Agreement for stage I of Kigali HFC implementation plans using the working document set out in annex LXIII to the present report.

(UNEP/OzL.Pro/ExCom/93/105, para. 368).

(Supporting document: UNEP/OzL.Pro/ExCom/93/100).

HFC PRODUCTION SECTOR

Key aspects related to HFC-23 by-product control technologies

The Seventy-eighth meeting of the Executive Committee decided:

- (a) To take note of the key aspects related to HFC-23 by-product-control technologies contained in documents UNEP/OzL.Pro/ExCom/78/9 and Corr.1;
- (b) To note the urgency of taking action to enable Article 5 countries to meet the HFC-23 reporting and control obligations by 1 January 2020;
- (c) To reiterate, through the World Bank, its request to the Government of China that it provide to the 79th meeting reports on the status of the studies on “HFC-23 conversion/pyrolysis technologies” and on “investigation on reducing HFC-23 by product ratio using best practices” that had been funded through the HCFC production phase-out management plan;
- (d) To invite all relevant HCFC-22 producing parties to provide to the Secretariat, on a voluntary basis, information on quantities of HFC-23 in facilities producing HCFC-22 as well as their experience in controlling and monitoring HFC-23 by-product emissions, including relevant policies and regulations and the related costs, no later than 15 May 2017;
- (e) To request the Secretariat to continue to explore whether there were HFC- or other HCFC-producing facilities in any party that generated HFC-23 emissions and to report back to the Executive Committee by 31 May 2018;
- (f) To request the Secretariat to submit an updated document of key aspects related to HFC 23 by-product control technologies to the 79th meeting, including:

- (i) Information relevant to the cost of closure of HCFC-22 production swing plants;
 - (ii) A description of existing policies and regulations supporting the control and monitoring of HFC-23 emissions and requirements for sustaining those measures in Article 5 countries;
 - (iii) Further analysis of methods to control HFC-23 emissions based on the additional information provided by Executive Committee members and any other available information to the Secretariat, including information from the Clean Development Mechanism;
 - (iv) The current levels of HCFC-22 production and HFC-23 emissions, and information on management practices, per line, in each facility in Article 5 and non-Article 5 countries, including information on approved monitoring methodologies under the United Nations Framework Convention on Climate Change; and
 - (v) Exploration of possible options for monitoring HFC-23 emissions, such as those approved for continuous monitoring under the United Nations Framework Convention on Climate Change, including the associated costs; and
- (g) To consider the need for a desk and field study at the 79th meeting.

*(UNEP/OzL.Pro/ExCom/78/11, Decision 78/5, para. 122
(Supporting document: UNEP/OzL.Pro/ExCom/77/9 and Corr.1).*

The Seventy-ninth meeting decided:

- (a) To note documents UNEP/OzL.Pro/ExCom/79/48, Corr.1, Corr.2 and Add.1 on key aspects related to HFC-23 by product control technologies (decision 78/5);
- (b) To note with appreciation the information related to HFC-23 by-product provided by the Governments of Argentina, China, the Democratic People's Republic of Korea, Germany, India, Japan, Mexico, the Republic of Korea, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, and the United States of America; the European Union; the Secretariat of the United Nations Framework Convention on Climate Change; a fluorochemical producer; and an independent research and consulting organization;
- (c) To consider possible cost-effective options for compensation for HCFC-22 swing plants to allow for compliance with the HFC-23 by-product control obligations of the Kigali Amendment;
- (d) To request relevant governments of Article 5 countries wishing to close HCFC-22 production swing plants in their respective countries to submit the following preliminary data, for consideration by the Executive Committee at its 80th meeting:
 - i) A list of HCFC-22 swing plants in the country:
 - a. Name;
 - b. Location;
 - c. HCFC-22 production capacity;
 - d. Schedule for closure;
 - e. Date of establishment;
 - f. Name of proprietors;
 - g. Ownership;
 - h. Emissions and ratio of HFC-23 by-product;
 - i. Maximum production of HCFC-22;
 - (ii) HCFC-22 production in the last three years countrywide;
 - (iii) HCFC-22 production in the last three years for each swing plant;
 - (iv) Quantity of export of each plant to non-Article 5 countries;
 - (v) Total number of employees in the HCFC-22 industry:
 - a. In the production sector (direct labour + overheads + maintenance);
 - b. In the packaging sectors;

- (vi) Total number of employees per HCFC-22 swing plant (one table per plant) for the last three years:
 - a. Direct labour;
 - b. Overheads;
 - c. Laboratories;
 - d. Maintenance;
 - e. Packaging;
- (vii) The raw material purchases of each HCFC-22 swing plant in the last three years:
 - a. Hydrogen fluoride (metric tonnes);
 - b. Chloroform (metric tonnes);
- (e) To request the Secretariat to contract an independent consultant to undertake an evaluation of cost-effective and environmentally sustainable options of HFC-23 destruction from HCFC-22 production facilities, to submit the report of the consultant to the 81st meeting, and to allocate a budget of up to US \$100,000 from the additional contributions to the Multilateral Fund to undertake the evaluation and prepare the report. The scope of the study would include:
 - (i) An assessment of the costs of incineration at an on-site destruction facility, based on characteristics of the facility, including destruction capacity, quantity and frequency of HFC 23 to be destroyed, the expected remaining lifetime, location, and other relevant factors, including:
 - a. Start-up costs for destruction facilities that might currently be in disuse;
 - b. Costs to install a new destruction facility if one was not currently installed;
 - c. Costs to operate a currently installed facility;
 - (ii) An assessment of the costs of incineration at an off-site destruction facility, including collection, transportation and incineration, based on the quantity of HFC-23 to be destroyed, location, and other relevant factors;
 - (iii) An assessment of the cost of destroying emissions of HFC-23 by-product through irreversible transformation and other new technologies, where information was available, based on the quantity of HFC-23 to be destroyed, location, and other relevant factors;
 - (iv) An assessment of the costs and measures to optimize the HCFC-22 production process to minimize the HFC-23 by-product generation rate and maximize the collection of HFC-23 by-product for destruction based on characteristics of the facility, including capacity, quantity of HFC 23 by-product generated, the expected remaining lifetime, location, and other relevant factors;
 - (v) An assessment of the costs of different monitoring and verification methods;
 - (vi) An assessment of how the performance and costs of different destruction technology options would vary according to local conditions and the quantity of HFC-23 by-product to be destroyed;
- (f) To invite all relevant HCFC-22-producing Article 5 countries to provide to the Secretariat, on a voluntary basis, information on the elements described in paragraph (e) above by 30 September 2017; and
- (g) To invite implementing agencies to submit to the 81st meeting proposals for feasible technology demonstration for HFC-23 by-product mitigation or conversion technologies with the potential for cost-effective, environmentally sustainable conversion of HFC-23.

UNEP/OzL.Pro/ExCom/79/51, Decision 79/47, para. 160)

(Supporting document: UNEP/OzL.Pro/ExCom/79/48 & Corr.1, Corr.2 and Add.1)

The Eightieth Meeting of the Executive Committee decided:

- (a) To note the submission by the Governments of Argentina and India of the preliminary data on HCFC-22 swing plants in their countries contained in documents UNEP/OzL.Pro/ExCom/80/56 and Add.1; and
- (b) To invite all relevant HCFC-22-producing Article 5 countries to provide to the Secretariat, on a voluntary basis, information on the elements described in paragraph (e) of decision 79/47 by 1 December 2017.

(UNEP/OzL.Pro/ExCom/80/59, Decision 80/77, para 249)

(Supporting document: UNEP/OzL.Pro/ExCom/80/56 & Add.1).

The Eighty-first Meeting of the Executive Committee decided:

- (a) To note the report on key aspects related to HFC-23 by-product control technologies (decisions 78/5(e), 79/17(b), 79/47(e) and 80/77(b)) contained in document UNEP/OzL.Pro/ExCom/81/54;
- (b) To request the Secretariat to contract an independent consultant to prepare a report for the 82nd meeting, providing information:
 - (i) On options and all costs and savings related to the control of HFC-23 by-product emissions in Argentina, based on the quantities of HCFC-22 and HFC-23 produced at the plant and information included in relevant past reports to the Executive Committee, including the option of shipping HFC-23 for off-site destruction;
 - (ii) On estimates of fugitive emissions and options for monitoring, leak detection and control of HFC-23 by-product at the plant;
 - (iii) On the costs, technical feasibility, and logistical, legal and transaction issues associated with shipping HFC-23 for off-site destruction by means of a technology such as the fluor process described in document UNEP/OzL.Pro/ExCom/81/54;
- (c) To request the Government of Argentina to provide, on a voluntary basis, relevant information for the report referred to in sub-paragraph (b) above;
- (d) To allocate, from existing Secretariat resources, up to US \$25,000 for the contract of the independent consultant referred to in sub-paragraph (b) above; and
- (e) To request the Secretariat to prepare a document for the 82nd meeting, based on document UNEP/OzL.Pro/ExCom/79/48, on cost effective options for controlling HFC 23 by product emissions, including information relevant to the cost of closure of HCFC 22 production swing plants, and options for monitoring, in light of the report by the consultant submitted to the 81st meeting and other relevant reports.

(UNEP/OzL.Pro/ExCom/81/54, Decision 81/68, para 220).

(Supporting document: UNEP/OzL.Pro/ExCom/81/54).

The Eighty-second Meeting of the Executive Committee decided not to invite bilateral and implementing agencies to submit proposals for the demonstration of feasible technology for HFC-23 by-product conversion.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/52).

The Eighty-second meeting of the Executive Committee decided:

- (a) To note the report on cost-effective options for controlling HFC-23 by product emissions, pursuant to decision 81/68(e) contained in documents UNEP/OzL.Pro/ExCom/82/68 and Corr.1;
- (b) To further note the report on options for the control of HFC-23 by-product emissions in Argentina, contained in document UNEP/OzL.Pro/ExCom/82/69;
- (a) To approve US \$75,000 for UNIDO to enable the agency to submit, at the 83rd meeting, on behalf of the Government of Argentina, project proposal options that would enable the Government of Argentina to comply with the HFC-23 by-product control obligations under the Kigali Amendment, taking into account the information contained in document UNEP/OzL.Pro/ExCom/82/69, including data regarding costs and benefits and covering technical feasibility, economic viability and logistical, legal, and transactional issues in relation to the following:
 - (i) Restarting the onsite incinerator at the HCFC-22 production swing plant FIASA, on the basis of three independent estimates of the costs of so doing, including the costs of incinerator operation, hazardous waste compliance, and cost of monitoring and verifying the destruction of the HFC-23 by-product;
 - (ii) Compensation for closure of the HCFC-22 swing plant FIASA by 1 January 2020 or upon ratification of the Kigali Amendment by the Government of Argentina, whichever was to come first;
 - (iii) Destroying HFC-23 by-product through irreversible transformation and other new conversion technologies and storage options for HFC-23 management;
 - (iv) Shipping HFC-23 for offsite destruction by means of a technology approved by the Meeting of the Parties;
- (b) To consider each of the project proposal options, including the data provided as per sub-paragraph (c) above, and to discuss the criteria for funding the activities related to the compliance obligations of Article 5 parties;

- (c) To request the Secretariat to contract an independent consultant to undertake a technical audit of FIASA to determine the costs of closure;
- (d) To approve US \$50,000 to enable the Secretariat to carry out the technical audit referred to in sub-paragraph (e) above; and
- (e) To consider applying the procedures set out in the present decision, and the criteria for funding the activities related to the compliance obligations of Article 5 parties, when agreed, with respect to HFC-23 controls in the other Article 5 parties.

(UNEP/OzL.Pro/ExCom/82/72, Decision 82/85).

(Supporting document: UNEP/OzL.Pro/ExCom/82/68 and Corr.1).

The Eighty-third Meeting of the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/83/44 on key aspects related to HFC-23 by-product control technologies (decision 82/85); and
- (b) To defer to the 84th meeting further consideration of the project proposal to control HFC-23 by-product emissions in Argentina and the associated policy issues raised by the Secretariat, referred to in sub-paragraph (a) above.

(UNEP/OzL.Pro/ExCom/83/48, Decision 83/66).

(Supporting document: UNEP/OzL.Pro/ExCom/83/44).

The Eighty-third Meeting of the Executive Committee decided:

- (a) To approve US \$55,000, plus agency support costs of US \$3,850 for UNIDO to enable the agency to submit, to the 84th meeting, on behalf of the Government of Mexico, project proposal options that would enable the Government of Mexico to comply with the HFC-23 by-product control obligations under the Kigali Amendment, including data regarding costs and benefits and covering technical feasibility, economic viability, relevant credits that might be applicable in the country in the future, and logistical, legal and transactional issues in relation to the following:
 - (i) Resuming operation of both the integrated on-site incinerator and the non-integrated on-site incinerator at the HCFC-22 production swing plant Quimobasicos, on the basis of three independent estimates of the costs/savings of doing so for each, including in relation to operation of the incinerator, compliance with standards for the management of hazardous waste, and monitoring and verifying the destruction of the HFC-23 by-product;
 - (ii) Importing HCFC-22 to meet demand in the domestic market, including a comparison of the price of sourcing it locally and internationally;
 - (iii) Destroying HFC-23 by-product through irreversible transformation and other new conversion technologies, and storage options for HFC-23 management;
 - (iv) Shipping HFC-23 for off-site destruction by means of a technology approved by the Meeting of the Parties;
 - (v) Optimizing the HCFC-22 production to reduce the generation of the HFC-23 by-product;
 - (vi) Selling the HFC-23 for feedstock use or adapting the plant so that it could use HFC-23 for the production of HCFC-22;
- (b) To request UNIDO to include, in its submission to the 84th meeting, information regarding the relationship between the country's control of HFC-23 by-product emissions and the nationally determined contributions of the Government of Mexico under the Paris Agreement;
- (c) To request the Secretariat to present a document to the 84th meeting reviewing each of the project proposal options submitted, including the data provided pursuant to sub-paragraphs (a) and (b) above;
- (d) To discuss the criteria for funding the activities related to the compliance obligations of Article 5 countries with respect to HFC-23 by-production emission controls at the 84th meeting; and
- (e) To request UNIDO to return any remaining balances from the funding approved in sub-paragraph (a) above to the Multilateral Fund by the 86th meeting.

IX. PROJECT PROPOSALS

Policies, procedures, guidelines and criteria (as at December 2023)

*(UNEP/OzL.Pro/ExCom/83/48, Decision 83/67).
(Supporting document: UNEP/OzL.Pro/ExCom/83/19).*

The Eighty-fourth Meeting of the Executive Committee decided:

To defer its consideration of the project to control HFC-23 by-product emissions in Argentina to the 85th meeting; and

To request the Secretariat to provide further analysis of the project referred to in sub-paragraph (a) above, to the 85th meeting, based on any additional information provided by the Government of Argentina through UNIDO.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/90).

(Supporting document: UNEP/OzL.Pro/ExCom/84/71).

The Eighty-fourth Meeting of the Executive Committee decided to defer its consideration of the project to control HFC-23 by-product emissions in Mexico to the 85th meeting.

(UNEP/OzL.Pro/ExCom/84/75, Decision 84/91).

(Supporting document: UNEP/OzL.Pro/ExCom/84/72).

The Eighty-seventh Meeting of the Executive Committee decided:

To note the key aspects related to HFC-23 by-product control technologies: Argentina (decision 86/95) contained in document UNEP/OzL.Pro/ExCom/87/53;

To approve, in principle, US \$2,262,630, plus agency support costs of US \$158,384, for UNIDO to enable the Government of Argentina to comply with the HFC-23 by-product emission control obligations under the Kigali Amendment to the Montreal Protocol, on the understanding that:

The Government of Argentina would ensure that, by 1 January 2022 and thereafter, emissions of HFC-23 by-product from the HCFC-22 production line were destroyed in compliance with the Montreal Protocol and that emissions from the line were at or below 0.1 kg of HFC-23 emissions per 100 kg of HCFC-22 produced;

A maximum amount of US \$502,766, out of the total funding approved, was associated with incremental operating costs and would be divided in annual tranches to be provided to Argentina upon verification of the quantity of HFC-23 by-product destroyed;

The incremental operating costs in each annual tranche would be calculated by multiplying the quantity of HFC-23 destroyed by US \$1.40/kg;

The Government of Argentina would have flexibility to use the funding approved in principle indicated in sub-paragraph (b) above to compensate the production plant, Frio Industrias Argentinas, for the closure of its HCFC-22 production should the plant decide to close its HCFC-22 production line permanently prior to 1 January 2024, with the exception of any funds approved for independent verification for years subsequent to the year of closure, which should be returned to the Multilateral Fund; and any production of any other substance listed in Annex C or F to the Montreal Protocol at that facility would not be eligible for funding;

The project would be completed by 1 January 2031;

The Government of Argentina committed to there being no additional funding from other sources for HFC-23 by-product emissions control at Frio Industrias Argentinas during or after completion of the project, including HFC-23 credits or offsets;

To note:

That the funding approved in principle specified in sub-paragraph (b) above was the total funding that would be available to the Government of Argentina from the Multilateral Fund for the control of HFC-23 by-product emissions;

That the costs agreed recognized the special circumstances of the project in Argentina and did not set a precedent for the calculation of costs for any other projects for the control of HFC-23 by-product emissions;

To request the Secretariat, in cooperation with UNIDO, to prepare a draft Agreement between the Government of Argentina and the Executive Committee for the control of HFC-23 by-product emissions, in accordance with the present decision, for consideration at the 88th meeting, using the Agreement between the Government

of Mexico and the Executive Committee for the destruction of emissions of HFC-23 generated in the production of HCFC-22 at Quimobásicos (decision 87/53) as a starting point and in light of the guidance provided by the Executive Committee at the 87th meeting;

To approve the first tranche of the project to control HFC-23 by-product emissions in Argentina in the amount of US \$1,527,851, plus agency support costs of US \$106,950 for UNIDO; and

To request the Government of Argentina, through UNIDO, to submit an annual implementation plan, in accordance with the anticipated draft Agreement referred to in sub-paragraph (d) above, for consideration at the 88th meeting.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/52).

(Supporting document: UNEP/OzL.Pro/ExCom/87/53).

The Eighty-seventh Meeting of the Executive Committee decided to approve the Agreement between the Government of Mexico and the Executive Committee for the destruction of emissions of HFC-23 generated in the production of HCFC-22 at Quimobásicos, as contained in Annex XXVI to the present report.

(UNEP/OzL.Pro/ExCom/87/58, Decision 87/53).

The Eighty-ninth Meeting of the Executive Committee decided:

(a) To note the key aspects related to HFC-23 by-product control technologies (decision 83/67(d)) contained in document UNEP/OzL.Pro/ExCom/89/13;

(b) To confirm:

(i) That HFC-23 by-product was destroyed to the extent practicable in the context of Multilateral Fund-supported projects when up to a maximum of 0.1 kg of HFC-23 by-product was emitted per 100 kg of the relevant Annex C, Group I or Annex F substance produced;

(ii) That HFC-23 by-product controls would be eligible independent of whether the relevant production that generated the HFC-23 was for controlled or for feedstock uses;

(iii) That the term “production” in the context of HFC-23 by-product emission control projects supported by the Multilateral Fund meant the total amount of relevant Annex C, Group I or Annex F substance produced for all uses, including controlled and feedstock uses, irrespective of any subsequent destruction, recycling, and reuse; and

(c) When approving projects to control HFC-23 by-product emissions from production lines that would continue to produce the relevant Annex C, Group I or Annex F substance after the completion of the project, to invite the relevant Article 5 country to consider requesting additional funding for independent verification of the HFC-23 by-product generated, destroyed, sold, stored and emitted, under the subsequent stage of its HCFC phase-out management plan, until approval of its Kigali HFC implementation plan, at which time verification would continue under that plan.

(UNEP/OzL.Pro/ExCom/89/16, Decision 89/7).

ANNEX IX.1: GUIDELINES FOR PRESENTATION OF PROJECTS AND CRITERIA FOR PROJECT APPROVAL

The project cover sheet should provide the following information:

- country or region;
- sector(s) covered;
- ODS consumption in affected sector(s);
- project title;
- project duration;
- project impact (ODS to be phased out, or other impacts);
- proposed budget;
- Implementing Agency;
- national coordinating agency; and
- project summary addressing technical, institutional, and policy issues.

Brief background information on the amount of ODS used in the sector or sectors affected by the project and the percentage corresponding to the total consumption of such substances in the country should be provided. If the project is intended to phase-out production of ODS, then production data on the affected substance or substances and the percentage corresponding to the total production and consumption of ODS must be provided.

The project description should identify the problem; formulate the project's objectives and its relationship to and priority within the country programme or to the national strategy for the implementation of the Protocol; address technical aspects of the project; list activities needed to accomplish the project's objectives. It should explain, inter alia:

- (a) why the project is needed (rationale, justification, and explanation of the problem the project is to address)?
- (b) what private sector firms, if any, are involved in or affected by the project?
- (c) what are the project's long-term objectives?
- (d) what are the project's short-term objectives, if successfully completed?
- (e) what actions/activities are needed to accomplish the overall objectives?
- (f) what non-monetary inputs are needed to realize the objectives?
- (g) how the project meets the incremental costs criteria as defined in the current Indicative List of Categories of Incremental Costs or as otherwise articulated by the Parties?
- (h) what is the best estimate of the cost effectiveness of the project (phase-out costs per kilogram)?

Information on the anticipated start-up date and the termination date for the implementation of the project, including a projected schedule for implementation of activities designed to accomplish the objectives of the project should be provided.

The expected outcome of the project in order to achieve the project's objectives should be provided. Information on the projected phase-out/reduction in ODS consumption or other direct or indirect outputs, for example, human resource development and/or enhancement of institutional capability should be provided.

An indicative budget figure showing all projected expenditures and the anticipated timing of disbursements should be provided. A description of each budget item, an explanation of how each budget item is functionally related to activities, a rationale for the budget estimates, and explanations of any in-kind contributions and/or bilateral assistance approved by the Executive Committee, should also be indicated.

Information on which Implementing Agency or agencies (UNDP, UNEP, UNIDO, World Bank, or any other) would be undertaking the project, the national agency responsible for coordinating the project, and the financial intermediary contracted for the receipt and disbursement of funds and the financial reporting on the project should be provided. A copy of any agreement between the submitting Party and the participating agencies should also be provided, as well as a brief résumé on the capability of the Implementing Agency to implement the project successfully if it is an agency other than one of the Fund's Implementing Agencies.

Information should be provided on the role and responsibilities of the co-operating agency or supporting organization; information on who is the ultimate authority in managing the project; the machinery for consultation among the various agencies and organizations involved in the project, and to which parties and for what purpose are the project results reported. A copy of any technical review of the project, if available, should be provided.

(UNEP/OzL.Pro/ExCom/7/30 Annex III).

ANNEX IX.2: GUIDELINES FOR TECHNICAL REVIEW

The main objectives of the review of a project submitted for consideration of the Executive Committee are:

- (a) to determine its eligibility for funding under the rules of the Multilateral Fund;
- (b) to ensure that the technology chosen is proven, viable, transferable, cost-effective for the proposed use and will not have an unacceptable adverse environmental impact;
- (c) to identify eligible incremental costs; and
- (d) to identify any policy issues that had not been encountered before and could require a decision by the Executive Committee or possibly the Meeting of the Parties.

To ensure that these objectives are adequately addressed, the following guidelines should be followed.

The technical reviewers should:

- (a) address the viability of the proposed technology, as well as the comparative cost effectiveness of the option selected; and,
- (b) scrutinize lists of equipment and all cost items delineated in project proposals to ensure that the proposed equipment is essential to the conversion and the related costs are reasonable given the same level and kind of service proposed.

The Implementing Agencies should:

- (a) only choose for technical reviews internationally recognized experts in the technology, outside of the agency, who have technical experience in developing countries in the field of their expertise, but who did not participate in the development of the proposal, nor did they or their employer have a financial stake in the project;
- (b) familiarize technical reviewers with the Indicative List of Categories of Incremental Costs, the guidelines, criteria, and procedures of the Executive Committee and relevant policy and project decisions of the Parties and the Executive Committee by providing information concerning all relevant decisions of the Parties and the Executive Committee on the approval of projects and the determination of eligible incremental costs;
- (c) justify costs that exceed the indicative cost levels developed in the indicative list of standard equipment and expected costs mentioned below;
- (d) have those involved in project preparation ensure that sufficient information is provided for the technical reviewer to address all of the questions and issues in standard format for technical reviews;
- (e) use the standard format for technical reviews attached to this document as the Appendix; and
- (f) ensure that projects submitted to the Executive Committee for review shall take into consideration the comments of the technical reviewer or provide justification for not doing this.

The Implementing Agencies, in co-operation with the Fund Secretariat, should:

- (a) hold seminars for all consultants, employees, technical reviewers, and others who might participate in the development, evaluation or review of project proposals;
- (b) develop an indicative list of standard equipment and expected costs for use by consultants and technical reviewers in project preparation and review; and,
- (c) develop a negative indicative list of equipment and other costs that should not be funded which will also assist in project preparation and review.

The Fund Secretariat should continue to fulfill its role in the project review process as defined in previous Executive Committee decisions.

(UNEP/OzL.Pro/ExCom/12/37, para. 144, Annex IV and Appendix).

(Supporting document: UNEP/OzL.Pro/ExCom/12/30).

FORMAT FOR TECHNICAL REVIEW

The Implementing Agencies are requested to complete the relevant sections in the following approved format for technical reviews, and to provide sufficient information for the reviewer to address all of the questions and issues in this format.

1. Country of origin:
2. Project title:
3. Sector/sub-sector:
4. Relationship to country programme
Does the project document indicate if the project:
 - (a) is included in or consistent with the country's action plan?
 - (b) constitutes an important part of an articulated sectoral/sub-sectoral strategy?
5. Technology
 - (a) assess the environmental soundness and safety of selected technology to other alternatives?
 - (b) is the technology transitional? Are there non-transitional options which might have been more cost-effective taking into account total costs to and duration of phase-out?
 - (c) feasibility of transfer to the country concerned:
 - (i) does the proposed technology transfer agreement (if any) take into account appropriate requirements?
 - (ii) is there a licensing agreement and do costs appear reasonable given international norms?
 - (iii) were other technologies considered? Do you agree with the determination made in this case?
 - (iv) is the proposed technology the most cost-effective technology available for this conversion? If not, were there adequate reasons that more cost-effective technologies could not be deployed in this case?
6. Environmental impact
 - (a) impact of ODP and GWP of the substitute;
 - (b) appropriateness of proposed measures and related cost estimates to minimize health and safety and other environmental impact.
7. Project costs
 - (a) are all cost components identified in the project essential for the conversion? Assess the necessity of proposed equipment to facilitate existing level of service.
 - (b) should any of the cost components have been expected to be present in the facility prior to conversion?
 - (c) cost of equipment:
 - (i) is the baseline cost of existing equipment addressed in a manner that is consistent with your experience?
 - (ii) do you agree with the finding regarding whether some/all baseline equipment should/should not be replaced?
 - (iii) do you believe requests for any additional equipment essential for the conversion?
 - (iv) can all/part of baseline equipment be modified to perform functions needed in the conversion, and could such modification costs lead to lower project costs?
 - (v) is the fate of scrapped equipment addressed in a manner which ensures it will not be redeployed?
 - (vi) is the calculation of salvage value of scrapped equipment, if any, reasonable?
 - (vii) will the new equipment/modification of existing equipment result in an increase in existing capacity?
 - (d) appropriateness of proposed training and related costs, if any.
 - (e) operating costs:
 - (i) are the components and magnitude of operating costs appropriate given your experience with other implemented projects (e.g. cost of substitutes, energy, labour, etc.)?
 - (ii) are any operating savings, including energy savings and expected savings through reductions in defects included in the project?
 - (iii) do you believe this finding and/or the calculated level of savings reasonable given your knowledge of results achieved in similar projects?
8. Implementation timeframe
 - (a) do you believe that the proposed implementation timeframe is feasible?
9. Recommendations

(a) approval categories:

- approval as proposed;
- approval after modification (with a proposal for modifications);
- permission to proceed;
- rejection and justification;

(b) other comments.

(UNEP/OzL.Pro/ExCom/12/37, para. 144, Annex IV and Appendix).

(Supporting document: UNEP/OzL.Pro/ExCom/12/30).

ANNEX IX.3: INDICATIVE LIST OF CATEGORIES OF INCREMENTAL COSTS

The following list is indicated:

- (a) Supply of substitutes:
 - (i) cost of conversion of existing production facilities:
 - cost of patents and designs and incremental cost of royalties;
 - capital cost of conversion; and
 - cost of retraining of personnel and cost of research to adapt technology to local circumstances;
 - (ii) costs arising from premature retirement or enforced idleness, taking into account any guidance of the Executive Committee on appropriate cut-off dates:
 - of productive capacity previously used to produce substances controlled by existing and/or amended or adjusted Protocol provisions; and
 - where such capacity is not replaced by converted or new capacity to produce alternatives;
 - (iii) cost of establishing new production facilities for substitutes of capacity equivalent to capacity lost when plants are converted or scrapped, including:
 - cost of patents and designs and incremental cost of royalties;
 - capital cost; and
 - cost of training and cost of research to adapt technology to local circumstances;
 - (iv) net operational cost, including the cost of raw materials; and
 - (v) cost of import of substitutes;
- (b) Use in manufacturing as an intermediate good:
 - (i) cost of conversion of existing equipment and product manufacturing facilities;
 - (ii) cost of patents and designs and incremental cost of royalties;
 - (iii) capital cost;
 - (iv) cost of retraining;
 - (v) cost of research and development; and
 - (vi) operational cost, including the cost of raw materials except where otherwise provided for;
- (c) End use:
 - (i) cost of premature modification or replacement of user equipment;
 - (ii) cost of collection, management, recycling, and, if cost-effective, destruction of ozone depleting substances; and
 - (iii) cost of providing technical assistance to reduce consumption and unintended emission of ozone depleting substances.

(UNEP/OzL.Pro/2/3 Appendix I of Decision II/8, para. 2).

(UNEP/OzL.Pro/4/15 Decision IV/18 Annex VIII).

(Supporting document: UNEP/OzL.Pro/2/3 Annex IV, Appendix I).

(UNEP/OzL.Pro/4/15 Annex VIII).

ANNEX IX.4: GUIDELINES ON FUNDING OF TECHNOLOGY NOT IN THE PUBLIC DOMAIN**Introduction**

1. Most project proposals submitted to the Executive Committee contain no disclosure of technology that is not in the public domain. Recently, however, a project proposal was submitted to the Executive Committee for consideration involving technology that the project beneficiary claimed was not in the Public Domain. In reviewing this project, it became clear that there was a need to balance the confidentiality concerns of those who prepared and submitted the project against the Executive Committee's duty to review and assess such proposals.
2. As a result of this recognition, the Secretariat had prepared for the Executive Committee a report suggesting ways for the Fund to deal with such project proposals. The report also suggested ways to minimize the possibility that Fund money would be used to infringe on any existing intellectual property rights. The Executive Committee determined, upon consideration of the report, its decision to develop Guidelines to address confidentiality, the duty to review and assess such project proposals and to minimize the potential for intellectual property infringement.
3. These Guidelines are designed to assist the Secretariat, Implementing Agencies and the Executive Committee in handling technical information related to a project proposal (a) that has commercial value (b) in respect of which the holder of that information has taken and continues to take reasonable steps to maintain confidentiality and (c) that is not publicly available through general knowledge or publication ("Technical Information not in the Public Domain"). These Guidelines are also designed to minimize the risk that Fund money will be used to infringe on any existing intellectual property rights.
4. One of the objectives of these Guidelines is to protect, to the extent practicable, Technical Information not in the Public Domain while ensuring that the Executive Committee, with the assistance of the Secretariat, receives full and fair disclosure of all aspects of a project proposal necessary to assure its eligibility for funding. This objective is implemented by combining a "need to know" principle, under which Technical Information not in the Public Domain is disclosed only as required, and transparency, which requires that the Secretariat and the Executive Committee have available all information that may be relevant to reviewing and considering a project proposal.
5. As a general rule, all information contained in a project proposal will be considered not to be Technical Information not in the Public Domain. No obligation of confidentiality will arise with respect to the information in the project proposal except in accordance with and to the extent granted by these Guidelines.
6. Nothing in these Guidelines preclude the Secretariat from requesting any information, including but not limited to Technical Information not in the Public Domain, in order to assist it in the review of a project proposal.
7. These Guidelines deal with claims that Technical Information not in the Public Domain are to be treated confidentially. They do so in three parts. Part I deals with the preparation of project proposals and the identification of Technical Information not in the Public Domain. Part II deals with the review by the Secretariat of information that includes Technical Information not in the Public Domain contained in a project proposal including through the use of external experts. Part III deals with requests by members of the Executive Committee to review Technical Information not in the Public Domain.

Part I: Preparation of Project Proposals

8. It is the responsibility of the relevant Implementing Agency, requesting country and enterprises therein to clearly and specifically identify in the project proposal all Technical Information not in the Public Domain that they desire to be subject to these Guidelines ("Identified Technical Information") for instance, through use of highlighting, bold print, highlighted box, etc.
9. The project proposal should only include all the Technical Information not in the Public Domain that is required to support the proposal. The project proposal should also include a list of all other relevant Technical Information not in the Public Domain in a manner that does not disclose this information but that provides a sufficient description of it to permit the Secretariat to determine whether it requires access to some or all this information to complete the review process.
10. The relevant Implementing Agency has the responsibility for conducting adequate due diligence to minimize the risk that any technology funded by the Fund will be used to infringe an intellectual property right. The level of due diligence required will vary depending on circumstances such as whether the technology is developed in-house, is widely licensed and where it will be used. For most widely licensed technology, the Implementing

Agency will easily be able to satisfy itself of the right to use the technology.

11. For technology that is developed either in-house or is not generally available on the market, the Implementing Agency may be required, in conformity with the general obligation set out in paragraph 10, to seek a letter from local counsel opining as to the non-infringement of any known intellectual property right caused by the use of that technology. Where the technology is being used in products being exported, the Implementing Agency should, in addition to this letter, seek the assurance of the exporter that the technology does not infringe on any intellectual property rights in any country to which the product will be exported and that the exporter will take all measures necessary to ensure that it has a license to any needed intellectual property right in all countries to which the product will be exported.

Part II: Assessment by Secretariat

(a) Internal use of Identified Technical Information

12. As staff of the Secretariat are bound by United Nations contracts and staff rules that provide for the maintenance of confidential information, the Secretariat may freely disclose any Identified Technical Information to any staff member.

13. The Secretariat will, from time to time in accordance with good practice, remind staff members of their obligations of confidentiality.

14. If, in its review of any project proposal that contains a list of Technical Information not in the Public Domain that has not been included in the project proposal, the Secretariat determines that it requires access to such Technical Information not in the Public Domain, it may request the Implementing Agency or the country in question to supply it with this information before proceeding further with its review.

15. Upon receipt of a request to supply Technical Information not in the Public Domain that was not disclosed in a project proposal, the Implementing Agency or country in question may either supply this Technical Information not in the Public Domain or decline to do so. In the latter case, the Secretariat will report accordingly to the Executive Committee, including, if relevant, its inability to complete the review process.

16. Any Technical Information not in the Public Domain provided as contemplated in paragraph 15 will be treated in the same manner as Identified Technical Information not in the Public Domain included in the original project proposal.

(b) Disclosure to external experts

17. In conducting its review of a project proposal, the Secretariat may, from time to time, require the assistance of a technical expert. In these circumstances, the Secretariat may need to disclose Identified Technical Information contained in the project proposal to the expert.

18. In some fields of expertise, there are few experts with sufficient depth and breadth of knowledge to assist the Secretariat in its review of a project proposal. These experts are often in high demand and will have or may in the future work with competitors of the enterprise from which the Identified Technical Information originates. In these circumstances, there is a need to balance the confidentiality requirements of the enterprise against the requirement of retaining the assistance of technically competent experts.

19. As a first step in achieving this balance, the Secretariat will only disclose such Identified Technical Information to external experts on a need-to-know basis as determined by the Secretariat.

20. As a second step in this regard, the Secretariat will only disclose Identified Technical Information to an external expert after that expert has agreed to comply with reasonable confidentiality provisions. These provisions must balance the needs of the originator of the Identified Technical Information to confidentiality against the expert's need to be able to continue to provide technical advice to other including to competitors of the originator. Thus, the confidentiality provisions should limit themselves to the Identified Technical Information and may provide the expert with the right to use information that is otherwise in the public domain or that is independently created by the expert even if this information is similar to the Identified Technical Information. Sample provisions are provided in Appendix A to these Guidelines.

21. Upon completion of the external expert's work assisting the Secretariat with the review of a project proposal, the expert should return all copies of the Identified Technical Information in his or her possession and destroy all electronic copies of this information.

22. Any obligation imposed on external experts with respect to confidentiality is subject to local laws and court

or arbitral decisions requiring disclosure.

Part III : Review by Executive Committee

(a) Determination by Secretariat

23. Prior to submitting its recommendations and information concerning a project proposal to the Executive Committee, the Secretariat will review the Identified Technical Information contained in a project proposal to determine whether that information ought to be included in its initial submission to the Executive Committee. In making this determination, the Secretariat will balance the need to maintain the confidentiality of the Identified Technical Information against the Executive Committee's need to be briefed in appropriate detail. Initially, the Secretariat will only disclose Identified Technical Information to the Executive Committee that it considers is essential to enable the Executive Committee to take a decision.

24. Whenever the Secretariat determines that it need not disclose Identified Technical Information to the Executive Committee, it will note this fact in its recommendations to the Executive Committee.

25. If the Secretariat determines that it needs to disclose Identified Technical Information to the Executive Committee, it will inform the Implementing Agency of this determination.

26. The Implementing Agency, in consultation with the country from which the project proposal originated, will inform the Secretariat either of its agreement that the Secretariat disclose the requested Identified Technical Information to the Executive Committee without restriction or its disagreement. The Secretariat will report the latter to the Executive Committee, including if appropriate, a statement that it is unable to make a positive recommendation.

(b) Request from Executive Committee

27. Any member of the Executive Committee may, at any time, request that the Secretariat disclose to the entire Executive Committee any Identified Technical Information contained in a project proposal. Until such a request is either complied with or withdrawn, the Executive Committee will suspend consideration of the project proposal.

28. Upon receipt of a request under paragraph 27, the Secretariat will inform the relevant Implementing Agency of the request from the Executive Committee.

29. The Implementing Agency, in consultation with the country from which the project proposal originated, will either agree to the disclosure to the Executive Committee of the requested Identified Technical Information without restriction or will inform the Secretariat that the Secretariat may not disclose the Identified Technical Information to the Executive Committee.

30. If the Implementing Agency consents to the disclosure of Identified Technical Information to the Executive Committee without restriction, the Secretariat will disclose the Identified Technical Information to the Executive Committee. In doing so, the Secretariat will point out the confidential nature of the Identified Technical Information to the Executive Committee. Nevertheless, the disclosure of the Identified Technical Information to the Executive Committee creates, in itself, no legal obligation on behalf of the members of the Executive Committee.

31. If the Implementing Agency does not consent to the disclosure of the Identified Technical Information to the Executive Committee, the Secretariat will inform the Executive Committee of this decision. Unless the Executive Committee withdraws its request to have the Identified Technical Information disclosed to it, the project proposal will be deemed to have been withdrawn.

Appendix A: Sample confidentiality provisions

“Technical Information of a Confidential Nature” means technical information related to a project proposal that has commercial value in respect of which the holder of that information has taken and continues to take reasonable steps to maintain confidential and that is not publicly available through general knowledge or publication.

“Designated Confidential Information” means Technical Information of a Confidential Nature that is clearly identified in writing to the Contractor as being confidential.

1. The Contractor will neither use nor disclose, nor permit the use or disclosure of, Designated Confidential Information except in accordance with this Agreement.
2. The Contractor will use reasonable commercial measures to maintain the confidentiality of the Designated Confidential Information including, but not limited to, segregating the Designated Confidential Information to the degree practicable from other documents and by requiring its employees to enter in confidentiality agreements similar to this Agreement in respect of the Designated Confidential Information.
3. Notwithstanding paragraph 1, nothing in this Agreement prevents the Contractor from using or disclosing general knowledge in its field, knowledge of a general nature contained in the Designated Confidential Information, or information that the Contractor has already developed or that it later develops without recourse to the Designated Confidential Information.
4. The Contractor may disclose any Designated Confidential Information if required to do so by law or by a court, arbitral body or administrative body that requires disclosure of the Designated Confidential Information. The Contractor will make reasonable efforts to inform the Secretariat of any such requirement as soon as is practicable in order to permit the Secretariat or the originator of the Designated Confidential Information to seek a court order preventing such disclosure.
5. Upon termination of the work contemplated by this Agreement, the Contractor will either return all copies of all documents containing the Designated Confidential Information within its control to the Secretariat and will permanently erase all electronic copies of documents containing the Designated Confidential Information.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/63, para. 100).

(Supporting document: UNEP/OzL.Pro/ExCom/38/54, and Add.1).

ANNEX IX.5: RECOMMENDATIONS FROM TRAINING EVALUATION

It is recommended:

1. that all future non-investment activities related to the refrigeration servicing sector in low-volume countries (such as training of technicians in good services practices and customs training) should continue to be part of the Refrigerant Management Plan in order to place them in the context of a comprehensive plan for sector phase-out. For non low-volume countries, projects such as training of technicians and training of customs officers would be prepared in the framework of a national long-term strategy for the refrigeration sector and considered in accordance with Decision 31/48, part C. When preparing new RMPs, as well as during implementation of approved RMPs, training activities related to the refrigeration servicing sector and customs officers should build on the results of any earlier training activities. Consideration should be also given to strengthen the relevant industry associations and to involve them more closely in project preparation and implementation.
2. that during the compliance period, the capacity of NOUs for development of national policies and regulations regarding monitoring and controlling consumption and trade of ODS and ODS-based equipment should continue to be enhanced.
3. that countries are encouraged to develop a certification system to recognize those trainees who have successfully participated in training programmes through appropriate regulations or other policies. Such regulations are most effective when they are developed with active industry participation and create common certification requirements across the country, either through national legislation or regulations consistent across states/provinces.
4. that national and regional activities should be planned and implemented in a complementary way. Regional workshops/seminars should focus on issues of common interest and should address priority requests in the region. National training programmes should respond to the specific requirements of countries concerned.
5. that a list of relevant past and planned training events, bilateral and multilateral, should be made available by UNEP as part of its information exchange activities to all Parties. It would enable the Parties to consult such information on a timely basis and eliminate the possible duplication of similar events world-wide.
6. that project proposals should include baseline data and indicators by which the results of the project could be assessed. Adequate monitoring systems should be developed to facilitate subsequent reporting on the results of training activities, and each project should foresee a budget line and adequate time for monitoring and reporting.
7. that the PCR format for non-investment projects used for reporting on training projects should be revised. The PCR should correspond to the related indicators defined for the approved project and should include information on the results and follow-up of training projects.
8. that the model of charging participants' fees for training of technicians, as included in the relevant German (GTZ) bilateral projects, in order to make training programmes sustainable should be closely monitored. If successful, countries should be encouraged to adopt it for future projects.
9. that national training handbooks, similar to the ones prepared for 10 African countries by GTZ, should be produced as part of the training materials for other countries as well, taking into account previous training materials developed.
10. that innovative solutions should be developed to reach out with training to the informal sector.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/19, para. 30).

(Supporting document: UNEP/OzL.Pro/ExCom/32/19, Corr.1 and Add.1).

ANNEX IX.6: PROCESS FOR DETERMINING THE PRICES OF CHEMICALS TO BE USED IN MULTILATERAL FUND PROJECTS

Starting from 1998, the process for determining the prices of chemicals will follow these steps:

- (i) a questionnaire for collecting data on prices of chemicals has been developed and agreed among the Implementing Agencies and the Fund Secretariat.
- (ii) UNEP/IE through the Regional Networks of ODS Officers will collect and collate the prices of chemicals in network countries based on the agreed questionnaire.
- (iii) the Fund Secretariat will engage a consultant/consulting firm to collect and collate international and/or regional prices of chemicals from international suppliers and other sources to provide a means of cross-checking national/regional prices obtained through the network. The Consultant will use the methodology for calculating and compiling the prices as described in the next section of the paper.
- (iv) on the basis of the results from the above surveys the Secretariat will compile regional/national prices of chemicals and circulate the information to the Implementing Agencies.
- (v) the prices should be updated annually through appropriate means. The updated information should be circulated by the Fund Secretariat to the Implementing Agencies not later than one month after the first meeting of the Executive Committee for the year.
- (vi) any Implementing Agency may propose a revision to a regional or national price of a certain chemical within the year if circumstances demand. If agreed to by the Implementing Agencies and the Fund Secretariat, the revised price will be used by all agencies in relevant projects for the country or region.
- (vii) all prices should exclude duties, taxes and other financial transfers.

Prices of chemicals used in projects submitted to the 23rd Meeting of the Executive Committee

As a one-time measure it was agreed between the Secretariat and the Implementing Agencies that for projects submitted to the 23rd Meeting, prices of chemicals would be the same as those agreed to by the Secretariat and Implementing Agencies in the projects approved at the 22nd Meeting.

Methodology for determining the prices of chemicals to be used in Multilateral Fund projects

Regional/sub regional prices of chemicals will be calculated and applied to countries within the region/sub region for projects financed by the Multilateral Fund. Any variance from the pricing has to be justified and be within 20% of this regional/sub regional price.

Regional/sub regional price is the CIF border price for imported substances, or the FOB border price for exported substances.

where:

CIF: Cost plus insurance plus freight

Cost: Bulk price (factory gate) plus packaging (industry standard).

Insurance: Standard International Rate

Freight: Standard International Rate

FOB : Free on Board, calculated as bulk price (factory gate) plus packaging (industry standard) plus transportation from factory gate to border. (FOB export price should not exceed 120% of the CIF border import price).

The regional/sub regional price of a chemical should be calculated as the weighted average of the CIF import prices of the chemical at major ports of the region/sub region, and/or as the weighted average of the FOB export prices of the chemical at major export ports of the country.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/52).

(Supporting document: UNEP/OzL.Pro/ExCom/23/64).

ANNEX IX.7: HYDROCARBON SAFETY (SUMMARY).**Introduction**

The note presents the background information to safety costs, the Committee's previous decisions, the process by which the safety costs study was undertaken, an overview of the study and its results. A proposal for a decision by the Executive Committee in relation to the findings of the study is also presented.

Background

In a number of recently submitted projects using hydrocarbon technologies the proposed system designs to ensure adequate safety varied widely. Consequently, the claims for eligibility of safety related costs have also varied depending on the interpretation of "adequate safety" by the experts or enterprises preparing the projects.

Additionally, in the process of project preparation, individual consideration needs to be given to whether a particular enterprise has the minimum prerequisites to convert to hydrocarbon technology. If hydrocarbon technology is to be used, it may be necessary to identify and cost the measures needed to rectify deficiencies in the baseline situation of the enterprise so that the conversion activity can proceed. Improvements in the baseline situation may confer additional benefits to the enterprise which are not related to the conversion, as well as to the conversion process, or may be related to the normal development or upgrading of the operation of the enterprise.

The concept of safety related costs was discussed at the 23rd Meeting of the Executive Committee. In Decision 23/18 the Executive Committee decided that:

- “(a) safety standards should follow international standards, where these are higher than standards in the country concerned. The practical application of established standards should be based on industry norms and practice in European countries.
- (b) projects should be prepared and reviewed on the basis of this principle.”

In regards to the deficiencies in the baseline situation, the Executive Committee felt that the existing decisions on incremental costs should apply.

To give effect to Decision 23/18, the Fund Secretariat commissioned a report by a recognized industry consultant to evaluate safety costs for conversion of the production of domestic refrigerators to hydrocarbon technology taking into account international standards and industry norms and practice in European countries. The progress on the preparation of the Hydrocarbon Safety Cost Study was reported to the 24th Meeting of the Executive Committee. The Executive Committee decided “to request the Secretariat to continue its process of completing the report and submit it to the Twenty-fifth Meeting in July 1998, so that the Executive Committee could discuss it on its technical merits. On the basis of the Committee's consideration of the report, the guidelines for hydrocarbon safety-related costs would emerge and would be applied to projects submitted for approval to the Twenty-sixth Meeting.” (Decision 24/57).

The Hydrocarbon Safety Cost Study was prepared by the consultant according to the Terms of Reference designed to capture the Committee's views presented in paras 5 and 6 above. The draft of the Hydrocarbon Safety Cost Study were circulated to the Implementing Agencies for comments. TÜV (an internationally recognized body (Germany) in industrial safety) was also engaged to conduct a review of the Study. TÜV is actively involved in certification of refrigerator manufacturing plants converted to hydrocarbon technologies in both developed and Article 5 countries. Comments from the Implementing Agencies and from TÜV were received by the Secretariat. The Secretariat and the Implementing Agencies convened an interagency meeting to *inter alia*, discuss a second draft of the study which incorporated the relevant comments and opinions expressed by Implementing Agencies, TÜV and the Secretariat. The study was finalized by the consultant on the basis of the discussions at the interagency meeting. A copy of the final study is included as Annex I to this paper.

The Scope of the Hydrocarbon Safety Cost Study

The Hydrocarbon Safety Cost Study addresses the following issues in the terms indicated.

Safety standards

The use of flammable substances is regulated by a number of international standards. Hydrocarbon-based technologies in the production of polyurethane foams are widely and successfully used in European countries, where industry norms and practices for safe applications of these technologies are well established. The study is developed on the basis of the experience of European countries to provide guidance and to assist experts in

designing safety systems and in estimating the costs of projects using hydrocarbon-based foam technologies in Article 5 countries.

Enterprise baseline situation

The introduction of hydrocarbon technologies depends on the availability of baseline utilities and general industrial safety facilities. The study establishes the minimum prerequisites at the enterprise level to make the conversion to hydrocarbon technologies feasible. The baseline production equipment is analyzed providing guidance for the replacement or retrofitting the existing equipment depending on its condition and design.

Safety principles

The production of hydrocarbon-based foams involves the use of flammable blowing agents (cyclopentane, n-pentane, butane and others) which could create an explosive atmosphere when mixed with air. An area in which an explosive atmosphere is present, or may be expected to be present is classified as a hazardous area. Installations in which flammable materials are handled or stored should be designed, operated and maintained so that any releases of flammable material, and consequently the extent of hazardous areas, are kept to a minimum.

In a situation in which there may be an explosive atmosphere, either the likelihood of an explosive atmosphere or the source of ignition should be eliminated. In emergency situations, several measures can be undertaken: cut-off of power to unprotected electrical equipment; shut-down of the process; isolation of process vessels; containment of spillages; and provision of additional emergency ventilation. The Study provides specific recommendations regarding the implementation of safety principles.

Hazardous area classification

The environment in which an explosive atmosphere may occur, can be analyzed and classified to select the appropriate electrical apparatus and equipment. The analysis of potentially hazardous areas involves examination of the likely frequency, duration and rate of release of flammable material, and its concentration in the air. This analysis also involves examination of the application of ventilation to reduce the concentration of flammable gas below the maximum admissible level. The hazardous areas are classified into three zones (0,1 and 2) based upon the frequency of the occurrence and duration of an explosive atmosphere. The study provides guidance on the classification of hazardous zones, required grades of ventilation and the selection of the type of the most suitable electrical equipment related to the particular circumstances of hydrocarbon foam production process.

The study does not specifically deal with use of hydrocarbon for charging the refrigeration circuit. However, it should be noted that the safety principles are the same and the design elements are very similar. For example, the main safety requirements for hydrocarbon refrigerant charging are the provisions of ventilation and gas detectors, both of which are specified in principle and in detail in relation to the foam operation. The only equipment involved is that required to charge the refrigerant (a charging board) which is always procured as a new item in hydrocarbon refrigeration projects and is thus intrinsically safe as it is designed for this purpose by the manufacturer.

Detailed conversion aspects

The conversion involves the supplier of equipment from one side and the Implementing Agency and the enterprise from the other. Their respective roles in making the conversion safe are identified in the study. The study also addresses the definition and technical requirements for the following specific components of a typical conversion project:

- cyclopentane storage and distribution
- premix area and foaming machines
- foaming jigs
- nitrogen blanketing
- ventilation
- gas detection system
- electrical grounding
- electrical cabling
- safety training

In each case, the study indicates where work can be done locally.

Identification of related safety costs

The study included an assessment of the costs of the most important items involved in a theoretical conversion project. However, this assessment is made from the perspective of the specific supplier of the equipment, Cannon Italy. More work is required to be done on equipment costs. Eventually, the cost information in project completion reports and the equipment cost database when completed will be taken into account to establish the cost range for major items related to safety. What the study has done is to provide a sound technical basis for the specifications of essential safety-related equipment items.

Conclusions

The Hydrocarbon Safety Cost Study establishes a solid technical ground for designing safety systems during conversion to hydrocarbon technology. The study can serve as guidance to the Implementing Agencies, enterprises in Article 5 countries in preparation of investment projects and to the Secretariat in reviewing the submitted projects.

The Secretariat will continue to work with the Implementing Agencies to further fine-tune the costs associated with safety in hydrocarbon projects by analyzing the reports on completed projects, the equipment costs incorporated in the database of equipment and through the updating the existing cost templates if necessary.

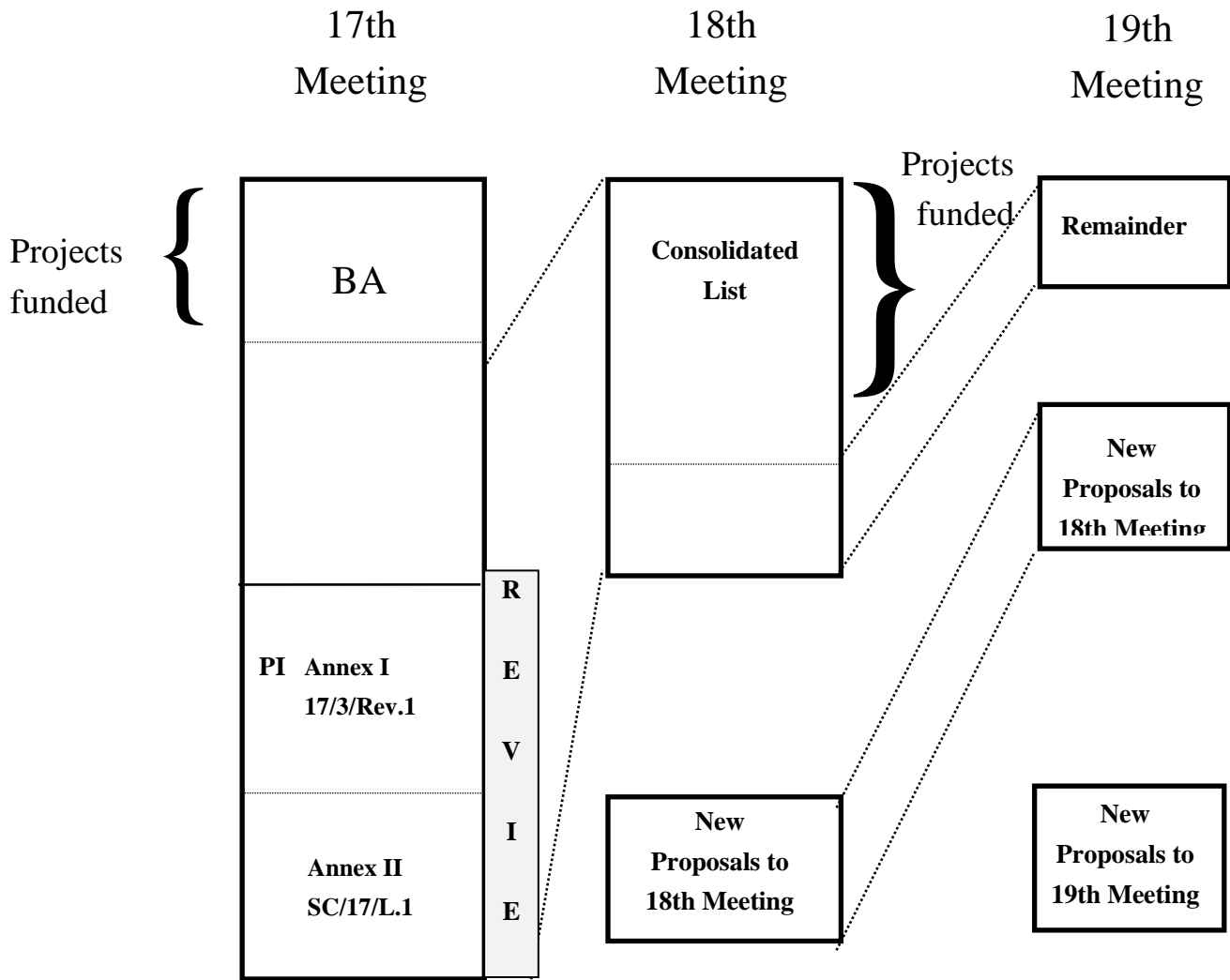
Recommendations

It is recommended that, on the basis of the discussion foreshadowed in Decision 24/57, the Executive Committee note the Hydrocarbon Safety Cost Study and agree to its findings being used as guidelines for the design of safety-related equipment, on which the eligibility of funding for such equipment in hydrocarbon refrigeration projects will be based.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/47, para. 84).

(Supporting document: UNEP/OzL.Pro/ExCom/25/54).

ANNEX IX.8: FRAMEWORK FOR RESOURCE ALLOCATION



BA - Blanket Approval

PI - Policy Issues

Consolidated List - BA projects not funded at 18th Meeting and PI projects

ANNEX IX.9: GUIDELINES FOR THE PREPARATION, IMPLEMENTATION AND MANAGEMENT OF PERFORMANCE-BASED SECTOR AND NATIONAL ODS PHASE-OUT PLANS**Introduction**

1. Performance-based funding agreements for ODS phase-out were introduced into the Fund operation in 1997 and are being increasingly adopted by some Article 5 countries as a preferred modality for managing their sectoral and/or national ODS phase-out programmes. Since the advantage of the performance-based phase-out plans is the matching of the funding commitment by the Executive Committee with the commitment of countries concerned to comply with the Montreal Protocol obligations, it is essential that the performance targets in such plans conform with the phase-out schedules of the various controlled substances.
2. The plans which have been prepared and implemented to date show a great degree of similarity and convergence, although in some aspects variance exists both in format and substance among these plans. At a time when such plans are becoming the predominant funding modality of the Fund, the current effort in preparing these Guidelines provides the opportunity to formalize experiences accumulated in applying the funding modality, and achieve consistency on those aspects that have not been dealt with uniformly.
3. However, it is also realized that situations in countries vary and needs are different. It would be impractical for the Guidelines to attempt to encompass every situation. Instead, an open approach is followed in developing these Guidelines whereby the purpose is to provide general principles and procedures that should be followed in developing and implementing such performance-based ODS phase-out plans. At the same time, there should be enough room left to allow users of these Guidelines to expand and adapt to suit their specific needs. This is especially true in the specific examples used in the Guidelines and the proposed Format for Annual Implementation Programmes, which are mostly illustrative in nature.
4. The Guidelines contain four parts: Part I – Purpose, Applicability, Definitions, Composition and Deadline for Submission; Part II – Contents of a performance-based ODS phase-out proposal; Part III – Contents of the agreement for a performance-based phase-out plan; and Part IV – Implementation of the performance-based ODS phase-out plan.

Part I. Purpose, Applicability, Definitions, Composition and Deadline for Submission**Purpose**

5. The purpose of the Guidelines for the Preparation, Implementation and Management of Performance-Based ODS Phase-Out Plans (hereinafter referred to as “the Guidelines”) is to provide standard procedures for the preparation, implementation and management of performance-based ODS phase-out plans. Users of these Guidelines could expand and adapt the guidelines to suit their specific needs.

Applicability

6. The Guidelines should apply to all the plans that the Executive Committee will enter into that entail a financial commitment by the Executive Committee, which will approve specific amounts agreed to in principle and to be disbursed over a number of years according to performance targets as agreed and specified in such plans. The performance targets established in such plans should, at a minimum, conform with the phase-out schedules of the Montreal Protocol applicable to the countries concerned in relation to all of the controlled substances covered in the plans, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee. These include ODS phase-out plans at a sector level and at a national level. National phase-out plans could include the remaining consumption of a controlled substance, the controlled substances of an Annex/Group under the Montreal Protocol, or all the controlled substances in a country.
7. The Guidelines should not, in general, apply to projects or programmes that aim at completing the phase-out at a sub-sector level such as rigid foam, flexible foam, polystyrene/polyethylene of the foam sector, or domestic refrigeration, commercial refrigeration, so-called manufacturing refrigeration and mobile air-conditioning of the refrigeration sector, unless the remaining consumption is high enough to warrant a sub-sector phase-out plan. Otherwise such sub-sector projects should be included either in the context of a sector plan, or a phase-out plan covering Annex A/Group I substances, or be treated as group and/or terminal umbrella projects.

Definitions

8. The terms used for the purpose of the Guidelines are defined as follows:

- A substance, is defined as an ozone-depleting substance controlled by the Montreal Protocol.
- Annex/Group, is defined as those Annexes and Groups related to ozone-depleting substances referred to in the Montreal Protocol. These Annexes/Groups include:
 - Annex A Group I of the Montreal Protocol includes CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115;
 - Annex A Group II of the Montreal Protocol includes Halon 1211, Halon 1301, and Halon2402;
 - Annex C Group III: Bromochloromethane
 - Annex B Group I (CFC-13), Group II (CTC) and Group III (TCA); and
 - Annex E: methyl bromide.
- A sector, is defined as the industrial sector producing or using one or more ODSs. These sectors include:
 - ODS production;
 - Aerosol;
 - Foams;
 - Refrigeration;
 - Solvents;
 - MDIs;
 - Sterilants;
 - Fire-fighting;
 - All controlled uses of methyl bromide; and
 - Process agents.
- A sector ODS phase-out plan aims at eliminating the eligible consumption or production of a controlled substance of an industrial sector; in the case of methyl bromide, of a controlled application.
- A national ODS phase-out plan aims at eliminating the total eligible consumption of one or more than one controlled substances in a country, such as Annex A Group I (CFCs), Annex A Group II (halons), or Annex E substances (all the controlled applications of methyl bromide).

Composition

9. A performance-based ODS phase-out plan should consist of two parts: a performance-based ODS phase-out proposal, and an agreement which would formalize legally the commitments of the Executive Committee and the country concerned over the duration of the plan. Before funding can be approved, the plan must be supplemented by the first annual implementation programme, which will form the basis for approval of the initial tranche.

Deadline for submission

10. A national/sector phase-out plan, complete with a draft agreement and a proposed first annual implementation programme, should be submitted, unless otherwise agreed with the Secretariat, 14 weeks prior to an Executive Committee meeting to allow for a review by the Secretariat.

Part II. Contents of a performance-based ODS phase-out proposal

General Information

11. The phase-out proposal should include general information, such as name of country; type of proposal (sector/national phase-out plan); number of controlled substances covered by the proposal; sector(s) covered and duration of the proposal.

Impact of the proposal

12. The proposal should state the impact in terms of the amount of ODP tonnes of each controlled substance to be eliminated and the impact on national consumption and its relation to compliance. For Annex A Group I CFCs, the proposal should provide data on the starting point established by Decision 35/57; consumption funded since the starting point; remaining eligible consumption unfunded as of submission of the proposal; and phase-out from the proposal as a percentage of the remaining unfunded consumption in the case of a sector plan.

13. For the other controlled substances, the proposal should provide data on eligible consumption reported from the two most recent years prior to the submission of the proposal; consumption funded but not implemented as of submission of the proposal; eligible consumption unfunded as of submission of the proposal after netting out the consumption funded but not implemented; and phase-out from the proposal as a percentage of the unfunded

consumption. Particular attention should be paid to establishing the proportion of consumption that is not eligible for funding because it arose from production capacity installed after 25 July 1995.

14. There should be an assessment of the consumption reduction schedule proposed in relation to the Montreal Protocol control schedule of the controlled substance concerned. The reduction schedule proposed should, at a minimum, conform to the Montreal Protocol control schedule, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee.

Data collection and validation

15. The proposal should provide sector distribution of the remaining eligible consumption of each of the controlled substances covered, in terms of the remaining consumption of the sector; consumption funded but not implemented; and the consumption unfunded as of the time of submitting the proposal after netting out the consumption funded but not implemented.

16. There should be a description of the procedure followed in collecting and validating the data, including the name of the institutions involved, the sources of data and the methodology used. If a sampling methodology is necessary, there should be a discussion of the representativeness of the sampling. There should be adequate divergence of sources of data to ensure data credibility and reliability. This should follow the chain of ODS supply from the time when the substance is ordered and imported into the country to distributors and manufacturers. This could include but not be limited to sources such as customs, use data from industries, enterprise surveys, data from compressor manufacturers and others.

Strategy and plan of implementation

17. The proposal should describe the strategy that will be followed to achieve the annual reductions proposed, in particular, the management of the supply and demand of ODS in the country to achieve the objectives of the proposal. This should include a discussion of policy instruments to reduce the supply of ODS, such as import quotas, price controls and the control of illegal trade in ODS. This should also include the steps to be taken to gradually curtail ODS demand (e.g. measures like completing the conversions of manufacturing industries while simultaneously planning to address demand in the refrigeration servicing sector).

18. The strategy should include a time frame of implementation based on the actual conditions in the country. This would entail an assessment of how much of the current consumption could be avoided with little investment but with targeted awareness campaigns and evaluations carried out on the results of such campaigns in terms of actual reduction achieved.

19. There should be an implementation programme sector-by-sector on how the ODS demand reduction will be achieved year by year. This includes a description of the contribution of activities by industry and government. This should include annual data on reductions to be achieved; reduction from on-going projects; reduction from new conversions in the manufacturing industries; reduction from servicing; and contributions from government policy control.

20. For refrigeration servicing, the proposal should describe the strategy to reduce the dependence on CFCs. This strategy could include measures such as legal and economic incentives and disincentives targeting suppliers, service technicians and equipment owners; training of service technicians; public awareness activities; customs control on new CFC-based equipment and vehicles; bans on the introduction of after market CFC-based MAC systems; the retirement of existing CFC-based equipment and vehicles; and the gradual increase in the supply of recycled CFCs.

Incremental costs

21. The proposal should provide the basis and justifications for the calculation of incremental costs.

22. For industry conversions, data should be provided to the extent possible on the number of enterprises, sectors/sub-sectors involved, enterprise ODS consumption and baseline equipment, date of installation of production capacity, production levels, the average cost-effectiveness of the projects funded in the sector/sub-sector in the relevant country and level of exports to non-Article 5 countries. Using this data, incremental costs should be calculated at the sub-sector level. Where large enterprises are identified with potential individual phase-out costs of over US \$1 million, sub-projects should be appended to the plan establishing the incremental cost in the usual manner.

23. For refrigeration servicing, data provided should include estimated number of viable workshops in the

country, their typical baseline equipment, estimated number of technicians currently working in refrigeration servicing, estimated average consumption of CFCs per workshop per year, number of recovering and recycling equipment needed and justification, including an estimate of the amount of ODS to be recovered annually, and other details.

24. For non-investment activities, the charge against the aggregate baseline ODP level as per Decision 35/57 will not apply since these activities will not be treated as individual separate activities but components of a sector or national phase-out programme. However, the decision should apply to separate non-investment activities submitted outside such performance-based plans.

25. For management costs, data should be provided on the justification for funding for project management in addition to the funding provided under institutional strengthening project, the role and responsibility of the project management to be funded.

Management

26. There should be a description of the management structure for the implementation of the phase-out proposal. This should include a clear indication of the roles to be assumed by Government bodies, industry bodies, academic institutions and consultants. Accountability of the management is of paramount importance. Thus a designation of a government entity to which the management should be held accountable should be indicated.

27. There should also be a discussion of the Implementing Agency to be involved in the management and implementation of the phase-out proposal. If there is more than one Implementing Agency involved, there should be a designation of the lead Implementing Agency and co-operating agencies, with a clearly defined role and responsibility for each of the Implementing Agencies involved.

Monitoring and evaluation

28. There should be a clear description of the financial and substantive oversight to be exercised over the plan and should include the name of institutions involved, role and responsibility of each institution, type and frequency of reporting. There should be adequate provision to ensure independent confirmation of the achievement of the performance targets specified in the agreement, including a periodic evaluation to be included in the Monitoring and Evaluation Work Programme of the Fund. Such evaluations could be undertaken by national auditing authorities that are not involved in the implementation and management of such plans, provided that their independence was guaranteed by the Implementing Agency concerned.

Performance targets and disbursement schedule

29. A schedule of fund disbursement should provide the funding requirement in annual tranches to achieve the performance targets. Performance targets will include, inter alia, maximum ODS consumption levels, annual ODS reduction targets and the investment and non-investment activities proposed to be achieved in the year in question.

Part III. Contents of the agreement for a performance-based ODS phase-out plan

General information

30. The agreement on the phase-out plan should include general information, such as name of country; type of the plan (sector or national phase-out plan); controlled substances covered by the agreement; duration of the agreement; and total funding level agreed in principle.

Impact of the agreement

31. The agreement should state the impact in terms of the amount of ODP tonnes of each controlled substance to be eliminated. For Annex A Group I CFCs, the agreement should provide data on the starting point established by Decision 35/57; consumption funded since the starting point; remaining eligible consumption unfunded as of submission of the agreement; and phase-out from the agreement as a percentage of the remaining unfunded consumption in the case of a sector plan.

32. For the other controlled substances, the agreement should provide data on eligible consumption reported from the two most recent years prior to the submission of the agreement; consumption funded but not implemented as of submission of the agreement; eligible consumption unfunded as of submission of the agreement after netting out the consumption funded but not implemented; and phase-out from the agreement as percentage of the unfunded consumption.

Performance targets, indicators of achievement and fund disbursement schedule

33. Performance targets should be set in annual reduction levels of the controlled substance concerned, starting from the year that the agreement is approved. The performance targets should at a minimum meet the control schedules of the Montreal Protocol for each of the controlled substances concerned, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee.

34. Indicators should be provided for each annual target to validate and corroborate the achievement of the targets. To the extent possible, these indicators should be verifiable and quantifiable. For the purpose of illustration, they could include the import and consumption data (supply and demand) of the controlled substance, the completion of investment projects and associated phase-out, the number of CFC recovery and recycling stations in operation, the enactment and enforcement of a government policy such as import control of CFCs at a certain date, and other quantifiable indicators.

35. A schedule of fund disbursement should show fund requirements in annual tranches to achieve the performance targets

36. The three components can be presented in a tabular form as follows:

Year	Performance target (ODP tonnes)	Consumption allowed under Montreal Protocol controlled schedule (ODP tonnes)	Indicator(s) of achievement	Disbursement (US\$)

Conditions for disbursement

37. There should be a clear enunciation of the conditions that have to be met by the government of the country concerned before the annual tranche of funding could be released. This should include, among other things, an independent confirmation of the achievement of the agreed target in the phase-out funding period, the submission of an annual implementation programme for the upcoming funding period, and confirmation of the achievement of the activities included in the previous annual implementation programme.

Delineation of annual funding cycle

38. There should be a delineation of the annual funding cycle in the agreement which should include the time of the year that the funding request would be submitted to the Executive Committee, timing of submission of a report on the independent verification of the implementation of the target in the relevant previous funding period and the timing for submitting the annual implementation programme for the new funding period. Noting the time needed to audit phase-out performance, the plan should indicate clearly which previous funding period will be the basis for the verification audit.

Flexibility for using approved funding

39. The agreement may include a clause about the flexibility that should be allowed for the country concerned to reallocate the approved funds, or part of the funds according to the evolving circumstances in the country to achieve the agreed targets. Reallocations which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.

Monitoring and evaluation

40. There should be a clear description of the financial and substantive oversight to be exercised over the plan and should include the name of the institutions involved, the role and responsibility of each institution, the type and frequency of reporting. There should be adequate provision to ensure independent confirmation of the achievement of the performance targets specified in the agreement, including where appropriate a periodic evaluation to be mounted by the Senior Monitoring and Evaluation Officer of the Secretariat.

Provisions for failing to honour commitments

41. There should be provision for failure to honour the commitment entered into under the agreement. Such provisions should cover situations in which the Executive Committee could not provide the level of funding agreed in the agreement when the country concerned had achieved the required ODS reduction. The provisions should also cover situations in which the country concerned could not meet the agreed ODS reduction target

when the Executive Committee had fulfilled its obligation by making the agreed funds available.

Management responsibilities

42. The country concerned should assume overall responsibility for the implementation and management of the agreement to ensure the achievement of its goals. It should, however, choose an Implementing Agency to assist it in implementing the agreement. In cases where the government decides to enlist the services of more than one Implementing Agency (bilateral agencies included), the government should indicate the lead agency and the co-operating executing agency(ies).

43. The agreement should include a description of the role and responsibility of the country concerned, the lead Implementing Agency and each of the co-operating executing agencies.

Arrangement for administrative fees

44. The agreement should specify the arrangement for the payment of administrative fees for the Implementing Agency(ies) in accordance with the policy of the Executive Committee on administrative costs.

Part IV. Implementation of the performance-based ODS phase-out plan

45. The implementation of the performance-based ODS phase-out plans should be effected through the preparation, submission and approval of annual implementation programmes

Preparation and submission of annual implementation programmes and funding requests

46. Annual implementation programmes and funding requests should be submitted by the lead Implementing Agency on behalf of the country concerned to the Executive Committee for approval eight weeks prior to the meeting of the Executive Committee. As the verification of the achievement of the target in the preceding year is the condition for release of funding for the year of the plan, the annual implementation programme should be submitted together with the performance verification report. If this is not possible due to the time required to complete the verification after the conclusion of the implementation programme for the preceding year, an interim implementation review should be submitted together with the annual implementation programme.

Contents of the annual implementation programme

47. What is proposed below are the major items that ought to be included in the annual implementation programme, however, the details under each item as shown here are for illustrative purposes only and should be adapted according to the specific needs of each phase-out plan.

- **ODS phase-out target:** should be the same as agreed upon in the agreement. Indicators should be provided and one of them can be data on the supply, demand and stockpiling of the ODS in the preceding year and the year of the programme.
- **Industry action:** should include planned phase-out in the manufacturing industry and refrigeration servicing. For manufacturing, the plan should list by sector/sub-sector, the number of industry conversions to be completed and ODS phase-out to be realized. For refrigeration servicing, the plan should indicate the actions to be taken, such as ODS recovery and recycling and anticipated impact of such actions, which can be expressed in the amount of ODS to be recycled.
- **Technical assistance:** should include the planned enabling activities, their objectives, the target group to be reached and their impact.
- **Government action:** should include the planned measures to be taken and the schedule of implementation. These could be the enactment and enforcement of government policies on the supply of and demand for ODS, and public awareness campaigns.
- **Annual budget:** should list the planned expenditures to be incurred for the various activities to be implemented during the year.
- **Administrative fees for Implementing Agencies:** should include the name of the agency, planned expenditure of the agency in the year of the plan, rate of administrative fees agreed, and the total administrative fees to be paid.

48. For illustrative purposes, the items discussed above are presented in a tabular form in Annex I (next page).

Annex I. Format for annual implementation programmes

This format is proposed for use by the Article 5 country to prepare the annual implementation programme for the implementation of performance-based ODS phase-out plans; however, it should be modified to suit the specific needs of each plan.

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	
Co-operating agency(ies)	

2. Targets

Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

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 (ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

Technical assistance

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

4. Government Action

Policy/activity planned	Schedule of implementation
Type of Policy Control on ODS Import: servicing, etc	
Public Awareness	
Others	

5. Annual budget

Activity	Planned expenditures (US \$)
Total	

6. Administrative fees

Annex II. Draft agreement between (country) and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances

1. This Agreement represents the understanding of [country] (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone- depleting substances in the sectors set out in Appendix 1-A (the Substances) prior to [date for final completion], compliance with Protocol schedules.
2. The Country agrees to phase-out the controlled use of the Substances [in the Sectors] in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee. 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.
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 9 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 Substance as indicated in row(s) * and * 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 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least [number] days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) that the Country has met the Target for the applicable year;
 - (b) that the meeting of these Targets has been independently verified as described in paragraph 8; and
 - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (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 Programmes”) 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 8.
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 ... 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. 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. [Name of the lead IA] (the “Lead IA”) has agreed to be the lead Implementing Agency [and [name of other IAs] (the “Co-operating IAs”) have agreed to be co-operating Implementing Agencies 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 Co-operating IAs 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 Co-operating IAs] with the fees set out in row 10 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances [in the Sector] 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

10. 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/production sector projects or any other related activities in the Country.

11. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access by the Lead IA [and the Coordinating IAs] to information necessary to verify compliance with this Agreement.

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendix 1-A. The substances

1. The common names of the ODS to be phased out under the Agreement will be listed here.

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
	Group II	Halon 1211, Halon 1301, and Halon 2402
Annex B:	Group I	CFC-13
	Group II	CTC
	Group III	TCA
Annex C	Group III	Bromochloromethane
Annex E:		Methyl bromide

Appendix 2-A. The targets, and funding

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedules											
1. Max allowable total consumption of first substance/sector (ODP tonnes)											
2. Reduction from ongoing projects											
3. New reduction under plan											
4. Total annual reduction of first substance (ODP tonnes)											
5. Max allowable total consumption of second substance/sector (ODP tonnes)											
6. Reduction from ongoing projects											
7. New reduction under plan											
8. Total annual reduction of second substance (ODP tonnes)											
9. Lead I.A. agreed funding											
10. Lead I.A. support costs											
11. Co-operating I.A. agreed funding											
12. Co-operating I.A. support costs											
13. Total agreed funding (US \$ million)											
14. Total agency support costs (US \$ million)											

Appendix 3-A. Funding approval schedule

1. This will indicate the timing of submission for funding of annual implementation plans, for instance:
 - (a) funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

Or

(b) funding will be considered for approval at the first meeting of the year of the annual plan.

Appendix 4-A. Form of annual implementation programme (see Annex I to the Guidelines).

Appendix 5-A. Monitoring institutions and roles (as developed in the project document).

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 along the lines of the following: :

- (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) 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
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the [year] year to be prepared and submitted in [year];
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (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) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinate the activities of the Coordinating IAs, if any;
- (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 co-operating Implementing Agencies (to be developed in the project document and included in this Appendix).

Appendix 7-A Reductions in funding for failure to comply

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US\$* per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/65, para. 106).

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/37, para. 161 (j)).

(Supporting document: UNEP/OzL.Pro/ExCom/38/57/Rev.1).

ANNEX IX.10: GUIDELINES FOR THE VERIFICATION OF NATIONAL CONSUMPTION TARGETS OF MULTI-YEAR AGREEMENTS (MYAS)**Introduction**

1. Since 1999, multi-year agreements have become a predominant funding modality of the Multilateral Fund to assist Article 5 countries in achieving the ODS phase out targets under the Montreal Protocol. Under these agreements, the responsible implementing agencies are required to submit a verification report on the achievement of the ODS reduction targets specified in the agreements as a prerequisite for the release of the next tranche of funds. The guidelines below are intended to achieve consistency and uniformity in the methodology for carrying out these verifications. They cover, among other things, data requirement and the procedure to be followed in carrying out the verification.

Guidelines for verification of national consumption targets of the MYAsPurpose

2. The purpose of the guidelines is to provide guidance for conducting verification of the national consumption targets of the MYAs, bearing in mind the specific reporting requirements in each of these agreements.

Applicability

3. These guidelines are intended for the verification of national consumption targets of multi-year agreements for CFCs, halons, CTC, TCA, and methyl bromide. They do not apply to ODS production sector phase out agreements which are governed by guidelines approved by the Executive Committee in the year 2000; sectorial plans may require additional verification procedures at the sectorial level.

Basis for verification of the national consumption targets of the MYAs

4. Since the MYAs define their achievement targets in annual national maximum allowable consumption of an ODS, the verification of the national consumption targets of the MYAs should use the Montreal Protocol definition of consumption as the basis for the verification of the achievement of the targets (i.e. consumption = production+imports-exports). For those Article 5 countries which do not produce the ODS, the formula can be simplified to be consumption equals imports (minus exports where appropriate). For those countries where ODS is produced, the verification of consumption should include the verification of production which was conducted following the guidelines approved at the Executive Committee's thirty second meeting. Imports and exports should be verified using the criteria defined herein.

Procedure for the verification

5. The verification should review national legislation, policies and procedures on ODS imports/exports, such as,
- (a) channel of communication between Government (the licensing authority) and customs;
 - (b) authorized list of importers/exporters and, where available, distributors;
 - (c) conditions of issuing licenses;
 - (d) administrative procedures and documentation;
 - (e) system of monitoring and reporting on exports of ODS;
 - (f) sanctions or penalties to be imposed on violation of legal regulation;
 - (g) mechanisms and capacity for prosecution and enforcement
 - (f) national system of harmonized custom codes in order to identify ODSs and ODS mixtures;
 - (g) procedures to be applied in case of suspicious shipments;
 - (h) sampling or other identification methods used.
6. The verification should review official statistics on imports/exports: compare quotas issued versus actual quotas used.
7. The verification should review a representative sample of reports from importers/exporters, and where available of distributors.
8. The verification should review the follow up on the recommendations from previous verifications.

9. The verification should conclude the exercise by discussing conclusions and recommendations.

Data needed for the verification

10. The following information should be available for the purpose of the verification:

- (a) list of authorized importers/exporters, and where available, distributors;
- (b) ODS imports quotas and exports license issued;
- (c) actual ODS imports and exports;
- (d) national policies and procedures on ODS imports and exports;
- (e) government enforcement structure for ODS imports and exports;
- (f) documents such as licenses, trade names, code numbers, labelling, etc, to be presented to customs by importers and exporters of ODS.

Verification document

11. The final verification document should:

- (a) describe the detailed steps and procedures taken to conduct the verification.
- (b) summarize all aspects of national legislation, policies and procedures designed to ensure achievement of the consumption targets in the multi-year agreement.
- (c) provide detailed data demonstrating and confirming that the consumption target in the multi-year agreement was achieved.

Institution/consultant to conduct the verification

12. The choice of the institution/consultant to conduct the verification should generate a reasonable level of confidence that there is no conflict of interest in the process and that the results of the verification are independent and objective.

13. The selection of the candidates for the verification should be made by the responsible implementing agency in consultation with the country concerned. The final selection of the institution/consultant should follow the rules and procedures of the contractor.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/38, para. 167).

(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex XIII).

ANNEX IX.11: CONCLUSIONS AND RECOMMENDATIONS OF THE FOAM DENSITY REPORT

1. The information and guidance contained in the World Bank OORG Foam Density Report 2000 of 25 June 2000 should be shared with all the Implementing Agencies.
2. Rigid polyurethane insulation foam projects should be based on the definitions of market segments as defined in Table 1.
3. For each MLF project the overall densities of the foams in the baseline case and with the alternative technologies should be determined using ISO 845. This will enable the data bank to be expanded and enhanced.
4. The density changes applied in rigid polyurethane insulating foam projects should follow the values listed in Table 3.
5. Where enterprises are operating, in the baseline case, at lower densities than those listed in Table 3 the percentage increases in density should be applied.
6. For rigid polyurethane foam projects where incremental operating costs in are given for two years the first year should be based on the “start-up” density and the second year on the “mature” density. For those projects where incremental operating costs are met for six months then the “start-up” density should be used.
7. For flexible moulded foam, where the technology to replace CFC-11 is invariably CO2 (water) blown there is no increase in density. However, formulations might need to be changed to maintain performance/OEM specifications, but no general rules can be drawn up regarding formulation changes.
8. For integral skin products, this segment is best considered on a case by case basis.
9. The Working Group should be reconvened when it is deemed necessary so that it can update its findings.

And some concluding remarks:

This study is extremely important for the cost effective phase-out of ODS in foam projects. The TOR was broad in concept and this report attempts to present the findings in a clear and concise fashion.

The data input was based on two sources. The first was from a study of data from MLF projects provided by UNDP and The World Bank. The second was the experience (a total of 146 years) and on-going learning of the members of the Foams Working Group. Both sources are invaluable.

It is inevitable that further information would have enhanced the data bank but is unlikely to have changed the conclusions.

Table 1 Rigid polyurethane foam segmentation

Segment	Sub-segment	Comments
Thermoware	Picnic boxes	e.g. as made by Rubbermaid and Coleman
	Insulated food dishes and bottles	
Pipe insulation	Pipe sections	Moulded sections Sections cut from blocks
	Pipe-in-pipe	For DCH (District heating pipes)
Discontinuous boards and blocks	Boards	
	Blocks	Used for several applications including pipe sections and panels
Continuous boards and blocks	Flexible-faced laminates/boardstock	Major insulation product in developed countries
	Blocks	Rigid slabstock used for pipe sections and panels, etc.
Domestic refrigerators and freezers		
Commercial refrigerators and freezers	Vending machines	Self-service can drink dispensers
	Visi-coolers	Glass-fronted drink coolers
	Display cases	Used in retail outlets
	Chest freezers	Used in retail outlets

Segment	Sub-segment	Comments
	Walk-in/step-in coolers/freezers	Storage in supermarkets, typically made from discontinuously-made sandwich panels
Continuous panels		For cladding, warehouses, cold stores, industrial buildings
Discontinuous panels		Uses as for continuous panels plus doors and commercial refrigeration
Spray foams	Walls	Interior and exterior walls
	Roofs	For new and renovation applications
	Pipes and Tanks	For hot and cold applications

For non-insulating polyurethane foams the sub-segments are:

Table 2 Flexible moulded foam segmentation

Segment	Sub-segments	Comments
Flexible moulded foam – transportation	Seat backs	All follow specifications of the OEMs
	Seat cushions	
	Headrests	
	Saddles	For motorcycles
Flexible moulded foam – furniture		
Flexible integral skin foams – transportation	Steering Wheels, armrests	
	Fascias	
	Bicycle saddles	
Rigid integral skin	Furniture	Typically wood imitation mouldings
	Electrical and electronic cases	

Table 3 Densities for rigid polyurethane foams

Segment	Sub-segment	Baseline density	Alternative technology	Start-up density (-%)	Mature density (-%)
Thermoware	Picnic boxes	32-34	HCFC 141b	35-37 (9)	32-34 (0)
	Insulated dishes	32-34	HCFC 141b	35-37 (9)	32-34 (0)
Pipe insulation	Pipe sections	33-35	HCFC 141b	35-37 (6)	34-36 (3)
	Pipe-in-pipe	70-80	HCFC 141b & pentane	70-80 (0)	70-80 (0)
Discontinuous boards & blocks	Boards	35-37	HCFC 141b	38-40 (8)	36-38 (3)
	Blocks	33-34	HCFC 141b	36-37 (9)	34-35 (3)
Continuous boards	Boards	30-32	HCFC 141b, pentane	33-35 (10), 35-37 (16)	31-33 (3), 34-36 (13)
Domestic refrigerator/Freezers		31-33	Cyclopentane, Cyclo/iso pentane, HCFC 141b	36-38 (16), 34-36 (10), 35-37 (13)	34-36 (10), 34-35 (8), 33-35 (6)
Commercial refrigerators & freezers	Vending machines	33-35	HCFC 141b	36-38 (9)	35-37 (6)
	Visi-coolers	33-35	HCFC 141b	36-38 (9)	35-37 (6)
	Display cases	36-38	HCFC 141b	38-40 (5)	37-39 (3)
	Chest freezers	36-38	HCFC 141b	38-40 (5)	37-39 (3)
	Walk-in/step-in coolers/freezers	41-44	HCFC 141b	43-45 (4)	41-44 (0)
Continuous panels		40-42	HCFC 141b, Pentane	42-44 (5)	40-42 (0)
Discontinuous panels		41-44	HCFC 141b, Pentane, HFC 134a	43-45 (4)	41-44 (0)
Spray foams	Walls	32-35	HCFC 141b	34-37 (6)	33-36 (3)

ANNEX IX.11*Policies, procedures, guidelines and criteria (as at December 2023)*

Segment	Sub-segment	Baseline density	Alternative technology	Start-up density (-%)	Mature density (-%)
	Roofs	48-50	HCFC 141b	48-50 (0)	48-50 (0)
	Pipes and tanks	32-35	HCFC 141b	34-37 (6)	33-36 (3)

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/44, para. 68).

(Supporting document: UNEP/OzL.Pro/ExCom/31/53).

ANNEX IX.12: METHODOLOGY FOR CALCULATION OF OPERATIONAL COSTS IN METHYLENE CHLORIDE PROJECTS**Factors to be considered in calculating the incremental operational costs (IOC).**

Relative prices of methylene chloride and CFC-11. The prices should be determined locally using the ratio MC/CFC-11 of 0.9/1.0. All pricing should also be guided by Executive Committee decision regarding pricing of commodities, namely that national pricing be used except where it was higher than 20% of the regional border price (UNEP/OzL.Pro/ExCom/12/37, para. 62). For 1995 the prices of urethane grade and non-urethane grade MC may not exceed US \$1.00 and US \$0.80 respectively. Where available, the price of urethane grade MC should be used.

Catalysts:

Amine: A 10% increase in amine catalyst corresponds to 10 pphp* MC. The need for additional or different catalyst should be justified. (Current price of catalyst is US \$7.50/kg).

Tin: A 25% increase in tin octoate, corresponding to 10 pphp MC should be allowed (current price is US \$6-8/kg).

Polyol: If the need for a better or different stabilized polyol as well as its local availability are established price increase of up to US \$0.10/kg should be allowed.

Toluene diisocyanate (TDI): When forced cooling or softening technologies are used both the increased use of TDI and decreased use of MC should be taken into account in the IOC calculation. Replacement of ten parts of MC by 10 parts of TDI and one part of water should be considered.

Softener: The cost of softener may be taken into account only when detailed formulations are developed. The calculation should also take account of adjustments in MC use.

Yield loss: Initial incremental yield loss of 3% declining by 1% each year should be allowed.

Incremental energy costs: Incremental energy costs will be eligible only in the event that the substitute technology results in increased energy consumption. However, if this increase results in expansion in production capacity of the foam (whether intentional or inadvertent) it should not be considered in the calculation of IOC. Calculation of incremental energy cost should be based on kw multiplied by run hours/year and local unit price.

Incremental maintenance costs: Maintenance costs should be based on additional eligible equipment installed. The incremental maintenance costs should be calculated based on 5% of the eligible incremental equipment investment costs.

Factors not to be considered in calculating the incremental operational costs

Cost of water: Cost of water is usually minimal. Generally, de-ionized water is used in foam formulations. This is particularly critical if MC is used, since iron content could trigger scorching. Therefore where not already installed, a water softener or de-ionizer would usually be included in the investment costs.

Equipment type: Does not have any incremental effect on operational costs.

Equipment Condition: This should be the liability of the enterprise concerned.

Proficiency (expertise): Since differences in proficiency or expertise at the plant level is usually taken into account when assessing technology transfer and/or training costs, proficiency or expertise should not be considered in IOC calculation.

Recurrent training: Only staff time is involved and cannot be considered as incremental.

Safety: MC does not cause any safety concerns beyond those that have been dealt with under investment and chemical use. Hence, health and safety issues other than those considered already should not be taken into account, e.g. incremental operational cost of occupational health or safety monitoring programmes, etc.

Sample incremental operational cost calculation

Assumptions

Item	Price (US\$/t)	Consumption (t/y)		Information Source
		Before	After	
CFC-11	2,000	18	-	Navin Fluorine
MC	800	-	16.2	U-Foam
Amines	7,500	3	3.1	Standard
Tin	8,000	4	4.25	Standard
Energy (/KWh).	0.10	900	45,000	Power Cy.
Production	2,000		900	Recipient

Investment in equipment: US \$150,000

CFC/MC Ratio: 1.00/0.90

Yield loss: 3/2/1/0%/y on 25% of production
(Only 25% of the production uses MC).

Maintenance: 5% of equipment investment

Calculation

Cost Item	1995 US \$ X 1,000	1996 US \$ X 1,000	1997 US \$ X 1,000	1998 US \$ X 1,000	Total
BASELINE					
CFC-11	36	36	36	36	
Amines	22.5	22.5	22.5	22.5	
Tin	32	32	32	32	
Total	90.5	90.5	90.5	90.5	
POST-PROJECT					
MC	13	13	13	13	
Amines	23.3	23.3	23.3	23.3	
Tin	34	34	34	34	
Incremental Yield Loss	13.5	9	4.5	0	
Incremental Energy	4.5	4.5	4.5	4.5	
Incremental Maintenance	7.5	7.5	7.5	7.5	
Total	95.8	91.3	86.8	82.3	
IOC	5.3	0.8	(3.7)	(7.2)	
Discount Factor	0.91	0.83	0.75	0.68	
NPV	4.8	0.7	(2.8)	(4.9)	(2.2)

Costs determined as follows:

Baseline Costs: Baseline costs of chemicals calculated by multiplying the price of the chemical by annual use. No sales increases allowed.

Post Project Costs:

- MC: 90% of CFC-11 use multiplied by MC price. No sales increases included.
- Amine: Increase by 10% on MC foam alone.
- Tin: Increase by 25% on MC foam alone.
- Yield loss: Calculated on MC foam alone.

Incremental Operational Cost (IOC):

- IOC: Difference between baseline cost and post project cost.
- Discount factor: Based on 10% interest rate.
- Net Present Value (NPV): IOC X Discount factor.

(UNEP/OzL.Pro/ExCom/16/20, para. 85b and Annex IV).

(Supporting document: UNEP/OzL.Pro/ExCom/16/17).

ANNEX IX.13: TERMS OF REFERENCE FOR A STUDY ON ALTERNATIVES TO CFC IN RIGID FOAM APPLICATIONS

1. The Executive Committee of the Multilateral Fund wishes to undertake a study to examine the economic aspects of conversion from CFCs in the rigid foam subsector. The purpose of the study is to provide transparency and comprehensive information on:

- the factors leading to the choice of alternative technologies in Article 5 countries at the producing enterprise level. Factors to be considered are, inter alia cost, availability of alternatives, the interim or final nature of the alternative, effects of local safety regulations or concerns, availability of Fund assistance, etc.;

the short-term and long-term economic consequences for firms converting to various alternatives to CFCs.

2. The objective of the study is to provide to firms in Article 5 countries a greater understanding of the economic impacts of conversion to various alternatives. The Executive Committee should gain a clearer picture of how Fund policies may influence the choice of alternatives.

3. The following key factors shall be considered in the study:

- the study should cover the full range of alternative technologies to CFCs in the rigid foam sector, i.e. hydrocarbons, water, CO₂, HCFCs, HFCs, etc.;
- the study should examine the relevant funding rules of the Multilateral Fund and analyze the impacts on the choice of alternatives and (future) implications for the Multilateral Fund. As a starting point it should consider projects funded to date, their choices of technologies and all completion reports available on those projects;
- the study should carry out an analysis of capital costs associated with the foam projects. This would include the equipment directly needed to make the transitions to the technologies investigated, and the changes necessary to make certain transitions. It should also consider the useful life of foaming and other related equipment that will need to be procured to enable the conversion from CFCs;
- the study should examine the operational cost or benefit associated with the use of the alternative technology selected. Related costs should also include costs for changes in the starting material and additives taking into account the prevalent use of premixed systems and costs for performing changes of the properties of the product (for example density, R-factor, etc.). The focus should be on estimating total operational cost, as well as any costs that may be incurred by the firm that are not compensable under Fund rules. The latter may include costs for relevant country firms that face project costs exceeding the Fund's cost-effectiveness thresholds, project term cost or benefit (beyond the compensable 2 years) of providing the alternative chemical at a level needed to sustain current output, and costs of secondary conversions from HCFCs considering factors related to the timing of compliance with the Montreal Protocol's HCFC provisions, as well as factors related to the useful life, usability, or retrofit potential for the use of current equipment, cost of conversion and evolving market acceptability issues;
- in order to enable enterprises to clearly understand short-term and long-term economic implications they may be facing, the study should make assumptions regarding the cost of CFCs and the various alternatives. With regard to alternatives under advanced development but not currently commercially available, the study should make a range of reasonable assumptions on the basis of probable scenarios ahead. The study should also consider the added cost/benefit of conversion using each of the various technologies. In that regard, it should assume a 4-, 10- and 15-year project lifetime;
- while, to the extent found relevant, the above factors should be considered, they are not meant to be overly limiting. In developing a consistent evaluative methodology, the consultant should contact purveyors of the different technological options. In the conduct of the study, efforts should also be made to utilize local expertise gained in Article 5 countries by the Implementing Agencies;
- the total cost (both capital and operational) associated with using different alternatives should be presented in terms of net present value using at least two assumptions for a discount rate;
- the study should contain case studies as well as (a) table(s) providing information relevant to different foam applications, alternatives, size of firms and economies of scale (measured by current use of tons

of CFCs). Representative samples should be considered from the point of view of the end users. In that regard, total net-present-value costs of using the different options for the different project lifetimes for firms of different sizes should be presented.

4. The Secretariat of the Multilateral Fund shall contract for the services of a qualified independent consultant experienced in conducting economic evaluations at the enterprise level and familiar with conversions to related technologies to carry out the study.

5. If possible, the Executive Committee believes it would be desirable to have at least a summary of findings delivered to the Executive Committee at its Thirty-second meeting.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/49, para. 81).

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/59/Rev.1).

ANNEX IX.14: GUIDELINES FOR LIQUID CARBON DIOXIDE PROJECTS

1. For a trial period of one year:

- (a) Liquid Carbon Dioxide (LCD) technology, may be applied in flexible slabstock polyurethane foam projects, where the annual CFC consumption of the enterprise is higher than 50 tonnes, except where national regulatory restrictions or other compelling reasons e.g.: the need to meet local market competition, prevent the use of methylene chloride, evidence of which should be attached to the project document:
- (b) in flexible moulded polyurethane foam projects where both LCD and water-blown technologies are viable zero-ODP options, an enterprise would be free to choose its technology subject to the provision that the eligible grant would be based on the more cost-effective of the two technology options.

2. Incremental Capital Costs

(a) Flexible Slabstock Polyurethane Foam Projects

The calculation of the eligible incremental capital costs of LCD projects should be based on the following:

Category	Cost Element	Cost (US\$)
Technology	Technology acquisition	50,000 ¹
	Technical support	10,000 to 30,000
	Training	10,000
	Trials	15,000
	Commissioning/Certification	10,000 to 30,000
Equipment	LCD Unit	250,000 to 375,000
	CO ₂ transfer system	20,000 to 40,000
	Miscellaneous Metering Units	70,000 to 85,000
Civil works		25,000
Total		460,000 to 660,000 ²

(b) Flexible Moulded Polyurethane Foam Projects

The calculation of the eligible incremental capital costs of LCD projects should be based on the following:

Category	Cost Element	Cost (US\$)
Technology	Technical support	10,000 to 20,000
	Trials	10,000 to 20,000
Equipment	LCD Unit	80,000 to 140,000
	CO ₂ transfer system	0 to 25,000
	High pressure metering units	0 to 90,000
Civil works		5,000
Verification testing		5,000
Total Incremental Capital Cost		225,000 to 300,000

3. Incremental Operational Costs/Savings

(a) Flexible Slabstock Polyurethane Foam Projects:

The calculation of the eligible incremental operational costs or savings should be based on the following parameters:

Cost Category	Costs Calculation	Cost Range (US \$)
Chemical Costs	Based on estimated total chemical costs for actual level of production before and after conversion.	
Yield loss	4% first year	
	2% second year	N/A
	0% third year	

¹ The technology license fee is not subject to 10% contingency.

² +10% contingency to be added.

	0% fourth year	
Other Costs		
Maintenance	5% of eligible capital items	12,000 - 18,000
Power	actual power increase	3,500 - 5,000
LCD tank	actual lease costs ³	4,500 - 5,000

(b) Flexible Moulded Polyurethane Foam Projects

The calculation of the eligible incremental operational costs or savings should be based on the following parameters:

Cost Category	Costs Calculation	Cost Range (US \$)
Chemical Costs	Based on estimated total chemical costs for actual level of production before and after conversion.	
Other Costs		
Maintenance	5% of eligible capital items	4,000 - 11,000
Power	actual power increase	0 - 5,000
LCD tank	actual lease costs	0 - 3,000

4. Methodology for the Calculation of Incremental Operational Cost/Savings

The methodology for calculation of the incremental operational costs or savings should be based on the methodology approved for use with methylene chloride projects at the 12th meeting of the Executive Committee. In particular, the cost for chemicals required to manufacture the products produced with CFC technology in the year prior to project preparation will be compared with the costs for the chemicals required for the same level of production of the same products manufactured with LCD technology. Incremental yield losses will be based on losses of the finished product produced by the LCD process, calculated at 4% in the first year and 2% in the second year. The application of the methodology is demonstrated in Appendix I.

³ Where it is not feasible to lease the LCD tank, the cost of a tank in the range of US \$15,000 - US \$25,000 may be included in the capital costs.

APPENDIX I

Application of the Methodology for Calculation of Incremental Operating Costs/Savings in Projects for the Production of Slabstock Foam using Liquid Carbon Dioxide Technology.

1. Incremental operating cost/savings for each year will be:

$$IOC^y = (B_2 - B_1) + (C_2 - C_1) + M + P + T + Y^y$$

2. Total IOC will be:

$$= NPV \{IOC^1 + IOC^2 + IOC^3 + IOC^4\}$$

where:

- y = year 1 to year 4
 B₁ = total annual cost of CFC blowing agent
 B₂ = total annual cost of LCD blowing agent for the same level of production after conversion
 C₁ = total annual cost of other input chemicals
 C₂ = total annual cost of other input chemicals for the same level of production after conversion

M, P, T, represent annual additional cost for maintenance, power and tank lease, respectively.

Y^y is the incremental yield loss for each year, calculated as follows:

- Y¹ = 0.04 x level of production with LCD (tonnes) x market price of foam (US\$/tonne).
 Y² = 0.02 x level of production with LCD (tonnes x market price of foam (US\$/tonne).
 Y³ = Y⁴ = 0.

Tabular Presentation: Annual Costs

Savings (US \$)

	Year 1	Year 2	Year 3	Year 4
Blowing Agent	B ₂ - B ₁	B ₂ - B ₁	B ₂ - B ₁	B ₂ - B ₁
Other chemicals*	C ₂ - C ₁	C ₂ - C ₁	C ₂ - C ₁	C ₂ - C ₁
Maintenance, power, tank lease	M+P+T	M+P+T	M+P+T	M+P+T
Yield loss	Y ¹	Y ²	0	0
Total annual IOC/savings				
NPV total annual IOC/savings				
Total IOC/savings				

(UNEP/OzL.Pro/ExCom/24/47, Decision 24/58, para. 86).

(Supporting document: UNEP/OzL.Pro/ExCom/24/39).

* These costs may be omitted if they do not change significantly before and after conversion.

ANNEX IX.15: REVISED STRATEGY AND GUIDELINES FOR PROJECTS IN THE METHYL BROMIDE SECTOR**Introduction and background**

The intent of the revised strategy is to assist the Executive Committee in allocating resources to the methyl bromide (MB) sector for the next twenty-four months. At the end of that time the strategy and guidelines should be reviewed.

Since the adoption of the current (interim) strategy and guidelines for investment projects in the methyl bromide sector, the Executive Committee has allocated resources for the preparation of 53 projects in 43 Article 5 countries, of which 41 demonstration projects for soil fumigation and storage (commodities) and structural fumigation, and three investment projects were approved: two for phasing out methyl bromide in tobacco seedbeds and another for storage of peanuts. In addition, the Committee also approved related support activities for global coverage. The total methyl bromide consumption in these countries is estimated at 8,500 ODP tonnes, equivalent to 87 per cent of total consumption in Article 5 countries (as reported to the Ozone Secretariat in 1997).

As of October 1999, 65 Article 5 countries have ratified the Copenhagen Amendment to the Montreal Protocol. The baseline for compliance with the Montreal Protocol regarding the consumption and production of methyl bromide (average of 1995-1998) has been determined for 62 Article 5 countries (some of which have not yet ratified the Copenhagen Amendment), with the following distribution:

Consumption (ODP tonnes)	No. of countries
0	18
>0 and <5	17
>5 and <30	8
>30 and <100	5
>100 and <200	6
>200 and <500	4
>500 and <1,360	4
Total	62

The demonstration projects under implementation on soil fumigation cover 12 different crops, five of which have world-wide distribution, including, tomatoes, tobacco, cucurbits, flowers and strawberries. While 13 different alternative technologies are currently under demonstration, only five of them have been proposed in more than 10 applications: low-dose chemicals, soil polarization, non-soil cultivation, steam pasteurization and bio-fumigation, all in combination with an IPM programme.

The demonstration projects in storage applications cover 8 different commodities and structures and 11 alternative fumigation processes, including integrated commodity management (ICM). However, only four technologies (phosphine alone; phosphine in combination with heat and carbon dioxide; and diatomaceous earth) are the most commonly chosen.

Copenhagen Amendment

The methyl bromide provisions of the Montreal Protocol only apply to those countries that have ratified the Copenhagen Amendment of the Protocol. Those countries that have not ratified this amendment should be urged to do so and should be informed about the availability to Parties of funding to support reduction projects for the phase-out of MB. In order to facilitate faster ratification of this amendment, funding for activities which enhance national capacity building, such as funding for information transfer and policy development, could be made available to countries which have not yet ratified the amendment, provided that a letter has been received from the appropriate agency of that country, indicating its intent to complete the ratification within a period of twelve months.

In order to facilitate faster ratification of the Copenhagen Amendment, UNEP's regional networks should concentrate on the issue during their meetings.

Determination of methyl bromide consumption data

Accurate data on consumption of methyl bromide is necessary to: (i) calculate the baseline (average consumption over the period 1995-1998), (ii) assess the ability of Article 5 Parties to meet their obligations under the Protocol (the 2002 freeze and the 20 per cent reduction by 2005), and (iii) determine the technical and financial requirements to meet those obligations.

In order to overcome the difficulties in data collection and to assess the baseline, it is recommended to have a comparison of consumption data from several sources of information including: import data collected from customs department and importers; data gathered by the Ministry of Agriculture (pesticide regulatory body); data reported to the Fund and Ozone Secretariats; data reported in Implementing Agencies surveys; data from MBTOC; and estimation on quantities used based on total area fumigated for a particular crop at an average methyl bromide application rate.

The Implementing and Bilateral Agencies together with their in-country counterparts should make every effort to collect data on the consumption of methyl bromide and the history and pattern of its uses in the concerned country.

Tools of intervention

For countries that use little or no MB, the Fund should support information exchange activities and technical assistance programmes in order that these countries do not commence or increase their use or become dependent on this substance. The focus in these countries is to facilitate a policy dialogue to ensure implementation of policies banning the import and/or use of MB.

For countries which have rapidly accelerated their use, in addition to the policy dialogue and information exchange programmes, specific investment phase-out projects should be considered in order to ensure compliance with the control requirements of the Montreal Protocol. Demonstration projects, as defined under paragraph 23 (a) should be considered on a case-by case basis. This paragraph could also apply to those new users that face “special circumstances” as defined by the Executive Committee.

For countries that are traditional users of MB, the main tools of intervention should be the development of investment projects and the associated regulatory and policy activities to ensure sustainability of the phase-out, taking into consideration that the majority of countries in this category are already benefiting from demonstration projects. Demonstration projects, as defined under paragraph 23 (a) should be considered on a case-by case basis.

Major use categories

Controlled use of methyl bromide can be classified into two broad categories:

Soil disinfection, which represents the largest global use consists of 75 per cent or more of total methyl bromide in Article 5 countries. The likely beneficiaries of investment projects for the phase-out of methyl bromide in these applications in any country could range from a large number of small independent farmers to well structured, export-driven crops organized in Associations, like the tobacco sector. Some of these companies could be transnational.

Storage and structural uses, which amount to 20 to 25 per cent of total use of methyl bromide in Article 5 countries. In some Article 5 countries, however, the use of methyl bromide for storage dominates the country’s use profile, whereas in others use of methyl bromide in structural fumigation predominates. In general, fumigation of commodities and structures is performed by specialized service companies, several of them belonging to transnational corporations. These companies are considered to be well-organized and thus easy to reach. However, in some cases, methyl bromide is directly applied by the personnel working for the facility to be treated (e.g., silos, mills, warehouses). Thus, the target group for methyl bromide investment projects in this category could include owners of facilities and providers of fumigation services.

Priority areas

The goal of projects in this sector should be the achievement of reductions in methyl bromide consumption and production to ensure compliance with the Montreal Protocol control provisions. Projects should strive to facilitate this goal, through a process that facilitates widespread understanding among stakeholders, users and related agencies on how the alternative technology(ies) may be applied to related uses. Where overall effectiveness can be enhanced or when viable in its own right, integrated pest management should be considered.

Consistent with the Multilateral Fund rules, the most cost-effective and sustainable methyl bromide alternative technology should be funded consistent with the national strategy of the Article 5 country concerned. The selection of alternative(s) technology(ies) should be decided by the country concerned and should involve, as pertinent, government agencies, farmers and farmers’ associations, those involved in structural and storage pest control, exporters, research institutions and universities and NGOs. A crop and/or sub-sector-based approach for methyl bromide projects may be the most efficient way of eliminating MB.

Soil disinfestation

Because of their contribution to global use, the following crops, including seed beds and nursery crops, should be considered a priority in the development of projects: flowers, tobacco, tomato, strawberries and cucurbits. Nevertheless, investment projects and demonstration projects (as defined under paragraph 23(a)) in crops other than those listed may be considered in cases where their use in a country is significant and related reductions are deemed essential to ensure compliance with the upcoming control provisions. In that respect, projects for crops representing over 25% of a country methyl bromide consumption should be given a priority.

Article 5 countries which implemented demonstration project(s) may choose the most viable of the demonstrated technologies for the sustained phase-out of its methyl bromide consumption.

Thus, while the viability of any alternative may be country, soil and/or crop dependant, the use of one or a combination of several of the following proven and viable alternative technologies for soil disinfestation may be considered: floating tray systems; substrates; steam pasteurization; biofumigation; non-chemical and physical treatments such as polarization, organic amendments, crop rotation/fallow; resistant varieties and grafting; and low dose chemicals (chloropicrin, dazomet, metham sodium, 1-3-D, and other pesticides) which should be used in the most environmentally friendly manner possible.

Other technologies that have been demonstrated as appropriate alternatives to methyl bromide for particular crops/conditions should also be considered (in such cases, the burden is on the proponent to provide information on the demonstrated feasibility of the proposed alternative).

Storage and structural uses

Pending the completion of demonstration projects in a number of Article 5 countries, the most prominent alternative technologies to methyl bromide for storage and structural applications, are: heat treatment (particularly where a source of heat already exists in the facility to be treated); phosphine alone or phosphine in combination with carbon dioxide and heat to reduce the application rate; sulphuryl fluoride (mainly for wood and wood products); and, in good general management practices, through prevention, monitoring, surveillance and control. While non-chemical techniques would be preferable, chemical alternatives may be more effective in a certain country and/or storage and structural use contexts and may be essential to the phase-out for some countries.

Project categories

National governments should support project proposals on alternatives to methyl bromide by efforts at the national level to establish a policy framework which encourages and links implementation of projects with legislation. Monitoring and verification of the achievements of project milestones through objectively verifiable indicators in connection with fund disbursement should be instituted to ensure enforcement.

Project proposals could then be categorized as follows:

Demonstration projects: Given the limited time to meet the freeze on MB, where a demonstration project is shown to be necessary, due to the particular circumstances of the country/users, this should be included as part of an investment project. The commitment of the country concerned to implement policy measures directed to eliminating methyl bromide use (i.e., bans and import licensing) should be demonstrated in the project.

Investment projects: Projects whose primary objective is the reduction, and eventual elimination of methyl bromide consumption in sectors or for uses where there are clearly demonstrated efficacious alternative technologies. They should be accompanied by a package of policy measures that the country has committed to ensure that the use being phased out will not merely be replaced by an increase from other users shortly after the projects are completed (i.e., bans and import restrictions). Investment projects should have a strong evaluation and information transfer component to ensure that the results of those projects are widely disseminated and understood both within the country and in countries with similar crops or uses of MB.

Non-investment projects: Projects focused on creating and disseminating information and/or educating stakeholders, and the provision of assistance, where needed, on the creation of policy instruments to restrict or ban the use and/or import of MB.

Possible model for project development

The project development process should be open and transparent to enable all appropriate expertise in a country to participate. As distinct from the phase-out of other ozone-depleting substances, the process for developing

projects for the phase-out of methyl bromide should take into account the following unique features:

- methyl bromide is a very potent and very toxic fumigant, that can control a wide range of pests, diseases and weed seeds. As of today, there is no single cost-effective alternative capable for replacing it in all applications;
- adoption of new technologies in agricultural-related activities involves changes in traditional practices and attitudes, and covers a large number of end-users;
- risk associated with implementation of alternative technologies is inherently higher than in industrial processes due to climatic and pest/crop variability and needs to be carefully assessed and managed, taking into account that the target group is individual farmers who are legitimately risk-averse; and
- unlike other sectors where it may be sufficient to only change the manufacturing equipment to ensure phase-out on a one off basis, phase-out of methyl bromide must take place every crop cycle and/or pest control treatment. The issue of the possibility of backtracking, reverting to MB, must be addressed in the project (e.g., through import restrictions, bans on specific uses, imposition of taxes).
- where appropriate, workshops involving main stakeholders (such as methyl bromide importers, suppliers of alternative technologies, relevant government agencies, farmers and farmers' associations, fumigation companies using MB, research institutions/universities and NGOs), should be organized at the outset of activities in a country to decide on the most appropriate alternative technologies. The resource persons should be chosen as far as feasible from local experts or experts from close cultural areas to obviate any cultural barriers.
- target pest should be determined and available alternatives should be discussed in terms of their costs and benefits, including environmental and human health impacts.
- the institutional capacity should be in place to enable the alternative technology used in an investment project to be adopted nation-wide. It would also need to be demonstrated that the country concerned is committed to a package of policy measures directed to eliminating methyl bromide use (e.g., labeling of commodities produced without MB, taxes and levies on import of MB, mandatory registration by traders and farmers using MB, phase-out schedule for MB) and to sustaining the alternative methodologies on a permanent basis or for as long as needed. Farmers should also be committed to sustainable reductions in methyl bromide use.
- the stakeholders should participate in the implementation of the project, periodic review of results, final evaluation of projects and their potential, if necessary, for more widespread application within the country. A fact sheet summarizing the results of the project should be prepared (for widespread dissemination both within the country and to other countries), including a cost/benefit analysis.
- Implementing or bilateral agencies should hold discussions with the competent government agencies, including the Ozone Unit, in the implementation of the project; and should work with relevant organizations such as the Food and Agricultural Organization (FAO), national and/or regional agricultural research and extension facilities, grain handling organizations, and others.
- extensive coordination of work and sharing of information among implementing and bilateral agencies will be essential in order to avoid costly duplication within projects and to ensure the most effective and efficient delivery of technical and financial assistance by the Multilateral Fund.

Categories of incremental costs for the phase-out of MB

The Multilateral Fund covers the agreed incremental costs required for the phase-out of the consumption and/or the production of substances controlled under the Montreal Protocol. The incrementality of the costs arises from a comparison of the costs of applying the most cost effective, environmentally compatible and economically viable proven substitute technology with an existing baseline. The baseline, in this case, would include cost of methyl bromide and the technological set-up and infrastructure available for its application, which could be assessed.

Eligibility criteria

Countries that have not used any methyl bromide for controlled purposes during the 1995-1998 period will not be eligible for any investment project funding. However, consideration may be given for non-investment

assistance to specifically put in place measures to disallow imports of methyl bromide in order to ensure compliance with the Protocol requirements.

The size of the eligible grant could be reduced depending on the degree of export to non Article 5 countries of the finished product. Where exports to non-Article 5 countries correspond to or are less than 25 per cent of the total finished product (e.g., flowers, vegetables, fruits, etc.), the total eligible grant shall not be discounted. The size of the eligible grant would be reduced by the participation of multinational corporations from Article 2 countries in the growing of crops, storage and treatment of commodities and structures. The Implementing Agencies should work with countries and include within their project proposals a specific commitment to permanently reduce aggregate national consumption of controlled methyl bromide from specific levels in specified time frames. Larger projects should continue to include provisions for phased funding following achievement and maintenance of specific national reduction milestones. The proposed project and related commitments will be considered by the Executive Committee.

Definition of categories of incremental costs

Incremental costs for methyl bromide investment projects should generally be determined in the manner typical of all Multilateral Fund projects (i.e., capital costs of conversion plus incremental operational costs/savings for a period to be determined). However, certain specific considerations could be taken into account including:

- the transfer of knowledge on the proposed alternative technology is an important component of any methyl bromide investment project; some account needs to be taken of the transfer of knowledge which has already started through the demonstration projects;
- few items of equipment and/or farm input materials might be needed for implementation of some alternative technologies to MB;
- depending on the technology chosen, incremental costs may include operating costs or may result in operating savings.
- the specific considerations mentioned in the above paragraph may be reviewed by the second meeting of the Executive Committee in 2002, in light of experience gained from investment projects.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/80, para. 100).

(Supporting document: UNEP/OzL.Pro/ExCom/32/40 and Corr.1).

ANNEX IX.16: PROCESS AGENT APPLICATIONS

Table A List of uses of controlled substances as process agents

No	Process agent application	Substance
1.	Elimination of NCl ₃ in chlor-alkali production	CTC
2.	Chlorine recovery by tail gas absorption in chlor-alkali production	CTC
3.	Production of chlorinated rubber	CTC
4.	Production of endosulfan	CTC
5.	Production of ibuprofen	CTC
6.	Production of dicofol	CTC
7.	Production of chlorosulfonated polyolefin (CSM)	CTC
8.	Production of aramid polymer (PPTA)	CTC
9.	Production of synthetic fibre sheet	CFC-11
10.	Production of chlorinated paraffin	CTC
11.	Photochemical synthesis of perfluoropolyetherpolyperoxide precursors of Z-perfluoropolyethers and difunctional derivatives	CFC-12
12.	Reduction of perfluoropolyetherpolyperoxide intermediate for production of perfluoropolyether diesters	CFC-113
13.	Preparation of perfluoropolyether diols with high functionality	CFC-113
14.	Production of cyclodime	CTC
15.	Production of chlorinated polypropene	CTC
16.	Production of chlorinated EVA	CTC
17.	Production of methyl isocyanate derivatives	CTC
18.	Production of 3-phenoxybenzaldehyde	CTC
19.	Production of 2-chloro-5-methylpyridine	CTC
20.	Production of imidacloprid	CTC
21.	Production of bupropfen	CTC
22.	Production of oxadiazon	CTC
23.	Production of chloradized N-methylaniline	CTC
24.	Production of 1,3-dichlorobenzothiazole	CTC
25.	Bromination of a styrenic polymer	BCM
26.	Synthesis of 2,4-D (2,4- dichlorophenoxyacetic acid)	CTC
27.	Synthesis of DEHPC (di-(2-ethylhexyl) peroxydicarbonate)	CTC
28.	Production of radio-labelled cyanocobalamin	CTC
29.	Production of high modulus polyethylene fibre	CFC-113
30.	Production of vinyl chloride monomer	CTC
31.	Production of sultamicillin	BCM
32.	Production of prallethrin (pesticide)	CTC
33.	Production of o-nitrobenzaldehyde (for dyes)	CTC
34.	Production of 3-methyl-2-thiophenecarboxaldehyde	CTC
35.	Production of 2-thiophenecarboxaldehyde	CTC
36.	Production of 2-thiophene ethanol	CTC
37.	Production of 3,5-dinitrobenzoyl chloride (3,5-DNBC)	CTC
38.	Production of 1,2-benzisothiazol-3-ketone	CTC
39.	Production of m-nitrobenzaldehyde	CTC
40.	Production of tichlopidine	CTC
41.	Production of p-nitro benzyl alcohol	CTC
42.	Production of tolclofos methyl	CTC

*BCM: bromochloro-methane

Note: The following Table A-bis has been replaced with the above Table A as per decision XIX/15:

Table A-bis: Interim list of uses of controlled substances as process agents

No	Process agent application	Substance
43.	Production of p-Bromobenzaldehyde (intermediate)	
44.	Production of fenvalerate (pesticide)	CTC
45.	Manufacture of Losartan Potassium	BCM
46.	Production of 1,2-Chloro-1,4-Naphthoquinone (pharmaceutical)	CTC
47.	Production of Prallethrin (pesticide)	CTC
48.	Production of 2-Methoxybenzoylchloride (pharmaceutical)	CTC
49.	Production of o-Nitrobenzaldehyde (dyes)	CTC
50.	Production of Salimusk (perfume)	CTC
51.	Production of Epoxiconazole (pesticide)	CTC
52.	Production of benzophenone (chemical)	CTC
53.	Production of Picloram; Lontrel (pesticides)	CTC
54.	Production of 3-Methyl-2-Thiophenecarboxaldehyde (pesticide, pharma.)	CTC
55.	Production of Difenconazole (pesticide)	CTC
56.	Production of 2-Thiophenecarboxaldehyde (intermediate)	CTC
57.	Production of 2-Thiophene ethanol (pharmaceutical)	CTC
58.	Production of 5-Amino-1,2,3-thiadiazol	CTC
59.	Production of Levofloxacin (pharmaceutical)	CTC
60.	Production of Cinnamic acid (intermediate)	CTC
61.	Production of Ertaczo (pharmaceutical)	CTC
62.	Production of 3,5-Dinitrobenzoyl chloride (3,5-DNBC) (intermediate)	CTC
63.	Production of Fipronil (pesticide)	CTC
64.	Processing of Aluminium, Uranium	CTC CFC
65.	Production of Furfural (volume chemical)	CTC
66.	Production of 3,3,3-trifluoropropene (volume chemical)	CTC
67.	Production of Triphenylmethylchloride (intermediate)	CTC
68.	Production of Tetrachlorodimethylmethane (volume chemical)	CTC
69.	Production of 4,4'-difluorodiphenylketone (intermediate)	CTC
70.	Production of 4-trifluoromethoxybenzenamine	CTC
71.	Production of 1,2-benzisothiazol-3-ketone	CTC

Table B Emission limits for process agent uses (all figures are in metric tonnes per year)

Country/region	Make-up or	Maximum emissions
European Community	1,000	17
United States of America	2,300	181
Canada	13	0
Japan	300	5
Hungary	15	0
Poland	68	0.5
Russian Federation	800	17
Australia	0	0
Czech Republic	0	0
Estonia	0	0
Lithuania	0	0
Slovakia	0	0
New Zealand	0	0
Norway	0	0
Iceland	0	0
Switzerland	5	0.4
Total	4,501	220.9 (4.9%)

(UNEP/OzL.Pro.15/9, Decision XV/6).

(UNEP/OzL.Pro.17/11, Decisions XVII/7 and XVII/18).

(UNEP/OzL.Pro.19/7, Decisions XIX/15).

ANNEX IX.17: FRAMEWORK GUIDELINES/BROAD PRINCIPLES FOR PROCESS AGENT PROJECTSGeneral principles

1. In conjunction with their first project, countries must provide a thorough sector overview containing all enterprises, stating all consumption and emissions figures and indicating those enterprises for which the country intends to seek compensation from the Multilateral Fund. The country should indicate whether the relevant consumption information has been submitted as part of its Article 7 consumption reports, and if not, its intentions and progress in this regard.
2. For the purpose of project submissions, consumption at the enterprise level is the quantity of process agent in ODP tonnes used annually by the enterprise as ‘make-up’ in the relevant process. Information on the amount of ODS contained in the process equipment should be included with the project submission.
3. To permit adequate consideration of the industrial rationalization option, a project proposal should cover all the production facilities in the country for the particular application under consideration.
4. Project proposals should be prepared consistent with all existing policies and guidelines of the Executive Committee. In particular, new-for-old plant replacement and technological upgrade need to be taken into account in accordance with decisions 18/25 and 26/37.
5. Initial projects will be considered for the applications listed in table A of decision X/14 in order to provide information on reasonably achievable emissions reductions and associated costs.
6. The projects should indicate which applicable measures are proposed to control emissions (e.g. emissions control technologies, process conversion, plant rationalization or closure) the cost effectiveness and the emissions reductions which can be achieved.
7. Where either emissions controls or process changes are proposed, the project submission must include an evaluation of the incremental costs of achieving significant levels of emissions reductions by each technique.

The cost-effectiveness of process agent projects will initially be considered on a case by case basis to provide a body of information which can be a basis for the establishment of appropriate cost-effectiveness thresholds in due course.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/78, para. 109).

(Supporting document: UNEP/OzL.Pro/ExCom/27/40).

ANNEX IX.18: PRELIMINARY DATA ON THE PRODUCTION SECTOR

1. List of plants in the country

Name	Location	Product List	Nominal Capacity	Date of Construction	Name of Proprietors

2. Effective production of ODS substances country-wide

Tonnes/Year						
	CFC-11	CFC-12	CFC-113	Others*	Halon 1211	Halon 1301
1993						
1994						
1995						
1996 (est.)						

* To be specified.

3. Effective production of ODS substances plant by plant

Data for a plant "X" (one table for one plant**)

Tonnes/Year						
	CFC-11	CFC-12	CFC-113	Others*	Halon 1211	Halon 1301
1993						
1994						
1995						
1996 (est.)						

* To be specified.

** If it is a swing plant, please specify.

3.1 Industry turn over as % of GNP
as % of Chemical industries

3.2 Quantities of exported CFCs (Optional)

Tonnes/Year						
	CFC-11	CFC-12	CFC-113	Others*	Halon 1211	Halon 1301
1993						
1994						
1995						
1996 (est.)						

* To be specified.

4. Total employees in the CFC industry

- In the production sector (Direct labour + overheads + maintenance).
- In the packaging sectors

4.1 Total employees per CFC plant (one table per plant)

Number of employees in the plant "...XY..."					
	Direct labour	Overhead	Labs	Maintenance	Packaging
1993					
1994					
1995					
1996 (est.)					

FORM FOR THE SECTOR PHASE-OUT PLAN

1. Strategy for phase-out

a) Time schedule for the phase-out

Name of the plant	Proposed date of shut down	Name & Quantities of CFC

b) Proposal of an action plan for phase-out regarding sites

c) Strategy and action plan regarding manpower

2. Strategy for production of new substitutes

Substitutes with zero ozone depletion potential: HFCs (including HFC-134a), Hydrocarbons, etc. Technology and time schedule (2000/2020)					
Location of the plant	Proposed date of start up	Name and quantities of substitutes	Status of technology	Status of the plant *	Availability of raw materials

* New equipment or revamping of the existing plant.

Transitional substances (including HCFC-22, 123a, 141b, 142b, etc.). Technology and time schedule (2000/2020)					
Location of the plant	Proposed date of start up	Name and quantities of substitutes	Status of technology	Status of the plant *	Availability of raw materials

* New equipment or revamping of the existing plant.

3. General Comments

TERMS OF REFERENCE FOR THE TECHNICAL AUDIT**Purposes of the Field Audit**

While the overall objective of the audit process is to provide all the data needed to review sectoral plans, this information will, of course, be plan specific and will further depend on decisions of the Executive Committee regarding compensation for lost profit and on funding of new production capacity. One can, however, visualize that, although preparation and initial analysis can be carried out anywhere, by such means as distribution of questionnaires, meetings with ODS production sector representatives, etc., obtaining certain information to complete the analysis will require a Field Audit. Broadly, there are three purposes to the Field Audit:

- 1) establish utilized (audited) present operating yearly capacity and potential capacity of individual plants and total country production capacity;
- 2) determine production history of individual plants and total country production history; and
- 3) other relevant technical/commercial information on country and market underlying the sectoral plan which is conveniently gathered in the Field.

Function and Responsibilities of Field Audit Team(s).

Modality of Operation - operate country-by-country, as invited,

Reporting - to the Chief Officer of the Multilateral Fund with input and advice from the Expert Group; and

Composition - Total of at least three with overlapping skills in fluorine technology, process/project/operations, estimating/economics; in addition, a representative from the Expert Group and local expert, as needed.

Issues to be addressed by field audit team**Capacity**

- Assess ability of each site to produce ODS under sustainable conditions, i.e. for a full year, including environmental impact;
- For CFCs, assess potential for conversion of each site to HCFC or HFC production¹;
- Assess site and national availability and cost of chlorocarbons and HF, i.e. size and location of plants.
- Production History and Profitability
- Assess production history based on site production and storage records and from local/national sales records, including imports-exports; and
- Collect site cost/profitability data, including cost of labour, number of workers, selling price of products, taxes and subsidies, if any.
- Other relevant information
- Collect data from national plan on project supply and demand for ODS and ODS substitutes, HF and chlorocarbons;
- Analyze transport costs for raw materials and products; and
- Evaluate status and availability of national technology for ODS substitutes, together with their estimated production costs and possible scale of production over the next five years.

Analysis of Field Data and Completion of Audit (by Expert Group, subgroup thereof or consultants).

This builds on the information from the Field Audit teams to create the framework to review sectoral plans. Some tasks may be plan specific, and technical information beyond that garnered in the Field Audit may be required, but typical issues include:

Evaluate ODS production economics for main and/or typical sites, including distribution/transportation costs;

Compare production data to other sources;

Compare production data to results of “capacity audit”;

Evaluate conversion costs, for applicable sites, to HCFC and HFC production, and the resulting production economics and achievable capacities;

Demand estimate based on Country Programmes and downstream projects;

¹ Subject to further analysis and verification, including detailed process calculations if necessary. Field Audit should collect data for such analysis and rule out sites for expansion, conversion and/or revamp based on field factors such as, space limitations, limited access to raw materials, etc.

Evaluate sectoral plan data for level of detail needed for costing;
Assess technical feasibility of sectoral plans, reflecting all results of the audit; and
Cost sectoral plans.

Cost and Duration

Cost and duration of a Field Audit will be country specific, depending on the number of sites to be visited. These will typically include the principal production centres as well as repositories of national data, and potentially one or more research centres.

Once the number of sites to be visited is fixed, it becomes possible to estimate the duration of the Field Audit. Given the need for access to key people, etc., it is conceivable that a Field Audit may comprise more than one mission. The duration is converted to a cost by multiplying by the Team size and the cost per manday.

Cost of analysis of the data and completion of the audit will also be plan specific, but will certainly involve at a minimum several man-weeks of work. It is to be noted also that information on new plant economics and future price projections will be needed and will have to be developed or acquired at additional cost.

ANNEX IX.19: GUIDELINES AND STANDARD FORMAT FOR VERIFICATION OF ODS PRODUCTION PHASE-OUTIntroduction

This document is submitted in response to Decisions 31/42 and 31/47 under which the Executive Committee requested the Secretariat to work with the relevant Implementing Agencies and develop guidelines for submission to the Thirty-second Meeting, setting up an acceptable format and content for the verification of ODS production phase-out. The Secretariat and the World Bank worked closely on this document.

From the very beginning, management of ODS production phase-out under the Multilateral Fund has followed a modality different from that for the ODS consuming sectors. Instead of funding individual projects, ODS production phase-out has adopted a performance-based sector funding scheme under which disbursement of funds is made conditional upon verification that ODS phase-out targets provided for in the sector plan are actually achieved. Adding to the challenge of phase-out verification is the gradual production closure adopted by many of the ODS plants included in the sector plans under which ODS production is not closed entirely at once but only scaled down yearly till its final cessation several years in the future.

It is anticipated that the same modality will be followed by other ODS producing Article 5 countries and therefore it is of great importance that an adequate procedure is developed to enable the Executive Committee to monitor these sector ODS production phase-out projects.

Purpose

The purpose of the guidelines is to provide standard procedures to be followed in conducting verifications of ODS production phase-out (including gradual closures) financed by the Multilateral Fund. The guidelines include the Questionnaire in Annex I.

The Process

Before the field verification, the Implementing Agency responsible for the ODS production phase-out project should ensure that the plant(s) to be audited provide the necessary information, using the Questionnaire attached.

The responsible Implementing Agency should prepare terms of reference for the verification mission and make available to the verification team, prior to the field visit, the Questionnaire(s) containing baseline enterprise information, annual data reported for the year by the enterprise and a copy of the sector agreement approved by the Executive Committee.

During the plant closure or production audit, the verification team should have full access to the daily production logs and the financial records to validate the data provided by the plant in the Questionnaire.

Based on the field findings against the data provided by the plant in the Questionnaire, the verification team should prepare its verification report for submission to the Executive Committee and attach the filled-in Questionnaire to its report.

Questionnaire for Data Collection

The attached Questionnaire should be filled out by each plant to be audited and made available to the audit team before the field visit to the plant. Thus the verification team would have in hand before departure:

- (i) names and locations of producers;
- (ii) contact at each corporate headquarters and each plant site;
- (iii) number of days in production (operational days) for each month, at each plant site, and for each ODS production monitored at the location;
- (iv) monthly production data for the ODS production monitored at each plant site;
- (v) monthly consumption and procurement data for feedstock used for the production of the ODS production monitored, (e.g. CTC and AHF for CFC-11 and CFC-12 production);
- (vi) monthly sales figures for the ODS product(s) monitored, as well as stock for each monitored ODS production at the beginning and end of each year.

Verification Steps Before Departure

- (i) review the data provided by the enterprise and ensure that the ODS production, sales figures and stock at the beginning and end of the years add up.

- (ii) compare actual production to annual quota assigned for each ODS production monitored and at each plant site.
- (iii) review any quota trading or changes of quotas during the year. Also check if ODS products monitored have been procured from other producers.
- (iv) review and verify conformity of raw materials consumption with the ODS production monitored.
- (v) based on questionnaire data, identify each campaign and distribute production and raw material consumption data per campaign.
- (vi) ensure access to daily production logs and financial records for the ODS productions monitored as necessary for the verification of information provided by the producer.

Verification steps at each Producing Location

- (i) confirm production quantities and raw material consumption from production logs.
- (ii) verify sales and procurements of monitored ODS products against financial records.
- (iii) verify stock at the beginning and the end of year against financial records.

To achieve these results, the production verification should include:

- (i) review system of record keeping for adequacy.
- (ii) observe plant condition and apparent operational status.
- (iii) audit daily production records for monitored ODS production and “key” feedstock consumption data.
- (iv) confirm monthly and annual production of monitored ODS:
(production = sales (from sales records) -- change in inventory (from plant records)).
- (v) confirm that cumulative inventory change of monitored ODS corresponds to annual production and sales data.
- (vi) confirm that cumulative inventory change of “key” raw material is consistent with production, both overall and per campaign.
- (vii) integrate hourly in-plant flow rate data, (corrected for concentration if necessary), over time - either graphically or analytically - to get an independent value for production.
- (viii) compare the changes in reported feed and product tank levels, integrated with the appropriate correlating factor, to reported raw material usage and CFC production.
- (ix) on a spot basis, rationalize hourly plant logs with raw material consumption and, e.g. CFC production. In other words match throughput, for example for a week, with raw material consumption and the monitored ODS production for the same week. Do for at least two or three weeks during each campaign.
- (x) review logs for periods of high hourly throughput and compare to reported production. Investigate any possible inconsistency.
- (xi) review hourly plant logs during non-campaign time periods to verify non-production.

Verification steps at Complete Closed Location

- (i) observe plant condition and apparent operational status.
- (ii) verify the data provided in Section D I of the Questionnaire attached.
- (iii) provide photographic documentation for the dismantling of the plant (e.g. photo and/or video)

Verification Report

The verification report should provide the results of the teams’ findings and conclusions on the implementation of ODS production phase-out annual programme. The report should include as annexes the completed questionnaires.

Field Verification Team

The verification team should consist of at least two persons.

At least one person should be fluent in the national language and one should be fluent in English language.

- (i) one of the verification team members should be familiar with accounting practice and financial auditing.
- (ii) one of the verification team members should be a technical expert with experience relevant to the ODS production to be audited.

Questionnaire for ODS Production Phase-out Verification (Including Gradual Closure)

A. Plant identification

Name of enterprise :
 Plant ref. Number* :
 Sector plan #* :
 Sri # * :
 Address of the Plant :
 Contact person(s) and :
 Functional Title :
 Telephone number :
 Fax number :
 E-mail Address :

B. Verification

Team composition :
 Leader :
 Name :
 Functional title :
 Member(s) :
 Name :
 Functional title :
 Date of plant visit :
 Duration of visit :

*As applicable, e.g. SRI# for China’s CFC plants.

Plant History

Date of construction:					
ODS Products	No. Of Lines	Capacity in Baseline Year*	Production**		
			Baseline Year*	Year 1	Year 2
CFC-11					
CFC-12					
CFC-13					
CFC-113					
CFC-114/115					
Raw Materials Production***					
HF					
CTC					

*The year from which data is used for approving the ODS production phase-out project.

**Till the year prior to the verification.

***This applies to plants where production of either HF or CTC or both is integrated.

Plant Activity in the Year Verified

I. Plant for Complete Closure

No. of CFC-11/12 lines closed	
Date of CFC production ceased	
Date of dismantling completed	
Verification of destruction of key components by	[Name of certifying body]
Reactor tank(s) dismantled and destroyed	Yes/No
Control and monitoring equipment dismantled and destroyed	Yes/No
Pipes dismantled and destroyed	Yes/No
Utilities dismantled and destroyed	Yes/No
Evidence of destruction (photos or videos)	
Chance of resuming production	Yes/No
Assessment by the verification team to be included in the verification report	

Annual CFC-11/12 quotas, production, sales and stocks since the baseline year*

(Please use one table for each CFC product)

CFC Products (CFC-11, CFC-12)	Baseline Year*	Year 1	Year 2**
Quota			
Opening Stock at beginning of year			
Production			
Sales			
Closing stock at end of year			

*The year from which data is used to approve the ODS production phase-out project.

**Till the year of the verification

Annual HF/CFC and CTC/CFC ratios

Ratio	Baseline Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6*
CFC-11							
HF/CFC-11 ratio							
CTC/CFC-11							
CFC-12							
HF/CFC-12							
CTC/CFC-12							

* Till the year of the verification

Operational days per year

Type of Production	Baseline Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6*
CFC-11							
CFC-12							

*Till the year of the verification.

Monthly CFC-11/12 production and raw material consumption*CFC Production and CTC consumption:

Month	CFC-11	No. of operating days	CFC-11 Production	CTC/ CFC-11 Ratio	CTC Opening Stock	CTC Procured/ or added to stock	CTC Closing Stock
Jan							
Feb							
Mar							
Apr							
May							
Jun							
Jul							
Aug							
Sept							
Oct							
Nov							
Dec							

CFC Production and HF consumption:

Month	CFC-11	No. of operating days	CFC-11 Production	HF/ CFC-11 Ratio	HF Opening Stock	HF Procured/ or added to stock	HF Closing Stock
Jan							
Feb							
Mar							
Apr							
May							
Jun							
Jul							
Aug							
Sept							
Oct							
Nov							
Dec							

* Similar tables should be provided for CFC-12 and CFC-113.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/70, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/32/33).

ANNEX IX.20: TERMS OF REFERENCE (TOR) FOR THE TECHNICAL AUDIT OF HCFC PRODUCTION IN ARTICLE 5 COUNTRIESBackground

1. The Montreal Protocol on Substances that Deplete the Ozone Layer and its Montreal Amendment advanced the phase-out schedule of HCFCs in 2007 by its signatory countries, although a distinction has been made in the schedule between developed and developing countries. The developing countries (the Article 5 countries in the language of the Protocol) are required to freeze the production and consumption of such chemicals in 2013 at the average level, between 2009 and 2010. They are subsequently required to reduce the levels of production and consumption in a number of phases until complete phase-out has been achieved in 2040. The Multilateral Fund for the Implementation of the Montreal Protocol was established in 1991 as part of the London Amendment to assist Article 5 countries in complying with the control schedule of the Montreal Protocol. Up until 2009, the Fund has successfully assisted over 140 countries in phasing out the production and consumption of CFCs, halons, the controlled use and production of CTC and methyl bromide and other ozone depleting substances in accordance with the control schedule of the Montreal Protocol. The assistance of the Fund is primarily to cover the incremental costs associated with the transition from employing ozone-depleting to ozone friendly technologies.

2. Funding of the phase-out of the production of ODS has been done through first, independently auditing the ODS production sector of the concerned country. These audits examine the relevant national and sectoral policies; collect data on ODS-producing plants with respect to their technological sophistication, status quo, designed and actual used capacity, production history, cost of production, and other relevant data. The purpose of the audit is to establish a factual basis for the Executive Committee (the management body of the Multilateral Fund) to consider the funding requests proposed by the respective Article 5 countries. For ensuring consistency of conducting such audits across countries, the Executive Committee adopted the terms of reference for technical audits in 1995 as a general guide to auditing ODS production. These terms of reference were subsequently amended and further developed as necessary to accommodate the specific needs associated with auditing the production of different ODS.

3. The terms of reference contained in this document are designed for auditing of the production of HCFCs, which include HCFC-141b, HCFC-142b, HCFC-123, and HCFC-22 or any applicable HCFC. While the TOR requires the auditing to follow the procedure and cover the ground that are standard to the auditing of the production of other ODS, there are several issues that are specific to the HCFC production. Among these are the impact of the clean development mechanism (CDM) on the HCFC-22 production and the impact of the phase-out of HCFC-22 production on the down-stream industries (such as the production of TFE/PTFE). TFE, the direct reaction product of HCFC-22, is not just used to make PTFE polymer, but also has been used to make HFC-125 which is one component for making R410a, a blend for making an air conditioning agent.

4. With regard to the CDM impact, one key question is whether the CDM credits awarded for reducing HFC-23 emission (a gas controlled by the Kyoto Protocol) provide a perverse incentive to produce HCFC-22, since HFC-23 is a by-product of HCFC-22 production. If it could be established that the high HCFC-22 production was not driven either by the demand for feedstock for TFE/PTFE or refrigeration purposes, it might be due to the financial reward of the CDM credits. A technical audit might provide some insight into this issue. It is expected that to clearly understand the workings of the CDM the audit would collect national and individual plant data from the field, place them in the global context for a supply and demand analysis, and assess the impact of the CDM on an individual company, as well as on national and global situations.

5. With respect to the impact of phasing out HCFC production on downstream industries, the key is the extent to which HCFC-22 production could be absorbed as feedstock for PTFE production, regardless of its final use. Converting HCFC-22 from its use as a refrigerant (a controlled use under the Montreal Protocol) to being used as feedstock (a non-controlled application) would result in a win-win situation. Plants could continue to produce, but with no adverse impact on the environment, since HCFC-22 is completely transformed in the process of being used as feedstock. It is also possible that some plants could be converted from HCFC-22 production (using chloroform) to HFC-32 production (using methylene chloride). Since there is no plant closure, there might only be a need for compensation for the cost of conversion and no need for compensation for plant closure by the Multilateral Fund (MLF).

6. However, there are difficulties associated with achieving this win-win situation. These difficulties relate to

segments of the TFE markets, demand from the various global market segments, and availability of technology for PTFE production. These challenges should be examined carefully to determine to what extent they are real, and whether they prevent switching HCFC-22 production completely to feedstock production. It is also important to know whether these difficulties can be overcome and, if so, at what cost.

7. While these are policy-related and macro-level issues, questions and leads are included in the TOR to guide the consultants implementing the audit to collect the relevant data and provide the analysis. It is hoped that they will provide useful input to the Executive Committee to encourage a thorough discussion of these issues.

Objective of the technical audit

8. The objective of the technical audit is to provide a factual basis for:

- (a) Preparing and finalizing the sector plan by a producing country for phasing out the production of HCFCs in the country; and
- (b) Enabling the Executive Committee's review and funding decisions with respect to the sector plan.

Scope of the audit

Overall Consideration

9. The results of the technical audit should provide a wide enough scope for considering various options for the elimination of HCFC production in a producing country, including the closure of production facilities, the production of ODS substitutes, conversion to feedstock production, and other possibilities.

Data Collection and Assessment

10. Where applicable, data should be collected over the past three to five years, except for HCFC plants with approved CDM projects, for which data for three years before and three years after the approval of the CDM projects should be collected. Specifically, the audit should cover:

Capacity

- (a) Assess the ability to produce HCFCs under sustainable conditions for a full year and the potential capacity of individual plants, and total country production capacity. Where levels of actual production are significantly lower than capacity, explanations are needed (for example, lack of demand, power or feedstock shortages, maintenance, technical failure to operate at full capacity);
- (b) Assess the potential for conversion of individual sites to non-ODS production. For CFC/HCFC-22 swing plants, actual production levels should be stated, along with the capacity of each plant, if operated: a) for CFC-11 and CFC-12 only, and b) for HCFC 22 only (subject to further analysis and verification, including detailed process calculations if necessary. Data should be collected for such analysis and rule out sites for expansion, conversion and/or revamp based on factors such as space limitation or limited access to raw materials);
- (c) Assess the impact of the credits from the CDM on HCFC-22 production by establishing data on:
 - Time (month/year) of approval of the CDM project;
 - Level of HFC-23 produced per year for the past 3 years, where applicable;
 - Individual plant and national HCFC-22 production history, based on site production and storage records and from plant and national sales records, including imports/exports;
 - Sales data, including volume, and unit prices of products, taxes and subsidies, and profit margin of sales; and
- (d) Assess site and national availability and cost of raw materials (such as size and location of plants).

Production history and profitability

- (a) Assess individual plant and national production history based on site production and storage records and from plant and national sales records, including imports/exports;
- (b) Establish site-specific economics of production data, including volume and unit costs of raw materials, energy and utilities, by-product credits, maintenance costs, transportation costs, distribution costs, operating labour (number of workers and applicable labour law), plant overhead, taxes and insurance, depreciation, and general and administrative costs; and

- (c) Establish sales data, including volume and unit prices of products, taxes and subsidies, profit margin of sales.

Assessing HCFC production for controlled and feedstock applications

- (a) Collect data over the past five years on the distribution of HCFC sales for controlled use and feedstock use;
- (b) Collect data over the past five years on the imports and exports of HCFC for controlled use and feedstock use;
- (c) Assess the potential of each plant producing HCFC entirely for feedstock application;
- (d) Identify the hurdles that prevent a plant from producing entirely for feedstock; and
- (e) Assess options for overcoming such hurdles and the cost scenarios for the different options.

Assessing HCFC-141b and HCFC-142b

11. Whilst HCFC-141b is used entirely as an emissive foam blowing agent and to a more limited extent, as a solvent, HCFC-141b is also used, besides its vital XPS foam use, to make the important fluoropolymers, polyvinylidene fluoride PVDF, and fluoroelastomer. HCFC-142b can be made deliberately from HFC152a. Key questions to assess HCFC-141b and HCFC-142b include:

- (a) Do you make HCFC-141b, HCFC-142b, HFC-143a? In what capacity, since when, by what technology (feedstock)?
- (b) What level of product is exported, and what level is used domestically from 2005 to the present year?
- (c) What are the applications by volume by year?
- (d) Can you convert your plant to HCFC-142b, and/or do you already make HCFC-142b as a co-product?
- (e) In this case can you completely eliminate HCFC-141b production but still make HCFC 142b?
- (f) Do you sell HCFC-142b to the PVDF sector? What amount? Can you manage your plant to the explicit volume demands on the PVDF sector?
- (g) If you make HCFC-142b deliberately from HFC152a, how much do you produce? What are the uses? How much is controlled (foam) versus non-controlled (feedstock)?
- (h) If you make HCFC-142b by this route, what is the impact on HFC152a production if you must abandon the controlled (XPS) uses of HCFC-142b?
- (i) Do you export HCFC-142b for intermediate/feedstock applications?

Technology employed

- (a) Establish the age and source of technology employed at individual plants (locally developed or imported), material of construction of main process vessels (such as the main hydrofluorination reactor);
- (b) Assess maintenance expenditures of individual plants;
- (c) Assess de-bottlenecking (most recent); and
- (d) Assess the residual life and residue value of each plant.

Other relevant data

- (a) Collect and assess data on cost of capital, inflation rate and other relevant national economic data;
- (b) Collect data on supply and demand for HCFCs and their substitutes;
- (c) Collect data on national production of HF and other raw materials necessary for the production of HCFC substitutes; and
- (d) Assess the status and availability of national technology for HCFC substitutes, together with their estimated production costs and possible scale of production over the next five years.

Data analysis

12. Data collected from the desk review and the field visits will be sorted, interpreted and analyzed for likely sector strategies of phasing out the HCFC production in the country, including plant closures, ODS substitutes production, and other possibilities. Under plant closures, the data should be organized in order to facilitate the identification of parameters such as, the baseline production level and the actual capacity of the plant, maximum

and residual life of the plant, unit prices of HCFCs, profit margin of sales, and relevant national economic parameters. Under ODS substitute production, data should be presented to clearly indicate the supply and demand for the substitutes, technological readiness and estimate of conversion costs for applicable sites, and the economic feasibility and achievable capacities.

13. Data should be made available in a spreadsheet format suitable to allow manipulations to test the sensitivities of certain parameters.

Responsibilities of the audit team

14. The audit team should be responsible to the Chief Officer of the Multilateral Fund Secretariat and accomplish the following tasks:

- (a) Prepare a detailed work plan covering the entire audit exercise, including the methodology for assessing the impact of the CDM on HCFC production;
- (b) Screen the preliminary data from the production sector and other relevant data submitted by the country concerned, identify the gaps in those data, and design a questionnaire for collecting supplementary data, to be dispatched to plants in the country concerned before a field visit;
- (c) Based on the preliminary data from the country and the location of the plants, propose a field visit schedule, which should include a representative sampling of the plants in the country in terms of size, technology sophistication, capacity covered, and sound economics;
- (d) Implement the field visit schedule with local support from the national focal point designated by the host country;
- (e) Prepare the draft audit report, with analysis and interpretation of the data collected from the field visit; and
- (f) Based on comments on the draft report, prepare the final draft report to the Executive Committee.

Qualifications

15. Qualifications include:

- (a) Prior relevant experience working in developing countries (preferably in the country concerned);
- (b) Expertise in fluorocarbon technology, process and plant operations and financial accounting; and
- (c) A sound knowledge of the CDM programme and its global activities.

Local Expertise

16. There should be participation of local expertise in the audit. However, the exact field of expertise (whether technical or financial) should be determined by the contracting firm on the basis of needs of the audit.

Deliverables

17. The deliverables include:

- (a) A detailed work plan, covering:
 - Methodology for assessing impact of the CDM on HCFC production;
 - Assessment of adequacy of existing data and identification of missing “links”;
 - A questionnaire designed for collecting additional data;
 - A schedule of field visit to a representative sample of the HCFC producing industries in the country concerned in terms of size, location, technology level and other relevant factors;
- (b) Mid-term progress report on field visit;
- (c) Report of field visit;
- (d) Draft technical audit report; and
- (e) Final draft technical audit report.

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/47 para. 204).
(Supporting document: UNEP/OzL.Pro/ExCom/60/49).*

ANNEX IX.21: PREREQUISITES AND GUIDELINES FOR TERMINAL PHASE-OUT IN THE REFRIGERATION SECTOR**Prerequisites for preparation of terminal phase-out projects**

The prerequisites will be determined from consideration of the circumstances of Article 5 countries in relation to achievement of Montreal Protocol control measures, the policies and practices for effective use of Fund resources and the necessary requirements to ensure that a proposal is soundly based, implementable and sustainable. These issues have been well summarized in the principles contained in recent decisions concerning this sector and could be expressed in the form of prerequisites for project preparation as follows, with the reasons indicated immediately below:

- (a) the country has received enough assistance from the Fund to convert all appliance manufacturers, other than SMEs;
 - (i) or there may not be priority for funding, since simpler and potentially more cost-effective interventions are available to meet reduction targets. This also suggests that a terminal phase-out strategy in the refrigeration sector would normally be embarked upon after most or all industrial conversion projects other than the informal sector had been funded and/or implemented;
 - (ii) additionally, when consumption for manufacturing approaches zero, it becomes more straightforward to obtain reliable indications of the consumption used in the service sector, since the activities of small or informal manufacturers are oriented primarily towards installation and servicing;
- (b) that either no other possible alternatives would allow the country to meet its CFC control obligations, or more stringent national targets, or the comparative consumer price of CFCs, relative to substitute refrigerants, had been high for at least 9 months and is predicted to continue to increase;
 - (i) where significant CFC-based manufacturing activity remains, there may not be priority for funding a terminal phase-out strategy since consumption can be reduced by continuing to implement industrial conversion projects;
 - (ii) by the time CFC prices have become higher than prices of substitutes, on current indications it is likely that conversion of most CFC-based manufacturing capacity, other than very small enterprises and the informal sector, will have been completed in most higher-consuming countries;
- (c) there should be indications that the legislative and industrial support measures necessary for successful implementation of terminal phase-out will be operational and effective in the timeframe envisaged for project preparation and implementation.
 - (i) extended periods are sometimes needed to develop and operationalize institutional support measures. The timing of terminal phase-out projects and their preparation should be consistent with the availability of these measures;
- (d) that the modality for a preparation of a terminal phase-out project will be the development of a long-term strategy for the refrigeration sector undertaken in the context of a country programme update (RMP guidelines, decision 31/48 C);
 - (i) this means that the country should ensure that it has accurate, current and sufficiently detailed knowledge about the structure and consumption of its refrigeration sector.

Guidelines for terminal phase-out projects

When the information obtained by a country and the Implementing Agency, as discussed above indicates that the country is in a position to request assistance from the Fund for implementation of a terminal refrigeration phase-out project, proposals should be consistent with a set of guidelines which might be along the lines of those indicated below:

- (a) proposals should be presented in the form of a long-term strategy for the refrigeration sector under decision 31/48C (guidelines for RMPs for higher-consuming countries), incorporating the principles outlined in the initial guidelines for RMPs (decision 23/15);
 - (i) in other words, a terminal phase-out proposal for the refrigeration sector is the same as a long term strategy for the refrigeration sector in a larger-consuming country, in the same way that an RMP for a low-volume-consuming country is a terminal phase-out project for that country;

- (b) proposals should be consistent with all relevant rules and policies of the Multilateral Fund as decided by the Executive Committee;
- (c) Proposals should contain inter alia the following elements:
 - (i) comprehensive data on the profile of all remaining ODS consumption in the sector with breakdown into sub-sectors, supported by results of analysis undertaken either before or during project preparation, as a prerequisite to the proposal;
 - (ii) comprehensive data on the profile of the remaining enterprises in the sector, with breakdown into sub-sectors, supported by results of analysis undertaken either before or during project preparation, indicating, inter alia, enterprises whose production capacity was installed after 25 July 1995;
 - (iii) institutional support through government policy directives or legislation and taxation or other fiscal measures; a timed action plan and expected results in terms of ODS phase-out; coordination and management by ozone offices and financial intermediaries; technology transfer by local industry associations and/or component suppliers and systems houses;
 - (iv) the appropriate choice of technology, innovative methodologies for achieving technology transfer; achievement of economies of scale through geographical grouping or industrial rationalization; financial arrangements which could provide flexibility in the allocation of approved resources;
 - (v) the commitment of the Government to phase-out ODS according to the proposed action plan;
 - (vi) a financing plan related to the major milestones with provisions to release funds against the performance achieved;
- (d) the development of elements of the proposal and the determination of incremental costs related to each activity or sub-sector should be guided by pertinent policies of the Executive Committee, as expressed in decisions previously taken, for instance:
 - (i) the elements related to the commercial refrigeration end-user sector will be developed in accordance with policies previously contained in decision 28/44;
 - (ii) the elements related to the new sub-sector for the assembly, installation and servicing of refrigeration equipment will be developed in accordance with decision 31/45;
 - (iii) the elements related to recovery and recycling will be developed in accordance with decisions 22/22 (recycling projects in CFC-producing countries) and 22/23 (general recovery and recycling projects).

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/49, para. 75).

(Supporting document: UNEP/OzL.Pro/ExCom/33/25).

ANNEX IX.22: GUIDELINES FOR THE PREPARATION OF REFRIGERANT MANAGEMENT PLAN**OVERALL OBJECTIVE**

The overall objective of a Refrigerant Management Plan (RMP) is to develop and plan a strategy that will manage the use and phase-out of virgin CFC refrigerants for servicing refrigeration and air-conditioning equipment.

PRINCIPLES AND STEPS IN FORMULATING RMP

The necessity to develop and implement a RMP originates from the need to resolve the many complex and interrelated issues defined above so as to eliminate the use of ODS refrigerants.

The RMP is a critical management tool for LVCs for a smooth transition to non-ODS refrigerants and includes strategy elements such as containment, recovery and recycling, retrofits and provision for the critical stocks for the 'service tail' through internal conservation techniques. The RMP will contribute to the country's phase-out of ODS by identifying all the activities required, describing all the Government measures that will be necessary to ensure the success of projects and planning how all these activities will be implemented over time.

The RMP will result in:

- accelerating progress of ODS phase-out by enhancing efficiency of project implementation
- reducing national dependence on ODS
- improving planning, management and coordination of national phase-out activities by National Ozone Units (NOUs), and industries
- synchronizing policy setting with phase-out activities

Steps for formulation of RMP

Undertake country-specific review and analysis of:

- refrigeration and air-conditioning sector and sub-sector
- consumption of CFC and HCFC refrigerants and their availability, sources of supply and distribution channels
- production of refrigeration and air-conditioning equipment
- servicing and maintenance workshops

Characterize the relative importance of sub-sectors on the basis of:

- level of consumption of ODS refrigerants
- economic importance
- trade orientation

Assess the available and feasible options, including:

- technical options such as: good practices, recovery and recycling, conversion, retrofitting, replacements, etc.
- policy options such as: voluntary programmes/agreements, legislation and regulations, economic instruments

Evaluate alternative options for:

- cost-effectiveness
- feasibility and timing
- maximum impact

Formulate a refrigerant management policy (which will include all or some of the following elements, in accordance with country -specific needs):

- training programme for refrigeration technicians
- recovery and recycling system
- training programme for customs officials
- improved system for collection and monitoring and control of consumption of ODS refrigerant

While developing the RMP, it must be recognized that implementation of all the components should be timed to complement one another so as to ensure maximum impact on ODS phase-out in accordance with national phase-out time-schedules and obligations under the Montreal Protocol.

The elements and activities proposed for an RMP, whether they are to be funded by the Multilateral Fund or the

country itself, should reflect the country's particular circumstances and address all relevant sectors including the informal sector. They should be sufficient to ensure fulfillment of the countries' control obligations at least up to and including the 85% reduction in 2007, and should include mechanisms for reporting progress.

GUIDELINES FOR FORMULATION OF RMP

Step 1: Setting up the coordinating team

The establishment of a Coordinating Team will ensure the involvement of all relevant stakeholders in the development of the RMP and will facilitate the flow of information from different sectors and provide feedback and inputs into the phase-out strategy.

- if the country programme is under formulation, the Ozone Focal Point and the National Team could act as the Coordinating Team
- if the country programme has already been approved, the National Team could be reactivated with the help of the NOU (set up under the institutional strengthening project).

In both cases, the Coordinating Team could be enhanced with representation from typical stakeholders in accordance with their sectoral and economic importance (examples of some of the stakeholders who could be part of the Coordinating Team are provided below).

Ministerial representation: Agriculture and Fisheries; Tourism; Industry and Commerce; Customs; Economic Planning; Transport; Defense; Environment; etc.

Industrial, Institutional and other representation: Professional federations for the different economic sectors (refrigeration, fishing, slaughterhouses, tourism, etc.); chambers of commerce and industry; large supermarket chains; training organizations; importers and distributors of ODS refrigerants; refrigeration and air-conditioning technicians, etc.

Step 2: Data collection

Responsibility for data collection

- if the country programme is under formulation, the Coordinating Team will undertake this exercise in conjunction with country programme activities
- if the country programme has already been approved, the basic information can be obtained from the country programme which can be updated as necessary

Sectors to be covered

It is important that the reliable data is collected as it will be analyzed to determine major trends in the national consumption patterns and to define a phase-out strategy. Data must be collected from government departments and importers, distributors and final users.

- Refrigeration: domestic and retail; commercial and industrial (centralized refrigeration units with plant rooms and cooling distribution systems, restaurants, large chillers, display cabinets, cold stores, units with separate condensers); refrigerated transport; warehousing; agro-food processes; service workshops; other industrial processes
- Air conditioning: water cooling units; public and domestic air conditioning; vehicle air conditioners

Structure of sector phase-out strategy

The strategy for phase-out should clearly indicate the commitment of government and other economic actors to eliminate the use of ODS refrigerants in accordance with a definite phase-out schedule and timetable. The elements listed below include all the possible components – however the phase-out strategy in each individual RMP should be formulated in accordance with country-specific needs and requirements:

Economic instruments:

- introduction and/or amendment of existing legislative, regulatory and incentive framework related to:
 - controlling and monitoring ODS imports and ODS-containing equipment
 - monitoring ODS consumption
- application of economic incentives or market stimuli
 - economic incentives for recovery and recycling and for promoting the use and consumption of non-ODS refrigerants
- education, information dissemination, training including increasing public awareness, training of customs officials, training of technicians for good practices in repairing and maintaining systems and use of

alternative technologies and equipment, training in converting existing facilities (drop-in and retrofitting) and use of alternative technologies and equipment

Institutional arrangements:

- encourage professionals to group together
- encourage stakeholders that are part of the Coordinating Team to be involved in the implementation of RMP
- arrangements for certifying service technicians

Industrial framework:

- Recovery and recycling and/or reclamation
- Conversion and adaptation of existing system, including retrofits

Drafting the RMP

Based on the data and country-specific evaluation, the RMP will be developed and should include the following elements:

- (a) assessment of use of and ODS and ODS using refrigeration and air-conditioning equipment
- (b) assessment of potential impact of and need for increased public awareness and established policy instruments to meet the obligations of the Montreal Protocol
- (c) basic refrigerant management policy, including objectives, national strategy, activities and time-table.
- (d) specific plan for improving operations and maintenance practices
- (e) specific plan for establishing and enforcing refrigerant containment practices (usually a code of good practices, certification scheme, etc.).
- (f) specific plan for implementing refrigerant recovery, recycling and reclamation
- (g) specific plan for establishing and enforcing related policy for equipment procurement
- (h) specific plan for establishing supporting legislation/regulation and awareness raising campaigns

All specific activities will be accompanied by time schedules and appropriate measurable ODS phase-out targets.

GUIDELINES FOR CONSULTANT

- if the country programme has already been approved, the consultant (international or national) will work in close consultation with the NOU and the Coordinating Team and coordinating sub-groups to undertake the following tasks:
 - (a) study the country programme and review the current situation
 - (b) assess current consumption, trends in the industry, economic growth and trends, impact of market forces, existing legislation, trade flows, etc.
 - (c) assess need for establishment of new regulations and legislation, modification of existing ones and the costs involved
 - (d) determine what actions have been taken at a national level to raise awareness and their impact
 - (e) determine whether training programmes have been conducted, and assess their impact
 - (f) estimate number of technicians in organized and informal sector and determine the scope of a training programme for refrigerant technicians
 - (g) assess the need, commitment and cost for establishment of certification programmes
 - (h) evaluate the benefits and costs of an awareness programme aimed at the technicians in the informal sector
 - (i) assess need and costs of training programme for customs officials
 - (j) determine feasibility and necessity for a recovery and recycling project
 - (k) determine feasibility and necessity for retrofitting and conversion
 - (l) draw up the phase-out strategy in close consultation with national stakeholders
 - (m) define specific projects and costs involved for phase-out in the refrigeration and air-conditioning sector
 - (n) formulate the RMP, including time-schedule for each activity, total cost and mechanism for coordination of activities

if the country programme is under formulation, the consultant will work in close consultation with the Ozone Focal Point and the Coordinating Team to collect the required data and follow the above steps

PROJECT MONITORING

if the country programme is under formulation, the Ozone Focal Point and the National Team and/or the Coordinating Team will have the responsibility for the monitoring of the development of the RMP and

coordination with other coordinating groups, with the Implementing Agencies and the consultant if the country programme has already been approved, the NOU and the Coordinating Team will be responsible for this activity

The Coordinating Team will have the responsibility of ensuring that the RMP is approved by all relevant stakeholders, before submission to the Executive Committee, with a signed Transmittal Letter from the Government and for implementing the RMP, when approved by the Executive Committee.

BASIC FORMAT FOR THE RMP**1. Country situation**

1.1 Status of the country with regard the Montreal Protocol: Provide a brief summary of status of ratification of the different treaties (Montreal Protocol, Vienna Convention, London Amendment, Copenhagen Amendment).

1.2 Status of country programme: Has the country programme been prepared:

if yes:

- attach the Action Plan
- indicate whether proposed phase-out schedule has been met. If not, specify why not and indicate difference between the forecast and the real situation with regard to consumption of ODS refrigerants
- indicate whether data is reliable and updated
- indicate current Institutional framework established for the implementation of the country programme

if no:

- define status of country programme preparation
- proposed time-frame for completion

Status of institutional strengthening project: Does the NOU exist:

if yes:

- indicate progress made with project implementation
- indicate progress of Country programme implementation
- specify any difficulties encountered

1.4 Current situation: Define the pattern, level and structure of ODS consumed in each sector, under the following headings:

- (i) domestic refrigeration and air conditioning
- (ii) commercial refrigeration
- (iii) industrial refrigeration and air conditioning
- (iv) automobile air conditioning

For each of these sectors and sub-sectors, provide an assessment of the current situation of:

- (i) policy (legal and regulatory) framework;
- (ii) economic importance (contribution to GNP, number of employees, export involvement, foreseeable trends);
- (iii) number, quality and geographic dispersion of the systems and their likely trends;
- (iv) situation regarding the quality of systems and their maintenance by comparison with international standards;
- (v) qualitative and quantitative description of the human resources involved

Detail identified needs, based on above analysis

2. Justification for RMP

Give the reasons why it is necessary to develop and implement RMP

3. Assistance received

Indicate sources and nature of assistance received for preparation of RMP, including:

- (i) multilateral and bilateral agencies
- (ii) companies and industry
- (iii) government departments and agencies
- (iv) non-governmental organizations, etc.

4. Components of the phase-out strategy

Define the strategic objectives and constraints on which the Action Plan will be based.

5. Action plan

- (i) indicate the specific actions to be undertaken in each sector and sub-sector. Each element of the action plan must be accompanied by a precise and realistic timetable
- (ii) define projects, their objectives, costs and precise impact. Each project should be accompanied by ODS phase-out targets
- (iii) total cost of the action plan
- (iv) financial and technical assistance needed to implement the Action Plan

6. Institutional framework

- (i) identify the lead agency which will be responsible for implementation of RMP. In most cases, it will be the NOU already established under the Institutional Strengthening project.
- (ii) define a precise timetable for implementing institutional arrangements and Action Plan
- (iii) describe the arrangements for monitoring of effective implementation of RMP

7. Impact

Define foreseen impacts with regard to:

- (i) meeting Montreal Protocol control measures
- (ii) reduction in ODS consumption
- (iii) strengthening national capacity and expertise

DATA TO BE COLLECTED

The following table summarizes the sources and types of data that can be collected.

Customs:

quantities and types of imported ODS refrigerants and equipment containing them
numbers and types of imported systems containing or capable of containing ODS
name of importers (ODS and units).
import licenses, quotas, import taxes, if any (ODS, units containing them and equipment).
quality of inspection and monitoring of imports
amount of exports of ODS or units containing them, if any
origin of imports and destination of exports (ODR and equipment).

Industry:

industrial firms using refrigeration and/or air conditioning
economic importance and trends
degree of electrification of country and trends
extent of foreign investment

Agriculture:

inventory of storage systems
survey of consumers

Tourism:

number of hotels, restaurants, etc and ODS containing systems
economic importance and trends
extent of foreign investment

Fishing:

names and geographical distribution of fishing firms and fish
processing units
economic importance and trends
estimated extend of foreign investment

Commerce:

economic importance of commerce using ODS (supermarkets, other shops) and trends
estimated extent of foreign investment

Informal sector:

estimated number of craft workers and workshops in the refrigeration sector and trends
analysis of the structure of this sector (informal, formal, etc.).

Education and vocational training:

data on training centres for occupations connected with refrigeration
analysis of the quality of training

Transport:

estimated number of air conditioned vehicles and trends
estimated number of refrigerated vehicles and trends

Statistics:

number of households with refrigerators, freezers, air conditioning and air conditioned vehicles
macro-economic data and trend

Importers:

quantities and types of imported ODS and trend
names of customers and types of business

Distributors:

quantities and types of ODS distributed and trend
names of customers and businesses
types of packaging used (throwaway or re-usable).

Final users:

type of activity
quantities and types of ODS consumed and trends of needs
qualifications of personnel
costs of manpower, maintenance, etc
*(UNEP/OzL.Pro/ExCom/23/68, Decision 23/15 (paras. 35 and 36).
(UNEP/OzL.Pro/ExCom/31/61, Decision 31/48 (para78(h)).
(Supporting document: UNEP/OzL.Pro/ExCom/23/52, 30/39 and 31/57).*

ANNEX IX.23: GUIDELINES FOR DEFINITION OF THE SUB-SECTOR FOR ASSEMBLY, INSTALLATION AND CHARGING OF REFRIGERATION EQUIPMENT AND THE CALCULATION OF INCREMENTAL OPERATING COSTS

1. Where the conditions below are in place, the activities of an enterprise can be considered under the rules pertaining to commercial refrigeration – including the eligibility of incremental operating costs or savings for up to two years as applicable to commercial refrigeration:

- (a) the activities of the enterprise involve the design and manufacture of completed refrigerated systems (including the foam part) in its own central facility and under its own trade name (this could include refrigerated trucks, reach-in refrigerators or freezers or small prefabricated cold rooms and a compressor size of 5kW or less may be used to delineate the upper size limit of “small” cold rooms);
- (b) production capacity prior to July 1995 can be established;
- (c) consumption can be established through stable production and consumption records for ozone-depleting substances for a three-year period (either the year prior to project formulation or the average of the last three years will continue to be used to calculate consumption in projects);
- (d) satisfactory guarantees can be provided that CFC-based production will cease after conversion.

2. In accordance with practice now established between the Secretariat and the Implementing Agencies, where the enterprise produces foam panels, subject to the usual verification of CFC consumption and production levels, panel production will continue to be treated according to rules and policies for the rigid foam sub-sector.

3. Enterprises involved in activities other than those outlined above are characterized as follows and will be considered under the new sub-sector for the assembly, installation and charging of refrigeration equipment:

- (a) the activities of the enterprise involve the assembly or installation of prefabricated refrigeration systems in cold rooms or trucks, or the installation of air conditioning systems obtained from specialized suppliers in trucks or buses;
- (b) the installation is outside the premises of the refrigeration equipment manufacturer or may be undertaken by a branch, agency or independent contractor;
- (c) the individual installation may be CFC or non-CFC based on the refrigerant specified by the manufacturer of the refrigeration unit or based on the choice of the customer;
- (d) it may be impractical to establish production capacity prior to July 1995 or to identify likely levels of production (and thus consumption) in future years (as there is no production line);
- (e) there is no consumption for manufacturing as an intermediate good.

4. For enterprises which fall within the new sub-sector for the assembly or installation of refrigeration equipment, as described in paragraph (3) above, the refrigeration part will be based on capital costs only.

5. Enterprises which engage in a combination of the activities described in paragraphs (1) to (4) should indicate their consumption for each type of activity and the policies for each relevant sub-sector should be applied.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/45, para. 70).

(UNEP/OzL.Pro/ExCom/31/54).

ANNE^X IX.24: GUIDELINES FOR CALCULATION OF INCREMENTAL COSTS IN TOBACCO EXPANSION PROJECTS

In the absence of experience with implementation of projects in this sector, and pending a judgment by TEAP on the classification of CFC-11 use in tobacco expansion as a process agent, the following draft guidelines are conceptual at this stage.

Capital costs

Industry sources informed the Secretariat that the main part of CFC-11 based equipment cannot be used when switching to CO₂. Therefore, new production equipment suitable for CO₂ must be installed.

If the same methodology used in the Philippines tobacco expansion project were to be applied, the baseline cost would be either the cost of new CFC-11 expansion equipment calculated as a future payment and discounted to the present year; or the depreciated value of the existing CFC-11 expansion equipment, whichever amount is higher.

Capacity of CFC-11 expansion process (baseline equipment) and that of CO₂ process should be the same. If the minimum capacity delivered by the CO₂ process is higher than the baseline, the difference should be calculated and accounted for as a capacity increase. This capacity increase should be quantified and deducted from the capital cost.

Thus, the eligible incremental capital cost (ICC) should be calculated according to the methodology adopted by the Executive Committee at its Eighteenth Meeting (UNEP/OzL.Pro/ExCom/18/75 Decision 18/25):

$$IC = [CC - NPV(FI)] + NPV[FB_b - Fb_p]$$

where,

IC is the incremental cost

CC is the capital cost of the conversion project

FI is future baseline investments (that would have occurred absent the conversion).

FB_b is the future baseline benefits (that would have occurred absent the conversion).

Fb_p is the future benefits of the conversion project

NPV refers to the net present value of a stream of costs/benefits

The projected investment and benefits profiles of the enterprise (with and without the conversion project) should be reviewed by the technical reviewer and the Implementing Agency to ensure broad consistency with the technological and commercial practices of the enterprise.

Capital costs should not include costs of patents.

Operating costs

The two major components of operating costs/savings in tobacco expansion are the patent royalty fee, applicable to both CFC-11 and CO₂ processes, and the costs associated for raw materials, energy and labour.

In some cases, the license agreement for the G-13C equipment stipulates a royalty fee of US \$0.10 per pound on all tobacco treated, and has a duration of the last-expired G-13C patent unless terminated earlier. In other cases, the license agreement stipulates a royalty fee of US \$0.12 per pound for the first 50 million pounds, and US \$0.09 for each pound produced thereafter for the lifetime of the patent. It is to be noted that if royalty fees were to be passed on to the end-user, the incremental cost per package of cigarettes would be about US \$0.004.

The license agreement between the technology provider and the enterprise is, however, negotiable. It may depend on several factors, which include inter alia, the existing license agreement, expiration date, equipment capacity and production. However, the Executive Committee is requested to decide whether royalty fees should be paid for by the Multilateral Fund for this sector.

The amount of raw materials, electricity and fuel used for tobacco expansion varies depending on the compound used for expanding tobacco. The higher expansion ratio achieved by the CO₂ process will result in 25% less tobacco compared with the CFC-11 process, as indicated by industry sources. Table 1 demonstrates the operating costs of the two technologies as applied to a plant that processes 5.9 million kilograms of raw tobacco. Information in this table could be used as a guide in the calculation of incremental operating costs/savings.

Table 1

COMPARISON OF OPERATING COSTS OF CFC-11 AND CO₂ EXPANSION PROCESSES

Amount of expanded tobacco (kg/year)	5,900,000
CFC-11 equipment capacity (kg/hr)	192
CO ₂ equipment capacity (kg/hr)	567
Expansion ratio (CFC-11)	75%
Expansion ratio (CO ₂)	100%

Description	Unitary cost	Quantity to expand one kg of tobacco		Unitary cost to expand one kg of tobacco	
	(US\$)	CFC-11 process	CO ₂ process	CFC-11 process	CO ₂ process
CFC-11 (kg)	4.00	0.036		0.14	-
CO ₂ (kg)	0.16		0.500	-	0.08
Air (m ³)	0.21	0.018	0.045	0.0038	0.0094
Steam (kg)	0.01	1.469	1.200	0.0147	0.0120
Water (l)	0.0004	9.900	79.672	0.0040	0.0319
Natural gas (kg)	0.12		0.136	-	0.0163
Sub-total (unitary cost) (US\$/kg)				0.1664	0.1496
Total production cost (US\$)				981,937	661,966
Operating time (hours)				30,729	10,406
Electricity (kWh)	0.09			2,766	937
Labour (US\$/man-hour)	1	48	48	1,475,000	499,471
GRAND TOTAL (US \$)				2,459,703	1,162,373

(UNEP/OzL.Pro/ExCom/20/72, Decision 20/44, para. 66).

(Supporting document: UNEP/OzL.Pro/ExCom/20/64).